

a CASE 5631: Appl. of OCC to  
consider AMENDMENT OF SPECIAL oil  
RULES FOR BISTI-LOWER GALLUP OIL  
POOL, SAN JUAN COUNTY

CASE NO.

5631

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,

ETC.

## NEW MEXICO OIL CONSERVATION COMMISSION

## EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MARCH 3, 1976 TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
AR Kendrick	<i>o o c</i>	Artesia
Grant M Smith	Franklin & Son & Son	Nowell
SG. Pryell	Montgomery et al	Santa Fe
Joel M. Carson	Loose & Carson P.A.	Artesia
Ray Beck	Yates Pet	Artesia
E.R. Manning	El Paso Natural	El Paso
NEIL BECK	EL PASO NATURAL GAS	EL PASO
Paul W. Burchell	El Paso Natural Gas	El Paso
John J. Echeverria	E.P.N.G.	Santa Fe
R.E. Bennett	Bennett & Ryan	Midland, Tex.
John B. Castle	PENROCK OIL CORP	MIDLAND
John C. Ryan	Bennett & Ryan	Midland, Tex.
Don Stovons	Belco Pet.	S.F. H. Pet
Lee Nering	Belco Pet.	Houston
R.W. KRETZLER	SHELL OIL	MIDLAND TX
J.E. Sullivan	" "	" "
J.W. Hill	" "	" "

## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date MARCH 3, 1976 TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Gary Krieger	Phillips	Odessa
JERRY LONG	USGS	DURANGO
Jack M Campbell	Campbell + Bugawan	Santa Fe

sid morrison reporting service

General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 3, 1976

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conserva- ) CASE  
tion Commission on its own motion to ) 5631  
consider the amendment of the Special )  
Pool Rules for the Bisti-Lower Gallup )  
Oil Pool, San Juan County, New Mexico. )

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

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General Court Reporting Service  
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A. R. KENDRICK

Direct Examination by Mr. Carr

Cross Examination by Mr. Stamets

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OCC Exhibit One, Proposed Pool Rule Change

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2 the matter of the hearing called by the Oil Conservation  
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4 Special Rules for the Bisti-Lower Gallup Oil Pool, San Juan  
5 County, New Mexico.

6 Call for appearances in this case.

7 MR. CARR: I'm William F. Carr appearing for the  
8 Commission and I have one witness to be sworn.

9 (THEREUPON, the witness was duly sworn.)

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11 A. R. KENDRICK

12 called as a witness, having been first duly sworn, was  
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15 DIRECT EXAMINATION

16 BY MR. CARR:

17 Q Please state your name and position for the record?

18 A A. R. Kendrick, District Supervisor for the Oil  
19 Conservation Commission.

20 Q Mr. Kendrick, do your duties as District Supervisor  
21 include making recommendations to the Commission concerning  
22 amendments and Special Pool Rules in Northwest New Mexico?

23 A They do.

24 Q Are you familiar with the subject matter of  
25 Case 5631?

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1 A. Yes, sir.

2 Q. What does the Commission seek in this case?

3 A. The Commission seeks to make the Pool Rules for the  
4 Bisti-Lower Gallup Oil Pool compatible with gas well spacing  
5 in that area. The Bisti-Lower Gallup Oil Pool is essentially  
6 depleted. To put its requirements for the wells in that pool  
7 at the present time is to drill an oil well within a hundred  
8 feet of the center of the forty-acre tract. These footage  
9 requirements are not compatible gas well spacing and currently  
10 there are some Dakota wells being drilled in that proximity,  
11 so to make it more feasible to dual complete a Gallup oil well  
12 with a Dakota gas well and, therefore, recover the oil, we need  
13 the Pool Rules changed.

14 Q. Is the proposed change prepared in the form of an  
15 exhibit?

16 A. Yes, sir.

17 Q. Is that marked Oil Conservation Commission Exhibit  
18 One?

19 A. Yes, sir.

20 Q. If this rule is amended pursuant to your proposal  
21 will the spacing of the Bisti-Lower Gallup Oil Pool and the  
22 Basin-Dakota Gas Pool be compatible for dual completions to  
23 be drilled in the two pools?

24 A. Yes, sir.

25 Q. Do you have anything further to add to your testimony?



1 A. No.

2 MR. CARR: At this time, Mr. Examiner, I would offer  
3 Oil Conservation Commission Exhibit One.

4 MR. STAMETS: Exhibit One will be admitted.

5 (THEREUPON, Oil Conservation Commission Exhibit  
6 One was admitted into evidence.)  
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8 CROSS EXAMINATION

9 BY MR. STAMETS:

10 Q Mr. Kendrick, what you are looking at here, a  
11 potential for a dual completions and salvage operations in the  
12 Bisti Pool?

