

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. 5978
Order No. R-5492

NOMENCLATURE

APPLICATION OF BTA OIL PRODUCERS FOR
POOL CREATION AND 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 July 6, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th day of July, 1977, 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, BTA Oil Producers, seeks the creation of a new gas pool for Pennsylvanian production in Lea County, New Mexico, to bear the designation Hagood-Pennsylvanian Gas Pool, and the promulgation of special rules and regulations governing said pool, including a provision for 640-acre spacing and proration units.

(3) That said pool was discovered by applicant's JV-P Hagood Well No. 1 located in Unit B of Section 25, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico, said well having been drilled to a total depth of 19,894 feet and plugged back to a depth of 16,165 feet.

(4) That said well is capable of producing from perforations in the Pennsylvanian formation in the overall interval from 13,865 feet to 15,847 feet.

(5) That in order 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, temporary special rules and regulations providing for 640-acre spacing units should be promulgated for the Hagood-Pennsylvanian Gas Pool.

(6) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(7) That special rules and regulations should be established for a temporary period to expire one year from the date that a pipeline connection is first obtained for a well in the pool; that during this temporary period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(8) That this case should be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the Hagood-Pennsylvanian Gas Pool, at which time the operators in the subject pool should appear and show cause why the Hagood-Pennsylvanian Gas Pool should not be developed on 320-acre spacing units.

(9) That the first operator to obtain a pipeline connection for a well in the Hagood-Pennsylvanian Gas Pool should notify the Commission in writing of such fact, and that the Commission should thereupon issue a supplemental order designating an exact date for reopening this case.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Pennsylvanian production, is hereby created and designated the Hagood-Pennsylvanian Gas Pool, comprising the following described area:

LEA COUNTY, NEW MEXICO
TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM
Section 25: All

(2) That temporary Special Rules and Regulations for the Hagood-Pennsylvanian Gas Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
HAGOOD-PENNSYLVANIAN GAS POOL

RULE 1. Each well completed or recompleted in the Hagood-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 640 acres, more or less, consisting of a governmental section.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard

unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proration 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 upon receipt of written waivers from all operators offsetting the proration unit or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Hagood-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before August 1, 1977.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Hagood-Pennsylvanian Gas Pool shall have dedicated thereto 640 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 640 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable.

Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Hagood-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.


(3) That this case shall be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the Hagood-Pennsylvanian Gas Pool, at which time the operators in the subject pool may appear and show cause why the Hagood-Pennsylvanian Gas Pool should not be developed on 320-acre spacing units.

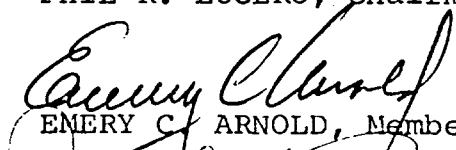
(4) That the first operator to obtain a pipeline connection for a well in the Hagood-Pennsylvanian Gas Pool shall notify the Commission in writing of such fact, and that the Commission will thereupon issue a supplemental order designating an exact date for reopening this case.

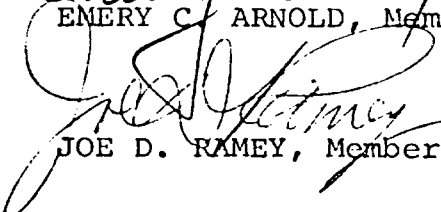
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

dr/

WINCHESTER-UPPER PENNSYLVANIAN GAS POOL
Eddy County, New Mexico

Order No. R-5456, July 1, 1977, Establishing Pool, as Amended by Order No. R-5729, June 1, 1978; Order No. R-5876, December 1, 1978; Order No. R-6368, July 1, 1980.

T-19-S, R-28-E S/2 Sec. 24; Sec. 25; N/2 Sec. 36.
T-19-S, R-29-E W/2 Sec. 30.

* **HAGOOD-PENNSYLVANIAN GAS POOL**
Lea County, New Mexico

Order No. R-5492, July 19, 1977, Establishing Pool.

T-26-S, R-35-E Sec. 25.

BYRNES TANK-MIDDLE DELAWARE GAS POOL
Eddy County, New Mexico

Order No. R-5511, September 1, 1977, Establishing Pool.

T-23-S, R-26-E SE/4 Sec. 7.

CALUMET-SAN ANDRES POOL
Chaves County, New Mexico

Order No. R-5511, September 1, 1977, Establishing Pool.

T-12-S, R-26-E NW/4 Sec. 36.

CARSON-MORROW GAS POOL
Chaves County, New Mexico

Order No. R-5511, September 1, 1977, Establishing Pool, as Amended by Order No. R-6657, May 1, 1981; Order No. R-7048, September 1, 1982.

T-9-S, R-31-E S/2 Sec. 3; Sec. 10; N/2 Sec. 15.

SOUTH KEMNITZ-CISCO POOL
Lea County, New Mexico

Order No. R-5511, September 1, 1977, Establishing Pool, as Amended by Order No. R-6449, September 1, 1980.

T-16-S, R-33-E SE/4 Sec. 22; W/2 Sec. 26; S/2, NE/4 Sec. 27.

SOUTH PADUCA-WOLFCAMP GAS POOL
Eddy County, New Mexico

Order No. R-5511, September 1, 1977, Establishing Pool.

T-25-S, R-31-E W/2 Sec. 12.

REEVES-QUEEN POOL
Lea County, New Mexico

Order No. R-5511, September 1, 1977, Establishing Pool, as Amended by Order No. R-5609, January 1, 1978; Order No. R-5667, April 1, 1978.

T-18-S, R-35-E S/2 Sec. 22; NE/4 Sec. 27.

TOMAHAWK-SAN ANDRES POOL
Chaves and Roosevelt Counties, New Mexico

Order No. R-5511, September 1, 1977, Establishing Pool, as Amended by Order No. R-5609, January 1, 1978; Order No. R-5667, April 1, 1978; Order No. R-5838, November 1, 1978; Order No. R-5987, May 1, 1979; Order No. R-6033, July 1, 1979; Order No. R-6033-A, June 26, 1979; Order No. R-6169, November 1, 1979; Order No. R-6170, November 1, 1979; Order No. R-6211, January 1, 1980; Order No. R-6368, July 1, 1980; Order No. R-6420, August 1, 1980; Order No. R-6449, September 1, 1980; Order No. R-6576, February 1, 1981; Order No. R-6657, May 1, 1981; Order No. R-6724, August 1, 1981; Order No. R-6810, November 1, 1981; Order No. R-6876, January 1, 1982; Order No. R-6923, April 1, 1982; Order No. R-7048, September 1, 1982; Order No. R-7114, November 1, 1982; Order No. R-7334, September 1, 1983; Order No. R-7437, March 1, 1984; Order No. R-7502, May 1, 1984; Order No. R-7858, April 1, 1985.

T-7-S, R-31-E S/2 Sec. 25; Sec. 36.
T-7-S, R-32-E SW/4 Sec. 17; SE/4 Sec. 18; Sec. 19; NW/4 Sec. 20; NW/4 Sec. 29; Secs. 30, 31; NW/4, S/2 Sec. 32.
T-8-S, R-31-E Sec. 1.
T-8-S, R-32-E NE/4 Sec. 5; W/2, SE/4 Sec. 6; NW/4 Sec. 7.

COMBS-DELAWARE GAS POOL
Eddy County, New Mexico

Order No. R-5534, October 1, 1977, Establishing Pool.

T-20-S, R-27-E SE/4 Sec. 15.

EAST LAKE-MORROW GAS POOL
Eddy County, New Mexico

Order No. R-5534, October 1, 1977, Establishing Pool, as Amended by Order No. R-6033, July 1, 1979; Order No. R-7158, January 1, 1983.

T-18-S, R-27-E W/2 Sec. 32.
T-19-S, R-27-E N/2 Sec. 5; E/2 Sec. 6; E/2 Sec. 7; E/2 Sec. 18.

CONTINUED LEA AND MORROW (GAS)

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WELL S T P	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	YR-PROD MP	ACCU.

CONTINENTAL OIL COMPANY ANDERSON RANCH UNIT 341116532E GAS OIL RECOMPLETED TO ANDERSON RANCH WOLFCAMP													86377 899	

EL PASO NATURAL GAS COMPANY COOPER FEDERAL 1F2124536E GAS OIL	1266	417		30	73	13	94	240	32	961	259	621	4006	339757 1157

NEWMORRIS OIL CO STATE F CO IN 616534E GAS OIL								1537	12980 1311	12374 570	7926 303	7900 219	44717 2403	44717 2403

PHILLIPS PETROLEUM COMPANY MICHEL 1C1316533E GAS OIL WAT										11328 968 40	12295 730 40	18516 459 30	42139 2157 110	42139 2157

UNION OIL COMPANY OF CALIFORNIA PIPELINE STATE CO 1K3318534E GAS OIL WAT	1124 39 93	1214 41 84	1010 20 93	1075 10 90	1371 24 93	1044 27 150	1105 21 93	839 15 93	700 27 90	725 23 93	624 22 96	115 8 93	10946 277 1155	83352 2783

WESTERN OIL PRODUCERS INCORPORATED UNION STATE 202916533E GAS OIL				21084 153	23406 1397	745 755	1885 1006	946 564	6731 2649	5527 1518			60324 8042	60324 8042

LEA AND PENNSYLVANIAN (GAS) PN														

AMERICA BESS CORPORATION STATE F CO 1M1112532E GAS OIL PLUGGING APPROVED 1971													566859 10499	

BTA OIL PRODUCERS MAGOOD 1B2526535E GAS OIL WAT						26814 84 5548	33614 204 5225	21178 104 3155	15949 58 1468	16844 66 1459	14159 54 2155	128558 570 19010	128558 570	

HUMBLE OIL AND REFINING COMPANY ELLIOTT FEDERAL 1A 116534E GAS OIL PLUGGING APPROVED 1953													82565	

TCM L. INGRAM DICKINSON 1H3310536E GAS OIL LAST PROD. PRIOR TO 6/73													5 1892 282	

LEA AND SANTA ROSA (GAS) SN														

G. P. STIMS VIVIAN OIL 103022538E GAS OIL LAST PROD. PRIOR TO 6/73													U 64286 27	
2C3022538E GAS OIL LAST PROD. PRIOR TO 6/73													U 27096 27	

COMPANY TOTAL OIL GAS													91382 27	

LEA AND STRAWN (GAS) PS														

SUNRAY OIL COMPANY NEW MEXICO F STATE 1F 110533E GAS OIL PLUGGING APPROVED 1965													60508 2345	

TEXACO INCORPORATED (CAPROCK DISTRICT) NEW MEXICO F STATE 3E1112532E GAS OIL	723 39	583 27	724 61	669 27	440 33	645 27	444 28	666 25	1213 13	1045 34	920 24	893 5	9265 343	776623 29364

LEA AND WOLFCAMP (GAS) WC														

SKELLY OIL COMPANY WEST JAL B DEEP 1M1725536E GAS OIL ZONE ABANDONED													417	

LEA AND YATES SEVEN RIVER (GAS) YS														

WILSON OIL COMPANY CHARLOTTE STATE 2C3220536E GAS	492	386	437	385	344	271	208	176	163	177	240	376	3655	870792

ROOSEVELT AND DEVONIAN (GAS) DV														

M. L. BROWN, JR. FEDERAL 5L27 7537E GAS OIL PLUGGING APPROVED 1970													1440	

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