

CASE 3589: Application of CLAUDE
C. KENNEDY for pool rules for the
SLICK ROCK-DAKOTA OIL, POOL.

CASE NO.

3589

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

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. 3589
Order No. R-3252

APPLICATION OF CLAUDE C. KENNEDY
FOR SPECIAL POOL RULES, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 24, 1967,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of June, 1967, 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 the applicant, Claude C. Kennedy, seeks the
establishment of special rules and regulations for the Slick Rock-
Dakota Oil Pool comprising the S/2 SE/4 of Section 36, Township 30
North, Range 17 West, NMPM, San Juan County, New Mexico, including
a provision for development on 2 1/2-acre spacing, with the provi-
sion that each 40-acre tract be subject to the Northwest New
Mexico normal unit allowable.

(3) That adoption of the proposed special rules and regula-
tions will prevent waste and protect correlative rights, provided
a 40-acre proration unit does not receive more than a 40-acre
top unit allowable for wells in the 0-5000 foot depth in Northwest
New Mexico, regardless of the number of wells on the 40-acre unit.

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CASE No. 3589
Order No. R-3252

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Slick Rock-Dakota Oil Pool, San Juan County, New Mexico, are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
SLICK ROCK-DAKOTA OIL POOL**

RULE 1. Each well completed or recompleted in the Slick Rock-Dakota Oil Pool or in the Dakota formation within one mile thereof, and not nearer to or within the limits of another designated Dakota oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located no nearer than 165 feet to the outer boundary of the quarter-quarter section on which it is located and no nearer than 300 feet to any other well producing from the same pool.

RULE 3. The Secretary-Director of the Commission shall have authority to grant exceptions to Rule 2 without notice and hearing where an application therefor has been filed in due form and the necessity for the exception is based on topographical conditions.

All operators owning acreage within 330 feet of the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators owning acreage within 330 feet of the proposed location or if no such operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 4. A 40-acre proration unit shall not produce in excess of the 40-acre top unit allowable for wells in the 0-5000 foot depth range in Northwest New Mexico, regardless of the number of wells on the unit.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Slick Rock-Dakota Oil Pool or in the Dakota

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CASE No. 3589
Order No. R-3252

formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Aztec District Office of the Commission in writing of the name and location of the well on or before June 15, 1967.

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

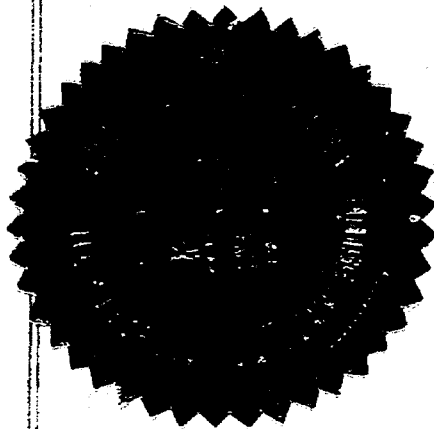
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GULTON B. HAYS, Member


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



68X/

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 24, 1967

EXAMINER HEARING

IN THE MATTER OF:)

Application of Claude C. Kennedy)
for special pool rules, San Juan)
County, New Mexico.)

CASE NUMBER
3589

BEFORE:

ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 3589.

MR. HATCH: Case 3589, Application of Claude C. Kennedy for special pool rules, San Juan County, New Mexico.

MR. KENNEDY: I am C. C. Kennedy, applicant in Case 3589, appearing in my own behalf.

MR. UTZ: Will you stand and be sworn, please?

(Witness sworn.)

MR. UTZ: Any other appearances in this case? You may proceed.

MR. KENNEDY: In Case 3589 I made application for two and a half acre spacing in the Slick Rock Oil Pool, which consists of the south half of the southeast quarter of Section 36, Township 30 North, Range 17 West.

(Whereupon, Applicant's Exhibit Number 1 was marked for identification.)

