

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. 2139  
Order No. R-1846

APPLICATION OF COSDEN PETROLEUM CORPORATION  
FOR AN ORDER ESTABLISHING SPECIAL RULES AND  
REGULATIONS FOR THE SOUTH PRAIRIE-PENNSYL-  
VANIAN POOL, ROOSEVELT 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 December 12, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of December, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Cosden Petroleum Corporation, seeks the promulgation of special rules and regulations for the South Prairie-Pennsylvanian Pool in Roosevelt County, New Mexico, to provide for 80-acre proration units.
- (3) That the applicant has proved by a preponderance of the evidence that the South Prairie-Pennsylvanian Pool can be efficiently and economically drained and developed on 80-acre proration units.
- (4) That to require development of the South Prairie-Pennsylvanian 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 South Prairie-Pennsylvanian Pool and to remain on such a spacing pattern might impede further development in said pool.

-2-

CASE No. 2139

Order No. R-1846

(6) That 80-acre proration units should be established in the South Prairie-Pennsylvanian Pool.

IT IS THEREFORE ORDERED:

That special rules and regulations for the South Prairie-Pennsylvanian Pool in Roosevelt County, New Mexico, be and the same are hereby promulgated as follows, effective December 31, 1960.

SPECIAL RULES AND REGULATIONS FOR THE  
SOUTH PRAIRIE-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the South Prairie-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the South Prairie-Pennsylvanian Pool, and not nearer to nor within the limits of another designated Pennsylvanian 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 South Prairie-Pennsylvanian 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 the quarter-quarter section on which the well is located. Any well which was drilling to or completed in the South Prairie-Pennsylvanian Pool prior to December 31, 1960, 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. 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.

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

-3-

CASE No. 2139

Order No. R-1846

RULE 5. An 80-acre proration unit (79 through 81 acres) in the South Prairie-Pennsylvanian 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 South Prairie-Pennsylvanian Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by January 15, 1961, in order that the well may be assigned an 80-acre allowable on the February proration schedule.

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