

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. 4748
Order No. R-4337

APPLICATION OF PUBCO PETROLEUM
CORPORATION FOR SPECIAL POOL
RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 28, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of July, 1972, 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, Pubco Petroleum Corporation, seeks the promulgation of special rules and regulations for the Humble City-Strawn Pool, Lea County, New Mexico, including provisions for 160-acre spacing units and wells to be located within 150 feet of the center of any quarter-quarter section.

(3) That the evidence presented at the hearing disclosed that the wells completed in the subject pool to date have experienced a rapid decline in bottom-hole pressure which would indicate that the pool reserves are either extremely limited or the area of drainage is very small or both.

That the evidence indicates that no well in the pool would have 160 productive acres to be dedicated to it.

(4) That the applicant has not established that the wells in the Humble City-Strawn Pool can efficiently and economically drain and develop 160 acres or that the establishment of special rules and regulations providing for 160-acre spacing units, 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

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of too few wells, or otherwise prevent waste or protect correlative rights.

(5) That the subject application should be denied.

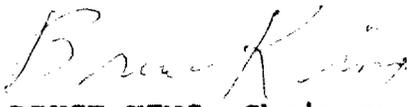
IT IS THEREFORE ORDERED:

(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.

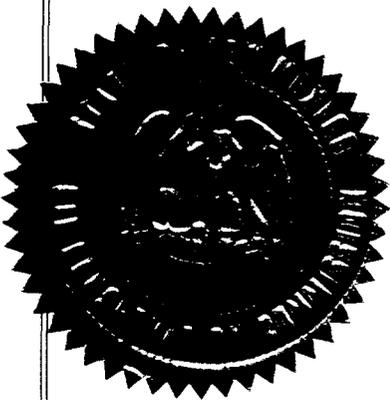
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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



S E A L

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