

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. 2012
Order No. R-1724
NOMENCLATURE

APPLICATION OF MAX PRAY FOR THE
CREATION OF A NEW OIL POOL FOR
DEVONIAN PRODUCTION IN LEA COUNTY,
NEW MEXICO, AND FOR THE PROMULGA-
TION OF SPECIAL RULES AND REGULA-
TIONS FOR SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 11, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of July, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Max Pray, seeks an order creating a new oil pool for Devonian production to be designated as the Southwest Gladiola-Devonian Pool, consisting of the SW/4 of Section 26, W/2 and SE/4 of Section 27, E/2 of Section 28, NE/4 of Section 33, and NW/4 of Section 34, all in Township 12 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That inasmuch as the area contained in the above-described Southwest Gladiola-Devonian Pool includes the SW/4 of Section 26, Township 12 South, Range 37 East, NMPM, Lea County, New Mexico, previously designated as the West Gladiola-Devonian Pool by Order No. R-1681, said West Gladiola-Devonian Pool should be abolished.

- (4) That the evidence presented concerning the reservoir

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characteristics of the proposed Southwest Gladiola-Devonian Pool in Lea County, New Mexico, including permeability and porosity data, does not justify a permanent order establishing 80-acre proration units in said pool, as requested; however, the evidence presented does justify the establishment of 80-acre proration units in said pool for a temporary one-year period.

(5) That the evidence presented indicates that, for the present at least, it may be uneconomical to drill wells in the Southwest Gladiola-Devonian Pool on 40-acre proration units, and that unless a temporary 80-acre proration unit order is entered, further development in said pool may be retarded.

(6) That due to the apparently limited size of said pool, a flexible rule governing well locations should be adopted.

(7) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool.

(8) That this case should be heard again by the Commission at the regular monthly hearing in July, 1961, at which time the applicant should be prepared to prove by a preponderance of the evidence why the Southwest Gladiola-Devonian Pool should not be developed on 40-acre units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production, be and the same is hereby created and designated as the Southwest Gladiola-Devonian Pool, consisting of the following-described acreage:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM

Section 26: SW/4

Section 27: W/2 and SE/4

Section 28: E/2

Section 33: NE/4

Section 34: NW/4

(2) That the West Gladiola-Devonian Pool created and designated by Order No. R-1681 be and the same is hereby abolished.

(3) That temporary special rules and regulations for the Southwest Gladiola-Devonian Pool in Lea County, New Mexico, be and the same are hereby promulgated as follows, effective August 1, 1960

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SPECIAL RULES AND REGULATIONS
FOR THE
SOUTHWEST GLADIOLA-DEVONIAN POOL

RULE 1. Each well completed or recompleted in the Southwest Gladiola-Devonian Pool or in the Devonian formation within one mile of said pool, and not nearer to nor within the limits of another designated Devonian Pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Southwest Gladiola-Devonian Pool shall be located on a unit containing 80 acres, more or less, which consists of any two contiguous quarter-quarter sections of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the 80-acre unit.

RULE 3. Unit wells shall be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit. Any well which was drilling to or completed in the subject pool prior to July 6, 1960, is granted an exception to the well location requirements of this Rule.

RULE 4. For good cause shown, the Secretary-Director may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the subject pool as the acreage in such non-standard unit bears to 80 acres.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the subject pool shall be assigned an 80-acre proportional factor of 7.75 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit in any proportion.

IT IS FURTHER ORDERED:

That operators who propose to dedicate 80 acres to a well in the Southwest Gladiola-Devonian Pool must file an amended

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Commission Form C-128 with the Hobbs District Office of the Commission by August 15, 1960, in order that the well may be assigned an 80-acre allowable on the September proration schedule.

IT IS FURTHER ORDERED:

That this case be reopened at the regular monthly hearing of the Commission in July, 1961, at which time operators in the subject pool shall appear and show cause why the Southwest Gladiola-Devonian Pool should not be developed on 40-acre proration units.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


A. L. PORTER, Jr., Member

