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:

CASES 249 AND 315 (Consolidated) ORDER No. R-69-A 1

THE MATTER OF THE APPLICATION OF AMERADA PETROLEUM CORPORATION FOR AN ORDER HETABLISHING PROPATION UNITS AND UNIFORM SPACING OF WELLS FOR THE BAGENT-SILURO-DEVONIAN POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at Santa Fe, New Mexico, on April 24, 1951, and again on April 15, 1952, before the Oil Conservation Commission of New Mixico, hereinsfer referred to as the "Commission."

NOW, on this day of April, 1952, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearings, and being fully advised in the premises.

FINDS:

(1) That due public notice has been given as required by law, and the Commission has jurisdiction of this cause and all the matters and things relating thereto.

(2) That heretelore, the Commission, by virtue of Order No. R-69, to which reference is hereby made, established 80-acre provation units, establishing a spacing pattern, provided for an allowable equal to one and one-half times the top allowable for a 40-acre provation unit (with deep-pool adaptation), and provided for an exception to the S0-acre drilling pattern with adjustment of allowables.

(3) That Order No. R-69, effective May 1, 1951, was a Temporary Order, established for a period of me, year.

(4) That geological and engineering data now available to the Commission indicates that one well will effectively drain 80 acres and, <u>considering the chorings of caping and other inducementorials</u> the Bagley-Siluro-Devonian Pool Should be developed on 80-acre proration units for a further period of one year.

(5) That information presented to the Commission indicates that the adoption of secondary-recovery methods at this time is not a provent -2-Case 249 and 315 Order No. R-69-A

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(6) That the operators in the Bagley-Siluro-Devenian pool should present to the Commission a monthly report showing complete production and reservoir information.

(7) That Order No. R-69 should be extended for a period of one year upon the conditions and limitations herein set forth.

IT IS THEREFORE ORDERED:

(1) That Order No. R 169 be, and it bereby is extended for a period of one year from the first day of May, 1952, upon the following terms and conditions, to wit:

(a) That each operator in the Bagley-Siluro-Devonian Pool shall file with the Commission office at 5 anta Fe, New Mexico, on or before the 15th day of each and every menth, a menthly tabulated report for each well showing the allowable, the actual oil production, the oil runs, water production, gas production, cumulative eil production, cumulative water production, and cumulative gas production. This requirement is in addition to and supplementary to the other reports and surveys presently required by the Commission, and is not in substitution or in lieu thereof.

(b) That said operators shall cause a pool-wide bottomhole pressure survey to be taken during the months of July 1952, November 1952, and March 1953, and the results thereof reflecting such pressures of each well shall be submitted in writing to the Commission on or before the fifth day of the following month. (Bottomhole pressure tests shall be taken as prescribed by Rule 302 of the Commission's Rules and Regulations.)

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

(A) at the regular STATE OF NEW MEXICO OIL CONSERVATION COMMISSION Commission bearing for the menth of cefaint in 1953 EDWIN L. MECHEM, Chairman the operators shull store Junghipan the operators shull store Junghipan cause why said prost GUY SHEPARD, Member shall not be placed on R. R. SPURRIER, Secretary 40 acce spacing 5 EAL 5 patter with allouble adjustment

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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN RE: CASES 249 AND 315 (CONSOLIDATED) - TEMPORARY 80-ACRE SPACING IN THE BAGLEY-SILURO-DEVONIAN POOL, LEA COUNTY, NEW MEXICO

ORDER NO. R-69-B

INTERLOCUTORY ORDER

WHEREAS on the 29th day of April, 1952, the Oil Conservation Commission of New Mexico issued Order R-69-A as a temporary order for a period of one year from and after May 1, 1952, and

WHEREAS said order will expire by its own terms unless extended, and

WHEREAS due notice to show cause why the Bagley-Siluro-Devonian Pool in Lea County, New Mexico, should not be placed on 40-acre spacing with allowable adjustment following expiration of Order R-69-A, was given all interested parties, returnable April 17, 1953, and each and all of the parties duly appeared on said date, and moved the Commission for continuance, and

