

R E S O L U T I O N

WHEREAS, the Engineer's Sub-Committee of the San Juan Basin Operator's Committee has made detailed study of Rule 10⁴ of the Oil Conservation Commission of the State of New Mexico, as to spacing patterns, which said Engineer's Sub-Committee believes should govern on the matter of acreage spacing for wells in different areas in the San Juan Basin; and

WHEREAS, said Engineer's Sub-Committee has made recommendations to the San Juan Basin Operator's Committee, which recommendations are hereinafter more particularly set out; and the San Juan Basin Operator's Committee is convinced that the recommendations made by the Engineer's Sub-Committee are logical and should be in some form embodied in the rules of said Oil Conservation Commission;

THEREFORE, BE IT RESOLVED, by the Executive Committee of San Juan Basin Operator's Committee that said Operator's Committee hereby does recommend to the Oil Conservation Commission of the State of New Mexico that the following provisions be embodied in Rule 10⁴, or other suitable rule of said Oil Conservation Commission, relative to spacing patterns in the San Juan Basin, to-wit:

(1) Gas wells drilled to the Pictured Cliffs formation should be patterned on a legal subdivision consisting of 160 acres square, and this ruling should be made Basin-wide.

(2) Gas wells drilled to the Mesa Verde formation should be patterned on 320 acre spacing, and this ruling also should be made Basin-wide. (Mesa Verde beds encountered above 2500 feet not to be included in this ruling.)

(3) The quarters in which the Mesa Verde wells are to be drilled should be designated as follows, according to fields:

Blanco Field - NE/4 and SW/4 of Section.
La Plata Field - NW/4 and SE/4 of Section.

This ruling should be subject to exceptions as set out in Paragraph E of Rule 10⁴.

(4) The dividing line between the Blanco and La Plata Fields should be the Range line between Ranges 10 West and 11 West, N.M.P.M., and any wells drilled in the Mesa Verde formation West of this Range line should be drilled in the NW/4 and SE/4 of the Section, and any wells drilled in the Mesa Verde formation East of the Range line should be drilled in the NE/4 and SW/4 of the Section, in accordance with Commission regulations covering the Blanco gas field.

BE IT FURTHER RESOLVED, that a copy of these Resolutions be forwarded to the Hon. Edwin L. Mechem, Governor of the State of New Mexico and Ex Officio Chairman of the Oil Conservation Commission of the State of New Mexico; that one copy of these Resolutions be forwarded to the Hon. Guy Sheppard, State Land Commissioner of the State of New Mexico and Ex Officio member of the Oil Conservation Commission of the State of New Mexico; and one copy to the Hon. R. R. Spurrier, State Geologist of the State of New Mexico and Secretary of the Oil Conservation Commission.

PASSED, ADOPTED AND APPROVED, by the Executive Committee of the San Juan Basin Operator's Committee this 16th day of January, A.D. 1951.



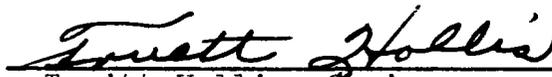
Dudley Cornell, Chairman
San Juan Basin Operator's Committee



Tom Bolack, Vice Chairman
San Juan Basin Operator's Committee
Member of Engineering Sub-Committee



Scott Brown, Secretary
San Juan Basin Operator's Committee
Member of Executive Committee



Truitt Hollis, Chairman
Engineering Sub-Committee

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 9, 1961

Shell Oil Company
P. O. Box 845
Roswell, New Mexico

Attention: Mr. R. L. Rankin

Gentlemen:

As per your request, the dual completion authorization granted by Order No. R-226 is hereby cancelled.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/OEP/1r

cc: Oil Conservation Commission
Hobbs, New Mexico

Rule 104. well Spacing; acreage Requirements
for Drilling Tracts
~~Proposed Revised Rule 104~~

a.) Any well drilled a distance of one mile or more from the outer

boundary of any defined oil or gas pool shall be classified as a wildcat

well. Any well drilled less than one mile from the outer boundary of a

defined oil or gas pool shall be spaced, ^{drilled, operated} and prorated in accordance with

the regulations in effect in said oil or gas pool.

b.) Any well classified as a wildcat shall be located on a tract of

not less than 40 surface contiguous acres substantially in the form of a

square which is a $\frac{1}{4}$ section or lot being a legal subdivision of the U. S.

