

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8701
Order No. R-2874-C

APPLICATION OF WAYNE NEWKUMET FOR
AMENDMENT OF DIVISION ORDER NO.
R-2874, AS AMENDED, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on September 11, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 27th day of September, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Wayne Newkumet, is the owner of substantial interests in the High Plains Permo-Pennsylvanian Pool, Lea County, New Mexico.

(3) The applicant seeks the amendment of the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool, as promulgated by Division Order No. R-2874, as amended, to permit certain flexibility in the location of wells drilled to and completed in said pool, which is in the late stage of development.

(4) Rule 4 of the special pool rules requires that wells drilled to and completed in the subject pool be located within 150 feet of the center of the northeast quarter or the southwest quarter of a governmental quarter section.

(5) Specified quarter-quarter sections for the location of wells in 160-acre spaced pools are satisfactory during the early development, particularly through the fairway, of a pool but do not provide sufficient flexibility to maximize additional drilling of the perimeter of the pool during later stages of development.

(6) The applicant proposes that Rule 4 of the special rules for the subject pool be amended to read in its entirety as follows:

"RULE 4. Each well shall be located no nearer than 660 feet to the outer boundary of the proration unit nor nearer than 330 feet to any governmental quarter-quarter section line."

(7) The amendment of Rule 4 of the Special Rules and Regulations for the High Plains Permo-Pennsylvanian Pool as described in Finding No. (6) above will not violate correlative rights nor cause waste, but will in fact prevent waste by permitting additional wells to be drilled and additional reserves to be produced, and should be approved.

IT IS THEREFORE ORDERED THAT:

(1) Rule 4 of the Special Rules and Regulations for the High Plains Permo-Pennsylvanian Pool as promulgated by Division Order No. R-2874, as amended, is hereby amended to read in its entirety as follows:

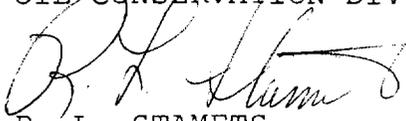
"RULE 4. Each well shall be located no nearer than 660 feet to the outer boundary of the proration unit nor nearer than 330 feet to any governmental quarter-quarter section line."

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director