

COUNTY Lea

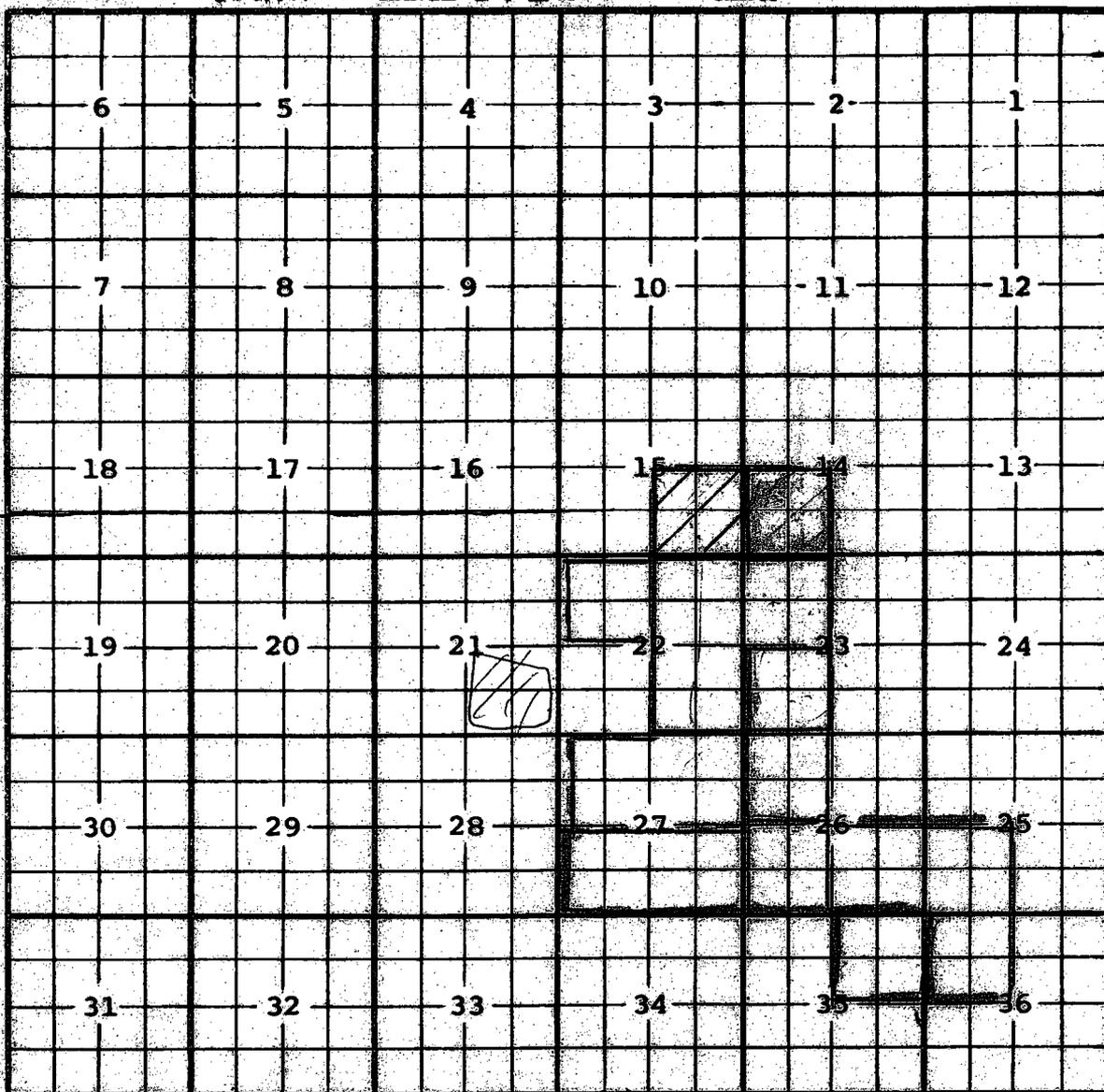
POOL High Plains, Permo Upper Pennsylvanian

31055

TOWNSHIP 14 South

RANGE 34 East

NMPM



Description: SW/4 Sec. 23 (R-2507, 7-1-63)

Ext: SW/4 Sec. 14; SE/4 Sec. 15; E/2 Sec. 22; NW/4 Sec. 23 (R-2874, 3-5-65)