13 A. Yes, salvage recovery for oil where new gas well  
14 completions will be drilled.

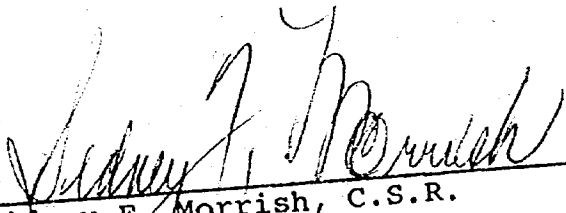
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16 witness. He may be excused.

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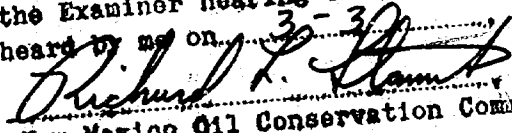
18 MR. STAMETS: Anything further in this case?  
19 We will take the case under advisement.  
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REPORTER'S CERTIFICATE

1  
2 I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
3 do hereby certify that the foregoing and attached Transcript  
4 of Hearing before the New Mexico Oil Conservation Commission  
5 was reported by me, and the same is a true and correct record  
6 of the said proceedings to the best of my knowledge, skill and  
7 ability.

8  
9   
10 Sidney F. Morrish, C.S.R.

sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

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15 I do hereby certify that the foregoing is  
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18 heard by me on 3-30-76, 1976  
19   
20 Examiner  
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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 3, 1976

EXAMINER HEARING

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The hearing called by the Oil Conserva-  
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For the New Mexico Oil  
Conservation Commission:

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Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

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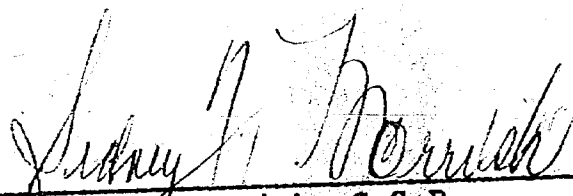
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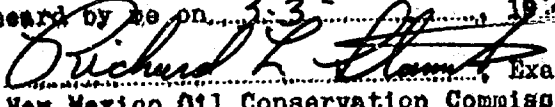
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Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5631  
heard by me on 3-3-76, 1976  
  
Examiner  
New Mexico Oil Conservation Commission



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 ON ITS  
OWN MOTION TO CONSIDER THE AMENDMENT  
OF SPECIAL POOL RULES, SAN JUAN COUNTY,  
NEW MEXICO.

CASE NO. 5631  
Order No. R-1069-G

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 3, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 23rd day of March, 1976, 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 there is need to amend the Special Pool Rules for the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, to permit the drilling of a well at any point within a 40-acre tract not closer than 330 feet to the outer boundary thereof.

(3) That the proposed amendment may permit the recovery of additional volumes of oil from said pool, thereby preventing waste, will not violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That Rule 3. of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool, San Juan County, is hereby amended to read in its entirety as follows:

"RULE 3. All wells projected to or completed in the Bisti-Lower Gallup Oil Pool shall be located no closer than 330 feet to any quarter-quarter section boundary of the proration unit; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each quarter-quarter section of the unit."

-2-

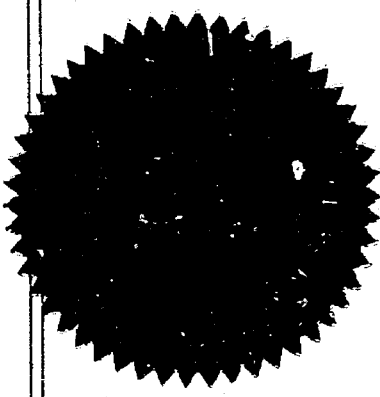
Case No. 5631

Order No. R-1069-G

(2) 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

  
*Phil R. Lucero*  
PHIL R. LUCERO, Chairman

*Emery C. Arnold*  
EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

dr/

CASE NO. 5631

The Bisti-Lower Gallup Oil Pool Rules are contained in Order R-1069 as amended and became effected in 1957.

Rule 3 of the order now requires that all wells projected to or completed in the Bisti-Lower Gallup Oil Pool be located within 100 feet of the center of either quarter-quarter section of the proration unit and does not prohibit the drilling of a well on each quarter-quarter section of the unit. Wells have recently been completed in the Basin-Dakota Gas Pool near the Bisti-Lower Gallup Oil Pool. The location requirements for the wells in the Basin Dakota Gas Pool require the wells to be located "no nearer than 790 feet to the boundary line of the proration unit..."

