

Entered November 16, 1962
A. L. 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. 2660
Order No. R-2348

APPLICATION OF MIDWEST OIL CORPORATION
FOR THE CREATION OF A NEW OIL POOL AND
FOR THE ESTABLISHMENT OF TEMPORARY
SPECIAL RULES AND REGULATIONS, 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 10, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 25th day of October, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 a new oil pool for Pennsylvanian production should be created and designated the Middle Lane-Pennsylvanian Pool. This pool was discovered by the Midwest Oil Corporation Louisiana State Well No. 1, located in Unit L, Section 14, Township 10 South, Range 33 East, NMPM, Lea County, New Mexico. The top of the perforations is at 9782 feet.
- (3) That Midwest Oil Corporation seeks the promulgation of temporary special rules and regulations for the Middle Lane-Pennsylvanian Pool to provide for 80-acre proration units and fixed well location requirements.
- (4) That the evidence presented concerning the reservoir characteristics of the Middle Lane-Pennsylvanian Pool justifies the establishment of 80-acre proration units in said pool for a temporary one year-period.

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(5) That the evidence establishes that the Middle Lane-Pennsylvanian Pool can presently be efficiently and economically drained on 80-acre proration units.

(6) That the evidence establishes that the subject pool should be developed with fixed well location requirements in order to protect correlative rights.

(7) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool.

(8) That this case should be reopened at an examiner hearing in October, 1963, at which time the operators in the subject pool should appear and show by a preponderance of the evidence why the Middle Lane-Pennsylvanian Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production is hereby created and designated as the Middle Lane-Pennsylvanian Pool consisting of the following-described area:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 14: W/2

(2) That special rules and regulations for the Middle Lane-Pennsylvanian Pool are hereby promulgated as follows, effective November 1, 1962.

SPECIAL RULES AND REGULATIONS
FOR THE
MIDDLE LANE-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Middle Lane-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Middle Lane-Pennsylvanian Pool, and not nearer to or 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 Middle Lane-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 the unit.

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RULE 3. For good cause shown, the Secretary-Director may grant an 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. 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 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 Middle Lane-Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. Each well drilled in the Middle Lane-Pennsylvanian Pool shall be located in the NW/4 or the SE/4 of a governmental quarter section and shall not be located closer than 330 feet to a governmental quarter-quarter section line.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Middle Lane-Pennsylvanian Pool 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 assigned to the unit from the wells on the unit in any proportion.

(3) That this case shall be reopened at an examiner hearing in October, 1963, at which time the operators in the subject pool may appear and show cause why the Middle Lane-Pennsylvanian Pool should not be developed on 40-acre proration units.

(4) That any operator desiring to dedicate 80 acres to a well in the Middle Lane-Pennsylvanian Pool shall file a new Form C-128 with the Commission on or before November 1, 1962.

(5) 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 herein-above designated.

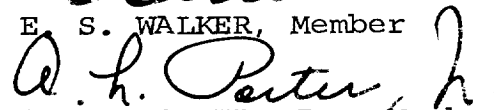
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

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