

*Entered December 28, 1966
CSP*

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. 3505
Order No. R-3170
NOMENCLATURE

APPLICATION OF TENNECO OIL COMPANY
FOR THE CREATION OF TWO OIL POOLS,
McKINLEY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 20, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of December, 1966, 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, Tenneco Oil Company, seeks the contraction of the horizontal limits of the Hospah Pool, McKinley County, New Mexico, by deleting the following area:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 6: SW/4

Section 7: NW/4

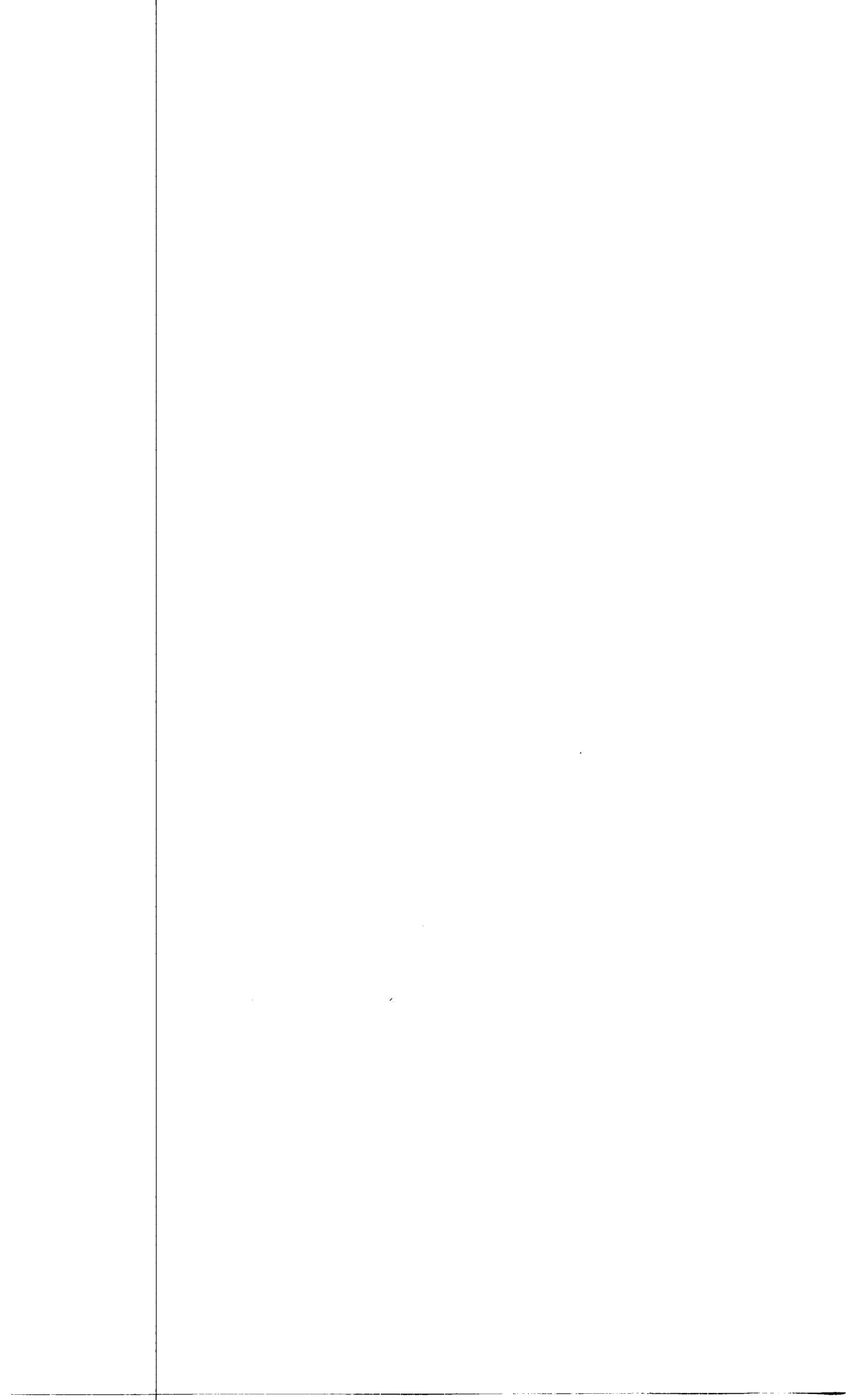
TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 1: S/2 SE/4

Section 11: NE/4

Section 12: N/2

(3) That the applicant also seeks the creation of the South Hospah Upper Sand Oil Pool with vertical limits comprising the



