

CASE 6760: SUN OIL COMPANY FOR UNORTHO-
DOX LOCATION, NON-STANDARD GAS PRORATION
UNIT, INFILL FINDINGS, AND SIMULTANEOUS
DEDICATION, ROOSEVELT COUNTY, NEW MEXICO

CASE NO.

5760

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

January 18, 1980

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 6760
ORDER NO. R-6237

Applicant:

Sun Oil Company

Dear Sir:

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

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	x
Artesia OCD	x
Aztec OCD	

Other

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6760
Order No. R-6237

APPLICATION OF SUN OIL COMPANY FOR
APPROVAL OF AN UNORTHODOX LOCATION,
NON-STANDARD PRORATION UNIT, INFILL
FINDINGS, AND SIMULTANEOUS DEDICATION,
ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12,
1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of January, 1980, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.
- (2) That the applicant, Sun Oil Company, seeks approval
of a 160-acre non-standard gas proration unit comprising the
NW/4 of Section 36, Township 7 South, Range 35 East, NMPM,
Todd-Upper San Andres Gas Pool, Roosevelt County, New Mexico,
to be dedicated to its State "AY" Well No. 5, located at an
unorthodox location for said pool in Unit E of said Section 36,
which well, now a Todd-Lower San Andres Associated Pool oil
well, would be dually completed to produce gas from the Upper
San Andres formation and oil from the Lower San Andres formation
through the casing-tubing annulus and through tubing, respec-
tively, with separation of the zones to be achieved by means of
a packer set at approximately 4230 feet.
- (3) That approval of the dual completion of the aforesaid
State "AY" Well No. 5 in the Todd-Upper San Andres Gas Pool and
of the proposed non-standard 160-acre proration unit for said
pool is necessary in order to effectively and efficiently drain

the gas in said pool underlying the NW/4 of said Section 36.

(4) That the unorthodox location of said well in the Todd-Upper San Andres Gas Pool, being in the NW/4 of Section 36, rather than in the NE/4 or the SW/4 of the section as specified by the pool rules, results from the well originally having been drilled at a standard location for the Todd-Lower San Andres Pool.

(5) That no offset operator objected to the unorthodox location of the subject well in the Todd-Upper San Andres Gas Pool.

(6) That the mechanics of the proposed dual completion of the subject well are feasible and in accord with good conservation practices, assuming that the upper zone, when completed, is classified as a gas well and not as an oil well.

(7) That the proposed dual completion, unorthodox location, and non-standard gas proration unit are in the interest of conservation and will not impair correlative rights nor cause waste and should be approved.

IT IS THEREFORE ORDERED:

(1) That Sun Oil Company is hereby authorized to dually complete its State "AY" Well No. 5 at an unorthodox location for the Todd-Upper San Andres Gas Pool 1980 feet from the North line and 660 feet from the West line of Section 36, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, in such a manner as to produce gas from said pool through the casing-tubing annulus and to produce oil from the Todd-Lower San Andres Associated Pool through tubing, with separation of the zones to be achieved by means of a packer set at 4230 feet.

(2) That the aforesaid unorthodox gas well location in the Todd-Upper San Andres Gas Pool is hereby approved, as is a 160-acre non-standard gas proration unit for the subject well in said pool comprising the NW/4 of the above-described Section 36.

(3) That the subject well shall receive an acreage factor of 0.5 for allowable purposes in the Todd-Upper San Andres Gas Pool.

(4) That the applicant shall complete, operate, and produce the subject well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

-3-

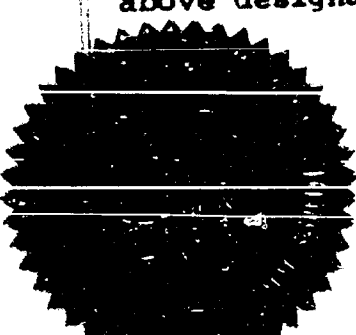
Case No. 6760
Order No. R-6237

PROVIDED HOWEVER, that the applicant shall take Packer Leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for the Todd-Upper San Andres Gas Pool.

