

*Entered May 6, 1971
J.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. 4529
Order No. R-4137

NOMENCLATURE

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR 320-ACRE SPACING,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 6th day of May, 1971, 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, El Paso Natural Gas Company, seeks 320-acre spacing for the Grayburg-Atoka Gas Pool, Eddy County, New Mexico.
- (3) That by Order No. R-1129, dated February 20, 1958, the Grayburg-Atoka Gas Pool, Eddy County, New Mexico, was created and classified as a gas pool for Atoka production.
- (4) That the discovery well for the Grayburg-Atoka Gas Pool is producing from the Morrow formation rather than the Atoka formation.
- (5) That the Grayburg-Atoka Gas Pool should be redesignated the Grayburg-Morrow Gas Pool.

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(6) That by Order No. R-2707, dated May 25, 1964, Rule 104 of the New Mexico Oil Conservation Commission Rules and Regulations was amended in order to provide for 320-acre spacing for gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older and created and defined after June 1, 1964.

(7) That said Order No. R-2707 found that in Lea, Chaves, Eddy, and Roosevelt Counties, New Mexico, a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract.

(8) That the Morrow formation is a part of the Pennsylvanian formation.

(9) That, in the absence of evidence to the contrary, as prescribed by the notice of this case, the Commission finds that one well can efficiently and economically drain and develop 320 acres in the subject gas pool.

IT IS THEREFORE ORDERED:

(1) That, effective immediately, the Grayburg-Atoka Gas Pool is hereby redesignated the Grayburg-Morrow Gas Pool.

(2) That effective immediately, the Grayburg-Morrow Gas Pool, Eddy County, New Mexico, shall be governed by all Commission Rules and Regulations applicable to gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older the same as if the subject pool had been created and defined by the Commission after June 1, 1964.

(3) That any well presently drilling to or completed in the Morrow formation within the Grayburg-Morrow Gas Pool or within one mile of the Grayburg-Morrow Gas Pool that will not comply with the well location requirements governing gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older created and defined after June 1, 1964, is hereby granted an exception to such location requirement. The operator shall notify the Artesia District Office of the Commission in writing of the name and location of the well on or before June 1, 1971.

(4) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Grayburg-Morrow Gas Pool shall have dedicated thereto

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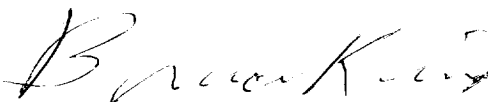
320 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 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 Grayburg-Morrow Gas Pool or in the Morrow formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.


(5) 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


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

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