

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. 2635
Order No. R-2325

APPLICATION OF L. R. FRENCH, JR.,
FOR THE CREATION OF A NEW OIL POOL
AND FOR THE ESTABLISHMENT OF TEMPO-
RARY RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 11, 1962, 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 3rd day of October, 1962, 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 a new oil pool for Pennsylvanian production should be created and designated the Inbe-Pennsylvanian Oil Pool. This pool was discovered by the L. R. French, Jr., Gulf-State Well No. 1, located in Unit A of Section 18, Township 11 South, Range 34 East, NMPM, Lea County, New Mexico. Said well was completed in the Bough "C" zone of the Pennsylvanian formation August 19, 1962, and the top of the perforations is at 9867 feet.

(3) That L. R. French, Jr., seeks promulgation of temporary special rules and regulations for the Inbe-Pennsylvanian Oil Pool to provide for 80-acre proration units therein.

(4) That the evidence concerning the reservoir characteristics of the Inbe-Pennsylvanian Oil Pool justifies the establishment of 80-acre proration units for said pool for a temporary one-year period.

(5) That the evidence establishes that the Inbe-Pennsylvanian Oil Pool can presently be efficiently and economically drained on 80-acre proration units.

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(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.

(7) That this case should be reopened at an examiner hearing in August, 1963, at which time the operators in the subject pool should be prepared to appear and show cause why the Inbe-Pennsylvanian Oil Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production is hereby created and designated as the Inbe-Pennsylvanian Oil Pool, consisting of the following-described area:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 18: E/2 NE/4

(2) That Special Rules and Regulations for the Inbe-Pennsylvanian Oil Pool are hereby promulgated as follows, effective October 1, 1962.

SPECIAL RULES AND REGULATIONS
FOR THE
INBE-PENNSYLVANIAN OIL POOL

RULE 1. Each well completed or recompleted in the Inbe-Pennsylvanian Oil Pool or in the Pennsylvanian formation within one mile of the Inbe-Pennsylvanian Oil Pool, and not nearer to or 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 Inbe-Pennsylvanian Oil 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. For good cause shown, the Secretary-Director may grant an 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 or certified mail, and the

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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 Inbe-Pennsylvanian Oil Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either quarter-quarter section or lot in the 80-acre unit. Any subsequent additional well on the 80-acre unit shall be located within 150 feet of the center of the other quarter-quarter section or lot in the unit.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Inbe-Pennsylvanian Oil 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.

(3) That this case shall be reopened at an examiner hearing in August, 1963, at which time the operators in the subject pool may appear and show cause why the Inbe-Pennsylvanian Oil Pool should not be developed on 40-acre proration units.

IT IS FURTHER ORDERED:

That applicant's well, the L. R. French, Jr., Gulf-State No. 1, located in Unit A of Section 18, Township 11 South, Range 34 East, NMPM, Lea County, New Mexico, shall receive an 80-acre allowable effective on October 1, 1962, or on the date Form C-128 is filed, showing thereon 80-acres dedicated to said well and accompanied by a substantiating well test on Form C-116, Gas-Oil Ratio Test, whichever date is later.

IT IS FURTHER ORDERED:

That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



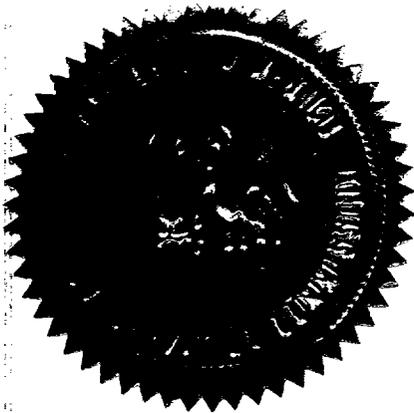
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/