Good cause therefor appearing,

IT IS THEREFORE ORDERED:

First, That said cause be, and the same hereby is continued to the next regularly advertised hearing of this Commission;

Second, That all the rights, obligations and duties included in and imposed by Order R-69-A dated April 29, 1952, be, and the same hereby are extended, and remain in full force and effect until the regular May 1953 hearing of the Commission, and the regular issuance thereafter of the Commission order in the premises, but in no event beyond June 1, 1953.

DONE at Santa Fe, New Mexico, this 20 day of April, 1953.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

E I meet

Edwin L. Mechem, Chairman

R. R. Spupt Secretary

SEAL

EXHIBIT NO. 1 _____

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 191 ORDER NO. R-2

IN THE MATTER OF THE APPLICATION OF AMERADA PETROLEUM CORPORATION FOR THE ESTABLISHMENT OF PRORATION UNITS AND UNIFORM SPACING OF WELLS IN THE BAGLEY-SILURO-DEVONIAN POOL IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing before the Commission on December 20, 1949 on the application of Amerada Petroleum Corporation to establish proration units and uniform spacing of wells in the Bagley-Siluro/Devonian Pool in Lea County, New Mexico.

The Commission having heard the evidence, the argument of counsel and being duly advised,

FINDS:

1. The Commission has jurisdiction of the subject matter and of the interested parties, due notice of the hearing having been given.

2. The evidence is insufficient to prove that the proposed plan of spacing would avoid the drilling of unnecessary wells, secure the greatest ultimate recovery from the pool or protect correlative rights.

3. The evidence is insufficient to prove that one well drilled on each 80-acre tract would efficiently drain the recoverable oil from the pool.

IT IS THEREFORE ORDERED:

1. The application of Amerada Petroleum Corporation is denied.

2. Nothing contained herein shall be construed to require the drilling of one well on each 40-acre tract in the pool.

3. Nothing contained herein shall be construed to be a determination by the Commission as to what constitutes "reason-able development" of any lease in the pool in relation to the implied covenants of any such lease.

DONE at SantaFe, New Mexico, on the 23rd day of January, 1950.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION s/THOMAS J. MABRY, CHAIRMAN s/ GUY SHEPARD, MEMBER s/ R. R. SPURRIER, SECRETARY

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TEXAS PACIFIC COAL AND OIL COMPANY

BAGLEY-SILURO/DEVONIAN PRODUCTIVITY INDEXES

Lease	Well No.	Oil Bbls.Hr.	Oil Bbls. 24 Hrs	SIBHP Psi	FBHP <u>Psi</u>	PI
State "B"	l	13.80	331.2	4272	4252	16.56
State "C"	1	64.83	1556.6	4269	4231	40 •96
State "C"	2	66.50	1596.0	4215	4154	26.2
State "C"	3	42.80	1026.7	4212	4055	6.54

AS

4-15-52

EXHIBIT NO. 3

BEFORE THE OIL CONSERVATION CONCLESION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMPLEMENT OF THE STATE OF NEW MEXICO FOR THE FURPOSE OF CONSIDERING:

CASE NO. 249

ORDENING. R-69

IN THE MATTER OF THE APPLICATION OF AMERADA PETROLEUN CORPORATION FOR AN ORDER ESTABLISHING PROMATION UNITS AND UNIFORM SPACING OF WELLS FOR THE MAGLEY-SILURO-DEVONIAN FOOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

This matter came on for hearing at Santa Fe, New Mexico, on April 24, 1951, on the application of Amerada Petroleum Corporation to establish provation units and uniform spacing of wells for the Bagley-Siluro-Devonian Pool, in Les County, New Mexico.

The Commission having heave the evidence presented and being fully advised,

PINDS:

1. That due public notice having been given as required by law, the Commission has jurisdiction of the subject matter and of the parties.

