

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. 2142
Order No. R-1670-D

APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER PRORATING THE GAS PRODUCTION
FROM THE MONUMENT-McKEE GAS POOL, THE
BAGLEY-UPPER PENNSYLVANIAN GAS POOL,
AND THE BAGLEY-LOWER PENNSYLVANIAN GAS
POOL, ALL IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 14, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of December, 1960, 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 by Order No. R-1031 special rules and regulations were promulgated governing the Bagley-Lower Pennsylvanian Gas Pool, Lea County, New Mexico.
- (3) That by Order No. R-1091 special rules and regulations were promulgated governing the Bagley-Upper Pennsylvanian Gas Pool, Lea County, New Mexico.
- (4) That the producing capacity of the wells in the Monument-McKee Gas Pool, the Bagley-Lower Pennsylvanian Gas Pool and the Bagley-Upper Pennsylvanian Gas Pool is in excess of the market demand for gas from these pools, and that for the purpose of preventing waste and protecting correlative rights, the subject pools should be prorated.
- (5) That the evidence adduced establishes that the proration formula for said pools should be based on straight acreage.

(6) That special rules and regulations should be promulgated governing the drilling, spacing and proration of wells in each of the subject pools.

IT IS THEREFORE ORDERED:

(1) That Order Nos. R-1031 and R-1031-A, and R-1091 and R-1091-A be and the same are hereby superseded.

(2) That the vertical and horizontal limits of the Bagley-Lower Pennsylvanian Gas Pool and Bagley-Upper Pennsylvanian Gas Pool shall be as set forth in Order No. R-991 and as extended by subsequent orders.

(3) That the General Rules applicable to prorated gas pools in Southeast New Mexico, as set forth in Order No. R-1670, shall apply to the Monument-McKee Gas Pool, the Bagley-Upper Pennsylvanian Gas Pool, and the Bagley-Lower Pennsylvanian Gas Pool, unless in conflict with the Special Rules and Regulations for the subject pools as hereinafter set forth, in which event the Special Rules shall apply.

SPECIAL RULES AND REGULATIONS FOR THE
MONUMENT-McKEE GAS POOL

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Monument-McKee Gas Pool shall be 160 acres.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The first proration period for the Monument-McKee Gas Pool shall commence March 1, 1961, and shall terminate July 1, 1961. Subsequent proration periods shall be the six-month periods as provided in the General Rules.

SPECIAL RULES AND REGULATIONS FOR THE
BAGLEY-LOWER PENNSYLVANIAN GAS POOL

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Bagley-Lower Pennsylvanian Gas Pool shall be 320 acres.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The first proration period for the Bagley-Lower Pennsylvanian Gas Pool shall commence March 1, 1961, and shall terminate July 1, 1961. Subsequent proration periods shall be the six-month periods as provided in the General Rules.

SPECIAL RULES AND REGULATIONS FOR THE
BAGLEY-UPPER PENNSYLVANIAN GAS POOL

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A): A standard gas proration unit in the Bagley-Upper Pennsylvanian Gas Pool shall be 320 acres.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25: The first proration period for the Bagley-Upper Pennsylvanian Gas Pool shall commence March 1, 1961, and shall terminate July 1, 1961. Subsequent proration periods shall be the six-month periods as provided in the General Rules.

RULE 26: An oil well in the Bagley-Upper Pennsylvanian Gas Pool shall be defined as a well which produces hydrocarbons possessing a gravity of 55° API or less, corrected to 60° Fahrenheit.

RULE 27: An oil well in the Bagley-Upper Pennsylvanian Gas Pool shall have dedicated thereto a proration unit consisting of 40 acres, more or less, being a governmental quarter-quarter section.

RULE 28: No acreage shall be simultaneously dedicated to an Oil well and to a gas well in the Bagley-Upper Pennsylvanian Gas Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

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

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