Deletion: SW/4 Sec. 14; SE/4 Sec. 15 (R-3801, 7-23-69)

Ext: SW/4 Sec. 14 (R-3995, 8-1-70), Ext: NW/4 Sec. 26 (R-4665, 12-1-73)

Ext: SW/4 Sec. 26 (R-5143, 2-1-76)

Extend vertical limits to include Wolfcamp Formation and redesignate as High Plains-Permo Pennsylvanian Pool. Ext: NW/4 sec. 22 (R-7763, 1-8-85)

Ext: SW/4 Sec. 25, SE/4 Sec. 26, NW/4 Sec. 36 (A-7959, 6-12-85)

Ext: NE/4 sec. 35 (A-8149, 2-14-86) Ext: S/2 Sec. 27 (R-10910, 10-31-97)

Contract vertical limits to include only the Wolfcamp, Cisco, Canyon, and Strawn formations and redesignate as High Plains-Permo Upper Pennsylvanian Pool. (R-11183, 5-19-99) Ext: N/2 Sec. 27 (R-11304, 1-12-00)

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. 3206
Order No. R-2874
NOMENCLATURE

APPLICATION OF APACHE CORPORATION
FOR A POOL EXTENSION AND SPECIAL
POOL RULES, LEA COUNTY, NEW MEXICO.

Also see
R-2874-A
R-2874-B
R-2874-C

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 10, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of March, 1965, 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, Apache Corporation, seeks the extension of the horizontal limits of the High Plains-Pennsylvanian Pool in Lea County, New Mexico, to include the following-described area:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 14: SW/4
Section 15: SE/4
Section 22: E/2
Section 23: NW/4

(3) That the horizontal limits of the High Plains-Pennsylvanian Pool should be extended to include the above-described area.

(4) That the applicant also seeks the promulgation of temporary special rules and regulations governing said pool, including a provision for 160-acre spacing units.

(5) 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 should be promulgated for the High Plains-Pennsylvanian Pool.

(6) 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.

(7) 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.

(8) That this case should be reopened at an examiner hearing in March, 1966, at which time the operators in the subject pool should be prepared to appear and show cause why the High Plains-Pennsylvanian Pool should not be developed on 80-acre or 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That the horizontal limits of the High Plains-Pennsylvanian Pool in Lea County, New Mexico, are hereby extended to include the following-described area:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 14: SW/4
Section 15: SE/4
Section 22: E/2
Section 23: NW/4

(2) That temporary Special Rules and Regulations for the High Plains-Pennsylvanian Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
HIGH PLAINS-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the High Plains-Pennsylvanian Pool or in the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian 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, comprising a governmental quarter section.

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 either the northeast quarter or the southwest quarter of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the footage 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, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been

CASE No. 3206
Order No. R-2874

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 unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (158 through 162 acres) shall be assigned a 160-acre proportional factor of 7.67 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 any well presently drilling to or completed in the High Plains-Pennsylvanian Pool or in the Pennsylvanian formation within one mile thereof that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before April 1, 1965.

(2) That each well presently drilling to or completed in the High Plains-Pennsylvanian Pool or in the Pennsylvanian 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.

(3) That this case shall be reopened at an examiner hearing in March, 1965, at which time the operators in the subject pool may appear and show cause why the High Plains-Pennsylvanian Pool should not be developed on 80-acre or 40-acre spacing units.

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

-5-

CASE No. 3206
Order No. R-2874

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

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

S E A L

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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. 3206
Order No. R-2874-A

APPLICATION OF APACHE CORPORATION
FOR A POOL EXTENSION AND SPECIAL
POOL RULES, LEA COUNTY, NEW MEXICO.

Also see
R-2874-B
R-2874
R-2874-C

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1966,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 16th day of March, 1966, 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 by Order No. R-2874, dated March 5, 1965, temporary
Special Rules and Regulations were promulgated for the High Plains-
Pennsylvanian Pool, Lea County, New Mexico.

(3) That pursuant to the provisions of Order No. R-2874,
this case was reopened to allow the operators in the subject pool
to appear and show cause why the High Plains-Pennsylvanian Pool
should not be developed on 80-acre or 40-acre spacing units.

(4) That the temporary Special Rules and Regulations for
the High Plains-Pennsylvanian Pool, promulgated by Order No.
R-2874, should be continued in effect for an additional one-year
period in order to allow the operators in the subject pool

-2-

CASE No. 3206

Order No. R-2874-A

sufficient time to gather additional information concerning the reservoir characteristics of the pool.

