

PROPOSED RULES AND REGULATIONS
FOR THE
MIDDLE LANE PENNSYLVANIAN POOL

- RULE 1. Each well completed or recompleted in the Middle Lane Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Middle Lane-Pennsylvanian 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 Middle Lane-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. 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 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.
- RULE 4. Any well drilled in the Middle Lane Pennsylvanian Pool shall not be located closer than 330 feet to a governmental quarter-quarter section line.
- RULE 5. An 80-acre proration unit (79 through 81 acres) in the Middle Lane-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.

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	12
CASE NO.	2660

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. 2660
Order No. R-2348-B

APPLICATION OF MIDWEST OIL CORPORATION
FOR THE CREATION OF A NEW OIL POOL AND
FOR THE ESTABLISHMENT OF TEMPORARY
SPECIAL RULES AND REGULATIONS, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 15, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of December, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 by Order No. R-2348, dated October 25, 1962, temporary Special Rules and Regulations were promulgated for the Middle Lane-Pennsylvanian Pool, Lea County, New Mexico.

(3) That by Order No. R-2348-A, dated October 30, 1963, said temporary Special Rules and Regulations were continued in full force and effect for an additional one-year period,

(4) That pursuant to the provisions of Order No. R-2348-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the Middle Lane-Pennsylvanian Pool should not be developed on 40-acre proration units.

-2-

CASE No. 2660

Order No. R-2348-B

(5) That the applicant also seeks amendment of the Special Rules and Regulations for the Middle Lane-Pennsylvanian Pool to delete the requirement that wells be located in the NW/4 or the SE/4 of a governmental quarter section.

(6) That due to the limited size of the subject pool and the erratic nature of the Pennsylvanian formation in this area, the Special Rules and Regulations should be amended as proposed by the applicant.

(7) That the evidence establishes that one well in the Middle Lane-Pennsylvanian Pool can efficiently and economically drain and develop 80 acres.

(8) That the Special Rules and Regulations promulgated by Orders No. R-2348 and No. R-2348-A, as amended by this order, will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

(9) That to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Orders No. R-2348 and No. R-2348-A, as amended by this order, should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That Rule 4 of the Special Rules and Regulations governing the Middle Lane-Pennsylvanian Pool promulgated by Orders No. R-2348 and No. R-2348-A is hereby amended to read in its entirety as follows:

RULE 4. Each well shall be located no nearer than 330 feet to any governmental quarter-quarter section or lot line.

(2) That the Special Rules and Regulations governing the Middle Lane-Pennsylvanian Pool promulgated by Orders No. R-2348 and No. R-2348-A, as amended by this order, are hereby continued in full force and effect until further order of the Commission.

-3-

CASE No. 2660

Order No. R-2348-B

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

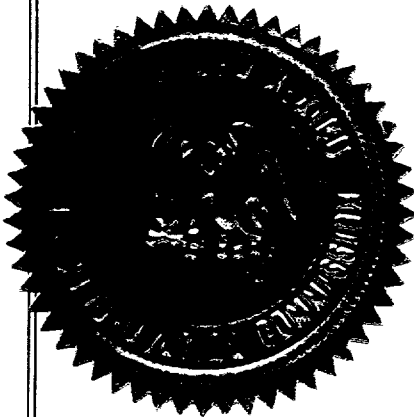
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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



esr/

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. 2660
Order No. R-2348-A

APPLICATION OF MIDWEST OIL CORPORATION
FOR THE CREATION OF A NEW OIL POOL AND
FOR THE ESTABLISHMENT OF TEMPORARY
SPECIAL RULES AND REGULATIONS, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 9, 1963, 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 30th day of October, 1963, 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 Order No. R-2348 dated October 25, 1962, promulgated Special Rules and Regulations for the Middle Lane-Pennsylvanian Pool providing for 80-acre proration units and fixed well locations in said pool.

(3) That this case was reopened pursuant to the provisions of Order No. R-2348 to allow the operators in the subject pool to appear and show cause why the Middle Lane-Pennsylvanian Pool should not be developed on 40-acre proration units.

