

Entered February 11 1984  
JER

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION COMMISSION

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

CASE NO. 7998  
Order No. R-7447

APPLICATION OF AMOCO PRODUCTION  
COMPANY FOR CREATION OF A NEW  
POOL AND SPECIAL POOL RULES,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on January 25, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 16th day of February, 1984, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 Commission by Order No. R-2589 entered October 30, 1963, adopted temporary Special Rules for the Scharb-Bone Springs Pool, Lea County, New Mexico, including a provision for 80-acre spacing units with the wells being located either in the NE/4 or the SW/4 of any governmental quarter section.

(3) That the Commission by Order No. R-2589-B entered November 24, 1964, made those pool rules permanent.

(4) That on April 13, 1983, upon the application of Amoco Production Company, the Commission entered Order No. R-2589-C amending the Scharb-Bone Springs Pool Rules to allow the drilling of a well in any governmental quarter-quarter section.

(5) That the applicant, Amoco Production Company, seeks the deletion from the Scharb-Bone Springs Pool of certain

acreage and for the creation of a new oil pool with 40-acre spacing as follows:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 4: All  
Section 9: All  
Section 16: N/2

All in Lea County, New Mexico.

(6) That two operators within and adjacent to the above-described area did appear and presented evidence, testimony, and arguments in opposition to the applicant.

(7) That the Scharb-Bone Springs Pool contains three distinct zones, being the Upper or Ora Jackson zone, the Middle or Elkan zone and the Lower or Scharb zone each of which is a carbonate of low porosity matrix with secondary porosity and permeability enhanced by vertical fracturing and vugularity.

(8) That the Ora Jackson, Elkan, and Scharb zones are geologically present and correlative from the original pool area across and through the proposed new pool area.

(9) That although individual porous zones within the Ora Jackson, Elkan, and Scharb zones are not always correlative from well to well, there is sufficient continuity of pay to conclude that at least the Ora Jackson and Elkan zones are productive both inside and outside the requested new pool area.

(10) That the requested new pool area is a continuation of the Scharb-Bone Springs Pool and does not constitute a separate and distinct source of supply.

(11) That pressure information, within the proposed new pool area, indicated excellent communication between wells, which is evidence that one well would effectively and efficiently drain a minimum of 80 acres.

(12) That acreage offsetting applicant's acreage, in the requested new pool area, is developed on 80-acre spacing and proration units.

(13) That applicant failed to provide sufficient evidence that additional hydrocarbons would be recovered on 40-acre spacing that would not otherwise be recovered by wells on 80-acre spacing units.

-3-

Case No. 7998  
Order No. R-7447

(14) That denial of the subject application and retention of the Scharb-Bone Springs Special Pool Rules throughout the area in question will not result in waste nor violation of correlative rights.

(15) That the application should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Amoco Production Company for the creation of a new pool and special pool rules 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

JIM BACA, Member



ED KELLEY, Member



JOE D. RAMEY, Chairman and  
Secretary

S E A L