MR. KENNEDY: I have prepared a plat which I will enter as Exhibit Number 1. This plat shows the south half of Section 36, subdivided into two and a half acre tracts. The field is outlined in yellow, I have the highway plotted on there, I believe, outlined in orange. There are three dirt roads in the area which I have traced in brown and I have spotted all of the dry holes and producing wells. The red dots represent plugged and abandoned wells. The green dots indicate the two oil wells on the subject property. The pink dots are

dearnley-meier

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surveyed locations which I presently have, with the exception of Well Number 11 which is located in the southeast southeast quarter immediately north of the 2-X which is a producing oil well. I reached "TD" on that well several nights ago and I am presently testing.

Also in the subject area and immediately south of this plat I have penetrated the Dakota at six locations and Raymond Duncan, Durango, Colorado has penetrated the Dakota immediately south of this area at eleven locations. I think he presently has four wells out of the eleven producing.

The purpose of my application here, of course, is to see if I can't get some more oil production, primarily. Secondly, I am located in the Navajo agricultural area six miles east of Shiprock and it is rather difficult out there to spot these wells on standard ten acre locations because of the alfalfa fields in the area and numerous irrigation ditches which I am being plagued with. Also, the highway seems to be an obstacle at times.

I think the best way for me to present my case here would be for me to go through these six well histories in that I contend that I am plagued by a permeability barrier in the Dakota Sand. I think there is, up until about five days ago, I thought I was on the steep dip off of the north nose of the Hog Back Structure and it appears that after drilling Well

Number 11, I think I cut about three faults in that well. I started out in the Gallup formation at, which normally comes into about 200 feet. I think I came in about twenty or thirty feet low in the Gallup in Well Number 6 and all of a sudden when I got into the Green Horn I came up about thirty-seven feet high. When I reached "TD" on this well I drilled the last two feet of the hole, I encountered a flow of oil of about 45 barrels a day. I ran tubing with a packer and packed off the Dakota Formation and the next day tested the Dakota through the tubing, it was only making two barrels and I had the remainder of the oil coming through the annulus so I don't know where that oil is coming from, but I do have a packer seat so it appears that I have possibly got a discovery on this well of some other formation, two or three zones I believe it might be coming from.

But in Well Number 1 when it was originally drilled and after coring the Dakota as far as I was able to determine, we didn't have any fluid entry at all in that hole. We drilled the 2-X and while coring, the well started flowing and initial production on it was 96 barrels a day. The last State test on it was 60.61 a day, flowing.

I drilled the Number 3 well and put it on a pump and tested, I think it was 9 barrels of oil and 3 barrels of water per day from this well and have not produced it since I

didn't want to go into the expense of electrifying the lease until I found out how many I was going to have to put on the pump.

Well Number 6 was drilled to the Dakota next. It came out, I think at about eighty-five feet low to the discovery well, flowed water at the rate of 14 barrels an hour. Well Number 4 and Well Number 7 to the north there penetrated the Gallup only and were low, so we did not continue on to the Dakota.

The well to the south of the discovery well which was drilled by Duncan, they came up one foot high in the top of the Dakota. They ran and cemented four and a half on top and drilled into the Dakota Formation with cable tools. They drilled from 743 to 770 and had no fluid entry, whatever, from the Dakota Sand. They shut down overnight at a "TD" of 770 feet. The next morning they found 250 feet of sulfur water in the hole. The next day they drilled one foot and the well flowed sulfur water. I have no record of the rate. This is the only water contact that I can hang my hat on which is a plus datum of 4259.

I have also drilled two other wells outside this area within less than a mile and a half and found water in both of them. One of them had an entry rate of three-fourths barrel per hour. The other one had an entry rate of a barrel

and a half per hour. This is why I believe we have a permeability barrier in the area because of these different fluid entries and I also believe that I am faulted since I drilled Number 11 and I am seeking flexibility of my location to get away from these irrigation ditches and try to follow this fault if I have to.

I believe that probably concludes my testimony.

CROSS EXAMINATION

BY MR. UTZ:

Q How deep are these wells?

A 750 feet on the average.

Q I believe your application said you wanted two and a half acre spacing?

A Drilling the wells to a density to establish the normal unit allowable of 70 barrels.

