

Entered September 10, 1980
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6997
Order No. R-6469

APPLICATION OF BENSON-MONTIN-GREER
DRILLING CORPORATION FOR AMENDMENT
OF POOL RULES, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 6, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of September, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-2565-B, entered November 28, 1966, in Case 3455, the Division created and defined the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, and promulgated temporary Special Rules and Regulations therefor, including a provision for 320-acre spacing and proration units.

(3) That by Order No. R-2565-C, entered January 6, 1970, said temporary Special Rules and Regulations were made permanent until further order of the Division.

(4) That the original applicant in Case No. 3455, Benson-Montin-Greer Drilling Corporation, now seeks the amendment of said special rules and regulations to provide for 640-acre spacing and proration units and specified well locations and also seeks the establishment of certain non-standard proration units.

(5) That the geological and engineering data presented at the hearing indicate that the wells in the West Puerto Chiquito-Mancos Oil Pool are in fact draining 640 acres or more, and that the amendment of the special rules and regulations for said pool to provide for 640-acre spacing and proration units will not cause waste nor impair correlative rights.

(6) That the well location requirements for said 640-acre units should specify that no well be located closer than 660 feet to the outer boundary of the section, nor closer than 330 feet to a quarter section line, nor closer than 10 feet to a quarter-quarter section line.

(7) That the following non-standard units should be approved:

TOWNSHIP 24 NORTH, RANGE 1 WEST, NMPM

a 320-acre unit comprising	Section 1:	N/2;
a 640-acre unit comprising	Section 23:	N/2
	Section 24:	N/2;
a 640-acre unit comprising	Section 23:	S/2
	Section 24:	S/2;

TOWNSHIP 24 NORTH, RANGE 1 EAST, NMPM

a 640-acre unit comprising	Section 7:	E/2
	Section 8:	W/2;
a 640-acre unit comprising	Section 17:	W/2
	Section 18:	E/2;
a 480-acre unit comprising	Section 19:	N/2
	Section 20:	NW/4;
a 480-acre unit comprising	Section 19:	S/2
	Section 20:	SW/4;

TOWNSHIP 25 NORTH, RANGE 1 EAST, NMPM

a 640-acre unit comprising	Section 29:	W/2
	Section 30:	E/2;

TOWNSHIP 26 NORTH, RANGE 1 WEST, NMPM

a 640-acre unit comprising	Section 5:	W/2
	Section 8:	W/2;
a 640-acre unit comprising	Section 5:	E/2
	Section 8:	E/2;
a 640-acre unit comprising	Section 17:	W/2
	Section 20:	W/2;
a 640-acre unit comprising	Section 17:	E/2
	Section 20:	E/2;

TOWNSHIP 26 NORTH, RANGE 1 EAST, NMPM

a 640-acre unit comprising Section 19: E/2
Section 20: W/2;

TOWNSHIP 27 NORTH, RANGE 1 WEST, NMPM

a 640-acre unit comprising Section 1: W/2
Section 12: W/2;
a 640-acre unit comprising Section 13: W/2
Section 24: W/2;
a 600-acre unit comprising Section 25: W/2
Section 26: All;
a 600-acre unit comprising Section 27: All
Section 28: E/2;
a 600-acre unit comprising Section 28: W/2
Section 29: All;
and a 400-acre unit comprising Section 30: All.

(8) That the amount of acreage contained in the above described non-standard units is approximate, and the exact acreage in each should be determined when it is actually dedicated to a well.

(9) That an order embodying the above findings is in the interest of conservation, will prevent waste and protect correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That Rules 2, 3, and 5 of the Special Rules and Regulations governing the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, promulgated by Order No. R-2565-B, and as amended by Order No. R-2565-C, are hereby amended to read in their entirety as follows:

RULE 2. Each well completed or recompleted in the West Puerto Chiquito-Mancos Oil Pool shall be located on a standard spacing or proration unit consisting of approximately 640 acres which shall comprise a single governmental section, being a legal subdivision of the United States Public Land Surveys. For purposes of these rules, a spacing or proration unit consisting of between 632 and 648 contiguous surface acres shall be considered a standard spacing or proration unit. No non-standard spacing or proration unit shall be authorized except after notice and hearing.

