

Sec. _____ Township No. _____ of Range No. _____

(NORTH SAWYER-DEVONIAN POOL - Cont'd.)

if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location 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 upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 6.67 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.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the North Sawyer-Devonian Pool or in the Devonian formation within one mile thereof that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before February 15, 1965.

(2) That each well presently drilling to or completed in the North Sawyer-Devonian Pool or in the Devonian formation within one mile thereof shall receive a 40-acre allowable until a Form C-102 dedicating 80 acres to the well has been filed with the Commission.

(3) That this case shall be reopened at an examiner hearing in February, 1966, at which time the operators in the subject pool may appear and show cause why the North Sawyer-Devonian Pool should not be developed on 40-acre spacing 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.

TEAS-PENNSYLVANIAN GAS POOL
Lea County, New Mexico

Order No. R-2627, Creating and Adopting Temporary Operating Rules for the Teas-Pennsylvanian Gas Pool, Lea County, New Mexico, December 27, 1963.

Order No. R-2627, June 15, 1966, makes permanent the rules adopted in Order No. R-2627.

Application of Sinclair Oil & Gas Company for the Creation of the Teas-Pennsylvanian Gas Pool and for Special Temporary Pool Rules, Lea County, New Mexico.

CASE NO. 2844
Order No. R-2627

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on June 26, 1963, 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 27th day of December, 1963, 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 the applicant, Sinclair Oil & Gas Company, seeks the creation of a new gas pool for Pennsylvanian production and the promulgation of temporary special rules and regulations governing said pool, including a provision for 640-acre spacing units.

(3) That a new gas pool for Pennsylvanian production should be created and designated the Teas-Pennsylvanian Gas Pool; that said pool was discovered by the Sinclair Oil & Gas Company Mahaffey-Federal (ARC) Well No. 1, located in Unit C of Section 14, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.

(4) That the evidence establishes that the permeability of the Pennsylvanian formation in said proposed Teas-Pennsylvanian Gas Pool is insufficient to substantiate efficient and economic drainage of 640 acres by one well.

(5) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of

TEAS-PENNSYLVANIAN GAS POOL -- Cont'd.)

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, temporary special rules and regulations providing for 320-acre spacing units should be promulgated for the Teas-Pennsylvanian Gas Pool.

(6) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(7) That special rules and regulations should be established for a temporary period to expire one year from the date that a pipeline connection is first obtained for a well in the pool; that during this temporary period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(8) That this case should be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the Teas-Pennsylvanian Gas Pool, at which time the operators in the subject pool should appear and show cause why the Teas-Pennsylvanian Gas Pool should not be developed on 160-acre spacing units.

(9) That the first operator to obtain a pipeline connection for a well in the Teas-Pennsylvanian Gas Pool should notify the Commission in writing of such fact, and that the Commission should thereupon issue a supplemental order designating an exact date for reopening this case.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 11: S/2
Section 14: N/2

(2) That the application of Sinclair Oil & Gas Company for 640-acre spacing units in said Teas-Pennsylvanian Gas Pool be and the same is hereby denied.

(3) That Special Rules and Regulations for the Teas-Pennsylvanian Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
TEAS-PENNSYLVANIAN GAS POOL

RULE 1. Each well completed or recompleted in the Teas-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile of the Teas-Pennsylvanian Gas Pool, and not

nearer to or within the limits of another designated Pennsylvanian pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations herein-after set forth.

RULE 2. Each well completed or recompleted in the Teas-Pennsylvanian Gas Pool shall be located on a standard unit consisting of approximately 320 acres which shall comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well completed or recompleted in the Teas-Pennsylvanian Gas Pool shall be located no nearer than 990 feet to the outer boundary of a quarter section and no nearer than 330 feet to any governmental quarter-quarter section line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The

(TEAS-PENNSYLVANIAN GAS POOL—Cont'd.)

Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Pennsylvanian formation within the Teas-Pennsylvanian Gas Pool or within one mile of the Teas-Pennsylvanian Gas Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator of any such well shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before January 1, 1964.

(2) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Teas-Pennsylvanian Gas Pool shall file a new Form C-128 with the Commission on or before January 1, 1964.