(5) That this case should be reopened at an examiner hearing in March, 1967, at which time the applicant and all interested parties should appear and show cause why the High Plains-Pennsylvanian Pool should not be developed on 80-acre or 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That the temporary Special Rules and Regulations for the High Plains-Pennsylvanian Pool promulgated by Order No. R-2874 are hereby continued in full force and effect for an additional one-year period.

(2) That this case shall be reopened at an examiner hearing in March, 1967, at which time the applicant and all interested parties may appear and show cause why the High Plains-Pennsylvanian Pool should not be developed on 80-acre or 40-acre spacing units.

(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

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/

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. 3206
Order No. R-2874-B

APPLICATION OF APACHE CORPORATION
FOR A POOL EXTENSION AND SPECIAL
POOL RULES, LEA COUNTY, NEW MEXICO.

*See Also
Order Nos.
R-2874-
R-2874-A
R-2874-C*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 8, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of March, 1967, 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 by Order No. R-2874, dated March 5, 1965, temporary Special Rules and Regulations were promulgated for the High Plains-Pennsylvanian Pool, Lea County, New Mexico.
- (3) That by Order No. R-2874-A, dated March 16, 1966, said temporary Special Rules and Regulations were continued in full force and effect for an additional one-year period.
- (4) That pursuant to the provisions of Order No. R-2874-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the High Plains-Pennsylvanian Pool should not be developed on 80-acre or 40-acre spacing units.
- (5) That the evidence establishes that one well in the High Plains-Pennsylvanian Pool can efficiently and economically drain and develop 160 acres.

-2-

CASE No. 3206

Order No. R-2874-B

(6) That the Special Rules and Regulations promulgated by Orders Nos. R-2874 and R-2874-A have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

(7) 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, the Special Rules and Regulations promulgated by Orders Nos. R-2874 and R-2874-A should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the High Plains-Pennsylvanian Pool, promulgated by Orders Nos. R-2874 and R-2874-A, are hereby continued in full force and effect until further order of the Commission.

(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

GUYTON B. HAYS, Member

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

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8701
Order No. R-2874-C

APPLICATION OF WAYNE NEWKUMET FOR
AMENDMENT OF DIVISION ORDER NO.
R-2874, AS AMENDED, LEA COUNTY,
NEW MEXICO.

*See Also Division
Order No. R-2874
R-2874-A
R-2874-B*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on September 11, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 27th day of September, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Wayne Newkumet, is the owner of substantial interests in the High Plains Permo-Pennsylvanian Pool, Lea County, New Mexico.

(3) The applicant seeks the amendment of the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool, as promulgated by Division Order No. R-2874, as amended, to permit certain flexibility in the location of wells drilled to and completed in said pool, which is in the late stage of development.

(4) Rule 4 of the special pool rules requires that wells drilled to and completed in the subject pool be located within 150 feet of the center of the northeast quarter or the southwest quarter of a governmental quarter section.

Case No. 8701
Order No. R-2874-C

(5) Specified quarter-quarter sections for the location of wells in 160-acre spaced pools are satisfactory during the early development, particularly through the fairway, of a pool but do not provide sufficient flexibility to maximize additional drilling of the perimeter of the pool during later stages of development.

(6) The applicant proposes that Rule 4 of the special rules for the subject pool be amended to read in its entirety as follows:

"RULE 4. Each well shall be located no nearer than 660 feet to the outer boundary of the proration unit nor nearer than 330 feet to any governmental quarter-quarter section line."

(7) The amendment of Rule 4 of the Special Rules and Regulations for the High Plains Permo-Pennsylvanian Pool as described in Finding No. (6) above will not violate correlative rights nor cause waste, but will in fact prevent waste by permitting additional wells to be drilled and additional reserves to be produced, and should be approved.

IT IS THEREFORE ORDERED THAT:

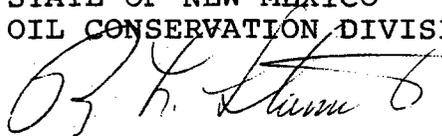
(1) Rule 4 of the Special Rules and Regulations for the High Plains Permo-Pennsylvanian Pool as promulgated by Division Order No. R-2874, as amended, is hereby amended to read in its entirety as follows:

"RULE 4. Each well shall be located no nearer than 660 feet to the outer boundary of the proration unit nor nearer than 330 feet to any governmental quarter-quarter section line."

