Tomberd July 15, 1969 ale

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. 4147 Order No. R-3792 NOMENCLATURE

APPLICATION OF MOBIL OIL CORPORATION FOR POOL RECLASSIFICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 4, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>15th</u> day of July, 1969, 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 by Order No. R-3084, dated June 30, 1966, the Commission created the North Vacuum-Morrow Pool, classified as an oil pool for Morrow production, and promulgated Special Rules and Regulations governing said pool.

(3) That the applicant, Mobil Oil Corporation, now seeks to have the subject pool reclassified from an oil pool to a gas pool.

(4) That while said North Vacuum-Morrow Pool is presently classified as an oil pool, the evidence adduced indicates that it is in fact a "dew point" or retrograde gas condensate.

(5) That the North Vacuum-Morrow Pool should be reclassified as a gas pool and redesignated the North Vacuum-Morrow Gas Pool.

-2-CASE No. 4147 Order No. R-3792

(6) That said North Vacuum-Morrow Gas Pool should be governed by all Commission Rules and Regulations applicable to gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older.

(7) That the Special Rules and Regulations for the North Vacuum-Morrow Pool promulgated by Order No. R-3084 should be abolished.

IT IS THEREFORE ORDERED:

(1) That the North Vacuum-Morrow Pool is hereby reclassified as a gas pool for Morrow production and is hereby redesignated the North Vacuum-Morrow Gas Pool.

(2) That the horizontal limits of the North Vacuum-Morrow Gas Pool are hereby established as follows:

NORTH VACUUM-MORROW GAS POOL LEA COUNTY, NEW MEXICO TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM Section 11: All

(3) That effective immediately, the North Vacuum-Morrow Gas Pool, Lea County, New Mexico, shall be governed by all Commission Rules and Regulations applicable to gas pools in Lea, Chaves, Eddy, and Roosevelt Counties of Pennsylvanian age or older including the provision for 320-acre spacing of such wells.

(4) That the locations of all wells presently drilling to or completed in the North Vacuum-Morrow Gas Pool or in the Morrow formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before August 1, 1969.

(5) That the Special Rules and Regulations for the North Vacuum-Morrow Pool, Lea County, New Mexico, promulgated by Order No. R-3084, are hereby abolished.

(6) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the North Vacuum-Morrow Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 C of the Commission Rules and Regulations; or, pursuant to Paragraph C. of said Section -3-CASE No. 4147 Order No. R-3792

65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the North Vacuum-Morrow Gas Pool or in the Morrow formation within one mile thereof shall receive no more than an 80-acre allowable.

(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

CARGO, Chairman DAVID F.

MANT ABHIJO Member J L. PORTER, Jr., Menk

er & Secretary

SEAL

ESR/