

Entered September 4, 1969
A.L.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. 4185
Order No. R-3826
NOMENCLATURE

APPLICATION OF PENNZOIL UNITED, INC.,
FOR THE CREATION OF A NEW OIL POOL
AND SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 6, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of September, 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 the applicant, Pennzoil United, Inc., seeks the creation of a new oil pool for Wolfcamp production in Lea County, New Mexico, and the promulgation of special rules and regulations governing said pool, including a provision for 160-acre proration units and well locations in either the Northwest or Southeast quarter of a quarter section.

(3) That the Pennzoil United, Inc., Sinclair "6" State Well No. 1, located 660 feet from the South line and 760 feet from the East line of Section 6, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, having its top perforations at 10,938 feet, has discovered a separate common source of supply which

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should be designated the Northwest Vacuum-Wolfcamp Pool; that the vertical limits of said pool should be the Wolfcamp formation; and that the horizontal limits of said pool should be the SE/4 SE/4 of said Section 6.

(4) That the evidence presented at the hearing disclosed that the well completed in the subject pool to date has experienced a very rapid decline in bottom-hole pressure and production which would indicate that the pool reserves are either extremely limited or the area of drainage is very small, or both.

(5) That the applicant has not established that the well in the subject pool can efficiently and economically drain and develop 160 acres or that the establishment of special rules and regulations, even on a temporary basis, would 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, prevent reduced recovery which might result from the drilling of too few wells, or otherwise prevent waste or protect correlative rights.

(6) That the applicant's request for the promulgation of special rules for the subject pool should be denied.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production, is hereby created and designated the Northwest Vacuum-Wolfcamp Pool, with vertical limits comprising the Wolfcamp formation, and horizontal limits comprising the following-described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 6: SE/4 SE/4

(2) That the applicant's request for the promulgation of special rules for the subject pool is hereby denied.

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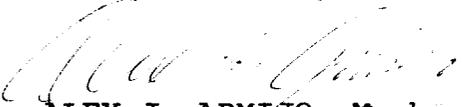
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(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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

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