

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. 7916
Order No. R-7325

APPLICATION OF SOUTHERN UNION EXPLORATION
COMPANY FOR THE AMENDMENT OF THE SPECIAL
RULES GOVERNING THE BISTI-LOWER GALLUP
OIL POOL, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 20, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of August, 1983, 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 the applicant, Southern Union Exploration Company, seeks the amendment of Rule 2 of the special rules governing the Bisti-Lower Gallup Oil Pool as promulgated by Division Order No. R-1069-B to provide for 80-acre proration units comprising either the N/2, S/2, E/2, or W/2 of any quarter section in said pool.
- (3) That at the hearing, the applicant requested and received approval to amend the application to not amend said special rules for the entire pool, but to only provide for an exception to said Rule 2 in Section 11, Township 25 North, Range 13 West, NMPM.
- (4) That the application, as revised, is sought to permit the applicant flexibility in developing a new bar which may lie to the South of the main pay zone in said pool.
- (5) That approval of the amended application will permit the applicant to recover oil from said pool which might not

otherwise be recovered, thereby preventing waste, and will not violate correlative rights.

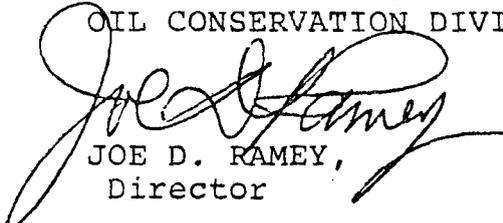
IT IS THEREFORE ORDERED:

(1) That the applicant, Southern Union Exploration Company, is hereby granted an exception to Rule 2 of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool as promulgated by Division Order No. R-1069-B, to permit it to develop Section 11, Township 25 North, Range 13 West, NMPM, S. Juan County, New Mexico, on 80-acre oil proration units consisting of the N/2, S/2, E/2, W/2 of any quarter section contained therein.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

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