

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF PUBCO PETROLEUM CORPORATION
FOR ADOPTION OF SPECIAL POOL RULES
FOR AN UNDESIGNATED STRAWN
PENNSYLVANIAN POOL, LEA COUNTY,
NEW MEXICO, TO PROVIDE FOR 160-
ACRE DRILLING AND SPACING UNITS
AND FOR THE ESTABLISHMENT OF AN
OIL ALLOWABLE BASED ON 160-ACRE
SPACING

Case No. 4748

A P P L I C A T I O N

Comes now PUBCO PETROLEUM CORPORATION, hereinafter
called "Applicant," and states:

1. Applicant is the owner and operator of Pubco Shipp
No. 2 Well located 2130 feet from the east line and 1980 feet
from the south line of Section 11, Township 17 South, Range
37 East, N.M.P.M., which said well is producing oil from the
Strawn Pennsylvanian Formation, said well having been drilled
to a total depth of 11,685 feet. The discovery well drilled
in said pool is designated as the Harding Oil & Gas Company
Shipp No. 1 Well located 2080 feet from the west line and
2310 feet from the south line of Section 11, Township 17 South,
Range 37 East, said well having been drilled to a total depth
of 11,672 feet and completed for initial potential of 286
barrels of oil per day and repotentialled at 624 barrels of
oil per day. Both of said wells are producing from the Strawn
Formation of Pennsylvanian age. Spacing is presently governed
by state-wide rules of this Commission. A plat showing the
location of said wells and surrounding acreage within the
hereinafter proposed pool limits is attached hereto as Exhibit
"A" and made a part hereof. The names of operators in the
area and the acreage to which their operating rights pertain
are shown on the plat and a list of the operators affected by

this Application is attached hereto as Exhibit "B" and made a part hereof.

2. 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 established as a governmental quarter section of the U. S. Public Lands Survey consisting of not less than 160 acres and the unit well should be located at least 660 feet from the boundary of each governmental quarter section and at least 330 feet from the boundary line of each governmental quarter-quarter section; provided, however, that such unit well may be located within an area having a radius of not to exceed 150 feet from the center of each governmental ~~quarter~~ ^{quarter-quarter} section. *Am*

3. Geological and engineering data presently available indicate that the wells described above are completed in a common oil reservoir and that one well will efficiently and economically drain the recovery oil in place in the Strawn Formation underlying an area in excess of 160 acres.

4. Reasonable geological inference dictates that the horizontal limits of the pool should be established as comprising Sections 1, 2, 3, 10, 11, 12, 13, 14 and 15, in Township 17 South, Range 37 East, and Section 6, 7 and 18, in Township 17 South, Range 38 East.

5. It is economically wasteful to drill wells in the pool on drilling units containing less than 160 acres and closer spacing would constitute waste by permitting the drilling of unnecessary wells.

6. The establishment of drilling and spacing units, as herein requested, is necessary for the orderly development of the common source of supply in the reservoir in which the

above-identified wells are located and the drilling of future wells on the space pattern hereinabove set forth will protect the correlative rights of all parties affected, will prevent physical and economical waste and will eliminate the drilling of unnecessary wells, provide for the orderly development of the pool and will promote the recovery of oil from said pool in an efficient and economical manner.

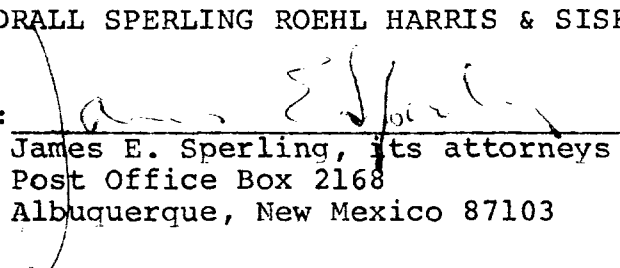
WHEREFORE, Applicant respectfully requests this matter be set for hearing after due notice as prescribed by law and upon such notice and hearing, the Commission issue its order establishing special pool rules for this pool as designated by the Commission and providing for 160-acre drilling and spacing units, as hereinabove set forth, and for allowables based on 160-acre spacing, and for such other and further relief as the Applicant may show itself entitled to receive. Applicant requests this matter be set for hearing before an Examiner on June 28, 1972.

Respectfully submitted,

PUBCO PETROLEUM CORPORATION

By: MODRALL SPERLING ROEHL HARRIS & SISK

By:


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