Gallup formation above the marker encountered at 1612 feet on the log of the Tenneco Hospah Well No. 5, located 990 feet from the North line and 2712 feet from the East line of Section 12, Township 17 North, Range 9 West, NMPM, McKinley County, New Mexico, and the creation of the South Hospah Lower Sand Oil Pool with vertical limits comprising the Gallup formation below the marker encountered at 1612 feet on the log of said Well No. 5, and horizontal limits of each pool to be as follows:

McKINLEY COUNTY, NEW MEXICO
TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 6: SW/4 and E/2

Section 7: All

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 1: S/2 SE/4

Section 11: E/2 E/2

Section 12: All

(4) That reservoir information presently available establishes that the Hospah Pool, McKinley County, New Mexico, as presently designated, encompasses more than one separate common source of supply and the horizontal limits of said pool should, in order to prevent waste and protect correlative rights, be contracted by deleting the following:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 6: SW/4

Section 7: NW/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 1: S/2 SE/4

Section 11: NE/4

Section 12: N/2

(5) That reservoir information presently available establishes that each of the proposed new pools encompasses a separate common source of supply and in order to prevent waste and protect correlative rights, the South Hospah Upper Sand Oil Pool and the South Hospah Lower Sand Oil Pool should be created with vertical limits as proposed by the applicant and horizontal limits as follows:

SOUTH HOSPAH UPPER SAND OIL POOL

McKINLEY COUNTY, NEW MEXICO

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 6: SW/4

Section 7: NW/4 and NW/4 SW/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 1: SE/4 SE/4

Section 11: NE/4 SE/4

Section 12: NE/4, E/2 NW/4, and N/2 S/2

SOUTH HOSP AH LOWER SAND OIL POOL

McKINLEY COUNTY, NEW MEXICO

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 6: SW/4

Section 7: NW/4

(6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights, authority should be granted to dually complete those wells presently open to both the South Hospah Upper Sand formation and the South Hospah Lower Sand formation in the area encompassed by the proposed new pools.

(7) That any well which is open to both the South Hospah Upper Sand formation and the South Hospah Lower Sand formation in the area encompassed by the proposed new pools and which has not been dually completed by January 31, 1967, should, on that date, be shut in and the allowable cancelled.

IT IS THEREFORE ORDERED:

(1) That the horizontal limits of the Hospah Pool, McKinley County, New Mexico, are hereby contracted by the deletion therefrom of the following-described area:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 6: SW/4

Section 7: NW/4

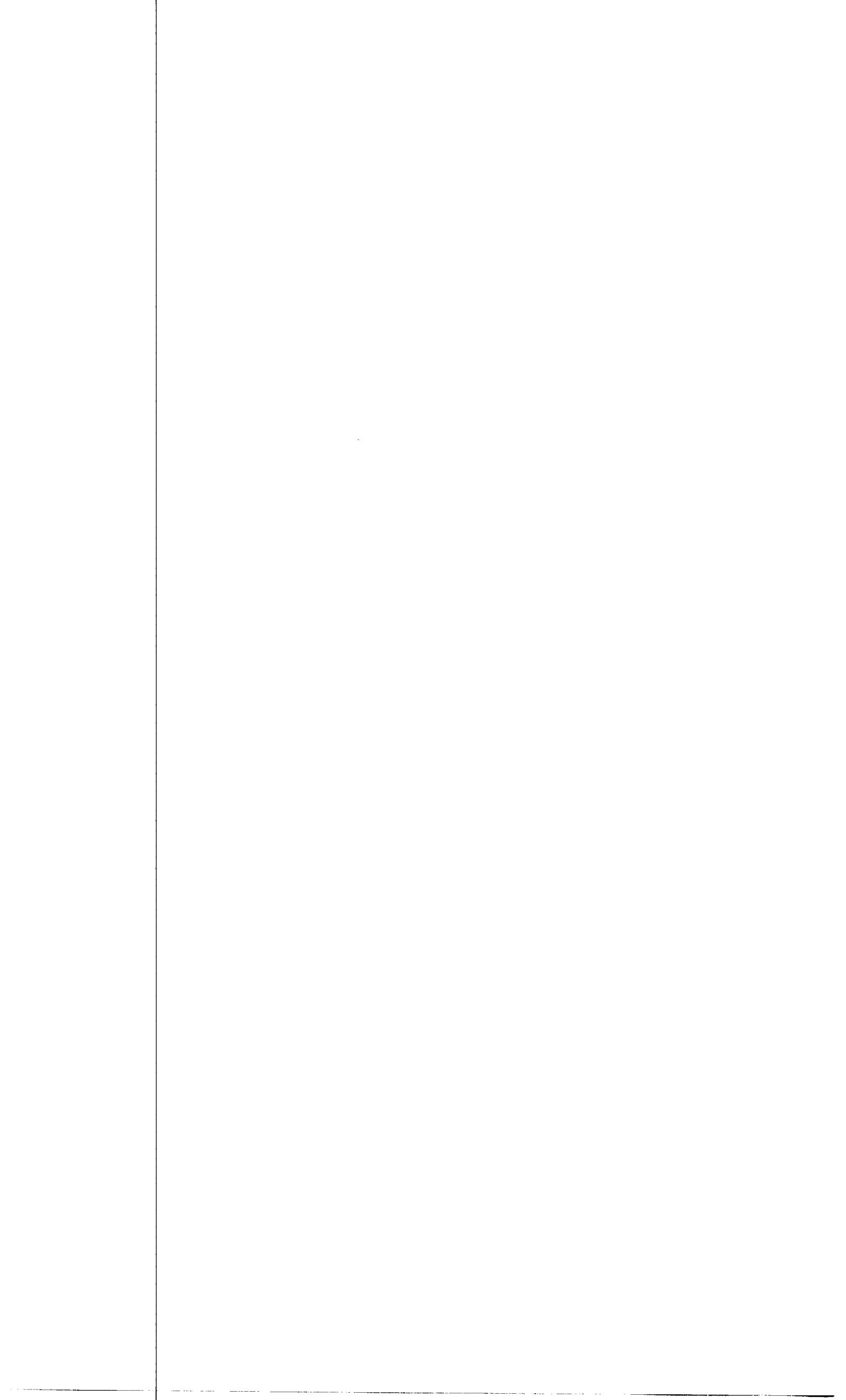
TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 1: S/2 SE/4