Q But you want to drill no closer than 330 feet to the outer boundary of the legal subdivision. Now, which subdivision are you talking about, 40 acres, 40-acre subdivision?

A I think that is an exception to the rule, calling for the drilling of a well no closer than 330 to the outer boundary.

Q What is the spacing you want to set these wells at?

A Two and a half acre.

Q I know, but you mean on the two and a half acre line?

A No. The center of two and a half acre or no closer than 165 from the outer boundary.

Q Two and a half acres is 330 foot square, isn't it?

A Right.

Q So you wouldn't want to get any closer than 165 feet from the 40-acre boundary?

A Right.

Q At this time you have two producing oil wells, two that are capable of producing, right?

A Right.

Q You have several water wells?

A Several.

MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Any further statements? The case will be taken under advisement.

dearnley-meier

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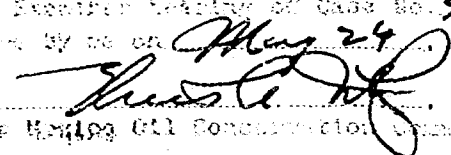
STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, JERRY POTTS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of hearing was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.


NOTARY PUBLIC

My Commission Expires:

July 10, 1970

I do hereby certify that the foregoing is
a true and correct record of the proceedings in
the hearing before of Case No. 35-89
made by me on May 24, 1967

Notary Public for the State of New Mexico

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 2088
SANTA FE

June 6, 1967

Mr. Claude C. Kennedy
1249 Chaco Avenue
Farmington, New Mexico 87401

Re: Case No. 3589
Order No. R-3252
Applicant:
Claude C. Kennedy

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 _____

Case. 3589

Heard. 5-24-67

Rec. 5-31-67

1. Grant Claude C. Kennedy 2 1/2 acre
spacing for the Stick Rock ~~oil~~ Dakota
oil Pool.

2. Use R-1438 - Shiprock Gulch oil Pool.
for model order. Do not use rule
#3.

Thrust. Wf.

Docket No. 16-67

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 24, 1967

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 3572: Application of Jones Exploration Company for a dual completion and for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State Well No. 1 located in Unit H of Section 35, Township 17 South, Range 35 East, Vacuum Field, Lea County, New Mexico, in such a manner as to permit the production of Abo Reef oil through the tubing and the disposal of produced salt water down the casing-tubing annulus into the Paddock formation in the perforated interval from 6955 to 6995 feet.
- CASE 3573: Application of Aztec Oil & Gas Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Corbin Strawn Oil Pool, including a provision for 160-acre proration units and the establishment of a 4000 to one gas-oil ratio limitation.
- CASE 3574: Application of Cima Capitan, Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through one well located in Unit C of Section 3, Township 17 South, Range 32 East, Maljamar Pool, Lea County, New Mexico.
- CASE 3575: Application of Harvey E. Yates for a triple completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion of his Stebbins Deep Federal Well No. 1 located in Unit H of Section 30, Township 20 South, Range 29 East, Eddy County, New Mexico, to produce oil from the Scanlon Delaware Oil Pool through one string of tubing and to selectively produce gas from an undesignated Strawn gas pool and from an undesignated Morrow gas pool through another string of tubing. Selective production of one of the two gas zones at a time would be accomplished by means of a sliding side door and tubing plug.
- CASE 3576: Application of Jomar Industries, Inc. for water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, has proposed to drill certain wells in the S/2 NW/4 SE/4 and the N/2 SW/4 SE/4 of Section 30, Township 18 South, Range 38 East, Lea County, New Mexico, for production of oil from the Ogallala formation. Applicant anticipates that fresh water will be produced from the Ogallala formation incidental to the production of said oil and now seeks authority to dispose of said water back into the Ogallala formation through an injection well or wells to be located no nearer than 330 feet to the outer boundaries of the above-described acreage.

