

**SUMMARY OF HISTORY  
BASIN-DAKOTA POOL RULES  
DEALING WITH WELL LOCATIONS**

1. Order 850 (Case 189)

Effective January 1, 1950, the Commission adopted General Rules for statewide application which in Rule 104 established well location and spacing rules applicable in the San Juan Basin. Those rules provided:

gas wells will be spaced on 160-acre spacing units with wells located not closer than 660 feet to the outerboundary or closer than 1320 to a well in the same pool.

2. Order R-238 (Case 226)

On December 23, 1952, the Commission revised Rule 104 of the General Rules to provide:

gas wells will be spaced on 160-acre spacing units with wells located not closer than 660 feet to the outerboundary or closer than 330 to any interior quarter-quarter governmental section line with wells not closer than 1320 feet to a well in the same pool.

3. Order R-855 (Case 1104)

On August 10, 1956, the Commission revised Rule 104 of the General Rules to provide that gas wells in the San Juan Basin:

gas wells in San Juan, Rio Arriba and Sandoval Counties will be spaced on 160-acre spacing units with wells located not closer than 990 feet to the outerboundary, **but with 200 foot permitted tolerance**, and not closer than 130 to any interior quarter-quarter governmental section line.

4. Order R-1287 (Case 1508 & 1523)

On November 21, 1958, the Commission granted the application of El Paso Natural Gas Company for an order establishing 320-acre spacing in the Graneros, Dakota and Upper Morrison formations of the San Juan Basin and provided:

gas wells will be spaced on 320-acre spacing units with wells located in either quarter section but not closer than 790 feet to the outerboundary and not closer than 130 to any interior quarter-quarter governmental section line.

5. Order R-1670-C (Case 2095)

On November 4, 1960, the Commission, on its own motion, established gas prorationing effective February 1, 1961, for the Dakota gas producing interval of the San Juan Basin, abolished some 13 different Dakota pools and created the Basin-Dakota Gas Pool with requirements including:

gas wells will be spaced on 320-acre spacing units with wells located in either quarter section but not closer than 790 feet to the outerboundary and not closer than 130 to any interior quarter-quarter governmental section line.

6. Order R-1670-V (Case 6533)

On May 22, 1979, the Commission granted El Paso Natural Gas Company's application for an optional second well ("infill well") on a 320-acre gas spacing unit ("GPU") with both the original and infill well to be located in opposite 160-acre portions of the spacing unit section but not closer than 790 feet to the outerboundary of the GPU and not closer than 130 to any interior quarter-quarter governmental section line and with not less than 920 feet between Dakota wells on the same GPU.

7. Order R-8170 (Case 8749)

On March, 28, 1986, The Commission, on its own motion, amended the General Rules for the Prorated Gas Pools of New Mexico but did not amend the well density or locations requirements for the Basin-Dakota Gas Pool.

## **CURRENT RULE:**

The Basin-Dakota Gas Pool is currently governed by the "Special Rules and Regulations for the Basin-Dakota Gas Pool" as set forth in Exhibit "B" "Special Rules for Individual Prorated Gas Pools", of Division Order R-10987, dated May 7, 1998. The rules pertaining to well spacing and location requirements are set forth as follows:

### **"WELL ACREAGE AND LOCATION REQUIREMENTS**

The **Standard GPU (Gas Proration Unit)** in the Basin-Dakota Gas Pool shall be 320 acres.

#### **Well Location:**

- 1) THE INITIAL WELL drilled on a GPU shall be located not closer than 790 feet to any outer boundary of the quarter section on which the well is located and not closer than 130 feet to any quarter-quarter section line or subdivision inner boundary.
- 2) THE INFILL WELL drilled on a GPU shall be located in the quarter section of the GPU not containing a Dakota well, and shall be located with respect to the GPU boundaries as described in the preceding paragraph.

No Dakota infill well shall be drilled nearer than 920 feet to an existing Dakota well on the same GPU."

## **PROPOSED RULE:**

Burlington desires that the Division amend the Special Rules and Regulations for the Basin-Dakota Gas Pool to modify well location requirements as follows:

- 1) THE INITIAL WELL drilled on a GPU shall be located not closer than 660 feet to the South and North lines nor closer than 660 feet to the East and West lines of a GPU and not closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.
- 2) THE INFILL WELL drilled on a GPU shall be located in the quarter section of the GPU not containing a Dakota well, and shall be located with respect to the GPU boundaries as described in the preceding paragraph.
- 3) Wells located within federal exploratory units shall not be closer than 10 feet to any section, quarter section or interior quarter-quarter section line or subdivision inner boundary, except that wells located within one-half mile of the outer boundary of any such unitized area shall not be closer than permitted by subparagraph (1) above.