

Entered July 10, 1969
R.H.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. 4159
Order No. R-3790

APPLICATION OF SOUTHWESTERN NATURAL
GAS COMPANY, INC., FOR AN UNORTHODOX
OIL WELL LOCATION, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 25, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of July, 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, Southwestern Natural Gas Company,
Inc., seeks authority to drill a well at an unorthodox oil well
location 2310 feet from the North line and 1980 feet from the
West line of Section 27, Township 15 South, Range 32 East, NMPM,
North Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico.

(3) That the Special Rules and Regulations governing the
North Anderson Ranch-Wolfcamp Pool provide that the initial well
on any 80-acre unit shall be located on either the NE/4 or the
SW/4 of a governmental quarter section, such well to be located
no closer than 330 feet to the boundary lines of the quarter-
quarter section in which the well is located; except, however,

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that all wells located south of the common line formed by Townships 15 and 16 South shall be located on either the NW/4 or the SE/4 of a governmental quarter section.

(4) That the proposed location, in the SE/4 NW/4 of said Section 27, is an off-pattern quarter-quarter section location.

(5) That the applicant proposes to dedicate the E/2 NW/4 of the aforesaid Section 27 to the subject well.

(6) That the productivity of approximately 5 acres in the northwest corner of the NE/4 NW/4 of the aforesaid Section 27 is doubtful in the North Anderson Ranch-Wolfcamp Pool.

(7) That the evidence indicates that a well drilled at the proposed non-standard location in the SE/4 NW/4 of said Section 27 should result in greater ultimate recovery of oil than a well drilled at a standard location, thereby preventing waste.

(8) That the correlative rights of offset operators will be impaired if the subject well is assigned a standard allowable for the subject pool.

(9) That approval of the proposed unorthodox location will not violate correlative rights and will afford the applicant the opportunity to produce its just and equitable share of the oil from the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste, provided the subject well, in order to offset any advantage gained by the applicant over other producers by reason of said unorthodox location, receives no more than 94 percent of a standard allowable for the North Anderson Ranch-Wolfcamp Pool.

IT IS THEREFORE ORDERED:

(1) That the applicant, Southwestern Natural Gas Company, Inc., is hereby authorized to drill a well for the production of oil at an unorthodox oil well location 2310 feet from the North line and 1980 feet from the West line of Section 27, Township 15 South, Range 32 East, NMPM, North Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico;

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PROVIDED HOWEVER, that the subject well shall be assigned no more than 94 percent of a standard allowable for said pool.

(2) 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. ARMISTO, Member

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

S E A L

esr/

Entered July 15, 1969
A.H.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. 4121
Order No. R-3791

APPLICATION OF ROGER C. HANKS
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 June 4, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of July, 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, Roger C. Hanks, seeks the promulga-
tion of special rules and regulations for the Bar U-Pennsylvanian
Pool, Lea County, New Mexico, including a provision for 160-acre
spacing and proration units and the assignment of 80-acre allow-
ables.

(3) That the applicant has established that one well in
the Bar U-Pennsylvanian Pool can efficiently and economically
drain and develop 160 acres.

(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

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of too few wells, and to otherwise prevent waste and protect correlative rights, 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 Bar U-Pennsylvanian Pool.

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

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Bar U-Pennsylvanian Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
BAR U-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Bar U-Pennsylvanian Pool or in the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian 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.

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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 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 Bar U-Pennsylvanian Pool or in the Pennsylvanian 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 August 1, 1969.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Bar U-Pennsylvanian Pool shall have dedicated thereto 160 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

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Failure to file new Forms C-102 with the Commission dedicating 160 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Bar U-Pennsylvanian Pool or in the Pennsylvanian formation within one mile thereof shall receive no more than one-fourth of a standard allowable for the pool.

(3) 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. ARMILLO, Member



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

S E A L

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