

Entered April 18, 1969
A.S.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4084
Order No. R-3732
NOMENCLATURE

APPLICATION OF OLEN F. FEATHERSTONE
FOR THE CREATION OF A NEW POOL AND
FOR SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 26, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 18th day of April, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Olen F. Featherstone, seeks the creation of a new oil pool for Wolfcamp production in Lea County, New Mexico, including a provision for 160-acre spacing units and the assignment of 80-acre allowables.

(3) That the evidence presently available indicates that the Olen F. Featherstone Cabot State Well No. 1, located in the NE/4 NW/4 of Section 29, Township 15 South, Range 32 East, NMPM, Lea County, New Mexico, having its top perforations at 9499 feet, has discovered a separate common source of supply which should be designated the Feather-Wolfcamp Pool; that the vertical limits

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of said pool should be the Wolfcamp formation as found in the interval from 9499 feet to 9630 feet on the log of the aforesaid Olen F. Featherstone Cabot State Well No. 1; and that the horizontal limits of said pool should be the NW/4 of said Section 29.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 160-acre spacing units and the assignment of 80-acre proportional factor of 4.77 should be promulgated for the Feather-Wolfcamp Pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(7) That this case should be reopened at an examiner hearing in April, 1970, at which time the operators in the subject pool should be prepared to appear and show cause why the Feather-Wolfcamp Pool should not be developed on less than 160-acre spacing units and to show cause why the 80-acre proportional factor of 4.77 assigned to the subject pool should or should not be retained.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production, is hereby created and designated the Feather-Wolfcamp Pool, with vertical limits comprising the Wolfcamp formation as found in the interval from 9499 feet to 9630 feet on the log of the discovery well, Olen F. Featherstone's Cabot State Well No. 1, located in the NE/4 NW/4 of Section 29, Township 15 South, Range 32 East, NMPM, Lea County,

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New Mexico, and horizontal limits comprising the following-described area:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 29: NW/4

(2) That temporary Special Rules and Regulations for the Feather-Wolfcamp Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
FEATHER-WOLFCAMP POOL

RULE 1. Each well completed or recompleted in the Feather-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof, and not nearer to or within the limits of another designated Wolfcamp oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Land Surveys.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit consisting of less than 160 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an

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application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (158 through 162 acres) shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 160 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Feather-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before May 1, 1969.

(2) That each well presently drilling to or completed in the Feather-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof shall receive a 40-acre allowable until a Form C-102 dedicating 160 acres to the well has been filed with the Commission, or until a non-standard unit containing less than 160 acres has been approved.

(3) That this case shall be reopened at an examiner hearing in April, 1970, at which time the operators in the subject pool may appear and show cause why the Feather-Wolfcamp Pool should not be developed on less than 160-acre spacing units and to show

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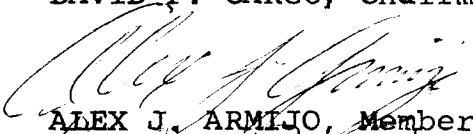
cause why the 80-acre proportional factor of 4.77 assigned to the subject pool should or should not be retained.

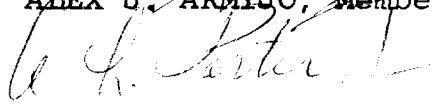
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

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