

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1668
Order No. R-1418-B

APPLICATION OF PHILLIPS PETROLEUM COM-
PANY FOR AN ORDER ESTABLISHING TEMPOR-
ARY SPECIAL RULES AND REGULATIONS FOR
THE RANGER LAKE-PENNSYLVANIAN POOL,
LEA COUNTY, NEW MEXICO, TO PROVIDE
FOR 80-ACRE PRORATION UNITS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 13, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," and Order No. R-1418 was entered on June 5, 1959. The case was reopened and a rehearing held on August 13, 1959, at Santa Fe, New Mexico.

NOW, on this 26th day of August, 1959, the Commission, a quorum being present, having considered the application and all the evidence adduced 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, Phillips Petroleum Company, seeks the promulgation of temporary special rules and regulations for the Ranger Lake-Pennsylvanian Pool in Lea County, New Mexico, to provide for 80-acre proration units.
- (3) That the applicant has proved by a preponderance of the evidence now available that the Ranger Lake-Pennsylvanian Pool can be efficiently and economically drained and developed on 80-acre proration units.
- (4) That to require development of the Ranger Lake-Pennsylvanian Pool on 40-acre proration units might cause the drilling of unnecessary wells.
- (5) That the evidence presented indicates that it is uneconomical to drill wells on 40-acre proration units in the Ranger Lake-Pennsylvanian Pool, and to remain on such a spacing pattern might impede further development in said pool.

(6) That the applicant has waived objection to the continued assignment of a 40-acre allowable to any well presently producing from the Ranger Lake-Pennsylvanian Pool to which cannot be dedicated an 80-acre tract which can reasonably be presumed to be productive of oil from said pool. Only one such well exists, namely the Gordon Cone Well No. 2-24, SW/4 SW/4 of Section 24, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico.

(7) That temporary 80-acre proration units should be established in the Ranger Lake-Pennsylvanian Pool.

IT IS THEREFORE ORDERED:

(1) That Commission Order No. R-1418, dated June 5, 1959, be and the same is hereby superseded effective September 1, 1959.

(2) That special rules and regulations for the Ranger Lake-Pennsylvanian Pool in Lea County, New Mexico, be and the same are hereby promulgated as follows, effective September 1, 1959; provided, however, that the increased allowable provisions contained herein shall not become effective until October 1, 1959.

SPECIAL RULES AND REGULATIONS FOR THE
RANGER LAKE - PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Ranger Lake-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Ranger Lake-Pennsylvanian Pool, and not nearer to nor within the limits of another designated Pennsylvanian pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Ranger Lake-Pennsylvanian Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in said 80-acre unit.

RULE 3. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either the NW/4 or the SE/4 of the quarter section on which the well is located. Any well which was drilling to or completed in the Ranger Lake-Pennsylvanian Pool prior to September 1, 1959, is granted an exception to the well location requirements of this Rule.

Case No. 1668
Order No. R-1418-B

RULE 4. For good cause shown, the Secretary-Director may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot or when the application is for the purpose of joining fractional lots not exceeding 20.49 acres each with a standard unit. All operators offsetting the proposed non-standard unit shall be notified of the application by registered mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Ranger Lake-Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Ranger Lake-Pennsylvanian Pool shall be assigned an 80-acre proportional factor of 5.67 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

IT IS FURTHER ORDERED:

That operators who propose to dedicate 80 acres to a well in the Ranger Lake-Pennsylvanian Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by September 15, 1959, in order that the well may be assigned an 80-acre allowable on the October proration schedule.

IT IS FURTHER ORDERED:

That any well which was drilled to and producing from the Ranger Lake-Pennsylvanian Pool prior to September 1, 1959, which presently has 40 acres dedicated to it, and to which cannot be dedicated an 80-acre unit which can reasonably be presumed to be productive of oil from the Ranger Lake-Pennsylvanian Pool shall continue to be assigned an allowable equal to normal unit allowable times the 40-acre proportional factor for said pool of 4.67. This exception shall apply only to the well described in Finding No. 6.

-4-

Case No. 1668

Order No. H-1418-B

IT IS FURTHER ORDERED:

That this case be reopened at the regular monthly hearing of the Commission in August, 1960, to permit any operator to appear and show cause why the Ranger Lake-Pennsylvanian Pool should continue to be developed on 80-acre proration units.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

SEAL

MURRAY E. MORGAN, Member

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

lcr

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. 1668
Order No. R-1418-C

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR AN ORDER ESTABLISHING
SPECIAL RULES AND REGULATIONS FOR
THE RANGER LAKE-PENNSYLVANIAN POOL,
LEA COUNTY, NEW MEXICO, TO PROVIDE
FOR 80-ACRE PRORATION UNITS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 17, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of August, 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-1418-B, the Commission promulgated temporary Special Rules and Regulations governing the drilling, spacing, and production of wells in the Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico, including the establishment of 80-acre proration units.

(3) That the applicant now seeks an order making said temporary Special Rules and Regulations permanent.

(4) That the data gathered since the entry of Order No. R-1418-B and presented in this case corroborates the conclusion of the Commission reached in said Order that the Ranger Lake-Pennsylvanian Pool can be efficiently and economically drained and developed on 80-acre proration units and that to require development of this Pool on 40-acre proration units would probably cause the drilling of unnecessary wells.

