

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
STANOLIND OIL AND GAS COMPANY FOR
THE ESTABLISHMENT OF A UNIFORM
80-ACRE SPACING PATTERN AND ADOPTION
OF 80-ACRE PROPORTIONAL ALLOCATION
FACTOR IN THE COMMON SOURCE OF SUPPLY
IN THE STANOLIND OIL AND GAS COMPANY
SOUTH MATTIX UNIT NO. 1, 1980 FEET
FROM THE SOUTH LINE AND 1980 FEET
FROM THE EAST LINE, SECTION 15,
TOWNSHIP 24 SOUTH, RANGE 37 EAST,
LEA COUNTY, NEW MEXICO.

Case 391

A P P L I C A T I O N

An application is hereby made by the Stanolind Oil and Gas Company, a corporation, for the establishment of a uniform 80-acre spacing pattern and the adoption of 80-acre proportional allocation factors for the common source of supply encountered in the Stanolind Oil and Gas Company South Mattix Unit No. 1, 1980 feet from the south line and 1980 feet from the east line, Section 15, Township 24 South, Range 37 East, Lea County, New Mexico. This common source of supply was discovered upon completion of the Stanolind Oil and Gas Company South Mattix Unit No. 1 in the Ellenburger formation below 9505 feet on May 6, 1949. The discovery well in this common source of supply encountered the top of the Ellenburger at 9505 feet and was completed at a total depth of 9705 feet. Seven-inch casing was set at 9486 feet. On its initial potential test on May 20, 1949, this well made 383 barrels of fluid containing 99 percent oil on a 20/64-inch choke in 24 hours. The oil had an API gravity of 45° and produced with a gas-oil ratio of 974. Subsequent to that time, Stanolind has completed five additional wells in this common source of supply and is currently drilling a seventh well. Two additional wells now being drilled by other operators in this immediate area are purportedly projected to this same common source of supply in the Ellenburger formation. All wells now drilling or completed in this common source of supply are located on a uniform 80-acre spacing pattern with wells being located in either the NW/4 or the SE/4 of the full quarter section. The area in which this common source of supply is located is presently designated as the Fowler Pool.

The basic principles of the ruling sought by the applicant are as follows:

1. The area which is currently indicated to include the proven portion of this common source of supply and which is to be covered by this application is as follows:

In Township 24 South, Range 37 East

SE/4 Section 9
S/2 Section 10
E/2 Section 16
All Section 15, 22
W/2 Section 14, 23

It should be noted that the above described lands do not necessarily represent the maximum limits of production in the common source of supply.

2. The available data on this common source of supply indicates that one well will efficiently drain at least 80 acres, and in order to assure orderly and uniform development, to prevent waste and to avoid the drilling of unnecessary wells, to obtain the optimum ultimate recovery therefrom and to protect the correlative rights of the interested parties therein, it is believed that the Oil Conservation Commission should enter an order providing for development of this common source of supply as follows:

A. Establish 80-acre proration units with operator to have the option of designating the proration unit as being the N/2, S/2, E/2, or W/2 of the quarter section on which each well is located.

B. Require location of wells in the center of either the NW/4 or SE/4 of the normal quarter section with appropriate tolerance for surface obstructions.

C. Assign individual well allowables in accordance with the 80-acre proportional factors recently adopted by the Commission in Order No. R-160 effective June 12, 1952.

D. Set limits of the pool to be covered by the order of the Commission to comprise the following acreage:

In Township 24 South, Range 37 East

SE/4 Section 9
S/2 Section 10
E/2 Section 16
All Section 15, 22
W/2 Section 14, 23

The Commission is respectfully requested to set this matter and application down for hearing at the New Mexico Statewide Proration Hearing tentatively set for August 19, 1952. It is also requested that the Commission give due and proper notice of this hearing as required by law, and that the Commission, after hearing, issue its order granting approval of the application as set out herein.

Dated this 14th day of July, 1952.

STANOLIND OIL AND GAS COMPANY


C. F. BEDFORD

RGH:dhs