

(13) That the Director of the Division should be authorized to administratively establish a special depth bracket allowable and gas-oil ratio limitation for the Benson-Strawn Pool based upon the results of the tests set out above, or, at his option, set this matter for public hearing.

IT IS THEREFORE ORDERED:

(1) That effective June 1, 1980, a new pool in Eddy County, New Mexico, classified as an oil pool for Strawn production, is hereby created and designated the Benson-Strawn Pool, with vertical limits comprising the Strawn formation and horizontal limits comprising the following-described area:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 33: SE/4

(2) That Special Rules and Regulations for the Benson-Strawn Pool, Eddy County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE BENSON-STRAWN POOL

RULE 1. Each well completed or recompleted in the Benson-Strawn Pool or in the Strawn formation within one mile of the Benson-Strawn Pool, and not nearer to nor within the limits of another designated Strawn pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Benson-Strawn Pool shall be located on a unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Lands Survey.

RULE 3. Each well completed or recompleted in said pool shall not be drilled closer than 660 feet to any quarter section line nor closer than 330 feet to any quarter-quarter section line.

RULE 4. For good cause shown, the Division Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising less than 160 acres. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Division Director may

approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to an established allowable in the Benson-Strawn Pool as the acreage in such non-standard unit bears to 160 acres.

RULE 5. A standard proration unit (158 through 162 acres) in the Benson-Strawn Pool shall be assigned a depth bracket allowable of 70 barrels, subject to the market demand percentage factor, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit in any proportion.

IT IS FURTHER ORDERED:

(1) That the special depth bracket allowable set forth in Rule 5 above shall remain in effect pending establishment of a permanent depth bracket allowable and gas-oil ratio limit for said pool.

(2) That during the first 90 days of production the applicant shall conduct tests on said Benson Deep Unit Well No. 1 to establish the optimum producing rate for oil and gas from wells in said Benson-Strawn Pool, provided however, that there shall be no gas-oil ratio limitation in effect in said pool until a permanent depth bracket allowable and gas-oil ratio limitation for said pool has been established.

(3) That the applicant shall submit the results of such tests to the Director of the Division within 30 days following the close of the 90-day test period.

(4) That based upon the results of such tests the Director of the Division may administratively revise the special depth bracket allowable set forth in Rule 5 above and may establish a special gas-oil ratio limit for the Benson-Strawn Pool, or, at his option, he may set the matter for public hearing.

(5) That the locations of all wells presently drilling to or completed in the Benson-Strawn Pool or in the Strawn formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Artesia district office of the Division in writing of the name and location of the well on or before June 1, 1980.