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

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Joe D. Ramey
JOE D. RAMEY
Director

SEAL

fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
12 December 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Sun Oil Company for an
unorthodox location, non-standard pro-
ration unit, infill findings, and simul-
taneous dedication, Roosevelt County,
New Mexico.

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) CASE
) 6760
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BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

I N D E X

JOSEPH M. MARTIN

Direct Examination by Mr. Kellahin	4
Cross Examination by Mr. Nutter	10

E X H I B I T S

Applicant Exhibit One, Map	5
Applicant Exhibit Two, Listing	9
Applicant Exhibit Three, Log	9
Applicant Exhibit Four, Diagram	9
Applicant Exhibit Five, Diagram	9

MR. NUTTER: Call Case Number 6760.

MR. PADILLA: Application of Sun Oil Company for an unorthodox location, non-standard gas proration unit, infill findings, and simultaneous dedication, Roosevelt County, New Mexico.

MR. KELLAHIN: Tom Kellahin, appearing on behalf of the applicant, and I have one witness.

(Witness sworn.)

MR. KELLAHIN: If the Examiner please, there are some changes that we would like to make in the application as well as the advertisement.

First of all, the application requested approval of a dual completion and the advertisement didn't pick that up. We'd like to present testimony today on the dual completion and obtain approval. If you feel need to re-advertise that, it's certainly acceptable to us.

MR. NUTTER: Well, it's dual completion in what, Mr. Kellahin?

MR. KELLAHIN: It will be the Todd-Lower San Andres Pool, which is the oil pool, and it will be the Todd Upper San Andres Gas Pool.

MR. NUTTER: I'm sure there have been

previous dual completions in those two pools approved. That would probably be eligible for administrative approval, and that's why we probably didn't advertise it.

MR. KELLAHIN: Fine. We had searched and I didn't find one readily.

The other change is we would like to delete from the application the infill findings and the simultaneous dedication. That's in error.

MR. NUTTER: The application in 6760 will be amended to read, or dismiss the infill findings and the simultaneous dedication, and we'll investigate this dual completion situation later.

JOSEPH M. MARTIN

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name, by whom you're employed, and in what capacity?

A My name is Joseph M. Martin. I'm employed by Sun Oil Company as a reservoir engineer in Midland, Texas.

Q Mr. Martin, have you previously testified before the Oil Conservation Division?

A Yes, sir, I have.

Q And have your qualifications as an engineer been accepted and made a matter of record?

A Yes, sir.

MR. KELLAMIN: We tender Mr. Martin as an expert engineer.

MR. NOTTER: Mr. Martin is qualified.

Q Would you please refer to what we've marked as Exhibit Number One, identify that and explain what Sun Oil is seeking to accomplish?

A Exhibit Number One is a map of the Todd-San Andres Field, showing both the Upper San Andres, which is a gas pool, and the Lower San Andres wells, which are oil wells.

Sun Oil Company is proposing a completion in the Upper San Andres Gas Pool in the No. 5 Well, which is presently a Lower San Andres oil well.

Q The No. 5 Well was originally drilled when, Mr. Martin?

A It was originally drilled in May of 1965.

Q And it has produced as a Lower San Andres oil well?

A Yes, sir, it has, and it's produced a total of just over 60,000 barrels of oil to the first of

August of this year.

Q And what is its current status?

A The current status is producing 4 barrels of oil and 5 barrels of water.

Q What acreage is dedicated to the No. 5 Well?

A The 80 acres, let's see, how -- running north and south there. It would be the west 80 acres running north and south.

Q It would be the west half of the northwest quarter?

A Right, that's an easier way to say it.

Q The east half of the northwest quarter is dedicated to the No. 3 Well?

A Yes, sir.

Q And what is that well?

A That well is also a Lower San Andres oil well.

Q It is not completed and does not produce in the Upper San Andres Gas zone?

A No, it isn't.

Q What acreage, now, would you dedicate to the gas portion of this application?

A The acreage we propose to dedicate to the Upper San Andres gas is the northwest quarter of Section 36.

Q With regards to the gas completion, is this a standard location or an unorthodox location?

A It is an unorthodox location.

Q In what way?