CASE 3577: Application of El Paso Natural Gas Company for four non-standard units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following non-standard gas proration units in Township 29 North, Range 7 West, Basin-Dakota Gas Pool, Rio Arriba County, New Mexico:

A 327.78-acre non-standard unit comprising the W/2 of Section 6 and the NW/4 of Section 7, to be dedicated to the San Juan 29-7 Unit Well No. 100 located 790 feet from the South line and 950 feet from the West line of said Section 6;

A 345.19-acre non-standard unit comprising the SW/4 of Section 7 and the W/2 of Section 18;

A 361.64-acre non-standard unit comprising the W/2 of Section 19 and the NW/4 of Section 30;

A 375.28-acre non-standard unit comprising the SW/4 of Section 30 and the W/2 of Section 31.

Each of the latter three non-standard units will be dedicated to a well to be drilled at an as yet undetermined standard location on the respective unit.

CASE 3578: Application of Texas Pacific Oil Company for several non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dedication and rededication of certain acreage and the establishment of the following non-standard gas proration units in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

A 120-acre non-standard gas proration unit comprising the N/2 NE/4 and the SE/4 NE/4 of Section 7, to be dedicated to the State "A" A/c-2 Well No. 5, located in Unit A of said Section 7, and also to the State "A" A/c-2 Well No. 6 located in Unit B of said Section 7;

A 160-acre non-standard gas proration unit comprising the W/2 W/2 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 41, located in Unit M of said Section 5;

An 80-acre non-standard gas proration unit comprising the E/2 NW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 44, located in Unit F of said Section 5;

A 160-acre non-standard gas proration unit comprising the N/2 SE/4 and the E/2 SW/4 Section 5, to be dedicated to the State "A" A/c-2 Well No. 28, located in Unit I of said Section 5;

(Case 3578 continued)

An 80-acre non-standard gas proration unit comprising the S/2 SE/4 of Section 5, to be dedicated to the State "A" A/c-2 Well No. 27, located in Unit P of said Section 5;

A 160-acre non-standard gas proration unit comprising the W/2 SW/4, SE/4 SW/4, and SW/4 SE/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 54, located in Unit O of said Section 8;

A 160-acre non-standard gas proration unit comprising the S/2 NW/4, NE/4 SW/4, and NW/4 SE/4 of Section 8, to be dedicated to the State "A" A/c-2 Well No. 56, located in Unit J of said Section 8;

An 80-acre non-standard gas proration unit comprising the S/2 NE/4 of Section 8, to be dedicated to the State "A" A/c-2 Well No. 43, located in Unit H of said Section 8;

An 80-acre non-standard gas proration unit comprising the N/2 NW/4 Section 8, to be dedicated to the State "A" A/c-2 Well No. 49, located in Unit C of said Section 8;

A 240-acre non-standard gas proration unit comprising the NE/4 and E/2 NW/4 of Section 9, to be dedicated to the State "A" A/c-2 Well No. 40, located in Unit A of said Section 9;

A 240-acre non-standard gas proration unit comprising the E/2 SE/4 Section 8, and the SW/4 Section 9, to be dedicated to the State "A" A/c-2 Well No. 38, located in Unit K of said Section 9;

A 160-acre non-standard gas proration unit comprising the N/2 NE/4 Section 8, and the W/2 NW/4 of Section 9, to be dedicated to the State "A" A/c-2 Well No. 29, located in Unit D of said Section 9.

CASE 3579: Application of Texas Pacific Oil Company for three dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its State "A" A/c-2 Wells Nos. 28, 54, and 29, located in Unit I of Section 5, Unit O of Section 8, and Unit D of Section 9, respectively, Township 22 South, Range 36 East, Lea County, New Mexico, in such a manner as to produce gas from the Jalmat Gas Pool and oil from the South Eunice Oil Pool.

