

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:

Consolidated ( CASE NO. 1253  
( CASE NO. 1254  
Order No. R-1011

APPLICATION OF SINCLAIR OIL AND GAS  
COMPANY FOR AN ORDER CREATING A NEW  
OIL POOL FOR PRODUCTION FROM THE  
ENTIRE WOLFCAMP FORMATION UNDERLYING  
SECTIONS 13, 24, AND 25, TOWNSHIP 16  
SOUTH, RANGE 33 EAST, AND SECTIONS 16,  
17, 18, 19, 20, 21, 28, 29, AND 30,  
TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM,  
LEA COUNTY, NEW MEXICO, AND FOR THE  
ESTABLISHMENT OF 80-ACRE WELL SPACING  
AND PRORATION UNITS CONSISTING OF ANY  
CONTIGUOUS 80 ACRES WITHIN A GIVEN  
QUARTER SECTION WITH NO DESIGNATED  
QUARTER-QUARTER SECTION IN WHICH A WELL  
MUST BE DRILLED, AND FOR THE PROMULGATION  
OF SPECIAL RULES AND REGULATIONS FOR SAID  
POOL.

APPLICATION OF TENNESSEE GAS TRANSMISSION  
COMPANY FOR AN ORDER CREATING A NEW OIL  
POOL FOR LOWER WOLFCAMP PRODUCTION IN THE  
KEMNITZ AREA EMBRACING SECTIONS 23, 24, 25,  
26, 35, AND 36, TOWNSHIP 16 SOUTH, RANGE 33  
EAST, AND SECTIONS 16, 17, 18, 19, 20, 21,  
28, 29, 30, 31, 32, AND 33, TOWNSHIP 16  
SOUTH, RANGE 34 EAST, NMPM, LEA COUNTY, NEW  
MEXICO, AND FOR THE ESTABLISHMENT OF TEMPORARY  
80-ACRE WELL SPACING AND PRORATION UNITS CON-  
SISTING OF THE EAST OR WEST HALF OF EACH  
QUARTER SECTION, WITH DRILLING LOCATIONS  
LIMITED TO THE NORTHEAST QUARTER AND SOUTHWEST  
QUARTER OF EACH QUARTER SECTION, AND FOR THE  
PROMULGATION OF TEMPORARY SPECIAL RULES AND  
REGULATIONS FOR SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

The above-styled causes came on for hearing at 9 o'clock a.m. on  
May 16, 1957, at Hobbs, New Mexico, before the Oil Conservation Commission  
of New Mexico, hereinafter referred to as the "Commission," whereupon said  
causes were consolidated for purposes of hearing and order upon the motion  
of both of the above-named applicants.

CASE NO. 1253 )  
CASE NO. 1254 ) Consolidated  
Order No. R-1011

NOW, on this 31st. day of May, 1957, the Commission, a quorum being present, having considered the applications 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 the above-styled causes and the subject matter thereof.

(2) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation Kemnitz-Wolfcamp Pool. Said Kemnitz-Wolfcamp Pool was discovered by the Tennessee Gas Transmission Company, State A. A. Kemnitz "A" Well No. 1, located in the NE/4 NE/4 Section 30, Township 16 South, Range 34 East, NMPM, which well was completed December 9, 1956 with the top of the perforations at 10,742 feet.

(3) That the probable productive limits of the Kemnitz-Wolfcamp Pool are as follows:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 24: All  
Section 25: All

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Sections 16 through 21: All  
Sections 28 through 30: All

(4) That the vertical limits of the Kemnitz-Wolfcamp Pool should comprise the entire Wolfcamp formation in order to permit the production and common storage of all oil produced from said formation.

(5) That development of the subject common source of supply indicates that it is possible that there are other productive zones in the Wolfcamp formation in addition to the zone in the lower portion of the formation from which the aforementioned Tennessee Gas Transmission Company, State A. A. Kemnitz "A" No. 1 Well is presently producing.

(6) That underground waste might result if the other zones referred to in Finding No. 5 are opened simultaneously with the known productive zone discovered by the said Tennessee Gas Transmission Company, State A. A. Kemnitz "A" No. 1 Well.

(7) That the geological and engineering data indicate that one well will drain 80 acres in the Kemnitz-Wolfcamp Pool, and that said pool should be developed on 80-acre drilling and proration units.

(8) That 80-acre drilling and proration units comprising the east half or the west half of each quarter section, with well locations restricted to the approximate center of the NE/4 or the SW/4 thereof, will provide the most orderly and efficient pattern of development for the Kemnitz-Wolfcamp Pool.