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

S E A L
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8600
Order No. R-7955

NOMENCLATURE

APPLICATION OF WAYNE NEWKUMET FOR
THE CONTRACTION OF THE HORIZONTAL
LIMITS OF TWO PERMO PENNSYLVANIAN
OIL POOLS, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 22, 1985, and on June 5, 1985, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and Gilbert P. Quintana, respectively.

NOW, on this 12th day of June, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Wayne Newkumet, is the owner of certain oil and gas interests in Section 35, Township 14 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) The North Morton Permo-Pennsylvanian Pool, as currently defined, includes the SW/4 of Section 29, all of Section 31, and the NW/4 of Section 32 of Township 14 South, Range 35 East, NMPM, the S/2 of Section 25, the SE/4 of Section 26 and the N/2 of Section 36 of Township 14 South, Range 34 East, NMPM, and the NW/4 of Section 6 of Township 15 South, Range 35 East, NMPM.

(4) The High Plains Permo-Pennsylvanian Pool, as currently defined, includes the SW/4 of Section 14, the NW/4

and E/2 of Section 22, the W/2 of Section 23 and the W/2 of Section 26 of Township 14 South, Range 34 East, NMPM.

(5) Said Section 35 is bounded by both the North Morton and High Plains Permo-Pennsylvanian Pools.

(6) The applicant seeks the contraction of the North Morton Permo-Pennsylvanian Pool by the deletion therefrom of the S/2 of Section 25, the SE/4 of Section 26, and the N/2 of Section 36, Township 14 South, Range 34 East, NMPM, and the concomitant extension of the High Plains Permo-Pennsylvanian Pool to include the SW/4 of Section 25, the SE/4 of Section 26, and the NW/4 of Section 36, Township 14 South, Range 34 East, NMPM.

(7) The geological evidence presented at the hearing indicates that there is a generally Northeast-Southwest trending area of low permeability separating the three most westerly of the North Morton Pool wells (located in the SE/4 SW/4 of Section 25, the SW/4 SW/4 of Section 26, and the SW/4 NW/4 of Section 36) from the remainder of the wells in the pool.

(8) The evidence further indicates that the aforesaid three wells are in communication with, and should ~~properly~~ be reclassified in, the High Plains Permo-Pennsylvanian Pool.

(9) No party appeared and objected to the proposed contraction and extension of said pools.

(10) The owner and operator of the aforesaid three wells waived objection to the reclassification of said wells from the North Morton Pool to the High Plains Pool.

(11) Contraction of the horizontal limits of the North Morton Permo-Pennsylvanian Pool and the concomitant extension of the High Plains Permo-Pennsylvanian Pool, all as described in Finding Paragraph No. (6) above, will not cause waste nor impair correlative rights and should be approved, subject to the following provisions:

- A. Any well which is reclassified from the North Morton Pool to the High Plains Pool should be subject to the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool as promulgated by Division Order No. R-2874, as amended, except as herein provided.

- B. The location of any well reclassified from the North Morton Pool to the High Plains Pool whose location does not comply with the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool should be automatically approved as an exception to said special pool rules.
- C. The operator of any well so reclassified should have 60 days from the date of entry of this order in which to file new Division Forms C-102, Well Location and Acreage Dedication Plat, for each such well, dedicating thereto 160 acres, or to obtain approval of a non-standard proration unit.

IT IS THEREFORE ORDERED THAT:

(1) The North Morton Permo-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion therefrom of the following described area:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 25: S/2
Section 26: SE/4
Section 36: N/2

(2) The High Plains Permo-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 25: SW/4
Section 26: SE/4
Section 36: NW/4

(3) Any well drilling to or completed in the Permo-Pennsylvanian formation within the lands described in Ordering Paragraph No. (2) above whose location does not comply with the well location requirements of the High Plains Permo-Pennsylvanian Pool as set forth in Division Order No. R-2874, as amended, is hereby granted an exception to said well location requirements.

(4) The lands described in Ordering Paragraph No. (2) above shall be subject to the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool, as shall any well located thereon which is drilling to or completed in the Permo-Pennsylvanian formation.

