

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARINGS
HELD JOINTLY BY THE NEW MEXICO
OIL CONSERVATION COMMISSION AND
THE RAILROAD COMMISSION OF TEXAS
FOR THE PURPOSE OF CONSIDERING:

CASE NO. 880
Order No. R-649

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR
AN ORDER ESTABLISHING SPECIAL
POOL RULES FOR THE BRONCO-
WOLFCAMP OIL POOL, LEA COUNTY,
NEW MEXICO, EMBRACING LANDS
WITHIN THE STATES OF TEXAS AND
NEW MEXICO, AND FOR THE ESTABLISH-
MENT OF EQUITABLE WITHDRAWALS
THEREFROM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

WHEREAS, After due notice, the Railroad Commission of Texas and the New Mexico Oil Conservation Commission held a joint hearing in Austin, Texas, on April 13, 1955, to consider the adoption of rules and regulations to govern the drilling, completion and operation of wells in the Bronco-Wolfcamp Pool, Lea County, New Mexico, and Yoakum County, Texas; and

WHEREAS, After due notice, the New Mexico Oil Conservation Commission held a hearing in Santa Fe, New Mexico, on April 20, 1955, to consider the adoption of rules and regulations to govern the drilling, completion and operation of wells in the Bronco-Wolfcamp Pool of Lea County, New Mexico and Yoakum County, Texas;

NOW, on this 20th day of June, 1955, the New Mexico Oil Conservation Commission, a quorum being present, having considered the record and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the adoption of the rules and regulations hereinafter set forth is necessary to prevent waste and to provide for more orderly development and operation of said pool.

IT IS THEREFORE ORDERED

That the following rules, in addition to such of the general rules of the Commission as are not in conflict herewith, be, and the same are hereby adopted to govern the drilling, completion and operation of wells in the Bronco-Wolfcamp Pool, Lea County, New Mexico.

RULE 1: The surface casing shall consist of new or reconditioned pipe with an original mill test of not less than one thousand (1,000) pounds per square inch, and shall be set and cemented below the top of the red beds; provided, however, that not less than three hundred (300) feet of surface string shall be set. Cementing shall be done by the pump and plug method, and sufficient cement shall be used to fill the annular space back of the pipe to the surface of the ground or the bottom of the cellar. Cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug. The casing shall be tested by pump pressure of at least five hundred (500) pounds per square inch applied at the wellhead. If at the end of thirty (30) minutes the pressure shows a drop of one hundred and fifty (150) pounds per square inch, or more, the casing shall be condemned. After corrective operations, the casing shall again be tested in the same manner.

RULE 2: The acreage assigned the individual oil well for the purpose of allocating allowable oil production thereto shall be known as a proration unit. No proration unit shall contain more than forty (40) acres except as hereinafter provided, and the two points farthestmost removed one from the other and contained within any proration unit shall not be in excess of twenty-one hundred (2100) feet apart; provided, however, that in the case of long and narrow leases or in cases where because of the shape of the lease such is necessary to permit the utilization of tolerance acreage the Commission may, after proper showing, grant exceptions to the limitation as to the shape of the proration units as herein contained. All proration units, however, shall consist of acreage which can reasonably be considered to be productive of oil.

If after the drilling of the last well on any lease and the assignment of acreage to each well thereon, in accordance with the regulations of the Commission, there remains an additional unassigned lease acreage of less than forty (40) acres, then and in such event, the remaining unassigned lease acreage up to and including a total of twenty (20) acres may be assigned to the last well drilled on such lease or may be distributed between any group of wells located thereon, so long as the proration unit or units resulting from the inclusion of such additional acreage meet the limitations prescribed by the Commission.

Operators shall file certified plats of their properties in the field, which plats shall show all of those things pertinent to the determination of the acreage claimed for each well hereunder.

RULE 3: The production allowable for oil wells in said pool within the State of New Mexico shall be, and the same hereby is fixed at 125 barrels of oil per day beginning at 7 o'clock a. m., on July 1, 1955, and continuing until further order of the Commission.

RULE 4: The permitted gas-oil ratio for all wells shall be two thousand (2,000) cubic feet of gas per barrel of oil produced. Any oil well producing with a gas-oil ratio in excess of two thousand (2,000) cubic feet of gas per barrel of oil shall be allowed to produce daily only that volume of gas obtained by multiplying the daily oil allowable of such well as determined by the applicable rules of the Commission by two thousand (2,000) cubic feet. The gas volume thus obtained shall be known as the daily gas limit of such well. The daily oil allowable therefore shall then be determined and assigned by dividing the daily gas limit by its producing gas-oil ratio.

RULE 5: Gas-oil ratio tests shall be conducted annually on all wells during the months of April and May, the results thereof to be reported to the Commission on Form C-116 on or before the fifteenth (15th) day of June of each calendar year. Such tests shall be made in accordance with the provisions of Commission Rule 301.

RULE 6: The datum reservoir pressure of all flowing wells in the field shall be determined annually and the testing period shall be during the months of October and November, the results thereof to be reported to the Commission on or before the fifteenth (15th) of December of each year. All pressure determinations shall be reported at a datum of fifty-eight hundred (5800) feet below sea level. Prior to testing, all wells shall be shut-in for a period of not less than forty-eight (48) hours or more than seventy-two (72) hours. All offset operators shall be notified at least forty-eight (48) hours before such test is made on any well, and any operator in the field shall have the privilege of witnessing such pressure determinations. Said pressures shall be taken on all flowing wells with subsurface pressure gauge or other method of equal accuracy and may be taken on pumping wells with sonic devices or other method of equal accuracy.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary

