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 quarterquarter 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of the s

PHIL R. LUCERO, Chairman

ENERY C ARNOLD, Member

JOE D. RXMEY, Member & Secretary

SEAL

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 8/2 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-5638, November 1, 1978; Order No. R-5683, July 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-6270, November 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-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.

WFLE S T P	JAN FEB	HAR	APRIL	MAY	JUNE	JULY	AUG	SEPT.	0C T	47V	DEC :	Ab-6800 M	ACCUM.
CONTINENTAL FIL COMP ANDERSCK RANCH UNIT BARILESSZE GAS OIL	ANY RECOMPLETED FO			ANCH WOLF		•••••	******	******					56377 899
EL PASO NATURAL GAS COOPER FEDERAL 1F2124536E GAS OIL	CDMPANY 1266 417		30	** ******* 73	13	94	******* 240	****** 32	96 1	259	621	4006	335757 1157
NEWBOURNE CIL CO STATE F COM IN 616534E GAS DIL				******			1537	12980 1311	12374 570	7976 303	7900 219	44717 2403	44717 2403
PHILLIPS PETRCLEUM C MICHEL 1Cl316537E GAS 71L WAT	OMPANY		*****	******	*****	*****	******	******	11328 968 40	12295 730 40	18516 459 30	42139 2157 110	42139 2157
UNION OIL COMPANY OF PIPELINE STATE COM IK3318534E GAS OIL WAT	CALIFORNIA 1124 1214 39 41 93 64	1010 20 93	1075 10 90	1371 24 93	1044 27 150	1105 21 93	839 15 93	700 27 90	725 23 93	674 72 90	115	10946 277 1155	83352 2783
WESTERN DIL PRODUCER UNION STATE 202916533E GAS OIL	S INCORPORATED		*****	23406 1397 WER WOLF	******	******		6731 2649	5527 1518			60324 8042	60324 8042
LEA UND PENNSYVANIAN	RECOMPLETED TO		****	MEN MULF	LAMP, WE	51							
AMERACA HESS CORPORA STATE ECF [MILL2532E GAS OIL				******	******	******	*******	******					566859 1 0499
BTA CIL PRODUCERS HAGOOD 182526535E GAS OIL WAT			*****	******	•••••	26814 84 5548	33614 204 5225	21178 104 3155	15949 58 1468	16 844 66 1459	14159 54 2155	128558 570 19010	128558 570
HUMBLE CIL AND REFIN ELLICTT FECEPAL 14 116534F GAS	ING COMPANY			******	******							.,	
TCP L. INGRAP CICKINSON 1M3310S36F GAS OIL	PLUGGING APPROV			******	•••••	••••••	******	******					82565
	LAST PRED. PRICE											2	1897 282
LEA UNO SANTA ROSA O	G#21 2			*******			****	*****					
G. P. SIMS VIVIAN GULF 103022538E GAS	LAST PROD. PRIC	R TO 6/	73									U	64286
203022538E GAS	LAST PROD. PRIC	R TC 6/	73									U	
CCMPANY TCTAL GIL GAS LEA UND STRAWN (GAS)	·	·s											91382
		******		******	******	*******	******	*****					
SUNRAY DX CIL CCMPAN NEW MEXICO F STATE IF (10533E GAS OIL	PLUGGING APPROV	ED 196											60508 2345
TEXACO INCORPORATED NEW MEXICO PH STATE SELLIZESZE GAS OIL	1CAPROCK DISTRIC NCT 1 723 583 39 27	724 724	669 27	540 33	****** 645 27	******** >44 28	666 25	12[3	1045	920 24	893	9265 343	776623 29364
LEA UND WOLFCAMP (GA		IC.					•						
SKELLY CTL CCMPANY WEST JAL B DEEP 1H1725536E GAS OIL	ZONE ABANDONED		*****	*******	******	******	*****	******					417
LEA HND YATES SEVEN	RIVER (GAS)	<u> </u>											
WILSON OIL COMPANY CHARLOTTE STATE 2C322OS36F GAS	492 386	437	******* 385	344	******* 271	208	176	163	177	240	376	3655	870792
ROCSEVELT UND DEVON	(AN (GAS)	V	***										
H. L. BROWN, JR. FEDERAL 5L27 7S37F GAS OIL	PLUGGING APPRO	VED 197		*******	*******	****		******					1440

144 C

WELL S T R JAN	FEB	MAR	APRIL	MAY	JUNE STARES	JULY	AUG	SEPT	OCT.	NOV	0EC 1	984 PR00 /	AGE 704 W ACCUM
LEA UNDES FUSSELMAN (GAS	****	FS											
THE PETROLEUM CORPORATION TERMECO FEDERAL 181224537E GAS REC	OPPLETED	10 b u	eeeeeee			******** TED)	*****	****					35555
LEA UNDES MCKEE (GAS)		SA					•	* - 2					
LANTON DIL CORPORATION STATE 2P1013S33E GAS PLUI 01L	GING APPE	rakeo 14		12 04 04 00	*******	******	*******		•				39751
LEONARO DIL CUMPANY FEDERAL 4N1326S37E GAS CON	MERTED TO	MATER	*****	• • • • • • • • • • • • • • • • • • • •	*****	******	0 0 0 0 0 0 0 0 0	******					602
THE PURE OIL COMPANY SOUTH VACUUM UNIT 2135185352 GAS REC	GMPLETED	10 V	ACUUM DEVI			*****	*******	******					188480 2094
LEA UNDES MORACH (GAS)	10 46 to 47 bt	PA			•								
ANDCO PRODUCTION CO FEDERAL CK COM IN 622532E GAS 456 01L 17	9464 42 168	1154 14 98	*****	4172 111 220	6735 28 265	7694 39 195	9047 32 320	8101 8262	7197 38 228	8320 38 296	8094 47 253	73539 10305	179337
183223532E GAS ZONI	AB ANDONE	0											44318
mA T	9464	1154	******	4 1 7 2 226	6735 265	7694 195 *******	8047 320	\$101 \$262	7107 228	#320 296	0094 253	73339	223645
CONTINENTAL OLL COMPANY ANDERSON RANCH UNIT RECOMPLETED TO AMOERSON RANCH WOLFCAMP SELVE OLL SELVE ON SELVE OLL SELVE ON SELVE OLD SELVE ON SELVE OLD SELV													44 33 7 899
ELK OIL COMPANY EAST KEMMITZ COM IK2716534E GAS 9556 OIL 36	93 283	97904 392	65 <u>140</u>	53053 227	21 536	7290 7 346	90741 368	54041 254	53117 247	52896 228	77443 300	859332 3608	1283316
HNG OIL COMPANY LOVINGTON PLAINS 2 STATE IG 216534E GAS 300	42]	4296		3650 3	3272 60	3527 21	3409 30	3109	26 <u>0)</u>	175 24	2921 20	38319	113328
MADERA 28 FEDERAL 1N28245344 GAS 173244 OIL MAT	185384	190294	100434	94 <u>47</u> 3	119026 98	185449 235 115	42011 41 46	77965 67 38	110421 128	76443 84 42	205275 262 137	1540435 1760 551	3696407 4645
	189663	194500		98123	122298		46 454 20 74		113222			1598934 1598934	3807933
w. A. HONCRIEF, JR. SUMBRERG STATE	PROD. 04		*****			*****			•••	-	•••	U	100490
PETROLEUM DEVELOPMENT CON													
THE SUPERIOR OIL COMPANY			*****	****		********							98906 2741
SUPERIOR GULF STATE COM	18	6409 62 ATE 12/8		63	123	137.	11	279	110	99	135 30	8011 20 94 9	35676 33 58460 2280
COMPANY FOTAL OIL GAS 35:	1.6	₩02 62	59	63	123	137	11	279	110	99	135) [] es	2280 94333
UNION OIL COMPANY OF CALL LAGUNA DEEP FEDERAL 2N2619S33E GAS 1242 UIL 29	FORMIA 8335	10375	******** 4611	TSTM		10 706			7834	6251	7390	99895	298025 13927
PIPELINE DEEP UNIT FEDER 4N 619534E GAS 133		10375 327 1417	44	39	11165 230 154	10 706 228 240	9125 194 105	8334 196 93	7834 188 103	6251 172 102	7390 154 110	99895 2248 1156	
PIPELINE STATE COM	1279 CUMPLETED	•	1490 31 K BONE SPI	1511 58 RINGS	1311	1347 21 21	1276	1115	898	1046 26	989 15	15012 216 27	685046 35396 87725
COMPANY TOTAL OIL 30		11792		124 485 j	236 12476	249 12053	209 10403	9449	8 7 3 2	198 7297	a] 69	114907	87725 2894 1070796
HESTERN OIL PRODUCERS INFO		•	******** ********* EMMITZ LO	******	*****	261 ************************************			103	102	110	1143	60324
LEA UNDES PENN (GAS)													60324 6042
AMERADA HESS CORPORATION	GING APP		*****	****	******	******	******	*****					566859 10499
BELCO PETROLEUM CORPURAT	JN - ABANDUNE	EO	*****	** ** ** **	******	******	******	******					2774
ATA OIL PRODUCERS	LING APPI			****	******	*******	******	******					
HUMBLE GIL AND REFINING			*****	******	******	******	******	*****					171099
TOM L. INGRAM DICKINSON	PK00. P		*****	******	*****	*******	*******	******				s	82565 1892 282
OIL													282
PHILLIPS DIL COMPANY LEAMEX 2CH2317S33E GAS OIL MAT				******		1 60 9	******** 454		422	123		6217	6217 14
MAT LEA UNDES SANTA ROSA (GA	;) :=======	SM			3161 14 42	160	80	240	32	32	216	802	14
G. P. SIMS, ESTATE OF			*****	••••	******	*******	******	*****					
TOJUZZAJOE UNZ LAS	PROD. P	-10K (0 (9/13									U	64226

Happer I -