(4) That no wells have been completed in the subject pool since the issuance of Order No. R-2348; that one well is presently drilling in the subject pool and should be completed in the near future.

-2-

CASE No. 2660

Order No. R-2348-A

(5) That Midwest Oil Corporation seeks extension of the Special Rules and Regulations for the Middle Lane-Pennsylvanian Pool for an additional one-year period.

(6) That the Special Rules and Regulations governing the Middle Lane-Pennsylvanian Pool promulgated by Order No. R-2348 should be extended for an additional period of time in order to allow the operators in the subject pool sufficient time to gather information concerning the reservoir characteristics of the pool.

(7) That Hisson Drilling Company seeks deletion of the fixed well location requirements of the Special Rules and Regulations governing the Middle Lane-Pennsylvanian Pool as promulgated by Order No. R-2348.

(8) That the request for deletion of the fixed well location requirements should be denied as said request is not within the scope of this hearing.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Middle Lane-Pennsylvanian Pool promulgated by Order No. R-2348 shall be continued in full force and effect until further order of the Commission.

(2) That the request to delete the fixed well location requirements from the Special Rules and Regulations for the Middle Lane-Pennsylvanian Pool is hereby denied.

✓ (3) That this case shall be reopened at an examiner hearing in October, 1964, at which time the operators in the subject pool may appear and show cause why the Middle Lane-Pennsylvanian Pool should not be developed on 40-acre proration units.

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

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



esr/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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

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. 2660
Order No. R-2348

APPLICATION OF MIDWEST OIL CORPORATION
FOR THE CREATION OF A NEW OIL POOL AND
FOR THE ESTABLISHMENT OF TEMPORARY
SPECIAL RULES AND REGULATIONS, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 10, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 25th day of October, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 Middle Lane-Pennsylvanian Pool. This pool was discovered by the Midwest Oil Corporation Louisiana State Well No. 1, located in Unit L, Section 14, Township 10 South, Range 33 East, NMPM, Lea County, New Mexico. The top of the perforations is at 9782 feet.
- (3) That Midwest Oil Corporation seeks the promulgation of temporary special rules and regulations for the Middle Lane-Pennsylvanian Pool to provide for 80-acre proration units and fixed well location requirements.
- (4) That the evidence presented concerning the reservoir characteristics of the Middle Lane-Pennsylvanian Pool justifies the establishment of 80-acre proration units in said pool for a temporary one year-period.

-2-

CASE No. 2660
Order No. R-2348

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

(6) That the evidence establishes that the subject pool should be developed with fixed well location requirements in order to protect correlative rights.

(7) 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.

(8) That this case should be reopened at an examiner hearing in October, 1963, at which time the operators in the subject pool should appear and show by a preponderance of the evidence why the Middle Lane-Pennsylvanian 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 Middle Lane-Pennsylvanian Pool consisting of the following-described area:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 14: W/2

(2) That special rules and regulations for the Middle Lane-Pennsylvanian Pool are hereby promulgated as follows, effective November 1, 1962.

SPECIAL RULES AND REGULATIONS
FOR THE
MIDDLE LANE-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Middle Lane-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Middle Lane-Pennsylvanian 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 Middle Lane-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.

-3-

CASE No. 2660
Order No. R-2348

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

RULE 4. Each well drilled in the Middle Lane-Pennsylvanian Pool shall be located in the NW/4 or the SE/4 of a governmental quarter section and shall not be located closer than 330 feet to a governmental quarter-quarter section line.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Middle Lane-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.

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

(4) That any operator desiring to dedicate 80 acres to a well in the Middle Lane-Pennsylvanian Pool shall file a new Form C-128 with the Commission on or before November 1, 1962.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A handwritten signature in dark ink, appearing to read "Ed L. Mechem".

EDWIN L. MECHEM, Chairman

A handwritten signature in dark ink, appearing to read "E. S. Walker".

E. S. WALKER, Member

A handwritten signature in dark ink, appearing to read "A. L. Porter, Jr.". The signature is written in a cursive style.

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

esx/