

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. 861

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION ON ITS
OWN MOTION FOR AN ORDER CREATING
AND DESIGNATING A NEW POOL TO BE
KNOWN AS THE CROSBY-DEVONIAN POOL
FOR THE PRODUCTION OF GAS FROM THE
DEVONIAN FORMATION, SUCH POOL TO
CONSIST OF ALL OF SECTION 28, TOWN-
SHIP 25 SOUTH, RANGE 37 EAST, NMPM,
LEA COUNTY, NEW MEXICO; AND FOR
THE ESTABLISHMENT OF POOL RULES,
DRILLING UNITS, WELL SPACING AND
OTHER RELATED MATTERS FOR SAID POOL.

APPLICATION FOR REHEARING

COMES NOW Anderson-Pritchard Oil Corporation and ap-
plies to the Commission for a rehearing in respect to that por-
tion of Order No. R-639 which establishes drilling and proration
units in the Crosby-Devonian Pool of 160 acres, and as grounds
therefor states:

1. That the size of the units so fixed is predicated
upon a finding by the Commission that the probable areal extent
of the common source of supply is so limited that the establish-
ment of drilling units in excess of 160 acres would cause the in-
clusion in such units of acreage that cannot reasonably be as-
sumed to be productive of gas.

2. It is believed that this finding of the Commission
is not supported by any substantial evidence introduced in Case
No. 861 for the following reasons:

(a) The only evidence introduced on the basis of
which a conclusion might be drawn as to the areal extent of the

Crosby-Devonian Pool was the performance record of Anderson-Pritchard's American Republics - Federal No. 1 discovery well. The performance record of said well disclosed no reduction in the shut-in casing pressure of said well during the period that it had produced 187,430 MCF into the pipe line prior to April 16, 1955.

(b) All evidence of probative value introduced in the case not only fails to establish a common source of supply of limited areal extent, but affirmatively supports the existence of a common source of supply of substantial areal extent contrary to the finding of the Commission on said subject.

3. Additional evidence of the performance of the discovery well, which would be beneficial to the Commission in reaching a conclusion as to the probable areal extent of the Crosby-Devonian Pool, is now available, and will be presented if a rehearing in this case is granted. Cumulative pipe line withdrawals of gas from said well to May 31, 1955, amount to 452,337 MCF of gas. Addition of estimated withdrawals between May 31, 1955, and June 14, 1955, make a total cumulative production into the pipe line of approximately 550,000 MCF of gas from said well. Notwithstanding such heavy withdrawals from the common source of supply, the shut-in casing pressure of the Anderson-Pritchard's American Republics - Federal Well No. 1 when tested on June 14, 1955, was 2,985 pounds per square inch, which is substantially identical with the first corrected shut-in casing pressure measurement made on said well of 2,999 pounds per square inch.

4. The only evidence presented at the hearing in Case No. 861, which tended to support the existence of a common source of supply of such a limited extent as to require 160 acre proration units, was the unsupported opinion of a single witness

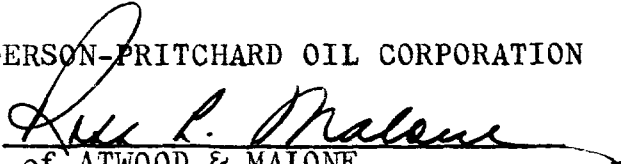
that if the areal extent of the underlying Devonian structure conformed to the contours of the Yates structure above it, its extent would be limited to perhaps 320 acres. No evidence was presented to the Commission that the Devonian structure or the common source of supply constituting the Crosby-Devonian Pool in fact conformed to said Yates structure or necessarily would conform to it, whereas the performance of the well of this applicant clearly indicates a contrary conclusion.

5. The undisputed evidence before the Commission supports the proposition that a single well in the Crosby-Devonian gas pool will efficiently and economically drain in excess of 320 acres. The establishment of 160 acre proration units in said common source of supply will require Anderson-Pritchard Oil Corporation and other operators in said pool to drill more wells than are reasonably necessary to secure its proportionate part of the production of said pool in violation of the statutes of New Mexico and will result in waste as defined by the statutes of the State of New Mexico.

6. By reason of the matters and facts hereinbefore stated, Order No. R-639 entered in Case No. 861 is believed to be erroneous and contrary to law to the extent that it fixes drilling and proration units in the Crosby-Devonian Pool at 160 acres, and a rehearing of said case is believed to be in the interest of the Commission and all affected parties.

WHEREFORE, Petitioner prays that a rehearing be granted in Case No. 861 as to that portion of Order No. R-639 which fixes the size of drilling and proration units in the Crosby-Devonian field at 160 acres.

ANDERSON-PRITCHARD OIL CORPORATION

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