Section 11: NE/4

Section 12: N/2

(2) That a new pool in McKinley County, New Mexico, classified as an oil pool for Gallup production, is hereby created and designated the South Hospah Upper Sand Oil Pool, with vertical



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limits comprising the Gallup formation above the marker encountered at 1612 feet on the log of the Tenneco Hospah Well No. 5, located 990 feet from the North line and 2712 feet from the East line of Section 12, Township 17 North, Range 9 West, NMPM, McKinley County, New Mexico, and horizontal limits as follows:

McKINLEY COUNTY, NEW MEXICO
TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 6: SW/4
Section 7: NW/4 and NW/4 SW/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM

Section 1: SE/4 SE/4
Section 11: NE/4 SE/4
Section 12: NE/4, E/2 NW/4, and N/2 S/2

(3) That a new pool in McKinley County, New Mexico, classified as an oil pool for Gallup production, is hereby created and designated the South Hospah Lower Sand Oil Pool, with vertical limits comprising the Gallup formation below the marker encountered at 1612 feet on the log of the Tenneco Hospah Well No. 5, located 990 feet from the North line and 2712 feet from the East line of Section 12, Township 17 North, Range 9 West, NMPM, McKinley County, New Mexico, and horizontal limits as follows:

McKINLEY COUNTY, NEW MEXICO
TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 6: SW/4
Section 7: NW/4

(4) That each well presently open to both the South Hospah Upper Sand Oil Pool and the South Hospah Lower Sand Oil Pool, as created by this order, is hereby authorized for dual completion provided the operator furnishes the items required by Rules 112-A IV (a) and (d) of the Commission Rules and Regulations to the Secretary-Director of the Commission and obtains his approval for said dual completion. No waiting period or offset waivers will be required.

(5) That any well which is open to both the South Hospah Upper Sand Oil Pool and the South Hospah Lower Sand Oil Pool, as created by this order, and which has not been dually completed and Commission Form C-103, Subsequent Report of Dual Completion, and Commission Form C-104, Request for Allowable for each pool, received by the Commission by January 31, 1967, shall be ordered

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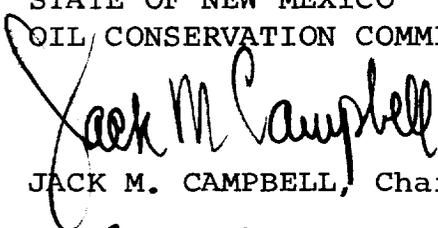
shut in and the allowable cancelled until such dual completion has been effected and notice of connection received; provided, however, that the Secretary-Director of the Commission, upon proper application, may approve extensions of said time when the necessity therefor is caused by weather conditions preventing said dual completions by January 31, 1967.

(6) That to obtain administrative approval for an extension of time in which to dually complete the subject wells, the operator shall submit in triplicate a request for such authority, detailing the progress made to date and fully describing the conditions rendering dual completions incomplete.

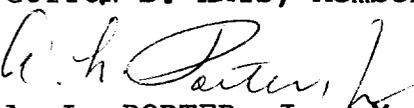
(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


A. L. PORTER, Jr. Member & Secretary

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