(3) That this case shall be reopened at an examiner hearing one year from the date that a pipeline connection is first obtained for a well in the Teas-Pennsylvanian Gas Pool, at which time the operators in the subject pool may appear and show cause why the Teas-Pennsylvanian Gas Pool should not be developed on 160-acre spacing units.

(4) That the first operator to obtain a pipeline connection for a well in the Teas-Pennsylvanian Gas Pool shall notify the Commission in writing of such fact and that the Commission will thereupon issue a supplemental order designating an exact date for reopening this case.

(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.

ANTELOPE RIDGE-DEVONIAN GAS POOL
Lea County, New Mexico

Order No. R-2623, Creating and Adopting Temporary Operating Rules for the Antelope Ridge-Devonian Gas Pool, Lea County, New Mexico, January 1, 1964.

Order No. R-2623-A, January 13, 1966, makes permanent the rules adopted in Order No. R-2623.

Application of Shell Oil Company for the Creation of a Devonian Gas Pool and for Special Pool Rules, Lea County, New Mexico.

CASE NO. 2945
Order No. R-2623

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on December 4, 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 19th day of December, 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 the applicant, Shell Oil Company, seeks the creation of a new gas pool for Devonian production and the promulgation of temporary special rules and regulations governing said pool, including provisions for 640-acre spacing units and limited well locations.

(3) That a new gas pool for Devonian production should be created and designated the Antelope Ridge-Devonian Gas Pool; that said pool was discovered by the Shell Oil Company Harris-Federal Well No. 1, located in Unit N of Section 27, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico.

(4) That in order 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, temporary special rules and regulations providing for 640-acre spacing units should be promulgated for the Antelope Ridge-Devonian Gas Pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the temporary special rules and regulations should be established for a two-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(7) That this case should be reopened at an examiner hearing in January, 1966, at which time the operators in the subject pool should be prepared to appear and show cause why the Antelope Ridge-Devonian Gas Pool should not be developed on 160-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Devonian production is hereby created and designated the Antelope Ridge-Devonian Gas Pool consisting of the following-described area:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 27: All
Section 33: E/2, E/2 W/2
Section 34: All

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 4: All

(2) That Special Rules and Regulations for the Antelope Ridge-Devonian Gas Pool are hereby promulgated as follows, effective January 1, 1964.

SPECIAL RULES AND REGULATIONS
FOR THE
ANTELOPE RIDGE-DEVONIAN GAS POOL

RULE 1. Each well completed or recompleted in the Antelope Ridge-Devonian Gas Pool or in the Devonian formation within one mile of the Antelope Ridge-Devonian Gas Pool, and not nearer to nor within the limits of another designated Devonian gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Antelope Ridge-Devonian Gas Pool shall be located on a standard unit containing 640 acres, more or less, consisting of a single governmental section.

QUAILRIDGE -MORROW GAS POOL
Lea County, New Mexico

Order No. R-3890, Adopting Operating Rules for the Quail Ridge-Morrow Gas Pool, Lea County, New Mexico, December 3, 1969.

Application of Pennzoil United, Inc., for Special Pool Rules and Unorthodox Gas Well Location, Lea County, New Mexico.

CASE NO. 4261
Order No. R-3890

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on November 25, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of December, 1969, 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, Pennzoil United, Inc., seeks the promulgation of special rules and regulations for the Quail Ridge-Morrow Gas Pool, Lea County, New Mexico, including a provision for 320-acre spacing units.

(3) That the applicant further seeks an exception to the proposed well location requirements for said Quail Ridge-Morrow Gas Pool for its Mescalero Ridge Well No. 1 located 660 feet from the South line and 660 feet from the West line of Section 20, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.

(4) That in order 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, special rules and regulations providing for 320-acre spacing units should be promulgated for the Quail Ridge-Morrow Gas Pool.

(5) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That approval of the non-standard location in the subject pool for the aforesaid Mescalero Ridge Well No. 1 will prevent the drilling of unnecessary wells, will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Quail Ridge-Morrow Gas Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
QUAIL RIDGE-MORROW GAS POOL

RULE 1. Each well completed or recompleted in the Quail Ridge-Morrow Gas Pool or in the Morrow formation within one mile thereof, and not nearer to or within the limits of another designated Morrow gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit consisting of approximately 320 acres which shall comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Land Surveys. For purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located not closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1980 feet to the nearest end boundary nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location 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 upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That the Pennzoil United, Inc., Mescalero Ridge Well No. 1, located 660 feet from the South line and 660 feet from the West line of Section 20, Township 19 South, Range 34 East, NMPM, Quail Ridge-Morrow Gas Pool, Lea County, New Mexico, is hereby granted an exception to the well location requirements contained herein.