2. That all of the allegations contained in the application filed herein by Amerada Petroleum Corporation are true and correct.

3. That the probable productive limits of the Bagley-Siluro-Devomian Pool ascertainable from the information available at the time of the hearing in this case comprise the following land in Lea County, New Mexico:

> All of Sec. 34 = T 11 S - R 33 ENW and S/2, Sec. 35 - T 11 S - R 33 EN/2 and SE, Sec. 3 - T 12 S - R 33 EAll of Sec. 2 - T 12 E - R 33 EE/2 NW and N/2 NE, Sec. 11 - T 12 S - R 33 E

IT IS THEREFORE ORDERED:

1. That 80 acre proration units are hereby established for the Bagley-Siluro-Devonian Foel as delineated above, which shall comprise the Westchalf and East half of each Sovernmental quarter section, except the following units, to-wit: N/2 NW, Sec. 35 - T 11 S - R 33 ES/2 NW, Sec. 35 - T 11 S - R 33 EN/2 NW, Sec. 3 - T 12 S - R 33 ES/2 NW, Sec. 3 - T 12 S - R 33 EN/2 NE, Sec. 2 - T 12 S - R 33 EN/2 NE, Sec. 2 - T 12 S - R 33 ESW NE and NN SE, Sec. 2 - T 12 S - R 33 ESE NE and NE SE, Sec. 2 - T 12 S - R 33 ES/2 SE, Sec. 2 - T 12 S - R 33 EN/2 NE, Sec. 2 - T 12 S - R 33 EN/2 NE, Sec. 11 - T 12 S - R 33 E

2. All wells drilled into the Bagley-Siluro-Devomian Foel shall be located in the center of the Northwest and the Southeast quarters of each governmental guarter section, with a telerance of 150 feet in any direction to avoid surface obstructions.

3. That no well shall be drilled or produced in said Pool except in conformity with the spacing pattern set forth above without special order of the Commission after metice and hearing.

4. That all wells producing or hereafter completed in the Bagley-Siluro-Devonian Pool are hereby given an allowable equivalent to one and one-half times the top allowable for a 40 acre provation unit with the deep pool adaptation, as provided for in the rules and regulations of the Commission.

5. If any well is drilled as an exception to the well spacing pattern set forth above under special order of the Commission, the allowable for such well shall be the top allowable for a 40 acre promation unit with the deep peol adaptation, as provided by the rules and regulations of the Commission.

6. This order shall cover all of the Bagley-Siluro-Devonian common source of supply and any extension thereof as may be determined by further development, and shall continue in force for a period of one year from the first day of May, 1951.

Done this lst day of May , 1951.

STATE OF NEW MEXICO OIL CONSERVATION CONMISSION

Edwin L. Nochem, Chairman

s/ Guy Shepard Jur Shopard, Reminor

/s/ R. R. Spurrier

R. R. Spurrier, Secretary

EXHIBIT NO. 2 _____ </ ___ /5 - 3 2

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 191 ORDER NO. R-8

IN THE MATTER OF THE APPLICATION OF AMERADA PETROLEUM CORPORATION FOR THE ESTABLISHMENT OF PRORATION UNITS AND UNIFORM SPACING OF WELLS IN THE BAGLEY-SILURO/DEVONIAN POOL IN LEA COUNTY; NEW MEXICO.

ORDER DENYING REHEARING

BY THE COMMISSION:

Amerada Fetroleum Corporation having filed herein an application for rehearing on the alleged grounds that Order No. R-2 heretofore entered on 23 January 1950 was erroneous, and the Commission having considered said motion and having concluded that it is not well taken,

IT IS THEREFORE ORDERED that the application for rehearing filed by Amerada Petroleum Corporation will be defied.