RULE 3. Each well completed or recompleted in the West Puerto Chiquito-Mancos Oil Pool shall be located no nearer than 660 feet to the outer boundary of the proration unit nor closer than 330 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line; provided however that nothing contained herein shall be construed as permitting the drilling of more than one well on a spacing or proration unit.

RULE 5. A standard spacing or proration unit in the West Puerto Chiquito-Mancos Oil Pool (632 through 648 acres) shall be assigned a 640-acre depth bracket allowable of 640 barrels of oil per day. Any non-standard spacing or proration unit containing less than 632 acres or more than 648 acres shall be assigned a depth bracket allowable in the same ratio to 640 as the acreage in the unit bears to 640.

(2) That the Special Rules and Regulations governing the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, promulgated by Order No. R-2565-B as amended by Order No. R-2565-C and as further amended by this order are hereby continued in full force and effect until further order of the Division.

(3) That the following non-standard proration units are hereby approved:

TOWNSHIP 24 NORTH, RANGE 1 WEST, NMPM

a 320-acre unit comprising	Section 1:	N/2;
a 640-acre unit comprising	Section 23:	N/2
	Section 24:	N/2;
a 640-acre unit comprising	Section 23:	S/2
	Section 24:	S/2;

TOWNSHIP 24 NORTH, RANGE 1 EAST, NMPM

a 640-acre unit comprising	Section 7:	E/2
	Section 8:	W/2;
a 640-acre unit comprising	Section 17:	W/2
	Section 18:	E/2;
a 480-acre unit comprising	Section 19:	N/2
	Section 20:	NW/4;
a 480-acre unit comprising	Section 19:	S/2
	Section 20:	SW/4;

TOWNSHIP 25 NORTH, RANGE 1 EAST, NMPM

a 640-acre unit comprising Section 29: W/2
Section 30: E/2;

TOWNSHIP 26 NORTH, RANGE 1 WEST, NMPM

a 640-acre unit comprising Section 5: W/2
Section 8: W/2;
a 640-acre unit comprising Section 5: E/2
Section 8: E/2;
a 640-acre unit comprising Section 17: W/2
Section 20: W/2;
a 640-acre unit comprising Section 17: E/2
Section 20: E/2;

TOWNSHIP 26 NORTH, RANGE 1 EAST, NMPM

a 640-acre unit comprising Section 19: E/2
Section 20: W/2;

TOWNSHIP 27 NORTH, RANGE 1 WEST, NMPM

a 640-acre unit comprising Section 1: W/2
Section 12: W/2;
a 640-acre unit comprising Section 13: W/2
Section 24: W/2;
a 600-acre unit comprising Section 25: W/2
Section 26: All;
a 600-acre unit comprising Section 27: All
Section 28: E/2;
a 600-acre unit comprising Section 28: W/2
Section 29: All;
and a 400-acre unit comprising Section 30: All.

PROVIDED HOWEVER, that the amount of acreage in the above-described non-standard proration units is approximate, and the exact amount of acreage in each unit shall be determined when the unit is actually dedicated to a well.

(4) That, pursuant to Paragraph A. of Section 70-2-18, NMSA 1978, existing wells in the West Puerto Chiquito-Mancos Oil Pool shall have dedicated thereto 640 acres, in accordance with the foregoing pool rules or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

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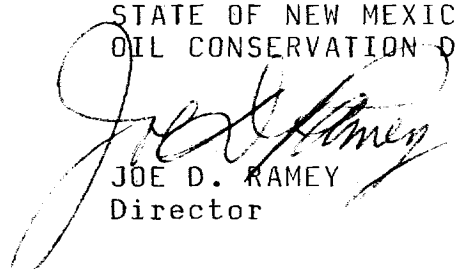
Failure to file new Forms C-102 with the Division dedicating 640 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable.

(5) That Orders Nos. (2), (3), and (5) of "IT IS FURTHER ORDERED" in Division Order No. R-2565-B are hereby rescinded.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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