

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. 2632
Order No. R-2326

APPLICATION OF HUMBLE OIL & REFINING
COMPANY FOR AN ORDER ESTABLISHING
SPECIAL RULES AND REGULATIONS FOR THE
FOUR LAKES-PENNSYLVANIAN POOL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 11, 1962, 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 3rd day of October, 1962, 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, Humble Oil & Refining Company, seeks the promulgation of special rules and regulations for the Four Lakes-Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre oil proration units therein.

(3) That the evidence establishes that the Four Lakes-Pennsylvanian Pool can be efficiently and economically drained and developed on 80-acre proration units.

(4) That the evidence establishes that 80-acre proration units will prevent the drilling of unnecessary wells, prevent reduced recovery which might result from the drilling of too few wells, and will otherwise prevent waste and protect correlative rights.

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IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Four Lakes-Pennsylvanian Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
FOUR LAKES-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Four Lakes-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Four Lakes-Pennsylvanian Pool, and not nearer to or within the limits of another designated Pennsylvanian 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 Four Lakes-Pennsylvanian Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2, or W/2 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 unit.

RULE 3. For good cause shown, the Secretary-Director may grant an 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 or certified 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 Four Lakes-Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either quarter-quarter section or lot in the 80-acre unit. Any subsequent additional well on the 80-acre unit shall be located within 150 feet of the center of the other quarter-quarter section or lot in the unit.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Four Lakes-Pennsylvanian Pool shall be assigned an 80-acre

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proportional factor of 5.67 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 from the wells on the unit in any proportion.

(2) That the Special Rules and Regulations herein promulgated shall become effective October 1, 1962; provided, however, that no well shall receive an 80-acre allowable prior to the date of filing with the Hobbs office of the Commission Form C-128 showing thereon 80 acres dedicated to said well. Form C-128 shall be accompanied by Form C-116, Gas-Oil Ratio Test Report, substantiating the ability of the well to produce the allowable requested.

(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



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