DONE this 8th day of February, 1950, at Santa Fe, New Mexico.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

- /s/ THOMAS J. MABRY, CHAIRMAN
- /s/ GUY SHEPARD, MEMBER
- /s/ R. R. SPURRIER, SECRETARY

EXHIBIT NO. 4

In the matter of the application of the Oil Conservation Commission upon its own motion for an order directed to Amerada Petroleum Corporation, and Texas and Pacific Coal and Oil Company, and all other operators and persons having an interest in the subject matter hereof directing that pressure maintenance or other secondary recovery projects be instituted in the Bagley (Siluro-Devonian) Pool in Lea County, New Mexico, within six months from October 23, 1951, or that 80-acre spacing as provided for in Commission Order No. R-69 be rescinded, and 40-acre spacing be instituted for the prevention of waste and the protection of correlative rights, and directing Amerada Petroleum Corporation, Texas and Pacific Coal and Oil Company and all other operators or persons interested to show cause at Santa Fe, New Mexico, on October 23, 1951, why such order should not be entered.

Care 247 (315)

QULF OIL CORPORATION CASE 315, BAGLEY-SILARS MEVONIAN FOOL INA COUNTY, NOR METHOD HEARING APRIL 24, 1952

As Gulf Oil Corporation has acreage within the productive limits of the pool, we are vitally interested in this case. While we do not have available detailed information regarding the Baglay-dilure-Devenian reserveir, we have examined the reserveir pressure performance and find that the natural courses of recerveir energy are anistaining the pressure very close to that originally existing. We, therefore, find no justification at this time for the institution of pressure maintenance or secondary recovery operations in the field.

Gulf does not now have information available which would conclusively show whether one well is counted of draining 50 serves in this reservoir. However, there is no indication to the contoury at this time, and it is respectfully recommended that the Counterion grant on extension to the present order until there is sufficient evidence to determine whether or not the reservoir is being adequately drained by 50 serves.



March 24, 1952

Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Attention: Mr. Macy

Gentlemen:

Enclosed are the following:

- 1. Application in triplicate for one-year extension of the Bagley spacing order in Case No. 249;
- Application in triplicate for exception to Rule 506 (b) 2, in Case No. 341.

We will thank you if you will file these instruments so that they may be set for the regular April 15, 1952 hearing.

With best regards, I am,

Very truly yours,

Booth Kellow

Booth Kellough.

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BK:FC Encls.

BEFORE THE OIL CONSERVATION COMMISSION

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OF THE STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO. MAR 3 4452

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. . .

IN THE MATTER OF THE APPLICATION OF AMERADA PETROLEUM CORPORATION FOR AN ORDER ESTABLISHING PRORATION UNITS AND UNIFORM SPACING OF WELLS FOR THE BAGLEY-SILURO-DEVONIAN POOL LEA COUNTY, NEW MEXICO

CASE NO. 249

3-24-52

APPLICATION FOR EXTENSION OF ORDER NO. R-69

Comes now Amerada Petroleum Corporation, and alleges and states:

1. That on May 1, 1951, the Oil Conservation Commission entered its Order No. R-69, establishing 80-acre proration units and uniform spacing of wells for the Bagley-Siluro-Devonian Pool, Lea County, New Mexico, for a period of one year.

2. .. copy of Order R-69 is attached hereto marked Exhibit A and made a part hereof.

3. That in order to prevent waste, avoid the drilling of unnecessary wells and to conserve critical materials and tubular goods required for drilling operations and to protect the correlative rights of all interested parties, Order No. R-69 should be extended in all its particulars for an additional period of one year from May 1, 1952.

Wherefore, applicant respectfully requests that the Commission set this application for hearing and that due and proper notice be given as required by law and that at the conclusion of said hearing the Commission enter its order continuing Order No. R-69 in all particulars for an additional period of one year from May 1, 1952.

DATED this 24th day of March, 1952.

