

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. 1019
Order No. R-767-A

IN THE MATTER OF THE APPLICATION
OF THE OIL CONSERVATION COMMISSION
OF NEW MEXICO UPON ITS OWN MOTION
FOR AN ORDER REDEFINING THE VERTICAL
AND HORIZONTAL LIMITS OF THE PENROSE-
SKELLY OIL POOL, EXTENDING THE
HORIZONTAL LIMITS OF THE LANGLIE-
MATTIX OIL POOL, ABOLISHING THE ARROW
GAS POOL, AND EXTENDING THE HORIZONTAL
LIMITS OF THE EUMONT 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 February 15, 1956, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April 1956, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the evidence presented proves the justification for the redefining of the vertical and horizontal limits of the Penrose-Skelly Oil Pool, and further justifies the extending of the horizontal limits of the Langlie-Mattix Oil Pool, the abolishing of the Arrow Gas Pool and the extension of the horizontal limits of the Eumont Gas Pool, all as defined in the Notice of Publication.

(3) That at the present time there are certain basic leases wherein all wells are prorated in the same pool and the production therefrom is produced into a common tankage; and when the horizontal and vertical limits of the subject pools are redefined or the wells therein are reclassified, such wells will be affected to the extent that one or more wells will remain in the pool in which they are presently classified, while other wells on the same lease will be placed in a different pool.

(4) That under the provisions of Rule 303 of the Commission's Rules and Regulations, separate facilities to receive, measure, and store the production of those wells so reclassified would have to be provided by the operator. That in certain cases the installation and maintenance of said separate facilities for the measurement and storage of oil would create an undue expense and hardship upon the operator, and that the establishment of rules and procedures in exception to the provisions of Rule 303 to permit the commingling of oil from such reclassified wells in the subject pools would be in the interest of conservation and would prevent waste.

(5) That there is need for revision of Order R-767 and that any order so revising Order R-767 should contain all of the provisions of Order R-767 with all of the applicable changes.

IT IS THEREFORE ORDERED:

1. That Order R-767 dated March 14, 1956, be and the same is hereby superseded by this order, said order to be designated as R-767-A.

2. That the vertical limits of the Penrose-Skelly Oil Pool in Lea County, New Mexico, be and the same is hereby redefined to include only the Grayburg formation and that the following area be and the same is hereby deleted from the horizontal limits of said pool:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
E/2 Section 20; All Secs. 21, 22, 23, 26, 27 & 28
E/2 Section 29; All Secs. 32, 33 & 34 and W/2 Sec. 35

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
W/2 Section 2; All Secs. 3, 4, 5; E/2 Sec. 6;
All Secs. 8, 9 & 10; W/2 Sec. 11; W/2 Sec. 14;
All Secs. 15, 16 & 17; N/2 Sec. 20; and All Sec. 21

3. That the horizontal boundary of the Langlie-Mattix Oil Pool in Lea County, New Mexico, be and the same hereby is extended to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
E/2 Section 20; All Secs. 21, 22, 23, 26, 27
& 28; E/2 Sec. 29;
All Secs. 32, 33 & 34 and W/2 Sec. 35

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
W/2 Sec. 2; All Secs. 3, 4 & 5; E/2 Sec. 6;
All Secs. 8, 9 & 10;
W/2 Sec. 11; W/2 Sec. 14; All Secs. 15, 16 & 17,
20 and 21 and N/2 Section 28

4. That the Arrow Gas Pool in Lea County, New Mexico, be and the same is hereby abolished.

5. That the horizontal boundary of the Eumont Gas Pool in Lea County, New Mexico, be and the same hereby is extended to include:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
All Secs. 23, 24, 25 & 26;
E/2 Section 27 and All Secs. 35 and 36

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
All Secs. 17, 19, 20, 21, 30 & 31

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
All of Secs. 1 & 2
NE/4 of Section 11
All of Secs. 12 & 13

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
W/2 Section 7; All Sec. 18 and N/2 Sec. 19

IT IS FURTHER ORDERED:

(1) After the effective date of this order, no well shall be completed or recompleted in such a manner that the producing zone of the overlying gas pool and the producing zone of the underlying oil pool are both open in the same well bore unless specifically authorized by order of the Commission in accordance with the provisions of Rule 112-A of the Commission's Rules and Regulations.

(2) Any well presently completed in such a manner that the well bore is open to both the overlying gas pool and the overlying oil pool shall be assigned to either the gas pool or the oil pool by the Commission staff. Any operator of any well completed in such a manner shall submit to the Commission office at Hobbs, New Mexico, all pertinent well completion data on Form C-105, together with electric logs, sample logs, drill stem test records, etc. All data shall be submitted in duplicate on or before April 1, 1956.

(3) That the following procedure be followed when an operator desires to produce reclassified wells into common tankage with a well or wells on the same basic lease in another pool:

(a) When notified by the Commission that the pool designation for any well has been changed, the operator shall file Commission Form C-110 in quadruplicate showing the change in pool designation.

(b) If the operator desires to produce reclassified wells into common tankage with a well or wells on the same basic lease in another pool, he shall insert the following statement on the Form C-110;

"Permission is hereby requested to produce this well, completed in the _____ Pool, into common storage with wells on the same lease currently prorated in the _____ Pool."

Approval of the Form C-110 by the Proration Manager shall constitute authority for the operator to commingle the oil and for the transporter to run it.

(4) That for all new wells that are completed or recompleted in one of the aforementioned pools, the provisions of paragraph 3 above shall apply to permit the commingling of oil from said well or wells with that oil produced from other wells located on the same basic lease. Authority for the operator to commingle such production shall be the approval of the Form C-110 by the proration manager as outlined by the provisions of paragraph 3 above.

(5) That the effective date of this order is April 1, 1956, at which time each and all of the provisions herein will be in full force and effect.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

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

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