

Entered September 17, 1963
A. L. S.

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. 2887
Order No. R-2559
NOMENCLATURE

APPLICATION OF APACHE CORPORATION
FOR THE CREATION OF THE WEST KEMNITZ-
LOWER WOLFCAMP OIL POOL, AND FOR
SPECIAL POOL RULES, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 21, 1963, 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 4th. day of September, 1963, 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 the applicant, Apache Corporation, seeks the creation of a new pool for Lower Wolfcamp production and the promulgation of temporary special rules and regulations governing said pool, including a provision for 80-acre spacing units.

(3) That a new oil pool for Lower Wolfcamp production should be created and designated the West Kemnitz-Lower Wolfcamp Oil Pool. This pool was discovered on July 3, 1963, by the Apache Corporation Maljamar North State Unit Well No. 1, located in Unit G of Section 31, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico. The top of the perforations is at 10,678 feet.

(4) That temporary special rules and regulations establishing 80-acre spacing should be promulgated for the subject pool in

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order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

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

(6) That the temporary special rules and regulations should be established for a one-year period and that during this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing in August, 1964, at which time the operators in the subject pool should appear and show cause why the West Kemnitz-Lower Wolfcamp Oil Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 31: NE/4, E/2 NW/4, NE/4 SW/4,
and N/2 SE/4

(2) That the vertical limits of said pool shall be the Lower Wolfcamp formation as depicted on the log of the Apache Corporation Maljamar North State Unit Well No. 1, located in Unit G of Section 31, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico, from a point 10,675 feet to 10,820 feet.

(3) That Special Rules and Regulations for the West Kemnitz-Lower Wolfcamp Oil Pool are hereby promulgated as follows, effective September 10, 1963.

SPECIAL RULES AND REGULATIONS
FOR THE
WEST KEMNITZ-LOWER WOLFCAMP OIL POOL

RULE 1. Each well completed or recompleted in the West Kemnitz-Lower Wolfcamp Oil Pool or in the Lower Wolfcamp formation within one mile of the West Kemnitz-Lower Wolfcamp Oil Pool, and not nearer to or within the limits of another designated

Lower Wolfcamp pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. (a) Each well completed or recompleted in the West Kemnitz-Lower Wolfcamp Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the E/2 or the W/2 of a governmental quarter section.

(b) The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 (a) without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or when an application has been filed 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 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 3. (a) Each well projected to or completed in the West Kemnitz-Lower Wolfcamp Oil Pool shall be located within 200 feet of the center of either the NE/4 or the SW/4 of a governmental quarter section.

(b) The Secretary-Director shall have authority to grant an exception to the requirements of Rule 3 (a) above without notice and hearing where application has been filed in due form and the necessity for the unorthodox location is based on topographical conditions.

Applicant shall furnish all operators within a 1320-foot radius of the subject well a copy of the application to the Commission, and applicant shall include with his application a list of names and addresses of all operators within such radius, together with a stipulation that proper notice has been given said operators at the addresses given. The Secretary-Director may approve the application upon receipt of written waivers from all operators within such radius, or if no such operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application. In the event an operator objects to the unorthodox location, the Commission shall consider the matter only after proper notice and hearing.

RULE 4. A standard proration unit (79 through 81 acres) in the West Kemnitz-Lower Wolfcamp Oil Pool shall be assigned an

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80-acre proportional factor of 5.67 for allowable purposes, and any well to which is dedicated less than 79 acres or more than 81 acres shall be granted an allowable in the proportion to a standard allowable that the total number of acres assigned to the well bears to 80 acres.

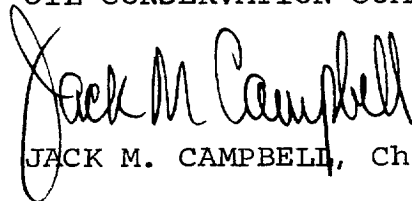
RULE 5. No well shall be assigned an 80-acre allowable until Commission Form C-128 has been filed with the Commission indicating that either the E/2 or the W/2 of a governmental quarter section has been dedicated to the well.

(4) That this case shall be reopened at an examiner hearing in August, 1964, at which time the operators in the subject pool may appear and show cause why the West Kemnitz-Lower Wolfcamp Oil Pool should not be developed on 40-acre spacing units.


(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 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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