A It is an unorthodox location in that the rules state that wells should be 990 feet from the outer boundary line and 330 feet from the quarter quarter section line, and this well, as it stands right now, is 660 feet from the west line of Section 36.

Q In addition, the pool rules also provide that a well will be located in a certain quarter section, do they not?

A Right. Pool rules state that the well should be in the -- Upper San Andres -- Upper Todd-San Andres Gas Pool should be located in either the northeast or southwest quarter of the section.

Q Is there a gas well in the southwest quarter of the section?

A There is a gas well in the southwest quarter. It has been plugged.

Q All right. Are there any other gas wells in the immediate area that are unorthodox with regards to the pool rules?

A Yes. The Texaco No. 4 Well, which is in the northwest quarter of Section 35, to the west there, is

unorthodox in the fact that it is in the northwest quarter, as what we are seeking in our case.

Q Why are you requesting an unorthodox location as opposed to a standard location for this well?

A The No. 5 Well on our lease has the best porosity and is also the structurally highest well of the two wells there in that northwest quarter.

The other wells in our lease, the No. 1 and No. 2 Well, the No. 1 Well is tight as far as porosity-wise in the Upper San Andres, and the No. 2 Well is getting a little bit out of the gas, which, as you see in the map, runs northwest and southeast. So therefore, that's why we are proposing the No. 5 Well.

The No. 2 and No. 1 Wells would be very risky as far as trying to make a completion in the Upper San Andres Gas Pool.

Q Okay. Would you refer to Exhibit Number Two and identify that?

A Exhibit Number Two is a listing of the wells which have produced in the Todd-Upper San Andres Gas Pool. It shows the company and leases, wells and locations, cumulative up to August 1st, 1979, the 1978 shut-in tubing pressure, which was reported in the New Mexico Oil Division books, and also the current status of the production of July, 1979.

At this time there are only four active producers in the Todd-Upper San Andres Field.

Q Would you refer to Exhibit Number Three, Mr. Martin, and identify that?

A Exhibit Number Three is a gamma ray formation density log, which was run on the New Mexico "AY" State No. 5 Well. The portion of this log shows the -- shows both the Upper and Lower San Andres Pools, with the present completion in the Lower San Andres and the proposed completion in the Upper San Andres.

Q Would you refer to Exhibit Number Four and identify that?

A Exhibit Number Four is a well diagram of the present completion of the New Mexico State "AY" No. 5. As you can see, it shows the 4-1/2 inch casing, the cement tops behind the 4-1/2 inch, as well as the mechanical downhole producing set-up of the well, which includes tubing set below the perfs, and an inch and a half insert rod pump placed in the well.

Q Would you turn to Exhibit Number Five?

A Exhibit Number Five is a proposed completion well sketch of the No. 5 Well, showing how we propose to dually complete this well with both the Upper San Andres and Lower San Andres.

The Upper San Andres will produce up the tubing-casing annulus while the Lower San Andres oil would be produced as it is now, by pump through the 2-3/8ths inch tubing.

Q In your opinion, Mr. Martin, will approval of this application be in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A Yes, sir, it would.

Q And were Exhibits One through Six, One through Five, prepared by you or compiled under your direction and supervision?

A Yes sir, they were.

MR. KELLAMIN: We move the introduction of Exhibits One through Five.

MR. NUTTER: Applicant's Exhibits One through Five will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Martin, a standard proration unit, I presume, for this Todd-Upper San Andres Pool is 320 acres, is that it?

A Yes, sir.

Q And so you would be proposing a non-standard unit consisting of 160 acres in the northwest quarter.

A Yes, sir.

Q And you currently have a standard unit, being the 80 acres west half of the northwest dedicated to the No. 5 in the Lower San Andres Pool.

A That's right.

The, just for a matter of record, the Jean A. Snow No. 1 Well, which is in the southwest 40 there, was 160-acre unit when it was producing.

Q So this land up here never has been dedicated to a gas well in the Upper?

A No, sir, it hasn't.

MR. NUTTER: Are there any other questions of Mr. Martin? He may be excused.

Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: We'll take the case under advisement.