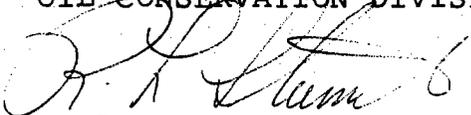
IT IS FURTHER ORDERED THAT:

(5) Pursuant to Section 70-2-18, NMSA, 1978, contained in Chapter 271, Laws of 1969, any well, which by virtue of this order, is subject to pool rules providing for spacing or pro-ration units larger than the one which is presently dedicated thereto, shall have 60 days from the date of entry of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(6) Jurisdiction of this cause and the subject matter thereof is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

S E A L

fd/

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. 3206
Order No. R-2874
NOMENCLATURE

APPLICATION OF APACHE CORPORATION
FOR A POOL EXTENSION AND SPECIAL
POOL RULES, LEA COUNTY, NEW MEXICO.

Also All
R-2874-A
& R-2874-B
R-2874-C

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 10, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of March, 1965, 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, Apache Corporation, seeks the extension of the horizontal limits of the High Plains-Pennsylvanian Pool in Lea County, New Mexico, to include the following-described area:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 14: SW/4
Section 15: SE/4
Section 22: E/2
Section 23: NW/4

- (3) That the horizontal limits of the High Plains-Pennsylvanian Pool should be extended to include the above-described area.

CASE No. 3206
Order No. R-2874

(4) That the applicant also seeks the promulgation of temporary special rules and regulations governing said pool, including a provision for 160-acre spacing units.

(5) 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 should be promulgated for the High Plains-Pennsylvanian Pool.

(6) 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.

(7) 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.

(8) That this case should be reopened at an examiner hearing in March, 1966, at which time the operators in the subject pool should be prepared to appear and show cause why the High Plains-Pennsylvanian Pool should not be developed on 80-acre or 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That the horizontal limits of the High Plains-Pennsylvanian Pool in Lea County, New Mexico, are hereby extended to include the following-described area:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 14: SW/4
Section 15: SE/4
Section 22: E/2
Section 23: NW/4

(2) That temporary Special Rules and Regulations for the High Plains-Pennsylvanian Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
HIGH PLAINS-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the High Plains-Pennsylvanian Pool or in the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian 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, comprising a governmental quarter section.

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 either the northeast quarter or the southwest quarter of a governmental quarter section.

RULE 5. The Secretary-Director may grant an exception to the footage 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, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been

CASE No. 3206
Order No. R-2874

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 unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (158 through 162 acres) shall be assigned a 160-acre proportional factor of 7.67 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 any well presently drilling to or completed in the High Plains-Pennsylvanian Pool or in the Pennsylvanian formation within one mile thereof that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before April 1, 1965.

(2) That each well presently drilling to or completed in the High Plains-Pennsylvanian Pool or in the Pennsylvanian 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.

(3) That this case shall be reopened at an examiner hearing in March, 1965, at which time the operators in the subject pool may appear and show cause why the High Plains-Pennsylvanian Pool should not be developed on 80-acre or 40-acre spacing units.

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

-5-

CASE No. 3206

Order No. R-2874

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/

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. 3206
Order No. R-2874-A

APPLICATION OF APACHE CORPORATION
FOR A POOL EXTENSION AND SPECIAL
POOL RULES, LEA COUNTY, NEW MEXICO.

Also see
R-2874-B
R-2874
R-2874-C

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 9, 1966,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 16th day of March, 1966, 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 by Order No. R-2874, dated March 5, 1965, temporary
Special Rules and Regulations were promulgated for the High Plains-
Pennsylvanian Pool, Lea County, New Mexico.
- (3) That pursuant to the provisions of Order No. R-2874,
this case was reopened to allow the operators in the subject pool
to appear and show cause why the High Plains-Pennsylvanian Pool
should not be developed on 80-acre or 40-acre spacing units.
- (4) That the temporary Special Rules and Regulations for
the High Plains-Pennsylvanian Pool, promulgated by Order No.
R-2874, should be continued in effect for an additional one-year
period in order to allow the operators in the subject pool

-2-

CASE No. 3206

Order No. R-2874-A

sufficient time to gather additional information concerning the reservoir characteristics of the pool.

(5) That this case should be reopened at an examiner hearing in March, 1967, at which time the applicant and all interested parties should appear and show cause why the High Plains-Pennsylvanian Pool should not be developed on 80-acre or 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That the temporary Special Rules and Regulations for the High Plains-Pennsylvanian Pool promulgated by Order No. R-2874 are hereby continued in full force and effect for an additional one-year period.

