

*Entered August 7, 1967
C.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. 3624
Order No. R-3294

APPLICATION OF TEXAS PACIFIC OIL
COMPANY TO AMEND ORDER NO. R-69-D,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 26, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 7th day of August, 1967, 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, Texas Pacific Oil Company, seeks an amendment to the Bagley Siluro-Devonian Pool Rules promulgated by Order No. R-69-D to permit the completion of a second well on an 80-acre proration unit in the Bagley Siluro-Devonian Pool, the second well on a unit being located within 150 feet of the center of the NE/4 or the SW/4 of the quarter section, with the 80-acre allowable being produced from either well in any proportion; provided, however, that only existing wells drilled to the Devonian formation may be completed as a second well on an 80-acre proration unit.

(3) That Order No. R-69, dated May 1, 1951, established 80-acre proration units in the Bagley Siluro-Devonian Pool and that said order provided that all wells drilled into the Bagley Siluro-Devonian Pool shall be located in the center of the northwest quarter or the southeast quarter of a governmental quarter section, with a tolerance of 150 feet in any direction to avoid surface obstruction.

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(4) That the aforesaid oil well spacing has remained continuously in effect through the issuance of various orders since May 1, 1951.

(5) That the aforesaid pool is being efficiently and economically drained by one well per 80-acre tract, thereby preventing waste.

(6) That to allow only existing wells that are drilled to the Devonian formation to be completed as second wells on an 80-acre tract would violate the correlative rights of operators in the pool that do not have such wells.

(7) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(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

DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

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