(2) That the operator of the aforesaid Mescalero Ridge Well No. 1 shall file a new Form C-102 outlining thereon the acreage dedicated to said well within 15 days after receipt of this order.

(3) That the locations of all wells presently drilling to or completed in the Quail Ridge-Morrow Gas Pool or in the

(QUAIL RIDGE-MORROW GAS POOL - Cont'd.)

Morrow formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 15, 1969.

(4) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Quail Ridge-Morrow Gas Pool shall have dedicated thereto 320 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Quail Ridge-Morrow Gas Pool or in the Morrow formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(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.

PINON-GALLUP POOL
San Juan County, New Mexico

Order No. R-3103, Creating and Adopting Operating Rules for the Pinon-Gallup Pool, San Juan County, New Mexico, August 11, 1966.

Application of Pan American Petroleum Corporation for Creation of a New Pool, Special Pool Rules and Four Non-Standard Proration Units, San Juan County, New Mexico.

CASE NO. 3422
Order No. R-3103

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m., on June 29, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of August, 1966, 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, Pan American Petroleum Corporation, seeks the creation of a new oil pool for Gallup production in San Juan County, New Mexico, and the promulgation of special rules and regulations governing said pool, including a provision for 160-acre spacing units and specified well locations.

(3) That the applicant further seeks approval of the following non-standard oil proration units in Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico:

A 164.44-acre unit comprising Lots 2, 3, and 4 and the S/2 SW/4 of Section 9;

A 176.14-acre unit comprising Lot 1 and the S/2 SE/4 of Section 9 and Lot 4 and the SW/4 SW/4 of Section 10;

A 163.29-acre unit comprising Lots 1, 2, and 3 and the SW/4 SE/4 and SE/4 SW/4 of Section 10; and

A 175.14-acre unit comprising the SE/4 SE/4 of Section 10 and the S/2 SW/4 and Lots 3 and 4 of Section 11.

(4) That the evidence fails to establish that one well in the proposed pool can efficiently and economically drain and develop 160 acres.

(5) That the evidence does indicate that one well in the proposed pool can efficiently and economically drain and develop 80 acres.

(6) That the horizontal limits, as requested by the applicant for the subject pool, have not been adequately established by wells producing from the Gallup formation in the subject area.

(7) That the application for 160-acre spacing and pool limits, as defined by the applicant, should be denied.

(8) That inasmuch as the Commission finds that the application for 160-acre spacing should be denied, it becomes unnecessary at this time for the Commission to rule upon the applicant's request for approval of the above-described four non-standard proration units.

(9) That the Pan American Petroleum Corporation Gallegos Canyon Unit Well No. 250, located in Unit N of Section 14, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico, has discovered a separate common source of supply which should be designated the Pinon-Gallup Oil Pool; that the vertical limits of said pool should be the Gallup formation; and that the horizontal limits of said pool should consist of:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM
Section 14: SW/4 NE/4, S/2 NW/4, SW/4,
and W/2 SE/4
Section 15: SE/4 NE/4 and E/2 SE/4
Section 23: N/2 NW/4 and NW/4 NE/4

County Lea

Pool Teas-Pennsylvanian Gas

Township 20 South

Range 33 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Description: $\frac{1}{4}$ Sec. 11; $\frac{1}{4}$ Sec. 14 (R-2627, 12-27-63)

Ext: $\frac{1}{2}$ Sec. 11 (A-6576, 2-10-81) Ext: $\frac{1}{2}$ Sec. 12 (A-7131, 11-30-82)

county LEA

pool QUAIL RIDGE - MORROW GAS

TOWNSHIP 20 S

Range 34 E

NMPM

6	5	4	3	2	1		
7	8	9	10	11	12		
18	17	16	15	14	13		
*							
19	20	21	22	23	24		
30	29	28	27	26	25		
31	32	33	34	35	36		

EXT: N/2 SEC 6 (R-9144, 5-1-90)

EXT: SW/4 SEC 6, All SEC 7 (R-9345, 11-7-90)

