

PELL

APR 14 1986

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

Case No. 8822

APPLICATION FOR DE NOVO HEARING

COMES NOW the applicant Amoco Production Company, by and through its attorneys, Montgomery & Andrews, P.A., in this case and requests a de novo hearing before the Oil Conservation Commission of this case pursuant to the provisions of the New Mexico Oil and Gas Act.

Respectfully submitted,
MONTGOMERY & ANDREWS, P.A.

By 
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OIL CONSERVATION DIVISION

J. D. Cutter
Proration and Unitization Manager

April 15, 1986

Mr. Richard L. Stamets, Director (3)
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

File: JDF-372-986.511

Application for De Novo Hearing Before
Commission for Special Pool Rules
Ojito Gallup-Dakota Oil Pool
Rio Arriba County, New Mexico

Case 8822

Pursuant to Rule 1220, Amoco Production Company hereby makes application for a De Novo hearing before the New Mexico Oil Conservation Commission for creation of a separate spaced area within the Ojito Gallup-Dakota oil pool, to establish special rules and designation to include initially the following described lands:

Township 26 North, Range 3 West
Rio Arriba County, New Mexico

Section 25, 26, 35 and 36.

A previous application by Amoco Production Company for 160-acre spacing in this area was heard before Examiner David R. Catanach on February 5, 1986, and was denied by Order R-8188 dated March 31, 1986.

Amoco is the owner of all working interest and operating rights within the above described lands and has drilled and completed ten Gallup-Dakota wells within this area, and has locations for six other wells.

Existing engineering and geological evidence supports designation of the above described area as a separate spaced area. In support of this request Amoco states:

1. Establishment of oil spacing units for the Gallup Formation is necessary to protect correlative rights and assist in the prevention of waste.

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2. A spacing unit of 160 acres will accomplish this and is not smaller than can be efficiently and economically drained and developed by one well.

We also ask that the order specify:

1. Each 160-acre Gallup unit consist of a governmental quarter section or equivalent to as established by governmental survey.
2. Future wells be located no nearer than 790 feet to the outer boundary of the spacing unit, nor nearer than 330 feet to a governmental quarter-quarter section line.
3. Appropriate exceptions to the well location requirement in (2) above be granted for any well permitted, drilling or drilled which is not in conformance thereto.
4. A suitable buffer zone be established surrounding the requested spaced area to protect correlative rights and prevent the drilling of an excessive number of wells.
5. Commingling of the Dakota and Gallup (Mancos) formation fluids within the wellbore continue to be allowed for any wells permitted, drilling or drilled within the pool boundaries.

And that the requested order contain such other additional provisions which may appear appropriate from the evidence on the record.



CJB/kew

cc:
Frank Chavez
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U.S. Department of the Interior
Bureau of Land Management
Caller Service 4104
Farmington, NM 87499

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Offset Operators (Rule 1207)

Union Texas Petroleum
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Minel, Inc.
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Albuquerque, NM 87108

LTR248