

Called in by Bill Carr 7/15/86

Memo

From
FLORENE DAVIDSON
OC Staff Specialist

To August 6, 1986

Mesa Grande Resources, Inc.
Non-Standard Proration
Unit

Rio Arriba County

Lots 1, 2, 3, and 4
185.84 acres

7-25N-2W

Gallup and Dakota
formations

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LAWYERS

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July 25, 1986

Case 8961

HAND DELIVERED

R. L. Stamets, Director
Oil Conservation Division
New Mexico Department of
Energy and Minerals
State Land Office Building
Santa Fe, New Mexico 87501

RECEIVED

JUL 25 1986

OIL CONSERVATION DIVISION

Re: Application of Mesa Grande Resources, Inc. for Approval
of Two Non-Standard Proration and Spacing Units, Gavilan-
Mancos Oil Pool, Rio Arriba County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Mesa Grande
Resources, Inc. in the above-referenced case. Mesa Grande
Resources, Inc. respectfully requests that this matter be placed
on the docket for the Examiner hearings scheduled on August 6,
1986.

Very truly yours,



William F. Carr

WFC/cv
enclosures

cc: (w/enclosure)
Ms. Kathy Michael

BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS
RECEIVED

JUL 25 1986

OIL CONSERVATION DIVISION

Case 8962

IN THE MATTER OF THE APPLICATION
OF MESA GRANDE RESOURCES, INC. FOR
APPROVAL OF TWO NON-STANDARD PRORATION
AND SPACING UNITS, GAVILAN-MANCOS OIL
POOL, RIO ARRIBA COUNTY, NEW MEXICO.

APPLICATION

Comes now, MESA GRANDE RESOURCES, INC., by and through its undersigned attorneys, and pursuant to the rules and regulations of the Oil Conservation Division, hereby seeks approval of the following non-standard proration and spacing units in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico:

- ✓ (1) A non-standard spacing unit of 185.84 acres, more or less, consisting of Lots 1, 2, 3 and 4 of Section 7, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico; and
- (2) A non-standard spacing unit of 186.36 acres, more or less, consisting of Lots 1, 2, 3 and 4 of Section 18, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico.

In support of its application, Mesa Grande Resources, Inc. would show the Division:

1. Applicant is the owner and operator in the area and has the right to drill and develop the two non-standard proration units.
2. The proposed non-standard spacing units are necessary because of a governmental survey which created the western side of the subject township with sections of less than 640 acres.

3. Applicant has already developed certain nearby sections by drilling Gavilan-Mancos Oil Pool wells on 320-acre spacing.

4. In order to protect correlative rights, applicant proposes that each of the subject non-standard spacing units be authorized 50% of the allowable for a standard 320-acre unit.

5. That said Section 7 and Section 18, each can be drilled and developed by a voluntary agreement among the owners in those sections.

6. That the inclusion of either said Section 7 or Section 18 with acreage in any adjoining section will result in the formation of a spacing unit in excess of 320-acres and will violate correlative rights.

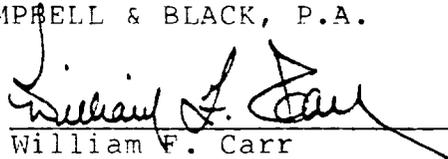
7. That in order to resolve the governmental survey problem with the subject sections, the most equitable method would be to approve each said section as a separate non-standard unit and then restrict the allowable for Gavilan-Mancos wells drilled on those sections.

WHEREFORE, applicant requests that this matter be set for hearing and that after notice and hearing, the application be granted as requested.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By


William F. Carr
Post Office Box 2208
Santa Fe, New Mexico 87501
(505) 988-4421

ATTORNEYS FOR MESA GRANDE
RESOURCES, INC.

TOWNSHIP 25 NORTH, RANGE 2 WEST, RIO ARRIBA CO

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