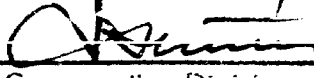
(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Certified Shorthand Reporter,
DO HEREBY CERTIFY that the foregoing and attached Transcript
of Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability.

Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner Hearing of Case No. 6760
heard by me on 12/12 1979.

, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
12 December 1979

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DO HEREBY CERTIFY that the foregoing and attached Transcript
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by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability.

Sally W. Boyd C.S.R.
Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner's hearing of Case No. 6720
heard by me on 12/12 1979.

[Signature], Examiner
Oil Conservation Division

SUN OIL COMPANY
N.M. "AY" STATE WELL NO. 5
CASE #6760 ✓

DECEMBER 12, 1979

NOV 21 1979

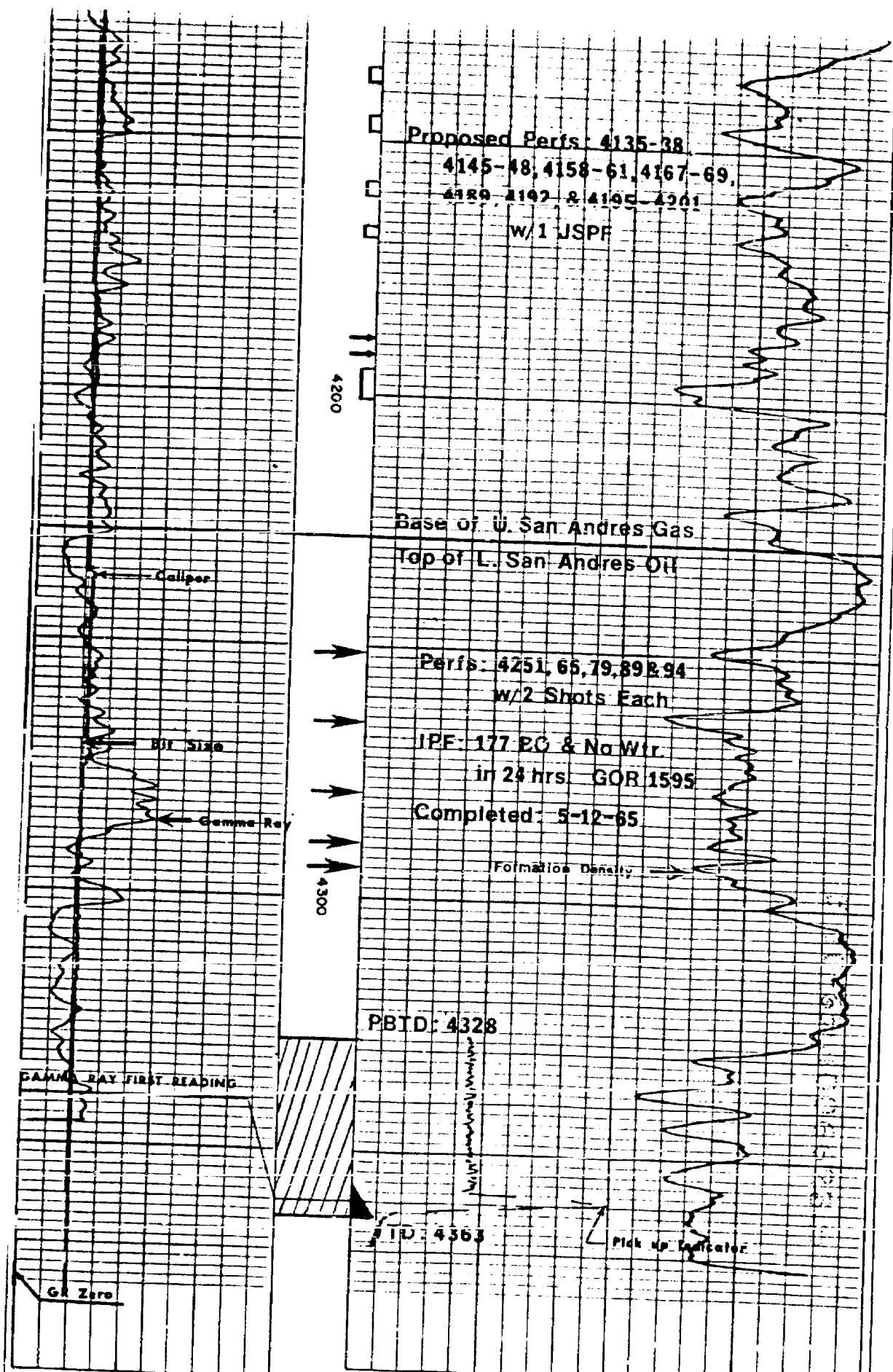
TODD UPPER SAN ANDRES GAS FIELD
ROOSEVELT COUNTY, NEW MEXICO

COMPANY & LEASE	WELL & LOCATION	CUMULATIVE, MCF (TO 8/1/79)	1978 SI TBG PRESS (PSIG)	CURRENT STATUS OR JULY, 1979 PRODUCTION
F. FEATHERSTONE II FEDERAL H 27	1H 27 7S 35E	2,723,624	135	440 MCF/D
RANKLIN, ASTON & FAIR MARK FEDERAL	2M 25 7S 35E	801,212	-	Plugged 1970
McCLELLAN FED	1A 28 7S 35E	371,719	-	Plugged 1972
CUNNINGHAM MARK FED	3G 26 7S 35E	1,429,686	-	Plugged 1976
OLLY ENERGY MARK FEDERAL	1M 26 7S 35E	1,708,446	201	TA 10/77 @ 39 MCF/D
NIX YATES FED	10 28 7S 35E	1,578,787	190	147 MCF/D
TEXACO FED	1M 27 7S 35E	1,994,232	48	70 MCF/D
ACK L. McCLELLAN FEDERAL 22	1N 22 7S 35E	79,859	-	Plugged 1970
IONUMENT ENERGY STATE BA	1A 34 7S 35E	620,073	-	244 MCF/D