CASE NO. 1253 )  
CASE NO. 1254 ) Consolidated  
Order No. R-1011

(9) That all wells completed in or drilling to the Kemnitz-Wolfcamp Pool prior to the effective date of this order should be excepted from the well location requirements set forth above.

(10) That any well which is completed in the Kemnitz-Wolfcamp Pool and to which is dedicated less than 79 acres or more than 81 acres should be granted an allowable in the proportion that the total number of acres assigned to the well bears to 80 acres.

(11) That the provisions of this order should be of a temporary nature in order to permit further study of the subject common source of supply.

IT IS THEREFORE ORDERED:

(1) That the Kemnitz-Wolfcamp Pool be and the same is hereby created, and that the vertical limits thereof shall consist of the entire Wolfcamp formation.

(2) That the horizontal limits of said Kemnitz-Wolfcamp Pool shall be that area described in Exhibit "A" attached hereto and made a part hereof.

IT IS FURTHER ORDERED:

That special pool rules applicable to the Kemnitz-Wolfcamp Pool be and the same are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE  
KEMNITZ-WOLFCAMP POOL

IT IS ORDERED:

RULE 1. That any well drilled to or completed in the Wolfcamp formation within one mile of the boundary of the Kemnitz-Wolfcamp Pool, as it is now defined or may hereafter be defined, shall be located, spaced, drilled, operated, and prorated in accordance with the rules and regulations in effect in said Kemnitz-Wolfcamp Pool.

RULE 2. That 80-acre drilling and proration units be and the same are hereby established for the Kemnitz-Wolfcamp Pool; further, that any well projected to or completed in the Kemnitz-Wolfcamp Pool shall be assigned a tract comprising the East half or the West half of a governmental quarter section.

RULE 3. (a) That any well projected to or completed in the Kemnitz-Wolfcamp Pool shall be located within 150 feet of the center of either the Northeast quarter or the Southwest quarter of a governmental quarter section.

CASE NO. 1253 )  
CASE NO. 1254 ) Consolidated  
Order No. R-1011

(b) The Secretary of the Commission shall have authority to grant exception to the requirements of Rule 3 (a) above without notice and hearing where application has been filed in due form and the necessity for the unorthodox location is based on topographical conditions.

Applicants shall furnish all operators within a 1320-foot radius of the subject well a copy of the application to the Commission, and applicant shall include with his application a list of names and addresses of all operators within such radius, together with a stipulation that proper notice has been given said operators at the addresses given. The Secretary of the Commission shall wait at least 20 days after receipt of application before approving any such unorthodox location, and shall approve such unorthodox location only in the absence of objection by any offset operator. In the event an operator objects to the unorthodox location the Commission shall consider the matter only after proper notice and hearing.

RULE 4. That no well shall be opened to any other zone of the Wolfcamp Formation simultaneously with the productive zone in the lower portion of the formation from which the Tennessee Gas Transmission Company, State A. A. Kemnitz "A" No. 1 Well is presently producing until it has been established, after notice and hearing, that the same can be accomplished without causing underground waste.

RULE 5. That any well which is completed in the Kemnitz-Wolfcamp Pool and to which is dedicated less than 79 acres or more than 81 acres shall be granted an allowable in the proportion that the total number of acres assigned to the well bears to 80 acres.

RULE 6. That no well shall be assigned an allowable until Commission Form C-128 has been filed with the Commission indicating that either the East half or the West half of a governmental quarter section has been dedicated to the well.

IT IS FURTHER ORDERED:

That the provisions of this order shall become effective immediately, with the exception of Rule 2, Rule 5, and Rule 6 of the Special Rules and Regulations of the Kemnitz-Wolfcamp Pool, which three rules shall become effective July 1, 1957.

Further, that these cases be reopened at the Commission monthly hearing in November, 1958, to show cause why the Special Rules and Regulations set forth herein should be continued beyond December 31, 1958.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman  
MURRAY E. MORGAN, Member  
A. L. PORTER, Jr., Member & Secretary

S E A L  
ir/

-5-

CASE NO. 1253 )  
CASE NO. 1254 ) Consolidated  
Order No. R-1011

EXHIBIT "A"

Horizontal limits of the Kemnitz-Wolfcamp Pool:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM

Section 24: All

Section 25: All

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Sections 16 through 21: All

Sections 28 through 30: All