

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. 1756
Order No. R-1492

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA FOR AN ORDER ESTA-
BLISHING SPECIAL RULES AND REGU-
LATIONS FOR THE TATUM-WOLFCAMP
POOL, 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 September 16, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of September, 1959, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Union Oil Company of California, seeks the promulgation of special rules and regulations for the Tatum-Wolfcamp Pool in Lea County, New Mexico, to provide for 80-acre proration units.

(3) That the applicant has proved by a preponderance of the evidence that the Tatum-Wolfcamp Pool can be efficiently and economically drained and developed on 80-acre proration units.

(4) That to require development of the Tatum-Wolfcamp Pool on 40-acre proration units might cause the drilling of unnecessary wells.

(5) That the evidence presented indicates that it is uneconomical to drill wells on 40-acre proration units in the Tatum-Wolfcamp Pool and to remain on such a spacing pattern might impede further development in said pool.

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(6) That 80-acre proration units should be established in the Tatum-Wolfcamp Pool.

IT IS THEREFORE ORDERED:

That special rules and regulations for the Tatum-Wolfcamp Pool in Lea County, New Mexico, be and the same are hereby promulgated as follows, effective October 1, 1959; provided, however, that the increased allowable provisions contained herein shall not become effective until November 1, 1959.

SPECIAL RULES AND REGULATIONS FOR THE
TATUM-WOLFCAMP POOL

Rule 1. Each well completed or recompleted in the Tatum-Wolfcamp Pool or in the Wolfcamp formation within one mile of the Tatum-Wolfcamp Pool, and not nearer to nor within the limits of another designated Wolfcamp pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

Rule 2. Each well completed or recompleted in the Tatum-Wolfcamp Pool shall be located on a unit containing 80 acres, more or less which consists of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

Rule 3. The initial well on any 80-acre proration unit in said pool shall be located within 150 feet of the center of either the NW/4 or the SE/4 of the quarter section on which the well is located. Any well which was drilling to or completed in the Tatum-Wolfcamp Pool prior to October 1, 1959, is granted an exception to the well location requirements of this rule.

Rule 4. For good cause shown, the Secretary-Director may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot, or when the application is for the purpose of joining fractional lots not exceeding 20.49 acres each with a standard unit. All operators offsetting the proposed non-standard unit shall be notified of the application by registered mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

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The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Tatum-Wolfcamp Pool as the acreage in such non-standard unit bears to 80 acres.

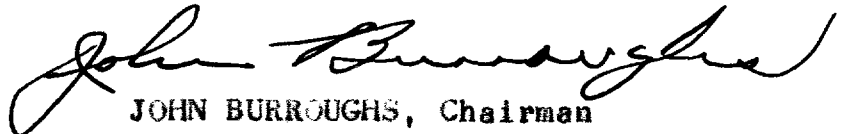
Rule 5. An 80-acre proration unit (79 through 81 acres) in the Tatum-Wolfcamp Pool shall be assigned an 80-acre proportional factor of 5.67 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

IT IS FURTHER ORDERED:

That operators who propose to dedicate 80 acres to a well in the Tatum-Wolfcamp Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by October 15, 1959, in order that the well may be assigned an 80-acre allowable on the November proration schedule.

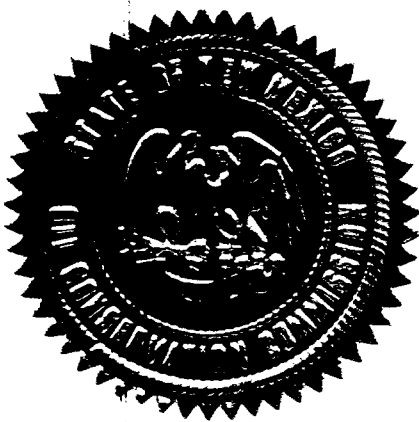
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

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Y

September 30, 1959

Mr. W. J. Cooley
413½ West Main
Farmington, New Mexico

Dear Mr. Cooley:

On behalf of your client, Union Oil Company of California, we enclose two copies of Order No. E-1492 issued by the Oil Conservation Commission on September 30, 1959, in Case No. 1756.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

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Enclosures

*copy to
L. L. L.*