

Entered September 2, 1974
A. L. 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. 4946
Order No. R-4581-A

IN THE MATTER OF CASE NO. 4946 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF ORDER NO. R-4581, WHICH ORDER
ESTABLISHED TEMPORARY RULES FOR THE
CROSBY-FUSSELMAN ASSOCIATED POOL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 7, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 3rd day of September, 1974, 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 by Order No. R-4581, dated June 29, 1973, Special Rules and Regulations for the Crosby-Fusselman Associated Pool were promulgated, which rules included provisions for 320-acre spacing and proration units and a limiting gas-oil ratio of 5,000 cubic feet of gas per barrel of oil.

(3) That subsequent to the original hearing of this case, additional reservoir and production information has become available which indicates that the Crosby-Fusselman Associated Pool is an oil reservoir rather than an associated oil and gas reservoir.

(4) That said Crosby-Fusselman Associated Pool should be reclassified and designated the Crosby-Fusselman Pool.

(5) That the pool should continue to be developed on 320-acre spacing.

(6) That the producing history of the pool indicates that a limiting gas-oil ratio in excess of 4,000 cubic feet of gas per barrel of oil is unnecessary for the efficient and economic development of the pool.

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(7) That wells in the subject pool should continue to be assigned a special depth bracket allowable of 310 barrels of oil per day.

(8) That effective October 1, 1974, the Special Pool Rules and Regulations for the Crosby-Fusselman Associated Pool should be rescinded and new Special Rules and Regulations for the Crosby-Fusselman Pool should be promulgated to take effect on that date.

IT IS THEREFORE ORDERED:

(1) That effective October 1, 1974, the Crosby-Fusselman Associated Pool in Lea County, New Mexico, is hereby reclassified as an oil pool and designated the Crosby-Fusselman Pool with vertical limits comprising the Fusselman formation and horizontal limits comprising the following described area:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 28: S/2
Section 33: N/2

(2) That effective October 1, 1974, the Special Rules and Regulations for the Crosby-Fusselman Associated Pool, Lea County, New Mexico, are hereby rescinded and Special Pool Rules and Regulations for the Crosby-Fusselman Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
CROSBY-FUSSELMAN POOL

RULE 1. Each well completed or recompleted in the Crosby-Fusselman Pool, or in the Fusselman formation within one mile thereof, and not nearer to or within the limits of another designated Fusselman 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 320 acres more or less, comprising any two contiguous quarter sections of a single governmental section being a legal subdivision of the United States Public Land Surveys, provided that for purposes of these rules a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

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 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 of lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a standard proration unit for the well under the applicable provisions of Rule 2 above 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 acreage in the standard proration unit in which the non-standard unit is situated 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 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 the 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 660 feet to the nearest side boundary of the tract, nor nearer than 1980 feet to the nearest end boundary of the tract, nor closer than 330 feet to any quarter quarter section or subdivision inner boundary.

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 the well previously drilled to another horizon. All operators offsetting the proposed location 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 proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. Top unit allowable for a standard proration unit (316 through 324 acres) shall be a 320-acre depth bracket allowable of 310 barrels per day subject to the market demand percentage factor for allowable purposes and in the event there is more than one well on a 320-acre proration unit the operator may produce the allowable assigned the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 320 acres.

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RULE 7. A limiting gas-oil ratio of 4000 cubic feet of gas per barrel of oil is established for the pool.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to the Crosby-Fusselman Pool 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 October 15, 1974.

(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 Crosby-Fusselman Pool shall have dedicated thereto 320-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 320-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 days limitation each well presently drilling to or completed in the Crosby-Fusselman Pool shall receive no more than 1/4 of a standard allowable for the pool.

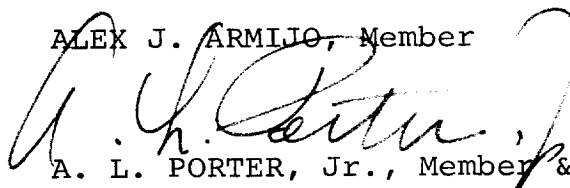
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

S E A L

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