

BEFORE THE OIL CONSERVATION COMMISSION
OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF THE OIL CONSERVATION COMMISSION
UPON ITS OWN MOTION FOR AN ORDER
EXTENDING SECTION G, OIL PRORATION
AND ALLOCATION, TO PROVIDE FOR THE
ADDITION OF RULE 508, ESTABLISHING
TEMPORARY EIGHTY ACRE PRORATION
UNITS

CASE NO. 407

Order No. R _____

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause came on for hearing at 9o'clock a. m. , September 16, 1952, and for further hearing on November 20, 1952, January 15, 1953, April 16, 1953 and June 16, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this _____ day of _____, 1953, the Commission, a quorum being present, having considered all of the testimony adduced at said hearings, and having considered the exhibits offered, 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 adoption of the proposed rule establishing temporary eighty acre proration units will promote and result in the conservation of oil and gas in New Mexico.
3. That the proposed rule will result in a prevention of waste, the drilling of unnecessary wells, and will protect the correlative rights of owners within a common reservoir.

IT IS THEREFORE ORDERED:

That the Rules and Regulations, New Mexico Oil Conservation Commission, Revised January 1, 1953, be, and the same hereby are

amended to include Rule 508, as follows:

"RULE 508. TEMPORARY 80-ACRE PRORATION UNITS

"1. After the effective date of this order, no operator in a new reservoir established as a result of the completion of a wild-cat well at a depth range of 10,000 feet or more shall ~~be required to~~ drill more than one well to each 80 acres.

"2. The location of the discovery well shall set the pattern for the location of additional wells drilled while the temporary 80 acre proration units are in effect. Subsequent wells drilling to the same reservoir shall be located within 150 feet of the center of a quarter quarter section of identical description to that quarter quarter section in which the discovery well was drilled or within 150 feet of the center of a quarter quarter section diagonal to such quarter quarter section. Each quarter section shall be divided into two proration units, running either North and South or East and West.

"3. Unless within not more than 18 months after completion date of the discovery well or within 60 days after completion of the fifth well to the same producing formation within a radius of two miles of such wildcat well, whichever date occurs first, one or more of the operators of said wells files an application for a hearing to determine the permanent spacing pattern for said reservoir, such spacing pattern shall revert to 40 acres and upon such hearing the burden shall be upon such operator or operators to show that one well will efficiently and economically drain 80 acres, failing which, such spacing pattern shall revert to 40 acres.

"4. Certified plats of proration units shall be filed with the Commission."

"5. Not less than 90 days before expiration of temporary 80 acre spacing as defined in Section 3 above the operators in such pool shall provide the Commission with a certified list of all interest owners within the pool together with their addresses in order that the Commission may give such owner not less than 30 days notice of any proceeding with respect to the continuation or abolishment of 80 acre spacing in such area.

"6. Nothing herein shall be construed as a requirement by the Commission for any operator to drill any well at any location, or, as modifying any express or implied covenant in any lease agreement covering lands in the area affected."

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

NEW MEXICO OIL CONSERVATION
COMMISSION

Edwin L. Mechem, Chairman

E. S. Walker, Member

R. R. Spurrier, Secretary

BEFORE THE OIL CONSERVATION COMMISSION
OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 407
ORDER NO.
R-346

THE MATTER OF THE APPLICATION
OF THE OIL CONSERVATION COMMISSION
UPON ITS OWN MOTION FOR AN ORDER
EXTENDING SECTION G, OIL PRORATION
AND ALLOCATION, TO PROVIDE FOR AN
ADDITION OF RULE 508, RELATING TO
80 ACRE SPACING ON A STATEWIDE BASIS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing on September 16, 1952, and for further hearings on November 20, 1952; January 15, 1953; April 16, 1953 and June 16, 1953, at 9:00 o'clock A. M., on said respective dates, at Santa Fe, New Mexico before the Oil Conservation Commission of New Mexico hereinafter referred to as the "Commission."

NOW on this 13th day of July, 1953, the Commission, a quorum being present, having considered the voluminous testimony adduced and exhibits received, 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 testimony adduced relevant to temporary statewide 80 acre spacing for pools 10,000 and deeper indicates no advantage over existing spacing pattern.
3. That waste as defined in the Oil Conservation law will not be prevented or correlative rights protected in Temporary 80 acre spacing of deep pools.

IT IS THEREFORE ORDERED That the application of the Oil Conservation Commission upon its own motion for an order extending Section G, Oil Proration and allocation, to provide for the addition thereto of Rule 508 - establishment of Temporary Eighty-Acre Proration Units, be, and the same hereby is denied.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



R. R. SPURRIER, Secretary

file

BEFORE THE OIL CONSERVATION COMMISSION
OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
THE OIL CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER EXTENDING
SECTION G, OIL PRORATION AND ALLOCATION,
TO PROVIDE FOR THE ADDITION OF RULE 508,
ESTABLISHING TEMPORARY EIGHTY ACRE
PRORATION UNITS

CASE No. 407

Order No. R-_____

ORDER OF THE COMMISSION

BY THE COMMISSION

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NOW, on this ____ day of _____, 1953, the Commission, a quorum being present, having considered all of the testimony adduced at said hearings, and having considered the exhibits offered, 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 adoption of the proposed rule establishing temporary eighty acre proration units will promote and result in the conservation of oil and gas in New Mexico.

3. That the proposed rule will result in a prevention of waste, the drilling of unnecessary wells, and will protect the correlative rights of owners within a common reservoir.

IT IS THEREFORE ORDERED:

That the Rules and Regulations, New Mexico Oil Conservation Commission, Revised January 1, 1953, be, and the same hereby are amended to include Rule 508, as follows:

"RULE 508. TEMPORARY 80-ACRE PRORATION UNITS

"1. After the effective date of this order, no operator in a new reservoir established as a result of the completion of a wild-cat well at a depth range of 10,000 feet or more shall drill more than one well to each 80 acres.

"2. The location of the discovery well shall set the pattern for the location of additional wells drilled while the temporary 80 acre proration units are in effect. Subsequent wells drilling to the same reservoir shall be located within 150 feet of the center of a quarter quarter section of identical description to that quarter quarter section in which the discovery well was drilled or within 150 feet of the center of a quarter quarter section diagonal to such quarter quarter section. Each quarter section shall be divided into two proration units, running either North and South or East and West.

"3. Unless within not more than 18 months after completion date of the discovery well or within 60 days after completion of the fifth well to the same producing formation within a radius of two miles of such wildcat well, whichever date occurs first, one or more of the operators of said wells files an application for a hearing to determine the permanent spacing pattern for said reservoir, such spacing pattern shall revert to 40 acres and upon such hearing the burden shall be upon such operator or operators to show that one well will efficiently and economically drain 80 acres, failing which, such spacing pattern shall revert to 40 acres.

"4. Certified plats of proration units shall be filed with the Commission."

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

New Mexico Oil Conservation Commission

Edwin L. Mechem, Chairman

E. S. Walker, Member

R. R. Spurrier, Secretary