

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:

CASE No. 2445
Order No. R-2144

APPLICATION OF SOUTHWEST PRODUCTION
COMPANY FOR AN ORDER EXTENDING THE
FLORA VISTA-MESAVERDE GAS POOL, SAN
JUAN COUNTY, NEW MEXICO, AND ESTAB-
LISHING SPECIAL RULES AND REGULATIONS
IN SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 29, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of December, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

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 the applicant, Southwest Production Company, seeks the establishment of Special Rules and Regulations in the Flora Vista-Mesaverde Gas Pool, San Juan County, New Mexico, including a provision for 320-acre units in said pool.
- (3) That the applicant further seeks the extension of the Flora Vista-Mesaverde Gas Pool to include all of Sections 22, 23, 26, and 27, all in Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.
- (4) That the evidence indicates that the permeability and drainage characteristics of the Mesaverde formation in the subject area are probably better than in other areas throughout the San Juan Basin where 320-acre drilling and proration units have been established in the Mesaverde formation.

IT IS THEREFORE ORDERED:

(1) That the Flora Vista-Mesaverde Gas Pool is hereby extended to include all of Sections 22, 23, 26, and 27, all in Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.

(2) That Special Rules and Regulations for the Flora Vista-Mesaverde Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE FLORA VISTA-MESAVERDE GAS POOL

RULE 1: Each well completed or recompleted in the Mesaverde formation within one mile of the boundary of the Flora Vista-Mesaverde Gas Pool and not nearer to nor within the boundaries of another designated Mesaverde gas pool, shall be drilled, spaced, and produced in accordance with the special rules and regulations hereinafter set forth.

RULE 2(a): A standard gas proration unit in the Flora Vista-Mesaverde Gas Pool shall be 320-acres comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey.

RULE 2(b): The Secretary-Director of the Commission shall have authority to grant an exception to Rule 2(a) without notice and hearing where an application has been filed in due form and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Survey, or where the following facts exist and the following provisions are complied with:

(1) The non-standard unit consists of contiguous quarter-quarter sections or lots.

(2) The non-standard unit lies wholly within a single governmental section.

(3) The entire non-standard unit may reasonably be presumed to be productive of gas from the Flora Vista-Mesaverde Gas Pool.

(4) The length or width of the non-standard unit does not exceed 5280 feet.

(5) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

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(6) In lieu of Paragraph 5 of this Rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered mail of his intent to form such non-standard unit. The Secretary-Director of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no such operator has made objection to the formation of such non-standard unit.

RULE 3(a): Each well completed or recompleted in the Flora Vista-Mesa Verde Gas Pool shall be located no nearer than 790 feet to the outer boundary of the unit and shall be located no nearer than 130 feet to a governmental quarter-quarter section line or subdivision inner boundary line. Further tolerance shall be allowed by the Commission only in cases of extremely rough terrain where compliance would necessarily cause an undue increase in drilling costs.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary



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