The two orders are not compatible for a dual completion to be drilled in the two pools.

Since the Bisti-Lower Gallup Pool is nearing depletion, I believe the spacing requirements have served the intended purpose.

It is recommended that Rule 3 of the Bisti-Lower Gallup Pool Rules be amended as follows:

Rule 3. All wells projected to or completed in the Bisti-Lower Gallup Oil Pool shall be located at least 330 feet from the boundary of either quarter-quarter section of the proration unit; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each quarter-quarter section of the unit.

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BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 5631

Submitted by OCC

Hearing Date 3-3-76

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BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	<u>1</u>
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Submitted by	<u>OCC</u>
Hearing Date	<u>3-3-76</u>

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Dockets Nos. 9-76 and 10-76 are tentatively set for hearing on March 17 and March 31, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 3, 1976

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5621: (Continued and Readvertised)

Application of El Paso Natural Gas Company, as agent for Northwest Production Corporation, for down-hole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Basin-Dakota and Blanco-Mesaverde gas production in the wellbore of the Northwest Production Corporation Jicarilla 119N Well No. 4, located in Unit II of Section 6, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

CASE 5631: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of the Special Rules for the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, to permit the drilling of wells in said pool at any point within a 40-acre tract not closer than 330 feet to the outer boundary thereof.

CASE 5632: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of the Special Rules for the Devils Fork-Gallup Pool, Rio Arriba County, New Mexico, to delete therefrom the provisions for a volumetric withdrawal formula and substitute therefor a casinghead gas equivalent formula similar to that in effect for the Angels Peak-Gallup Pool, as promulgated by Order No. R-1410-C.

CASE 5633: Application of Shell Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Tubb-Drinkard and Devonian production in the wellbore of its J. P. No. 1 Well located in Unit C of Section 2, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico.

CASE 5634: Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Duncan Dome Unit Area comprising 7,641 acres, more or less, of State lands in Township 17 South, Ranges 17 and 18 East, Chaves County, New Mexico.

CASE 5635: Application of Sundance Oil Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the San Andres formation through the perforated interval from approximately 3852 to 3858 feet in its Ingram Federal Well No. 2 located in Unit I of Section 5, Township 8 South, Range 31 East, Tom Tom-San Andres Pool, Chaves County, New Mexico.

CASE 5636: Application of Julian Ard for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled in the center of the SW/4 SE/4 of Section 32, Township 9 South, Range 37 East, West Sawyer-San Andres Pool, Lea County, New Mexico, in exception to the provisions of Rule 4, Order No. R-3850.

CASE 5637: Application of R. C. Bennett & J. C. Ryan for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Exxon-State Well No. 2, located in Unit F of Section 25, Township 19 South, Range 28 East, Eddy County, New Mexico, to produce gas from the Upper Pennsylvanian formation through the casing-tubing annulus and gas from the Morrow formation through tubing.

CASE 5638: Application of Belco Petroleum Corporation for Amendment of Order No. R-5111, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Commission Order No. R-5111, which order pooled all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 5, Township 22 South, Range 27 East, to be dedicated to a well drilled at an unorthodox location 660 feet from the South line and 1980 feet from the West line of said Section 5. Applicant proposes the amendment of said order to pool all such mineral interests in the formations of Mississippian and Siluro-Devonian age underlying the W/2 of said Section 5 and to approve the unorthodox location of the well for said formations.

CASE 5639: Application of Franklin, Aston & Fair for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Strawn production for its Aztec State No. 3 Well located 710 feet from the North line and 2110 feet from the East line of Section 36, Township 17 South, Range 32 East, Lea County, New Mexico, and for the promulgation of special rules therefor, including a provision for 160-acre spacing units.

CASE 5640: Application of Phillips Petroleum Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of East Brunson-Ellenburger, East Brunson-McKee and Drinkard oil production in the wellbore of its Sims No. 6 Well located in Unit N of Section 24, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 5641: Application of John Yuronka for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the Queen formation through the open-hole interval from approximately 3800 to 3875 feet in his State JC "T" Well No. 1 located in Unit B of Section 15, Township 23 South, Range 35 East, Lea County, New Mexico.

CASE 5642: Application of Penroc Oil Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Canyon and Morrow production in the wellbore of its JCM-State Well No. 1, located in Unit G of Section 2, Township 20 South, Range 28 East, Eddy County, New Mexico.

