

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. 2678
Order No. R-2359

APPLICATION OF KERN COUNTY LAND COMPANY
FOR AN ORDER ESTABLISHING SPECIAL RULES
AND REGULATIONS FOR THE EAST SAUNDERS
PERMO-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 October 24, 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 6th day of November, 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, Kern County Land Company, is the owner and operator of wells in the East Saunders Permo-Pennsylvanian Pool, Lea County, New Mexico.
- (3) That the applicant seeks establishment of special rules and regulations for the East Saunders Permo-Pennsylvanian Pool, Lea County, New Mexico, including provisions for 160-acre drilling and proration units.
- (4) That the evidence indicates that the East Saunders Permo-Pennsylvanian Pool can presently be efficiently and economically drained on 160-acre proration units.
- (5) That the evidence concerning the reservoir characteristics of the East Saunders Permo-Pennsylvanian Pool justifies the establishment of 160-acre proration units in said pool for a temporary one-year period.

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

(7) That this case should be reopened at an examiner hearing in October, 1963, at which time the operators in the subject pool should be prepared to appear and show by a preponderance of the evidence why the East Saunders Permo-Pennsylvanian Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the East Saunders Permo-Pennsylvanian Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
EAST SAUNDERS PERMO-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the East Saunders Permo-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the East Saunders Permo-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 East Saunders Permo-Pennsylvanian Pool shall be located on a standard proration unit containing 158 through 162 acres substantially in the form of a square, which is a governmental quarter section.

RULE 3. Each well completed or recompleted in said pool shall be located within 150 feet of the center of either the northeast quarter or the southwest quarter of the governmental quarter section on which the well is located.

RULE 4. For good cause shown, the Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application is filed in due form and the non-standard unit comprises less than 160 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. 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 of the Commission 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.

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The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the East Saunders Permo-Pennsylvanian Pool as the acreage in such non-standard unit bears to 160 acres.

RULE 5. A standard proration unit in the East Saunders Permo-Pennsylvanian Pool shall be assigned a 160-acre proportional factor of 7.67 for allowable purposes, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit in any proportion.

(2) That this case shall be reopened at an examiner hearing in October, 1963, at which time the operators in the subject pool may appear and show cause why the East Saunders Permo-Pennsylvanian Pool should not be developed on 40-acre proration units.

(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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



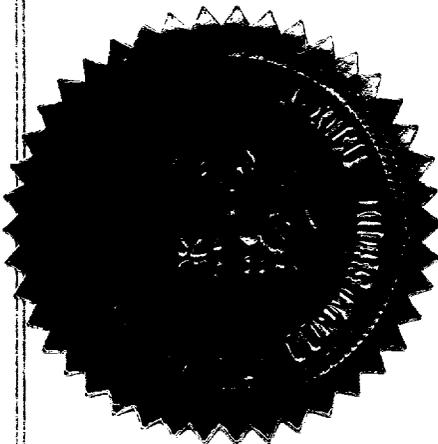
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
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CASE No. 2678
Order No. R-2359-A

APPLICATION OF KERN COUNTY LAND COMPANY
FOR AN ORDER ESTABLISHING SPECIAL RULES
AND REGULATIONS FOR THE EAST SAUNDERS
PERMO-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 October 30, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 13th day of November, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 Order No. R-2359 dated November 6, 1962, promulgated Special Rules and Regulations for the East Saunders Permo-Pennsylvanian Pool establishing temporary 160-acre proration units in said pool.
- (3) That this case was reopened pursuant to the provisions of Order No. R-2359 to permit the applicant and all interested parties to appear and show cause why the East Saunders Permo-Pennsylvanian Pool should not be developed on 40-acre proration units.
- (4) That the temporary Special Rules and Regulations for the East Saunders Permo-Pennsylvanian Pool promulgated by Order No. R-2359 should be continued in effect for an additional one-year period in order to allow the operators in the subject pool sufficient time to gather additional information concerning the reservoir characteristics of the pool.

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Order No. R-2359-A

(5) That this case should be reopened at an examiner hearing in October, 1964, at which time the applicant and all interested parties should appear and show cause why the East Saunders Permo-Pennsylvanian Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the East Saunders Permo-Pennsylvanian Pool promulgated by Order No. R-2359 shall be continued in full force and effect until further order of the Commission.

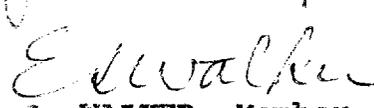
(2) That this case shall be reopened at an examiner hearing in October, 1964, at which time the applicant and all interested parties may appear and show cause why the East Saunders Permo-Pennsylvanian Pool should not be developed on 40-acre proration units.

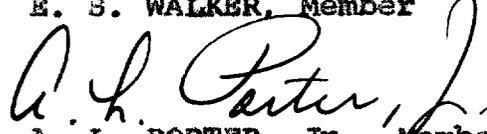
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

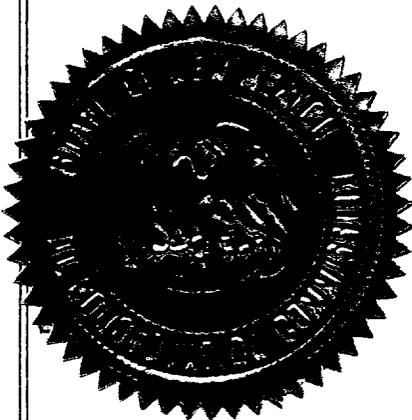
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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



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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. 2678
Order No. R-2359-B

APPLICATION OF KERN COUNTY LAND COMPANY
FOR AN ORDER ESTABLISHING SPECIAL RULES
AND REGULATIONS FOR THE EAST SAUNDERS
PERMO-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 October 28, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of November, 1964, 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 by Order No. R-2359, dated November 6, 1962, temporary Special Rules and Regulations were promulgated for the East Saunders Permo-Pennsylvanian Pool, Lea County, New Mexico.

(3) That by Order No. R-2359-A, dated November 13, 1963, said temporary Special Rules and Regulations were continued in full force and effect for an additional one-year period.

(4) That pursuant to the provisions of Order No. R-2359-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the East Saunders Permo-Pennsylvanian Pool should not be developed on 40-acre proration units.

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Order No. R-2359-B

(5) That the evidence establishes that one well in the East Saunders Permo-Pennsylvanian Pool can efficiently and economically drain and develop 160 acres.

(6) That the Special Rules and Regulations promulgated by Order No. R-2359 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

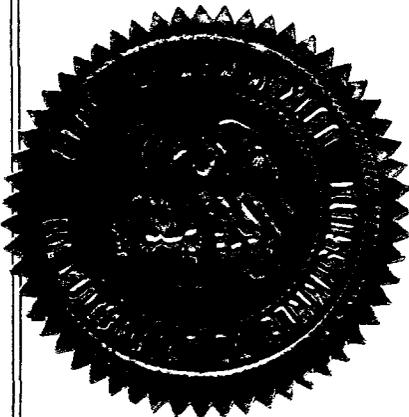
(7) That to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-2359 should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the East Saunders Permo-Pennsylvanian Pool promulgated by Order No. R-2359 are hereby continued in full force and effect until further order of the Commission.

(2) 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

Jack M. Campbell
JACK M. CAMPBELL, Chairman

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

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

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