

Entered March 17, 1964
U.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. 2996
Order No. R-2665
NOMENCLATURE

APPLICATION OF NEARBURG & INGRAM
FOR THE CREATION OF A NEW GAS POOL
AND FOR SPECIAL TEMPORARY POOL RULES,
ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 19, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of March, 1964, 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, Nearburg & Ingram, seeks the creation of a new gas pool for San Andres production in Roosevelt County, New Mexico, and the promulgation of temporary Special Rules and Regulations governing said pool, including provisions for 320-acre spacing units and fixed well locations.
- (3) That a new gas pool for San Andres production should be created and designated the Bluitt-San Andres Gas Pool; that said pool was discovered by the Kirkpatrick Well No. 1, located in Unit P of Section 11, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.
- (4) That the evidence concerning reservoir characteristics establishes that the Bluitt-San Andres Gas Pool can be efficiently and economically drained and developed on 320-acre spacing units.
- (5) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of

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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 320-acre spacing units should be promulgated for the Bluit-San Andres Gas Pool.

(6) 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 a new pool in Roosevelt County, New Mexico, classified as a gas pool for San Andres production is hereby created and designated the Bluit-San Andres Gas Pool, consisting of the following-described area:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM

Section 11: S/2
Section 12: SW/4
Section 13: NW/4
Section 14: N/2

(2) That Special Rules and Regulations for the Bluit-San Andres Gas Pool are hereby promulgated as follows, effective April 1, 1964.

SPECIAL RULES AND REGULATIONS
FOR THE
BLUITT-SAN ANDRES GAS POOL

RULE 1. Each well completed or recompleted in the Bluit-San Andres Gas Pool or in the San Andres formation within one mile of the Bluit-San Andres Gas Pool, and not nearer to or within the limits of another designated San Andres gas pool shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Bluit-San Andres Gas Pool shall be located on a standard unit consisting of approximately 320 acres which shall comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard 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 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 the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well completed or recompleted in the Bluit-San Andres Gas Pool shall be located in the northwest quarter or the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section and no nearer than 330 feet to any governmental quarter-quarter section line.

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, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed unorthodox 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 offset operators or if no offset operator has entered an objection

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to the unorthodox location within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

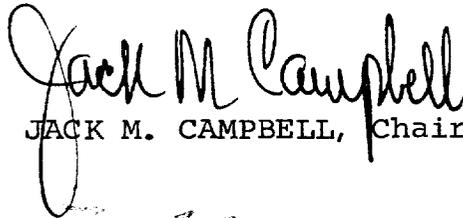
(1) That any well presently drilling to or completed in the San Andres formation within the Bluit-San Andres Gas Pool or within one mile of the Bluit-San Andres Gas Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator of any such well shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before April 1, 1964.

(2) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Bluit-San Andres Gas Pool shall file a new Form C-128 with the Commission on or before April 1, 1964.

(3) 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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