

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
KERN COUNTY LAND COMPANY FOR ADOPTION
OF SPECIAL POOL RULES FOR THE EAST
SAUNDERS PERMO-PENN POOL, LEA COUNTY,
NEW MEXICO, TO PROVIDE FOR 160 ACRE
DRILLING AND SPACING UNITS AND FOR
OIL ALLOWABLES BASED ON SUCH SPACING.

CASE NO. 2078

A P P L I C A T I O N

Comes now KERN COUNTY LAND COMPANY, a corporation, authorized to do business in the State of New Mexico, hereinafter called "Applicant", and states as follows:

I

Applicant is the operator of wells producing oil from the East Saunders Permo-Penn Pool in Lea County, New Mexico, said pool as presently designated consists of the SW/4 of Section 17, Township 14 South, Range 34 East, NMPM, and is governed by statewide rules of this Commission.

II

Special pool rules and regulations should be adopted by this Commission concerning the drilling of oil wells in said pool and the production therefrom, including, but not limited to, provisions for drilling and proration units. A proration unit should be a governmental quarter section of the U. S. Public Lands Survey and containing 160 acres, more or less.

III

The horizontal limits of the East Saunders Permo-Penn Pool constitutes a common oil reservoir and the geological and engineering data available pertaining to the Permo-Penn Formation indicates that one well will efficiently and economically drain the recoverable oil in place in said formation underlying an area in excess of 160 acres. A drilling and spacing unit for oil wells drilled to the Permo-Penn Formation should be composed of a quarter section according to U. S. Public Land Survey containing approximately 160 acres. No oil well should be drilled on such drilling unit on which another oil well has been completed or approved for completion in said pool. Allowables for said pool should be based on 160 acre spacing.

IV

Each well on any 160 acre unit in said pool should be located within 150 feet of the center of either the NE/4 or the SW/4 of the quarter section on which the well is located.

V

It is economically impractical and wasteful to drill wells to the Permo-Penn Formation within the East Saunders Permo-Penn Pool on drilling units containing less than 160 acres, and the drilling of wells under normal statewide spacing rules would create waste by compelling the drilling of unnecessary wells.

VI

The establishment of drilling and spacing units as herein requested is necessary for the orderly development of a common source of supply in said East Saunders Permo-Penn Pool as the same is now constituted or may

later be extended. The establishment of such drilling and spacing units will protect the correlative rights of all parties affected, will prevent both physical and economic waste, will eliminate the drilling of unnecessary wells, and will promote the recovery of oil from said pool in an efficient and economical manner.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, after due notice as prescribed by law, and upon such notice and hearing, Applicant requests that the Commission issue its order establishing special pool rules for the East Saunders Permo-Penn Pool providing for 160 acre drilling and spacing units and for oil allowables based on such spacing and that the order provide such other and further relief to Applicant as it may show itself entitled to receive in the premises.

DATED this 26th day of September, 1962.

KERN COUNTY LAND COMPANY, a corporation, Applicant

By its attorneys:

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BY



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