STATE BA	2H 34 7S 35E	254,525	-	267 MCF/D
OD AND STEVENS HOLLY FEDERAL	1B 28 7S 35E	1,710	-	25 MCF/D
JENE A. SNOW HOBBS S	1K 36 7S 35E	200,821	-	Plugged 1977
HOBBS V	1K 35 7S 35E	346,750	-	Plugged 1977
EXACO, INC. N.M. CT STATE	1A 35 7S 35E	524,014	-	Recomp to L-S.A. 10/65
N.M. CT STATE	4C 35 7S 35E	64,028	-	TA 4/75 @ 0 MCF/D
*ROLAND McLEAN FED	2M 23 7S 35E	28,830	-	Plugged 1973
*ROLAND McLEAN FED	3M 24 7S 35E	63,540	-	Plugged 1973
TOTAL		12,791,856		

GAS WELL LISTED UNDER TODD LOWER SAN ANDRES FIELD

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
Sun EXHIBIT NO. 2
CASE NO. 6760

SUN OIL COMPANY
Date of Hearing: 12-12-79
Docket No.: 6760
Exhibit # 2



NEW MEXICO STATE "AY" No. 5
TODD SAN ANDRES FIELD
ROOSEVELT COUNTY, NEW MEXICO
Sec. 36 Twp. 7S Rge. 35E

ELEV:
KB 4176
DF 4175
GL 4167.5

SUN OIL COMPANY
Date of Hearing: 12-12-79
Docket No.: 6760
Exhibit # 3

NEW MEXICO STATE "AY" NO. 5
TODD LOWER SAN ANDRES
ROOSEVELT COUNTY, NEW MEXICO
UNIT E, SEC. 36, T-7-S, R-35-E.

PRESENT COMPLETION

8 5/8", 24# SET @
339' IN 12 1/4" HOLE;
CMT'D W/250 SX; 50 SX
CIRCULATED TO PIT

ELEV.: 4176' KB
4175' DF
4167.5' GL

2 3/8", 4.7# J-55; TGG. SEAT
@ 4315'

1 1/2" INSERT PUMP SEATED @
4296'

TOC BEHIND 4 1/2" @
3520'

4 1/2", 9.5# J-55 SET @
4363' IN 7 7/8" HOLE;
CMT'D. W/200 SX; TOC
BY TEMP SURVEY @ 3520'

4251' PERFS: 4251', 65, 79, 89 &
4294' 94 (2 SPF)

PB TD: 4320'
TD: 4363'

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Sun EXHIBIT NO. 4
CASE NO. 6760

SUN OIL COMPANY

Date of Hearing: 12-12-79
Docket No.: 6760
Exhibit # 4

NEW MEXICO STATE "AY" NO. 5
TODD LOWER & UPPER SAN ANDRES
ROOSEVELT COUNTY, NEW MEXICO
UNIT E, SEC. 36, T. 7-S, R. 35-E.

