

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. 3805
Order No. R-3473

APPLICATION OF BENSON-MONTIN-GREER
DRILLING CORPORATION AND LLOYD B.
TAYLOR FOR PRESSURE INTERFERENCE
TESTS AND BACK ALLOWABLE, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 24, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of August, 1968, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-3399, dated April 9, 1968, Lloyd B. Taylor was authorized to shut in his Vic Walker Well No. 1, located in Unit C of Section 6, Township 31 North, Range 13 West, NMPM, La Plata-Gallup Oil Pool, San Juan County, New Mexico, for a maximum of 60 days beginning March 8, 1968, in order to conduct pressure build-up tests.

(3) That said Order No. R-3399 also authorized the operator to accumulate underproduction accruing to said well during the period the well was shut in and to produce said underproduction at a later date.

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(4) That the Secretary-Director of the Commission, by letter dated May 24, 1968, granted the operator of the aforesaid well, Lloyd B. Taylor, an additional 60 days during which the well could be shut in to conduct said tests and an additional 180 days in which to make up said accumulated underproduction.

(5) That the applicants, Benson-Montin-Greer Drilling Corporation and Lloyd B. Taylor, seek authority to extend for an additional 60-day period from July 8, 1968, the shut-in test period authorized for said Vic Walker Well No. 1 and to also extend the back allowable make-up period for said well.

(6) That the applicants further seek authority to drill three additional La Plata oil wells in Section 6 of Township 31 North, Range 13 West, and Sections 31 and 32, Township 32 North, Range 13 West, and to shut said wells in immediately after recovery of load oil and the establishment of initial potentials for a period of up to 180 days for the purpose of conducting pressure interference tests, and to make up the production lost during said test period at a later date.

(7) That the applicants further seek a provision for administrative extension of the shut-in test periods and the make-up periods.

(8) That approval of the subject application will afford the operators an opportunity to more thoroughly complete the gathering of information concerning reservoir characteristics and extent of the La Plata-Gallup Oil Pool, will be in the interest of conservation, and will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That applicant Lloyd B. Taylor is hereby authorized to continue to shut in the Vic Walker Well No. 1, located in Unit C of Section 6, Township 31 North, Range 13 West, NMPM, La Plata-Gallup Oil Pool, San Juan County, New Mexico, for an additional 60-day period from July 8, 1968, in order to complete pressure build-up tests on said well.

(2) That the operator of said Vic Walker Well No. 1 is hereby authorized to accumulate underproduction accruing to said well during the period the well is shut in and produce said underproduction at a later date, provided however, that said underproduction shall be produced only by the subject well, and

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provided further, that said underproduction shall be produced within 540 days after placing the well back on production.

(3) That applicant Benson-Montin-Greer Drilling Corporation is hereby authorized to drill three La Plata oil wells, one each, in Section 6 of Township 31 North, Range 13 West, and Sections 31 and 32, Township 32 North, Range 13 West, NMPM, La Plata-Gallup Oil Pool, San Juan County, New Mexico, and to shut in each of said wells for a maximum of 180 days beginning immediately after recovery of load oil and the establishment of initial potential as to each well.

(4) That applicant Benson-Montin-Greer Drilling Corporation is hereby authorized to accumulate underproduction accruing to each of said wells during the period each of said wells is shut in and to produce said underproduction at a later date, provided however, that said underproduction shall be produced only by the well incurring said underproduction, and provided further, that said underproduction shall be produced within 180 days after placing the well incurring said underproduction back on production.

(5) That the Secretary-Director of the Commission, upon proper application, may approve extensions of time during which the subject wells, those operated by Benson-Montin-Greer Drilling Corporation and/or Lloyd B. Taylor, may be shut in to conduct pressure build-up tests and/or to make up accumulated underproduction.

(6) That to obtain administrative approval for said extensions of time, the operator or operators shall submit to the Secretary-Director of the Commission an application for such extension setting forth the facts and circumstances justifying same. In addition, the applicant or applicants shall furnish proof that all operators of proration or spacing units offsetting the unit or units upon which the subject well or wells are located have been notified of the application or applications. (This notification to offset operators shall consist of the same information that is furnished to the Commission.)

(7) That the provisions of Rule 502, Sections I, II, III, and IV of the Rules and Regulations of the Commission are hereby suspended for the subject wells for the duration of the aforesaid make-up periods.

(8) That Order No. R-3399, dated April 9, 1968, is hereby superseded.

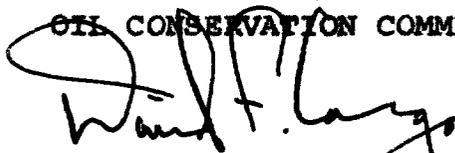
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(9) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



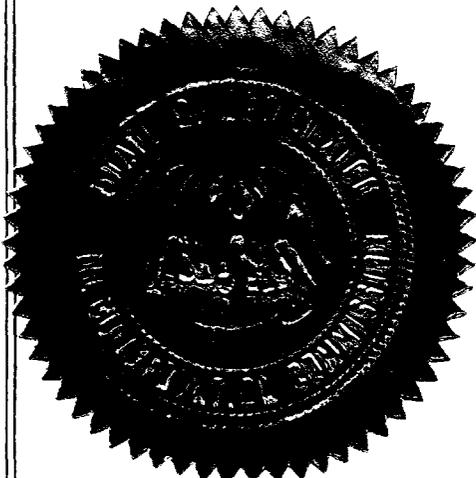
DAVID F. CARGO, Chairman



GUNTON B. HAYS, Member



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



esr/

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 2068
SANTA FE

August 20, 1968

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Farmington, New Mexico 87401

Re: Case No. 3805
Order No. R-3473
Applicant:

Benson-Montin-Greer Drlg. Corp.
and Lloyd B. Taylor

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC x
Other _____