-2-

CASE No. 1668

Order No. R-1418-C

(5) That accordingly the Special Rules and Regulations for the Ranger Lake-Pennsylvanian Pool promulgated by Order No. R-1418-B, as well as the proviso relative to the Gordon Cone Well No. 2-24, SW/4 SW/4 of Section 24, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico, should be made permanent.

IT IS THEREFORE ORDERED:

That the Special Rules and Regulations for the Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico, promulgated by Order No. R-1418-B, as well as the proviso relative to the Gordon Cone Well No. 2-24, SW/4 SW/4 of Section 24, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico, be and the same are hereby made permanent.

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

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. 4421
Order No. R-4031
NOMENCLATURE

APPLICATION OF PHILLIPS PETROLEUM COMPANY
FOR CREATION OF A NEW OIL POOL, SPECIAL
POOL RULES THEREFOR, AND REDESIGNATION OF
THE VERTICAL LIMITS OF THE RANGER LAKE-
PENNSYLVANIAN POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 2, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of September, 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, Phillips Petroleum Company, seeks
the creation of a new oil pool in Lea County, New Mexico, to be
designated the Ranger Lake-Bough Pool, with vertical limits
comprising the Bough zone of the Pennsylvanian formation in the
interval from subsea datum -5671 feet to -6016 feet, and horizon-
tal limits comprising the NW/4 of Section 26, Township 12 South,
Range 34 East, NMPM, Lea County, New Mexico, and the contraction
of the vertical limits of the Ranger Lake-Pennsylvanian Pool,
Lea County, New Mexico, to comprise the Pennsylvanian formation
in the interval from subsea datum -6080 feet to -6230 feet only.

(3) That the applicant's West Ranger Lake Unit Tract 2 Well No. 1, located in Unit P of Section 23 of the aforesaid Township and Range, encountered the pay section of the Ranger Lake-Pennsylvanian Pool at a subsea depth of -6080 feet to -6230 feet.

(4) That the applicant recently recompleted its West Ranger Lake Unit Well No. 1, located in Unit C of the aforesaid Section 26, in the Bough zone of the Pennsylvanian formation at a subsea depth of -5671 feet to -6016 feet.

(5) That the Bough zone of the Pennsylvanian formation underlying the NW/4 of the aforesaid Section 26 in the interval from subsea datum -5671 feet to -6016 feet as found on the log of the aforesaid West Ranger Lake Unit Well No. 1 constitutes a separate common source of supply from the pay section of the Ranger Lake-Pennsylvanian Pool as described in Finding No. 3 above.

(6) That in order to prevent waste and protect correlative rights, the vertical limits of the Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico, should be contracted to comprise the Pennsylvanian formation in the interval from subsea datum -6080 feet to -6230 feet only as found on the log of the aforesaid West Ranger Lake Unit Tract 2 Well No. 1, and that a new pool, classified as an oil pool for Pennsylvanian production should be created and designated the Ranger Lake-Bough Pool with vertical limits comprising the Bough zone of the Pennsylvanian formation in the interval from subsea datum -5671 feet to -6016 feet as found on the log of the aforesaid West Ranger Lake Unit Well No. 1, and horizontal limits comprising the NW/4 of the aforesaid Section 26.

(7) That the applicant further seeks the promulgation of special rules and regulations governing the newly created Ranger Lake-Bough Pool, including a provision for 80-acre spacing and proration units.

(8) 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, special rules and regulations providing for 80-acre spacing units should be promulgated for the Ranger Lake-Bough Pool.

-3-
CASE No. 4421
Order No. R-4031

(9) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That, effective October 1, 1970, the vertical limits of the Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico, are hereby contracted to comprise the Pennsylvanian formation in the interval from subsea datum -6080 feet to -6230 feet as found on the log of the Phillips Petroleum Company West Ranger Lake Unit Tract 2 Well No. 1, located in Unit P of Section 23, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) That, effective October 1, 1970, a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production, is hereby created and designated the Ranger Lake-Bough Pool, with vertical limits comprising the Bough zone of the Pennsylvanian formation in the interval from subsea datum -5671 feet to -6016 feet as found on the log of the Phillips Petroleum Company West Ranger Lake Unit Well No. 1, located in Unit C of Section 26, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico, and horizontal limits comprising the following-described area:

LEA COUNTY, NEW MEXICO
TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 26: NW/4

(3) That, effective October 1, 1970, Special Rules and Regulations for the Ranger Lake-Bough Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
RANGER LAKE-BOUGH POOL

RULE 1. Each well completed or recompleted in the Ranger Lake-Bough Pool or in the Bough zone of the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Bough zone oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

CASE No. 4421
Order No. R-4031

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be considered as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

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 comprising a governmental quarter-quarter section or lot, 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. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either the NW/4 or the SE/4 of the quarter section on which the well is located.

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. All operators offsetting the proposed location 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 operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable

-5-

CASE No. 4421

Order No. R-4031

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 80 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Ranger Lake-Bough Pool or in the Bough zone of the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before October 1, 1970.

(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

S E A L

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

esr/