

Oil Conservation Commission
C.S.P.

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. 2658
Order No. R-2346-A

APPLICATION OF CABOT CORPORATION
FOR THE ESTABLISHMENT OF TEMPORARY
SPECIAL RULES AND REGULATIONS FOR
THE NORTH BAGLEY-UPPER PENNSYLVANIAN
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 9, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 30th day of October, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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-2346 dated October 31, 1962, temporary Special Rules and Regulations were promulgated for the North Bagley-Upper Pennsylvanian Pool.

(3) That pursuant to the provisions of Order No. R-2346, this case was reopened to allow the operators in the subject pool to appear and show cause why the North Bagley-Upper Pennsylvanian Pool should not be developed on 40-acre proration units.

(4) That the evidence establishes that one well in the North Bagley-Upper Pennsylvanian Pool can efficiently and economically drain and develop 80 acres.

(5) That 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

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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 Order No. R-2346 should be continued in full force and effect until further order of the Commission.

(6) That the Special Rules and Regulations promulgated by Order No. R-2346 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.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the North Bagley-Upper Pennsylvanian Pool promulgated by Order No. R-2346 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


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

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