Public Land Survey and shall be within 100 feet of the center of the 40-acre

subdivision, except in San Juan, Rio Arriba and McKinley Counties where a

wildcat well (~~drilled inside the outcrop area of the Mesaverde formation~~)

shall be located on not less than 160 surface contiguous acres substantially

in the form of a square which is a $\frac{1}{4}$ section or lot being a legal subdivision

of the U. S. Public Land Survey and shall not be located closer than 660 ft.

to the outer boundaries nor closer than 330 ft. to the inner boundaries

of the governmental $\frac{1}{4}$ section upon which it is drilled.

c.) Each well drilled within a defined oil pool shall be located on a

tract consisting of approximately 40 surface contiguous acres substantially

in the form of a square which is a legal subdivision of the United States

Public Land Surveys or on a governmental quarter quarter section or lot and

shall not be drilled closer than 330 feet to any boundary line of such tract

or closer than 660 feet to the nearest well drilling to or capable of producing

from the same pool

d.) Each well drilled within a defined gas pool shall be located on a tract consisting of not less than a quarter section of approximately 160 surface contiguous acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys and shall not be drilled closer than 660 feet to any outer boundary line of the tract nor closer than 330 feet to any ^{1/4 section or} subdivision inner boundary nor closer than 1320 feet to a well drilling to or capable of producing from the same pool.

e.) Notice of Intention to Drill for any well shall ~~indicate~~ ^{designate} the exact legal subdivisions allotted to the well and no C-101 will be approved by the Comm. or any of its agents without proper designation of acreage. (C-101)

ROWAN OIL COMPANY

COMMERCIAL STANDARD BUILDING

FORT WORTH 2, TEXAS

TELEPHONE 2-2393

L. D. 193

June 26, 1950



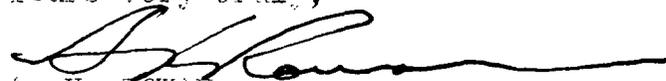
Mr. R. R. Spurrier
Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Dear Dick:

I have received notice of hearing of the Oil Conservation Commission, to be held July 6th, 1950, in re Case #226. It is my opinion that Rule 104 of the Oil Conservation Commission is satisfactory as now promulgated, and I trust that the commission will keep this rule in effect as now written without material change.

I am writing this letter because it will be impossible for this company to have a representative at the hearing.

Yours very truly,



A. H. ROWAN

AHR:BB

RULE 104. WELL SPACING; ACREAGE REQUIREMENTS FOR DRILLING TRACTS

(a) Any well drilled a distance of one mile or more from the outer boundary of any defined oil or gas pool shall be classified as a wildcat well. Any well drilled less than one mile from the outer boundary of a defined oil or gas pool shall be spaced drilled, operated, and prorated in accordance with the regulations in effect in said oil or gas pool.

(b) Any well classified as a wildcat shall be located on a tract of not less than 40 surface contiguous acres substantially in the form of a square which is a quarter quarter section or lot, being a legal subdivision of the U.S. Public Land Survey and shall be within 100 feet of the center of the 40-acre subdivision, except in San Juan, Rio Arriba, and McKinley Counties where a wildcat well shall be located on not less than 160 surface contiguous acres substantially in the form of a square which is a quarter section or lot being a legal subdivision of the U.S. Public Land Survey and shall not be located closer than 660 feet to the outer boundaries nor closer than 330 feet to the inner boundaries of the governmental quarter quarter section upon which it is drilled.

(c) Each well drilled within a defined oil pool shall be located on a tract consisting of approximately 40 surface contiguous acres substantially in the form of a square which is a legal subdivision of the United States Public Land Surveys or on a governmental quarter quarter section or lot and shall not be drilled closer than 330 feet to any boundary line of such tract or closer than 660 feet to the nearest well drilling to or capable of producing from the same pool.

(d) Each well drilled within a defined gas pool shall be located on a tract consisting of not less than a quarter section of approximately 160 surface contiguous acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U.S. Public Land Surveys and shall not be drilled closer than 660 feet to any outer boundary line of the tract nor closer than 330 feet to any quarter section or subdivision inner boundary nor closer than 1320 feet to a well drilling to or capable of producing from the same pool.

(e) Notice of Intention to Drill for any well shall designate the exact legal ~~sub~~ division allotted to the well and no C-101 will be approved by the Commission or any of its agents without proper designation of acreage.