Harry D. Page

Booth Kellough

ATTORNEYS FOR AMERADA PETROLEUM CORPORATION



EXHIBIT A

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION CONMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 249

ORDER NO. R-69

IN THE MATTER OF THE APPLICATION OF AMERADA PETROLEUM CORPORATION FOR AN ORDER ESTABLISHING PROBATION UNITS AND UNIFORM SPACING OF WELLS FOR THE BAGLEY-SILURG-DEVONIAN POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

This matter came on for hearing at Santa Fe, New Mexico, on April 24, 1951, on the application of Amerada Petroleum Corporation to establish proration units and uniform spacing of wells for the Begley-Siluro-Devomian Pool, in Lea County, New Mexico.

The Commission having heard the evidence presented and being fully advised,

FINDS:

1. That due public notice having been given as required by law, the Commission has jurisdiction of the subject matter and of the parties.

2. That all of the allegations contained in the application filed herein by Amerada Petroleum Corporation are true and correct.

3. That the probable productive limits of the Bagley-Siluro-Devonian Pool ascertainable from the information available at the time of the hearing in this case comprise the following land in Les County, New Mexico:

> All of Sec. 34 - T 11 S - R 33 ENW and S/2, Sec. 35 - T 11 S - R 33 EN/2 and SE, Sec. 3 - T 12 S - R 33 EAll of Sec. 2 - T 12 S - R 33 RK/2 WW and K/2 NE, Sec. 11 - T 12 S - R 33 E

IT IS THEREPORE ORDERED:

1. That 80 acre proration units are hereby established for the Bagley-Siluro-Devonian Pool as delineated above, which shall comprise the West half and East half of each Governmental quarter section, except the fellowing units, to-wit:

> N/2 NW, Sec. 35 - T 11 S - R 33 K S/2 NW, Sec. 35 - T 11 S - R 33 K N/2 NW, Sec. 3 - T 12 S - R 33 K S/2 NW, Sec. 3 - T 12 S - R 33 K

H/2 NE, Sec. 2 - T 12 S - R 33 E SW NE and HW SE, Sec. 2 - T 12 S - R 33 E SE NE and NE SE, Sec. 2 - T 12 S - R 33 E S/2 SE, Sec. 2 - T 12 S - R 33 E H/2 NE, Sec. 11 - T 12 S - R 33 E

2. All wells drilled into the Bagley-Siluro-Devonian Pool shall be located in the center of the Morthwest and the Southeast quarters of each governmental quarter section, with a tolerance of 150 feet in any direction to avoid surface obstructions.

3. That no well shall be drilled or produced in said Pool except in conformity with the spacing pattern set forth above without special order of the Commission after notice and hearing.

4. That all wells producing or hereafter completed in the Bagley-Siluro-Devonian Fool are hereby given an allowable equivalent to one and one-half times the top allowable for a 40 acre provation unit with the deep pool adaptation, as provided for in the rules and regulations of the Commission.

5. If any well is drilled as an exception to the well spacing pattern set forth above under special order of the Commission, the allowable for such well shall be the top allowable for a 40 acre provation unit with the deep pool adaptation, as provided by the rules and regulations of the Commission.

6. This order shall cover all of the Magley-Siluro-Devonian common source of supply and any extension thereof as may be determined by further development, and shall continue in force for a period of one year from the first day of May, 1951.

Done this 1st day of May, 1951.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

s/ Edwin L. Mechem, Chairman -EDWIN L. MECHEM

- s/ Quy Shepard GUY SHEPARD, MEMBER
- s/R. R. Spurrier R. R. SPURRIER, SECRETARY

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> Case No. 249 Order No. R49

IN THE MATTER OF THE APPLICATION OF AMERADA PETROLEUM CORPORATION FOR A TEMPORARY ORDER ESTABLISHING PRO-RATION UNITS AND UNIFORM SPACING OF WELLS FOR THE BAGLEY SILURO-DEVONIAN POOL, COMPRISING, SE 1/4 section 34; S 1/2 section 35; SW 1/4 section 36, all in T.11 S, R. 33 E, and W 1/2 section 1; all section 2; E 1/2 section 3; E 1/2 section 10; all section 11; W 1/2 section 12, all in T. 12 S, R. 33 E, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10:00 o'clock a.m. on January 25, 1951, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, and upon motion of Booth Kellough, attorney for Amerada Petroleum Corporation, for a continuance of 90 days, it is hereby ordered that this case be continued and set down for the regular April 24, 1951 hearing of the Oil Conservation Commission in Santa Fe, New Mexico.