CASE 3580: Application of Sunray DX Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg formation through one well located in Unit C of Section 17, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

- CASE 3581: Application of Sunray DX Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation from 4248 feet to 4286 feet in its Harris State Well No. 5 located in Unit I of Section 23, Township 10 South, Range 32 East, Mescalero-San Andres Pool, Lea County, New Mexico.
- CASE 3582: Application of Tenneco Oil Company for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Blanco-Mesaverde Gas Pool location of its Jicarilla C Well No. 6, located 1780 feet from the North line and 1455 feet from the West line of Section 14, and its Jicarilla C Well No. 4 located 1650 feet from the North and West lines of Section 24, all in Township 26 North, Range 5 West, Rio Arriba County, New Mexico.
- CASE 3583: Application of Stoltz & Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the North Bagley-Lower Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 3584: Application of Gulf Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Eddy "BD" State Well No. 1 at an unorthodox location 660 feet from the South line and 990 feet from the East line of Section 32, Township 20 South, Range 30 East, in an undesignated Strawn gas pool, Eddy County, New Mexico.
- CASE 3585: Application of Gulf Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the force-pooling of all mineral interests in the North Bagley-Pennsylvanian Oil Field, SW/4 SE/4 and SE/4 SE/4 of Section 9, Township 11 South, Range 33 East, Lea County, New Mexico, to be dedicated to the Lea State "OE" Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the East line of said Section 9.
- CASE 3586: Application of Morris R. Antweil for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Malaga Unit Area comprising 839 acres, more or less, of Federal and Fee lands in Sections 12 and 13, Township 24 South, Range 28 East, and Sections 7 and 18, Township 24 South, Range 29 East, Eddy County, New Mexico.
- CASE 3587: Application of Morris R. Antweil for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Delaware Sand through seven injection wells located in Sections 12 and 13, Township 24 South, Range 28 East, and Section 18, Township 24 South, Range 29 East, Malaga Pool, Eddy County, New Mexico.

-5- May 24, 1967 Examiner Hearing

Docket No. 16-67

CASE 3588: Application of Pan American Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location in an undesignated Morrow and/or Devonian gas pool for its Poker Lake Unit Federal Well No. 26 at a location 660 feet from the South and East lines of Section 28, Township 24 South, Range 31 East, Eddy County, New Mexico, to be dedicated to a standard unit comprising the S/2 of said Section 28.

CASE 3589: Application of Claude C. Kennedy for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the Slick Rock-Dakota Oil Pool comprising the S/2 SE/4 of Section 36, Township 30 North, Range 17 West, including a provision for development on 2 1/2 acre spacing with the provision that each 40-acre tract be subject to the Northwest New Mexico normal unit allowable.

CASE 3590: Application of Texaco Inc. for a pilot waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Pennsylvanian formation in the interval from 9650 feet to 9800 feet in its State BV Well No. 1 located in Unit E of Section 26, Township 13 South, Range 33 East, Lazy-J Pennsylvanian Pool, Lea County, New Mexico.

CASE 3591: Application of Anadarko Production Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Langlie-Mattix Penrose Sand Unit Waterflood Project by the injection of water into the Penrose Sand through eight additional injection wells located in Sections 20, 28, 29, 32, and 33, all in Township 22 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

CLAUDE C. KENNEDY

INDEPENDENT OIL & GAS OPERATOR

April 25, 1967

New Mexico Oil Conservation Commission
P. O. Box 2038
Santa Fe, New Mexico 87501

Attn: Mr. A. L. Porter, Jr.

Re: Application for Hearing

Dear Sir:

As Operator and holder of the Operating Rights from the surface of the ground to the Base of the Dakota formation covering section 36: All; T30N, R17W, N.M.P.M., San Juan County, New Mexico, I hereby request a hearing before the Commission to consider the request as hereinafter set forth:

1. Section 36: S $\frac{1}{2}$ SE $\frac{1}{4}$, T30N, R17W, San Juan County, N.M., Designated by the N. M. O. C. C. as the Slick Rock Dakota Oil Pool by Order R-3196.
2. Purpose of the hearing is to hear testimony relative to the establishment of a field rule to permit future drilling and development on 2 $\frac{1}{2}$ acre spacing to a density of as many wells as is necessary to increase the present production upward to 70 EOPD per 40 acre tract and/or an exception to that rule which generally states that no well shall be drilled closer than 330 feet to the outer boundary of a legal subdivision nor closer than 660 feet to a well producing from the same formation, and that this rule or exception to the rule shall apply to any extension of the present pool limits.
3. No other request or matter other than spacing will be presented for consideration to the Commission in this hearing.
4. For the convenience of the Commission this matter may be held before the Commission or an appointed Examiner.
5. Interested party offset lease holders are:

Pan American Petroleum
Security Life Building
Denver, Colorado 80202

Walter Duncan
P. O. Box 137
Durango, Colorado

The Navajo Tribe, Window Rock, Arizona

Very truly yours,

Claude C. Kennedy
Claude C. Kennedy

MAIL OFFICE
67 APR 26 AM 8 12

Case 3589

1249 CHACO AVENUE
FARMINGTON, NEW MEXICO 87401

CLAUDE C. KENNEDY

INDEPENDENT OIL AND GAS OPERATOR

April 25, 1967

MAIN OFFICE 0000

'67 APR 26 AM 8 11

PHONE: 325-6689

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. A. L. Porter, Jr.

Re: Application for Hearing

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5. Interested party offset lease holders are:

Pan American Petroleum
Security Life Building
Denver, Colorado 80202

Walter Duncan
P. O. Box 137
Durango, Colorado

The Navajo Tribe, Window Rock, Arizona

DOCKET MAILED

Date 5-12-67

Very truly yours,

Claude C. Kennedy
Claude C. Kennedy

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. 1697
Order No. R-1438

APPLICATION OF UNIVERSAL OIL
CORPORATION FOR THE CREATION
OF A NEW OIL POOL FOR GALLUP
PRODUCTION IN SECTIONS 16 AND
17, TOWNSHIP 29 NORTH, RANGE
18 WEST, SAN JUAN COUNTY, NEW
MEXICO, AND FOR CERTAIN EXCEP-
TIONS TO RULES 104 AND 107 FOR
WELLS IN SAID POOL

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:00 o'clock a.m. on June 24, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, 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 15th. day of July, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 on the basis of a discovery well drilled 1980 feet from the North line and 2310 feet from the East line of Section 17, Township 29 North, Range 18 West, NMPM, San Juan County, New Mexico, to a depth of less than 100 feet, the applicant, Universal Oil Corporation, seeks an order creating a new pool for Gallup production to be known as the Shiprock-Gallup Oil Pool and to comprise the N/2 and the N/2 S/2 of Section 16 and the N/2 and N/2 S/2 of Section 17, Township 29 North, Range 18 West, NMPM, San Juan County, New Mexico.

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(3) That only the SE/4 NW/4 and the SW/4 NE/4 of said Section 17 have been proven productive of oil from the Gallup formation and the Shiprock-Gallup Oil Pool should encompass this acreage only.

(4) That the applicant seeks an exception to Rule 104 of the Commission Rules and Regulations to provide that wells drilled in said Shiprock-Gallup Oil Pool may be located 165 feet from the outer boundary line of the quarter-quarter section on which they are located and to provide that they may be located 300 feet from the nearest well producing from the same common source of supply.

(5) That the applicant further seeks an exception to Rule 107 of the Commission Rules and Regulations to authorize slim-hole completions in said Shiprock-Gallup Oil Pool.

(6) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production be and the same is hereby created and designated as the Shiprock-Gallup Oil Pool, consisting of the following-described acreage:

TOWNSHIP 29 NORTH, RANGE 18 WEST, NMPM
Section 17: SE/4 NW/4 and SW/4 NE/4

(2) That for allowable purposes, the 40-acre proportional factor for pools from 0 to 5000 feet shall apply to said Shiprock-Gallup Oil Pool.

(3) That special rules and regulations for said Shiprock-Gallup Oil Pool be and the same are hereby promulgated as hereinafter set forth.

SPECIAL RULES AND REGULATIONS FOR THE
SHIPROCK-GALLUP OIL POOL

RULE 1. Each well drilled in the Shiprock-Gallup Oil Pool shall be located no nearer than 165 feet to the outer boundary of the quarter-quarter section on which it is located and shall be located no nearer than 300 feet to the nearest well producing from the same common source of supply; provided, however, that said 300-foot restriction shall not be applicable to wells projected to or completed in the Gallup formation which offset wells which were drilling to or completed in the Shiprock-Gallup Oil Pool on the effective date of these rules.