(2) That this case shall be reopened at an examiner hearing in March, 1967, at which time the applicant and all interested parties may appear and show cause why the High Plains-Pennsylvanian Pool should not be developed on 80-acre or 40-acre spacing units.

(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

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/

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. 3206
Order No. R-2874-B

APPLICATION OF APACHE CORPORATION
FOR A POOL EXTENSION AND SPECIAL
POOL RULES, LEA COUNTY, NEW MEXICO.

*See Also
Order Nos.
R-2874-
R-2874-A
R-2874-C*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 8, 1967,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of March, 1967, 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 by Order No. R-2874, dated March 5, 1965, temporary
Special Rules and Regulations were promulgated for the High Plains-
Pennsylvanian Pool, Lea County, New Mexico.
- (3) That by Order No. R-2874-A, dated March 16, 1966, said
temporary Special Rules and Regulations were continued in full
force and effect for an additional one-year period.
- (4) That pursuant to the provisions of Order No. R-2874-A,
this case was reopened to allow the operators in the subject pool
to appear and show cause why the High Plains-Pennsylvanian Pool
should not be developed on 80-acre or 40-acre spacing units.
- (5) That the evidence establishes that one well in the High
Plains-Pennsylvanian Pool can efficiently and economically drain
and develop 160 acres.

-2-

CASE No. 3206

Order No. R-2874-B

(6) That the Special Rules and Regulations promulgated by Orders Nos. R-2874 and R-2874-A have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

(7) 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, the Special Rules and Regulations promulgated by Orders Nos. R-2874 and R-2874-A should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the High Plains-Pennsylvanian Pool, promulgated by Orders Nos. R-2874 and R-2874-A, are hereby continued in full force and effect until further order of the Commission.

(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

GUYTON B. HAYS, Member

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

S E A L

esr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8701
Order No. R-2874-C

APPLICATION OF WAYNE NEWKUMET FOR
AMENDMENT OF DIVISION ORDER NO.
R-2874, AS AMENDED, LEA COUNTY,
NEW MEXICO.

*See Also Division
Order No. R-2874
R-2874-B
R-2874-B*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on September 11, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 27th day of September, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Wayne Newkumet, is the owner of substantial interests in the High Plains Permo-Pennsylvanian Pool, Lea County, New Mexico.

(3) The applicant seeks the amendment of the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool, as promulgated by Division Order No. R-2874, as amended, to permit certain flexibility in the location of wells drilled to and completed in said pool, which is in the late stage of development.

(4) Rule 4 of the special pool rules requires that wells drilled to and completed in the subject pool be located within 150 feet of the center of the northeast quarter or the southwest quarter of a governmental quarter section.

(5) Specified quarter-quarter sections for the location of wells in 160-acre spaced pools are satisfactory during the early development, particularly through the fairway, of a pool but do not provide sufficient flexibility to maximize additional drilling of the perimeter of the pool during later stages of development.

(6) The applicant proposes that Rule 4 of the special rules for the subject pool be amended to read in its entirety as follows:

"RULE 4. Each well shall be located no nearer than 660 feet to the outer boundary of the proration unit nor nearer than 330 feet to any governmental quarter-quarter section line."

(7) The amendment of Rule 4 of the Special Rules and Regulations for the High Plains Permo-Pennsylvanian Pool as described in Finding No. (6) above will not violate correlative rights nor cause waste, but will in fact prevent waste by permitting additional wells to be drilled and additional reserves to be produced, and should be approved.

IT IS THEREFORE ORDERED THAT:

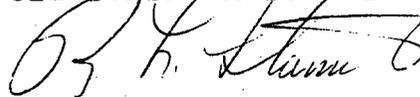
(1) Rule 4 of the Special Rules and Regulations for the High Plains Permo-Pennsylvanian Pool as promulgated by Division Order No. R-2874, as amended, is hereby amended to read in its entirety as follows:

"RULE 4. Each well shall be located no nearer than 660 feet to the outer boundary of the proration unit nor nearer than 330 feet to any governmental quarter-quarter section line."

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



R. L. STAMETS
Director

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8600
Order No. R-7955

NOMENCLATURE

APPLICATION OF WAYNE NEWKUMET FOR
THE CONTRACTION OF THE HORIZONTAL
LIMITS OF TWO PERMO PENNSYLVANIAN
OIL POOLS, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 22, 1985, and on June 5, 1985, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and Gilbert P. Quintana, respectively.

