

The Ohio Oil Co.

P. O. BOX 3128

HOUSTON 1, TEXAS

October 21, 1960

Re: Lea-Bone Springs Pool in Section 12,
Township 20 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.

Case
2119

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.
Secretary Director

Gentlemen:

The Ohio Oil Company hereby applies for pool rules to be applicable to the Lea-Bone Springs Pool in Lea County, New Mexico, and also applies for designation of the limits of the pool to include all acreage reasonably shown to be productive from the reservoir at the time of hearing. The pool is presently an undesignated oil pool; however, Form C-123 dated October 20, 1960 has been filed requesting that the pool be created and suggesting the name Lea-Bone Springs Pool. The only well now completed in the reservoir is Lea Unit Federal Well No. 1 located in the NW/4 SW/4 of Section 12, Township 20 South, Range 34 East, N.M.P.M. Dual completion of the well in the Bone Springs was approved by New Mexico Oil Conservation Commission Order No. R-1754, dated August 23, 1960, in Case No. 2045. The Ohio Oil Company is operator of that well under the Agreement for the Development and Operation of the Lea Unit Area, which Agreement was heretofore approved by the New Mexico Oil Conservation Order No. R-1540, dated November 30, 1959, in Case No. 1823.

The Ohio requests and recommends temporary pool rules be adopted requiring 80-acre proration units and an 80-acre spacing pattern; each proration unit to consist of any two contiguous governmental quarter-quarter sections, with the well located in the approximate center of either the NW/4 or the SE/4 of a governmental quarter section.

It is further recommended by The Ohio that the pool rules permit a tolerance of 150 feet in the location of any well where necessary because of surface obstructions, such tolerance to be approved upon application of the interested owners, but without notice or hearing.

The Ohio further requests that the oil allowable for wells in the pool be fixed by applying the 80-acre proportional factor as provided for in Statewide Rule 505 as amended, provided that if any non-standard proration unit is approved the allowable for the well on such unit shall be increased or decreased in the proportion that the number of surface acres included in such unit bears to 80 acres.

The proposed rules are necessary to prevent waste and to protect correlative rights, will encourage the development of the pool on a regular pattern, and will

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aid in preventing the drilling of unnecessary wells. The Ohio therefore requests that this application be set for hearing before the Commission or one of the Examiners at the earliest possible date and that notice be given as required by the applicable laws and regulations.

To effectively and fairly accomplish the purposes of the requested rules, and pursuant to Statewide Rule 1202, The Ohio requests that the rules proposed by this application be made applicable to any and all wells commenced within one mile of the SW/4 of Section 12, Township 20 South, Range 34 East, from and after the date this application is filed with the Commission, and further requests that no location be approved after said date for any well projected to or completed in said formation within one mile of the SW/4 of said Section 12. The Ohio refers to the evidence and data in the records of the Commission regarding the above identified well and the Lea Unit Area.

A list of the interested parties now known to applicant is attached.

Respectfully,

THE OHIO OIL COMPANY

By


J. O. Terrell Couch

TC:MK