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RULE 2. The Secretary-Director shall have authority to grant exceptions to Rule 1 without notice and hearing where an application therefor has been filed in due form and the necessity for the exception is based on topographical conditions.

Applicants shall furnish all operators owning acreage within 330 feet of the proposed location a copy of the application to the Commission and shall stipulate to the Commission that proper notice has been furnished to all such operators. The Secretary-Director may approve the application if, after a period of twenty (20) days, no such operator has objected. The Secretary-Director may grant immediate approval upon receipt of waivers of objection from all such operators.

RULE 3. The slim-hole method of completion may be utilized in the Shiprock-Gallup Oil Pool, provided, however, that the tubing used as a substitute for casing shall be no smaller than 2-3/8 inch OD and no larger than 2-7/8 inch OD and shall be set at least to the top of the productive interval in the well; provided, further, that cement shall be circulated to the surface.

RULE 4. No 40-acre proration unit shall produce in excess of the 40-acre top unit allowable for wells in the 0-5000 foot depth range in Northwest New Mexico.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

S E A L

MURRAY E. MORGAN, Member

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

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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. 1828
Order No. R-1555

APPLICATION OF FRANCIS L. HARVEY
FOR THE CREATION OF A NEW OIL
POOL FOR MESAVERDE PRODUCTION IN
SECTION 21, TOWNSHIP 18 NORTH,
RANGE 3 WEST, SANDOVAL COUNTY,
NEW MEXICO, AND FOR 2½-ACRE
SPACING IN SAID POOL

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 11, 1959, 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 16th day of December, 1959, 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 on the basis of a discovery well drilled in the NW/4 SE/4 of Section 21, Township 18 North, Range 3 West, NMPM, Sandoval County, New Mexico, to a depth of less than 1000 feet, the applicant, Francis L. Harvey, seeks an order creating a new oil pool for Mesaverde production to be known as the San Luis-Mesaverde Oil Pool and to comprise the NW/4 SE/4 of said Section 21.

(3) That the applicant seeks an exception to Rule 104 of the Commission Rules and Regulations to provide that wells drilled in said San Luis-Mesaverde Oil Pool may be located 150 feet from the outer boundary line of the quarter-quarter section on which they are located and to provide that they may be located 300 feet from the nearest well producing from the same common source of supply.

(4) That approval of the subject application will neither cause waste nor impair correlative rights provided that no 40-acre proration unit in said pool shall receive in excess of a 40-acre

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Order No. R-1555

top unit allowable for wells in the 0-5000 foot depth range in Northwest New Mexico, regardless of the number of wells drilled on said 40-acre proration unit.

IT IS THEREFORE ORDERED:

(1) That a new pool in Sandoval County, New Mexico, classified as an oil pool for Mesaverde production, be and the same is hereby created and designated as the San Luis-Mesaverde Oil Pool, consisting of the following-described acreage:

TOWNSHIP 18 NORTH, RANGE 3 WEST, NMPM
Section 21: NW/4 SE/4

(2) That for allowable purposes, the 40-acre proportional factor for pools in the 0-5000 foot depth range shall apply to the said San Luis-Mesaverde Oil Pool.

(3) That special rules and regulations for the said San Luis-Mesaverde Oil Pool be and the same are hereby promulgated as hereinafter set forth.

SPECIAL RULES AND REGULATIONS FOR THE
SAN LUIS-MESAVERDE OIL POOL

RULE 1. Each well drilled in the San Luis-Mesaverde Oil Pool shall be located no nearer than 150 feet to the outer boundary of the quarter-quarter section on which it is located and shall be located no nearer than 300 feet to the nearest well producing from the same common source of supply; provided, however, that offset wells to the discovery well which are drilled in the NW/4 SE/4 of Section 21 may be located nearer than 300 feet to the discovery well

RULE 2. No 40-acre proration unit in said San Luis-Mesaverde Oil Pool shall produce in excess of the 40-acre top unit allowable for wells in the 0-5000 foot depth in Northwest New Mexico, regardless of the number of wells drilled on such 40-acre proration unit.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

S E A L

MURRAY E. MORGAN, Member

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