

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. 1634
Order No. X-1382

APPLICATION OF THE PURE OIL COMPANY
FOR AN ORDER PROMULGATING TEMPORARY
SPECIAL RULES AND REGULATIONS FOR THE
SOUTH VACUUM-DEVONIAN POOL IN LEA
COUNTY, NEW MEXICO, TO PROVIDE FOR
80-ACRE PRORATION UNITS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 15, 1959, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of April, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced 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, The Pure Oil Company, seeks the promulgation of temporary special rules and regulations for the South Vacuum-Devonian Pool in Lea County, New Mexico, to provide for 80-acre proration units in said pool.

(3) That the applicant further seeks permission to shut-in its South Vacuum Unit Well No. 3-35 located in the NE/4 NW/4 of Section 35, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and to transfer the allowable to its South Vacuum Unit Well No. 1-35 located in the SW/4 NE/4 of said Section 35.

(4) That the applicant has failed to prove that the South Vacuum-Devonian Pool can be efficiently drained and developed on an 80-acre spacing pattern.

(5) That development of the South Vacuum-Devonian Pool on 40-acre proration units will not cause the drilling of unnecessary wells.

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(6) That the drilling and spacing of wells in the South Vacuum-Devonian Pool should continue to be governed by Rule 104 of the Commission Rules and Regulations.

(7) That in view of the above determinations it does not appear that there is any necessity for shutting-in the said South Vacuum Unit Well No. 3-35 and transferring its allowable to the said South Vacuum Unit Well No. 1-35; that accordingly this request should be denied.

IT IS THEREFORE ORDERED:

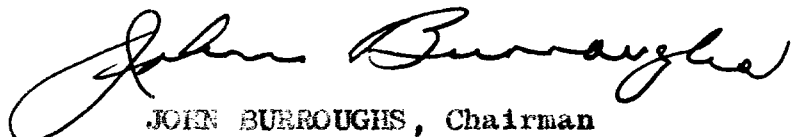
(1) That the application of The Pure Oil Company for the promulgation of temporary rules and regulations for the South Vacuum-Devonian Pool in Lea County, New Mexico, to provide for 80-acre proration units be and the same is hereby denied.

(2) That the drilling and spacing of wells in the South Vacuum-Devonian Pool in Lea County, New Mexico, shall continue to be governed by Rule 104 of the Commission Rules and Regulations.


(3) That the application of The Pure Oil Company for permission to shut-in its South Vacuum Unit Well No. 3-35 located in the NE/4 NW/4 of Section 35, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico, and to transfer the allowable of said well to its South Vacuum Unit Well No. 1-35 located in the SW/4 NE/4 of said Section 35 be and the same is hereby denied.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY H. MORGAN, Member


H. D. PORTER, Jr., Member & Secretary



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ANSWER OF REEVES TO BRIEF IN SUPPORT OF
APPLICATION FOR REHEARING

COME NOW A. J. Reeves, et al, and for Answer to the
Brief in Support of the Application for Rehearing states:

ANSWER TO POINT NO. 1

Point No. 1 is stated in the Brief of Pure Oil Company,
as follows:

"THE EVIDENCE DOES NOT SUPPORT THE BASIC FINDINGS
OF THE COMMISSION UPON WHICH ITS ORDER NO. R-1382
WAS BASED."

In the discussion of the evidence in respect to this
point Pure does not refer in any way to the evidence which was
taken in Cause No. 1442 also before the Commission.

Aside from this, we submit the evidence in both hearings
was sufficient to sustain Findings 4 and 5.

In order to establish more than forty acre spacing unit
it was incumbent upon Pure to establish to the satisfaction of
the Commission that the area could be developed and drained
sufficiently on an eighty acre spacing pattern. The evidence
did not meet that degree of proof as is established by the

findings of the Commission in each of the hearings in which this issue was involved. In reality, the brief in support of application for rehearing is a brief attacking the forty acre spacing pattern established by general rule. In the discussion under this point Pure does not concern itself with economic loss to any except the lessee, and certainly the evidence is not sufficient to establish that there would be economic loss to Pure itself if the forty acre spacing is required in accordance with the general rule.

ANSWER TO POINT NO. 2

Point No. 2 is stated by Pure as follows:

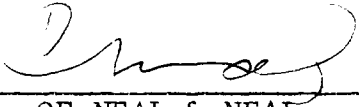
"THE COMMISSION SHOULD GRANT ON A TEMPORARY BASIS
RULES FOR THE WIDEST FEASIBLE SPACING IN A NEW POOL."

Point No. 2 is simply an argument by which Pure seeks to get the permission of the Commission to amend the lease contracts which were executed by the royalty owners in favor of the lessee. The argument under neither point of the brief gives any consideration whatever to the undisputed evidence that the allowance of the Order would result in substantial economic loss to the owners of the minerals and to the state.

Pure states in the brief they do not desire to submit additional evidence upon the issues. The evidence has been heard by the Commission twice and the Commission has made the same ruling each time. No apparent reason exists for changing the decision.

C O N C L U S I O N

We respectfully submit the application for rehearing should be denied.



OF NEAL & NEAL
HOBBS, NEW MEXICO.
(Attorneys for A. J. Reeves,
et al.)