

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. 4457
Order No. R-4084
NOMENCLATURE

APPLICATION OF TENNECO OIL COMPANY
FOR THE CREATION OF A NEW POOL,
ASSIGNMENT OF A DISCOVERY ALLOWABLE,
AND PROMULGATION OF SPECIAL POOL
RULES, MCKINLEY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on December 16, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of December, 1970, 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 the applicant, Tenneco Oil Company, seeks the creation of a new pool for the production of oil from the "D" zone of the Dakota formation, and the assignment of an oil discovery allowable to the discovery well.

(3) That the applicant further seeks the promulgation of special rules and regulations governing said pool, including a provision for 80-acre spacing units, with wells to be drilled in either the northwest or southeast quarter-quarter sections.

(4) That the evidence presently available indicates that the Tenneco Oil Company Don Ne Pah Well No. 1, located in Unit D

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of Section 18, Township 17 North, Range 8 West, NMPM, McKinley County, New Mexico, having its top perforations at 2827 feet, has discovered a separate common source of supply which should be designated the Lone Pine-Dakota "D" Oil Pool; that the vertical limits of said pool should be the "D" zone of the Dakota formation as found in the interval from 2792 feet to 2834 feet on the log of the aforesaid Don Ne Pah Well No. 1, and that the horizontal limits of said pool should comprise the following-described lands:

McKINLEY COUNTY, NEW MEXICO
TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM
Section 18: N/2, SW/4, and W/2 SE/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
Section 13: NE/4 and S/2
Section 24: N/2 NE/4

(5) That the above-described discovery is the deepest oil production in McKinley County.

(6) That the discovery well for said pool, the aforesaid Tenneco Oil Company's Don Ne Pah Well No. 1, is entitled to and should receive a bonus discovery oil allowable in the amount of 28,270 barrels, based upon the top perforations in said well at 2827 feet, to be assigned over a two-year period.

(7) That the applicant has not established that the wells in the subject pool can efficiently and economically drain and develop 80 acres or that the establishment of special rules and regulations, even on a temporary basis, would prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells, or otherwise prevent waste or protect correlative rights.

(8) That the applicant's request for the promulgation of special rules for the subject pool should be denied.

IT IS THEREFORE ORDERED:

(1) That a new pool in McKinley County, New Mexico, classified as an oil pool for the production of oil from the "D" zone

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of the Dakota formation, is hereby created and designated the Lone Pine-Dakota "D" Oil Pool, with vertical limits comprising the "D" zone of the Dakota formation as found in the interval from 2792 feet to 2834 feet on the log of the Tenneco Oil Company Don Ne Pah Well No. 1, located in Unit D of Section 18, Township 17 North, Range 8 West, NMPM, McKinley County, New Mexico, and horizontal limits comprising the following-described area:

McKINLEY COUNTY, NEW MEXICO
TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM
Section 18: N/2, SW/4, and W/2 SE/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
Section 13: NE/4 and S/2
Section 24: N/2 NE/4

(2) That the discovery well, the aforesaid Tenneco Oil Company Don Ne Pah Well No. 1, is hereby authorized an oil discovery allowable of 28,270 barrels to be assigned to said well at the rate of 39 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

(3) That the applicant's request for the promulgation of special rules for the above-described pool is hereby denied.

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

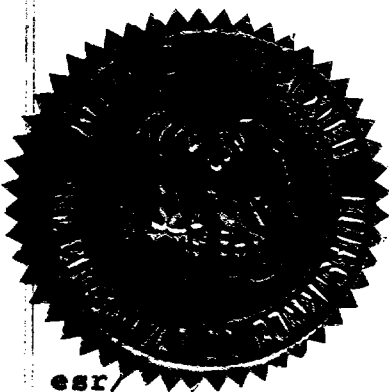
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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



esr/