

*Submitted, Feb 6, 1962
A.H.P.*

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. 2480
Order No. R-2182

APPLICATION OF SHELL OIL COMPANY
FOR TEMPORARY SPECIAL RULES AND
REGULATIONS FOR THE HENSHAW-
WOLFCAMP POOL, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 24, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 12th day of February, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Shell Oil Company, seeks the promulgation of temporary special rules and regulations for the Henshaw-Wolfcamp Pool in Eddy County, New Mexico, to provide for 80-acre proration units.
- (3) That the evidence presented concerning the reservoir characteristics of the Henshaw-Wolfcamp Pool justifies the establishment of 80-acre proration units in said pool for a temporary one-year period.
- (4) That the information presently available and presented as evidence indicates that the Henshaw-Wolfcamp Pool can be efficiently and economically drained on 80-acre proration units.

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(5) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool, including core data and interference tests.

(6) That this case should be heard again by a duly appointed examiner of the Commission at an examiner hearing in February, 1963, at which time the applicant should be prepared to prove by a preponderance of the evidence the proration unit size on which the subject pool can be most efficiently drained and developed.

(7) That the Henshaw-Wolfcamp Pool should be created for the production of oil from the Wolfcamp formation. Said Henshaw-Wolfcamp Pool was discovered by the applicant's Henshaw Deep Unit Well No. 1, located in the NE/4 NW/4 of Section 24, Township 16 South, Range 30 East, NMPM, Eddy County, New Mexico. The top of the perforations is 8822 feet.

IT IS THEREFORE ORDERED:

(1) That a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the Henshaw-Wolfcamp Pool, consisting of the following-described area:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 24: NW/4 and S/2

(2) That special rules and regulations for the Henshaw-Wolfcamp Pool are hereby promulgated as follows, effective March 1, 1962.

SPECIAL RULES AND REGULATIONS FOR THE
HENSHAW-WOLFCAMP POOL

RULE 1. Each well completed or recompleted in the Henshaw-Wolfcamp Pool or in the Wolfcamp formation within one mile of the Henshaw-Wolfcamp Pool, and not nearer to nor within the limits of another designated Wolfcamp 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 Henshaw-Wolfcamp Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2 or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

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RULE 3. For good cause shown, the Secretary-Director may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. 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 Secretary-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 a standard allowable in the Henshaw-Wolfcamp Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either the SW/4 or NE/4 of the quarter section on which the well is located. Any well which was drilling to or completed in the Henshaw-Wolfcamp Pool prior to January 24, 1962, is granted an exception to the well location requirements of this rule.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Henshaw-Wolfcamp Pool shall be assigned an 80-acre proportional factor of 4.00 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

(3) That operators who propose to dedicate 80 acres to a well in the Henshaw-Wolfcamp Pool must file an amended Commission Form C-128 with the Artesia District Office of the Commission by February 15, 1962, in order that the well may be assigned an 80-acre allowable on the March proration schedule.

(4) That this case be reopened at an examiner hearing in February, 1963, at which time the operators in the subject pool shall appear and show cause why the Henshaw-Wolfcamp Pool should not be developed on 40-acre proration units.

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

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

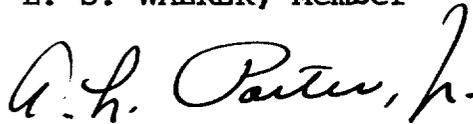
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

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