

Entered December 8, 1970
C.L.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. 4442
Order No. R-4072

APPLICATION OF TEXACO INC. FOR AN
EXCEPTION TO RULE 505 OF THE COM-
MISSION RULES AND REGULATIONS, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on October 14, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of December, 1970, 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, Texaco Inc., is the owner and operator of a lease comprising, among other lands, the SE/4 NE/4 of Section 11 and the SW/4 NW/4 of Section 12, both in Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks an exception to Rule 505 of the Commission Rules and Regulations to permit the assignment of more than a single top unit allowable for the Vacuum-Abo Reef Pool to two wells, the surface locations of which are in the above-described SW/4 NW/4 of said Section 12 as follows:

State "AE" Well No. 8 - 2310 feet from the
North line and 330 feet from the West line;

State "AE" Well No. 10 - 1980 feet from the
North line and 990 feet from the West line.

-2-

CASE No. 4442
Order No. R-4072

(4) That said Well No. 8 is a crooked hole that bottomed in the above-described adjoining SE/4 NE/4 of said Section 11.

(5) That on July 9, 1963, the applicant was authorized to dedicate the SE/4 NE/4 of said Section 11 to Well No. 8 and ordered to confine the perforated interval to said quarter-quarter section.

(6) That on said July 9, 1963, the applicant was authorized to locate its above-described Well No. 10 on said SW/4 NW/4 of said Section 12, provided said well was drilled in such a manner as to ensure that the perforated interval of said well was confined to the horizontal limits of said SW/4 NW/4.

(7) That the applicant now proposes to additionally perforate Well No. 8 in such a manner that it would be perforated within the horizontal limits of both of the above-described quarter-quarter sections and to produce more than one top allowable from the above-described two wells, both having perforated intervals within the horizontal limits of one proration unit; namely, the SW/4 NW/4 of said Section 12.

(8) That the production of more than one top unit allowable from two wells having perforations within the horizontal limits of a single proration unit would violate the correlative rights of other operators in the subject pool.

(9) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

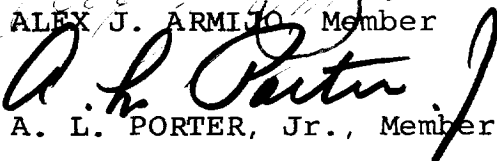
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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. ARMIJO, Member


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

S E A L

esr/