NOW, on this 12th day of June, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Wayne Newkumet, is the owner of certain oil and gas interests in Section 35, Township 14 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) The North Morton Permo-Pennsylvanian Pool, as currently defined, includes the SW/4 of Section 29, all of Section 31, and the NW/4 of Section 32 of Township 14 South, Range 35 East, NMPM, the S/2 of Section 25, the SE/4 of Section 26 and the N/2 of Section 36 of Township 14 South, Range 34 East, NMPM, and the NW/4 of Section 6 of Township 15 South, Range 35 East, NMPM.

(4) The High Plains Permo-Pennsylvanian Pool, as currently defined, includes the SW/4 of Section 14, the NW/4

and E/2 of Section 22, the W/2 of Section 23 and the W/2 of Section 26 of Township 14 South, Range 34 East, NMPM.

(5) Said Section 35 is bounded by both the North Morton and High Plains Permo-Pennsylvanian Pools.

(6) The applicant seeks the contraction of the North Morton Permo-Pennsylvanian Pool by the deletion therefrom of the S/2 of Section 25, the SE/4 of Section 26, and the N/2 of Section 36, Township 14 South, Range 34 East, NMPM, and the concomitant extension of the High Plains Permo-Pennsylvanian Pool to include the SW/4 of Section 25, the SE/4 of Section 26, and the NW/4 of Section 36, Township 14 South, Range 34 East, NMPM.

(7) The geological evidence presented at the hearing indicates that there is a generally Northeast-Southwest trending area of low permeability separating the three most westerly of the North Morton Pool wells (located in the SE/4 SW/4 of Section 25, the SW/4 SW/4 of Section 26, and the SW/4 NW/4 of Section 36) from the remainder of the wells in the pool.

(8) The evidence further indicates that the aforesaid three wells are in communication with, and should ~~properly~~ be reclassified in, the High Plains Permo-Pennsylvanian Pool.

(9) No party appeared and objected to the proposed contraction and extension of said pools.

(10) The owner and operator of the aforesaid three wells waived objection to the reclassification of said wells from the North Morton Pool to the High Plains Pool.

(11) Contraction of the horizontal limits of the North Morton Permo-Pennsylvanian Pool and the concomitant extension of the High Plains Permo-Pennsylvanian Pool, all as described in Finding Paragraph No. (6) above, will not cause waste nor impair correlative rights and should be approved, subject to the following provisions:

- A. Any well which is reclassified from the North Morton Pool to the High Plains Pool should be subject to the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool as promulgated by Division Order No. R-2874, as amended, except as herein provided.

- B. The location of any well reclassified from the North Morton Pool to the High Plains Pool whose location does not comply with the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool should be automatically approved as an exception to said special pool rules.
- C. The operator of any well so reclassified should have 60 days from the date of entry of this order in which to file new Division Forms C-102, Well Location and Acreage Dedication Plat, for each such well, dedicating thereto 160 acres, or to obtain approval of a non-standard proration unit.

IT IS THEREFORE ORDERED THAT:

(1) The North Morton Permo-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion therefrom of the following described area:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 25: S/2
Section 26: SE/4
Section 36: N/2

(2) The High Plains Permo-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 25: SW/4
Section 26: SE/4
Section 36: NW/4

(3) Any well drilling to or completed in the Permo-Pennsylvanian formation within the lands described in Ordering Paragraph No. (2) above whose location does not comply with the well location requirements of the High Plains Permo-Pennsylvanian Pool as set forth in Division Order No. R-2874, as amended, is hereby granted an exception to said well location requirements.

(4) The lands described in Ordering Paragraph No. (2) above shall be subject to the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool, as shall any well located thereon which is drilling to or completed in the Permo-Pennsylvanian formation.

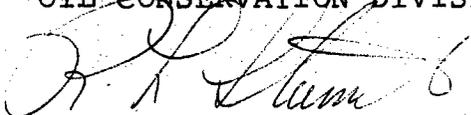
IT IS FURTHER ORDERED THAT:

(5) Pursuant to Section 70-2-18, NMSA, 1978, contained in Chapter 271, Laws of 1969, any well, which by virtue of this order, is subject to pool rules providing for spacing or pro-ration units larger than the one which is presently dedicated thereto, shall have 60 days from the date of entry of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(6) Jurisdiction of this cause and the subject matter thereof is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

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