DONE at Santa Fe, New Mexico, this 25th day of January, 1951.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

CHEM, Chairman EDWIN L

GUY SHEPARD, Member R. R. SPUBRIER, Secretary

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 249 ORDER No. R-69

IN THE MATTER OF THE APPLICATION OF AMERADA PETROLEUM CORPORATION FOR AN ORDER ESTABLISHING PRORATION UNITS AND UNIFORM SPACING OF WELLS FOR THE BAGLEY-SILURO-DEVONIAN POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION

This matter came on for hearing at Santa Fe, New Mexico, on April 24, 1951, on the application of Amerada Petroleum Corporation to establish proration units and uniform spacing of wells for the Bagley Siluro-Devonian pool, in Lea County, New Mexico.

The Commission having heard the evidence presented and being fully advised,

FINDS:

1. That due public notice having been given as required by law, the Commission has jurisdiction of the subject matter and of the parties.

2. That the information now available indicates that one well will effectively drain an area of 80 acres and considering the shortage of casing and other tubular materials the Bagley Siluro-Devonian pool should be developed on 80-acre proration units for a period of one year.

3. That the probable productive limits of the Bagley Siluro-Devonian pool ascertainable from the information available at the time of the hearing in this case comprise the following land in Lea County, New Mexico.

> All of section 34, T.11 S, R.33 E NW/4 and S/2 section 35, T.11 S, R.33 E N/2 and SE/4 section 3, T.12 S, R.33 E All of section 2, T.12 S, R.33 E E/2 NW/4 and N/2 NE/4 section 11, T.12 S, R.33 E

IT IS THEREFORE ORDERED:

1. That 80-acre proration units are hereby established for the Bagley Siluro-Devonian pool as delineated above, which shall comprise the west half and east half of each Governmental quarter section, except the following units, to-wit:

> N/2 NW/4 section 35, T. 11 S, R. 33 E S/2 NW/4 section 35, T. 11 S, R. 33 E N/2 NW/4 section 3, T. 12 S, R. 33 E S/2 NW/4 section 3, T. 12 S, R. 33 E N/2 NE/4 section 2, T. 12 S, R. 33 E SW/4 NE/4 and NW/4 SE/4 section 2, T. 12 S, R. 33 E SE/4 NE/4 and NE/4 SE/4 section 2, T. 12 S, R. 33 E S/2 SE/4 section 2, T. 12 S, R. 33 E N/2 NE/4 section 2, T. 12 S, R. 33 E

Order No. R-f page - 2 -

2. All wells drilled into the Bagley Siluro-Devonian pool shall be located in the center of the northwest and the southeast quarters of each governmental quarter section, with a tolerance of 150 feet in any direction to avoid surface obstructions.

3. That no well shall be drilled or produced in said pool except in conformity with the spacing pattern set forth above without special order of the Commission after notice and hearing.

4. That all wells producing or hereafter completed in the Bagley Siluro-Devonian pool are hereby given an allowable equivalent to one and one-half times the top allowable for a 40-acre proration unit with the deep pool adaptation, as provided for in the rules and regulations of the Commission.

5. If any well is drilled as an exception to the well spacing pattern set forth above under special order of the Commission, the allowable for such well shall be the top allowable for a 40-acre proration unit with the deep pool adaptation, as provided by the rules and regulations of the Commission.

6. This order shall cover all of the Bagley Siluro-Devonian common source of supply and any extension thereof as may be determined by further development, and shall continue in force for a period of one year from the first day of May, 1951.

Done this 1st day of May 1951.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member