

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF STANDARD OIL COMPANY OF
TEXAS, A DIVISION OF CALIFORNIA OIL COMPANY,
FOR AN ORDER ESTABLISHING 80-ACRE PRORATION
UNITS FOR THE LA PLATA-GALLUP POOL,
SAN JUAN COUNTY, NEW MEXICO

Case No. 2858

APPLICATION

Comes now Standard Oil Company of Texas, a Division of California Oil Company, and applies to the Oil Conservation Commission of the State of New Mexico for an order to provide for the establishment of 80-acre proration units to consist of adjacent quarter-quarter sections of a single governmental quarter section, with wells to be located within 200 feet of the center of either quarter-quarter section of the unit, and for such other and further orders as the Commission may deem proper.

In support of this application, the applicant would show the Commission:

1. That applicant has oil and gas leases in Sections 5, 7, and 8 in Township 31 North, Range 13 West, ~~Rio Arriba~~ ^{San Juan} County, within the designated boundaries of the La Plata Pool.

2. That applicant has completed its Federal 12-5 Well No. 1 in the Tocito-Gallup formation, located in the SW/4 of SW/4 of Section 5, Township 31 North, Range 13 West, San Juan County. The subject well is the only producing well and there have been four unsuccessful tests of the Tocito-Gallup formation in nearby dry holes.

3. That on the basis of information presently available it is believed that an 80-acre proration unit can be efficiently and economically drained and developed by one well and the establishment of 80-acre proration units is in the interest of conservation, would prevent economic loss caused by the drilling of unnecessary wells, would prevent waste, would avoid risks arising from the drilling of an excessive number of wells, and would protect correlative rights.

WHEREFORE, applicant requests that this application be set for hearing and that, after notice and hearing as provided by law, the Commission enter its order establishing 80-acre proration units for the La Plata-Gallup Pool and such other and further orders as may be proper.

Respectfully submitted.

STANDARD OIL COMPANY OF TEXAS
A DIVISION OF CALIFORNIA OIL COMPANY

By R. L. McGannon
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