

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. 3771  
Order No. R-3440

APPLICATION OF PENNZOIL COMPANY  
FOR SPECIAL POOL RULES, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8 a.m. on May 22, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of June, 1968, 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 the applicant, Pennzoil Company, seeks the promulgation of special pool rules for the South Corbin-Wolfcamp Oil Pool, Lea County, New Mexico, including a provision for 160-acre spacing and proration units.

(3) That the evidence presented at the hearing disclosed that two of the three wells drilled in the pool to date have experienced a very rapid decline in production which would indicate that the pool reserves are either extremely limited or the area of drainage is very small, or both.

(4) That the production history of the third well in the pool, applicant's well completed in April, 1968, is insufficient

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to counter the inferences of extremely limited reserves and/or drainage area drawn from the production history of the two prior wells completed in the pool.

(5) That the applicant has not established that the wells in the South Corbin-Wolfcamp Oil Pool can efficiently and economically drain and develop 160-acres or that the establishment of special rules and regulations, even on a temporary basis, would prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells, or otherwise prevent waste or protect correlative rights.

(6) That the subject application should be denied.

IT IS THEREFORE ORDERED:

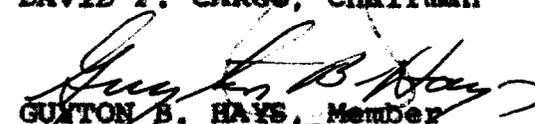
(1) That the subject application is hereby denied.

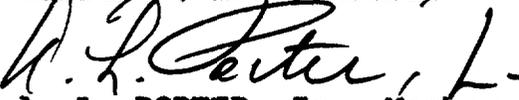
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

  
GUYTON B. HAYS, Member

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



esr/

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 2088  
SANTA FE

June 26, 1968

Mr. James Durrett  
Rhodes, McCallister & Durrett  
Attorneys at Law  
500 Pan American Freeway - NE  
Albuquerque, New Mexico

Re: Case No. 3771  
Order No. R-3440  
Applicant:  
Pennzoil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A handwritten signature in cursive script, appearing to read "A. L. Porter, Jr.", written in dark ink.

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC     x    

Artesia OCC           

Aztec OCC           

Other            Mr. E. F. Motter - Cities Service Oil Co, Hobbs, N.M.