CASE 5643: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Eddy and Lea Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the West Arkansas Junction-San Andres Pool. The discovery well is the Coquina Oil Corporation State KKN Well No. 1, located in Unit J of Section 20, Township 18 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM  
Section 20: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Cabin Lake-Atoka Gas Pool. The discovery well is the Corinne Grace Livingston Ridge Unit Well No. 1Y, located in Unit L of Section 36, Township 21 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM  
Section 36: W/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Grayburg-San Andres production and designated as the Cemetery-Grayburg San Andres Pool. The discovery well is the Gulf Oil Corporation Jones Federal NCT-A Well No. 1, located in Unit L of Section 14, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
Section 14: SW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the North Cemetery-Wolfcamp Gas Pool. The discovery well is the David Fasken Seven Rivers Federal Well No. 1, located in Unit C of Section 17, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
Section 17: N/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Henshaw-Wolfcamp Pool. The discovery well is the Yates Petroleum Corporation Marco Polo EA State Well No. 1, located in Unit H of Section 32, Township 16 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM  
Section 32: NE/4

(f) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Queen-Grayburg and San Andres production and designated as the South Loco Hills Queen-Grayburg-San Andres Pool. The discovery well is the Gene A. Snow Alcott Well No. 1, located in Unit I of Section 31, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 31: SE/4 NE/4 & NE/4 SE/4  
Section 32: S/2 NW/4, N/2 SW/4, W/2 NE/4 and SE/4 NE/4

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the West Lusk-Morrow Gas Pool. The discovery well is the Adobe Oil Company Hannifin State Com Well No. 1, located in Unit P of Section 16, Township 19 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 16: S/2

(h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Otis-Morrow Gas Pool. The discovery well is the Apexco Inc. Walterschied Com Well No. 1, located in Unit G of Section 35, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 26: W/2  
Section 35: All

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Penasco Draw-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Scout EH Federal Com Well No. 2, located in Unit I of Section 27, Township 18 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 27: E/2

(j) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Scanlon-Morrow Gas Pool. The discovery well is the Harvey E. Yates Fannie Lou Federal Well No. 1, located in Unit G of Section 31, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 31: N/2

(k) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Queen production and designated as the Square Lake-Queen Gas Pool. The discovery well is the Corpening Enterprises Exxon State Well No. 1, located in Unit M of Section 16, Township 16 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM  
Section 16: SW/4

(l) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 21: S/2 SE/4 & E/2 SW/4  
Section 28: N/2 NE/4

(m) EXTEND the North Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 13: N/2  
Section 14: All

(n) EXTEND the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM  
Section 35: E/2  
Section 36: W/2

(o) EXTEND the Cruz-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 19: NE/4

(p) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM  
Section 25: SE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 30: SW/4

- (q) EXTEND the La Rica-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 3: All

- (r) EXTEND the Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 21: SW/4

- (s) EXTEND the Red Lake-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 24: E/2

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 19: W/2

- (t) EXTEND the Tonto (Seven Rivers) Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 13: SW/4  
Section 14: S/2

- (u) EXTEND the Townsend-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM  
Section 4: Lots 1, 2, 7, 8, 9, 10, 15, & 16, and SE/4

- (v) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 16: All  
Section 34: All

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM  
Section 3: All

CASE 5098: (Reopened) (Continued from February 18, 1976 Examiner Hearing)

In the matter of Case 5098 being reopened pursuant to the provisions of Order No. R-4682, which order established special rules for the Red Tank-Morrow Gas Pool, Lea County, New Mexico, including a provision for 640-acre spacing. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

Case 5631

In the matter of the hearing called by  
The Oil Conservation Commission on its  
own motion to consider the amendment  
for the Pinti-Lower Gallup Oil Pool, San Juan  
County, New Mexico,  
of the Special Rules to permit the drilling  
of wells within in said pool at any  
point in the 40-acre tract not closer  
than 330 feet to the outer boundary  
thereof.

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 ON ITS  
OWN MOTION TO CONSIDER THE AMENDMENT  
OF SPECIAL POOL RULES, SAN JUAN COUNTY,  
NEW MEXICO.

CASE NO. 5631  
Order No. R-1069-G

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 3, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of March, 1976, 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 there is need to amend the Special Pool Rules for the Bisti-Gallup Oil Pool, San Juan County, New Mexico, to permit the drilling at any point within a 40-acre tract not closer than 330 feet to the outer boundary thereof.

(3) That the proposed amendment may permit the recovery of additional volumes of oil from said pool, thereby preventing waste, will not violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That Rule 3. of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool, San Juan County, is hereby amended to read in its entirety as follows:

"RULE 3. All wells projected to or completed in the Bisti-Lower Gallup Oil Pool shall be located no closer than 330 feet to any quarter-quarter section boundary of the pro ration unit; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each quarter-quarter section of the unit."

(2) 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 herein-