

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. 2119
Order No. R-1827

APPLICATION OF THE OHIO OIL COMPANY
FOR AN ORDER CREATING AND ESTABLISH-
ING TEMPORARY SPECIAL RULES AND
REGULATIONS FOR THE LEA-BONE SPRINGS
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 November 16, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 8th day of December, 1960, 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 on the basis of a discovery well drilled in the NW/4 SW/4 of Section 12, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, to a depth of approximately 9665 feet, the applicant, The Ohio Oil Company, seeks an order creating a new oil pool for Bone Springs production to be known as the Lea-Bone Springs Pool and to comprise the SW/4 of said Section 12.

(3) That the applicant further seeks the promulgation of temporary special rules and regulations for the Lea-Bone Springs Pool to provide for 80-acre proration units.

(4) That the evidence presented indicates that at least for the present it may be uneconomical to drill wells on 40-acre proration units in the subject pool, and to remain on such a spacing pattern might impede further development in said pool.

(5) That the evidence presented concerning the reservoir characteristics of the Lea-Bone Springs Pool justifies the

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establishment of 80-acre proration units in said pool for a temporary one-year period.

(6) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool, including core data and interference tests.

(7) That this case should be heard again by the Commission at the regular monthly hearing in December, 1961, at which time the applicant should be prepared to prove by a preponderance of the evidence the proration unit size on which the subject pool can be most efficiently drained and developed.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Bone-Springs production, be and the same is hereby created and designated as the Lea-Bone Springs Pool consisting of the following-described acreage:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 12: SW/4

(2) That temporary special rules and regulations for the Lea-Bone Springs Pool in Lea County, New Mexico, be and the same are hereby promulgated as follows, effective January 1, 1961.

SPECIAL RULES AND REGULATIONS FOR THE
LEA-BONE SPRINGS POOL

RULE 1. Each well completed or recompleted in the Lea-Bone Springs Pool or in the Bone Springs formation within one mile of said pool, and not nearer to nor within the limits of another designated Bone Springs 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 Lea-Bone Springs 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 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 completed in the Lea-Bone Springs Pool or which was drilling to the Bone Springs formation within one mile of

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said pool prior to January 1, 1961, is granted an exception to the well location requirements of this rule.

RULE 4. For good cause shown, the Secretary-Director of the Commission 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. 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 of the Commission 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.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Lea-Bone Springs 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 Lea-Bone Springs Pool shall be assigned an 80-acre proportional factor of 4.77 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.

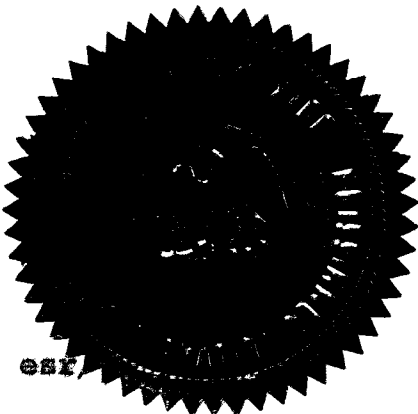
IT IS FURTHER ORDERED:

That operators who propose to dedicate 80 acres to a well in the Lea-Bone Springs Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by December 16, 1960, in order that the well may be assigned an 80-acre allowable on the January proration schedule.

IT IS FURTHER ORDERED:

That this case be reopened at the regular monthly hearing of the Commission in December, 1961, at which time operators in the subject pool shall appear and show cause why the Lea-Bone Springs Pool should not be developed on 40-acre proration units.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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