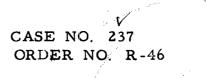
BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:



THE APPLICATION OF THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION FOR ESTABLISHING A WELL SPACING PATTERN FOR EACH OF THE DESIGNATED GAS POOLS IN THE COUNTIES OF SAN JUAN AND RIO ARRIBA, STATE OF NEW MEXICO PRODUCING OR CAPABLE OF PRODUCING GAS FROM PICTURED CLIFFS FORMATION, EXCEPT KUTZ CANYON-FULCHER BASIN, MESAVERDE FORMATION (EXCEPT BLANCO POOL) AND ANY OF THE PENNSYLVANIAN FORMATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on regularly for hearing at 10:00 o'clock A.M., November 21, 1950, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 29th day of December, 1950, the Commission having considered the whole matter including the testimony adduced at said hearing.

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 for purposes of orderly development, protection of correlative right: and the prevention of waste, the following pools in San Juan and Rio Arriba Counties, New Mexico heretofore by the Commission named, defined and classified as gas pools, as the respective boundaries thereof may be

R-46 Page 2

changed by extension or otherwise, should be provided with proper spacing pattern and production units;

Aztec (Pictured Cliffs) pool, 160-acre spacing; Barker Creek, Paradox (Pennsylvanian) pool, 640-acre spacing; Blanco (Pictured Cliffs) pool, 160-acre spacing; Gavilan (Pictured Cliffs) pool, 160-acre spacing; La Plata (Mesaverde) pool, 320-acre spacing; NW La Plata (Mesaverde) pool, 320-acre spacing; South La Plata (Mesaverde) pool, 320-acre spacing; South Kutz Canyon (Pictured Cliffs) pool, 160-acre spacing; West Kutz Canyon (Pictured Cliffs) pool, 160-acre spacing; Ute Dome (Paradox) pool, 640-acre spacing.

3. That for La Plata, NW La Plata and South La Plata pools, wells should be orthodox locations on NW/4 and SE/4 of each section in said pools.

4. Under 160-acre spacing for Aztec, Elanco (Pictured Cliffs), Gavilan, South Kutz Canyon and West Kutz Canyon pools, orthodox locations should be required as stated in Rule 104 (or 330' from inner and 660' from outer. boundaries of the respective quarter section);

5. For those pools appearing to require 640-acre spacing in Pennsylvanian formation, orthodox locations should be required to be not closer than 330' to center and 1650' from boundary of each section in the Barker Creek (Paradox-Pennsylvanian) and Ute Dome (Paradox-Pennsylvanian) pools.

6. That existing Commission Orders 748 and 815, relating to the Kutz Canyon-Fulcher Basin pool, and Order No. 799 relating to the Blanco pool should be and remain in full effect and undisturbed hereby.

IT IS THEREFORE ORDERED:

1. That for purposes of orderly development, protection of correlative rights, and the prevention of waste, a spacing and production unit pattern is hereby provided for each of the following heretofore named, defined and classified pools, as the respective boundaries thereof may from time to time be changed:

FORMATION

SPACING

Aztec Barker Creek Blanco Gavilan La Plata NW La Plata

POOL

Pictured Cliffs Paradox-Pennsylvanian Pictured Cliffs Mesaverde Mesaverde

- 2 -

160-acre 640-acre 160-acre 160-acre 320-acre 320-acre

FORMATION

SPACING

South LaPlata South Kutz Canyon West Kutz Canyon Ute Dome Mesaverde Pictured Cliffs Pictured Cliffs Paradox

320-acre 160-acre 160-acre 640-acre

2. That orthodox locations shall be in the approximate center of the NW/4 and SE/4 of each section within the confines of LaPlata, Northwest LaPlata, and south LaPlata pools, under 320 acre spacing for Mesaverde production.

3. That orthodox locations shall be as in Rule 104 (or 330' from inner and 660' from outer boundaries of the respective quarter section) within the boundaries of the Aztec, Blanco, Gavilan, South Kutz Canyon and West Kutz Canyon pools for 160-acre spacing for Pictured Cliffs production/

4. That orthodox locations shall be not closer than 330' to center of the respective sections and 1650' from boundaries within the boundaries of Barker Creek and Ute Dome pools for 640-acre spacing for Paradox-Pennsylvanian production.

5. That Orders Nos. 748, 815, relative to Kutz Canyon-Fulcher Basin Pool, and 799, relating to Blanco Mesaverde, shall remain in full force and effect.

6. That wells now drilled or drilling are excepted.

IT IS FURTHER ORDERED:

1. That for the purpose of preventing inequities and impairment of correlative rights the Commission upon its own motion or upon its own motion or upon application of any interested person, after notice and hearing grant exceptions in proper cases.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

THOMAS J. MABRY, CHAIRMAN

GUY SHEPARD, MEMBER

R. R. SPURRIER, SECRETARY

SEAL

POOL