PROPOSED COMPLETION

8 5/8", 24# SET @ 339'
IN 12 1/4" HOLE; CMT'D.
W/260 SX; 60 SX CIRC.
TO PIT

ELEV.: 4176' KB
4175' DF
4167.5' GL

TOC BEHIND 4 1/2" @ 3520'

U-S.A. PERFS.: 4135'-38,
4145'-48, 4158'-81, 4167'-89, 4188'-
4199', 4192', 4195'-4201'
(1 JSPP)

L.-S.A. PERFS.: 4251',
65, 79, 89, 94 (2SPF)

4 1/2", 9.5# J-55 SET @ 4365'
IN 7 7/8" HOLE CMT'D. W/200
SX; TOC BY TEMP SURVEY @
3520'

2 3/8" TBG. APPROX. TBG. SEAT
@ 4270'

SLIDING SLEEVE SET 3 JTS. ABOVE
OVERSHOT TBG. SEAL DIVIDER

O.T.S.D. W/TYP N LANDING
NIPPLE; 1 1/2" PUMP SEATED IN NIPPLE

PACKER SET @ 4230'

PERFORATED NIPPLE & 1 JT. OF
TBG. BELOW PKR

PBTD: 4328'

TD: 4363'

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

Sun EXHIBIT NO. 5
CASE NO. 6760

SUN OIL COMPANY

Date of Hearing: 12-12-79

Docket No.: 6760

Exhibit # 5

(SHOE BAR-PENNSYLVANIAN POOL - Cont'd.)

the Shoe Bar-Pennsylvanian Oil Pool, Lea County, New Mexico, for a period of eighteen months.

(3) That pursuant to the provisions of Order No. R-3136, this case was reopened to allow the operators in the subject pool to appear and show cause why the Shoe Bar-Pennsylvanian Oil Pool should not be developed on 40-acre spacing units.

(4) That no operator in the subject pool appeared to show cause why the Shoe Bar-Pennsylvanian Oil Pool should not be developed on 40-acre spacing units.

(5) That the operators in the subject pool have not established that one well can efficiently and economically drain and develop 80 acres.

(6) That no necessity exists for the continuation of the Special Rules and Regulations promulgated by Order No. R-3136 and that said rules should therefore be abolished.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Shoe Bar-Pennsylvanian Oil Pool, promulgated by Order No. R-3136, are hereby abolished.

(2) That this order shall become effective May 1, 1968.

(3) 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.

TODD-UPPER SAN ANDRES GAS POOL
Roosevelt County, New Mexico

Order No. R-3153, Subdividing the Todd-San Andres Pool into the Todd-Lower San Andres Pool and Todd-Upper San Andres Gas Pool and Adopting Operating Rules for the Todd-Upper San Andres Gas Pool, Roosevelt County, New Mexico, December 1, 1966.

See separate order for rules governing the Todd-Lower San Andres Pool.

Application of Sunray DX Oil Company for Pool Redelineation, Roosevelt County, New Mexico.

CASE NO. 3490
Order No. R-3153

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on November 2, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of November, 1966, 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-1670-G, dated October 29, 1965, temporary Special Rules and Regulations were promulgated for the Todd-San Andres Pool, Roosevelt County, New Mexico, superseding the Special Rules and Regulations promulgated by Order No. R-2666, dated March 13, 1964.

(3) That by Order No. R-1670-G, dated October 19, 1966, said temporary Special Rules and Regulations were continued in full force and effect until further order of the Commission.

LEA COUNTY, NEW MEXICO
OIL COMMISSION

Sunray DX Oil Co. 6
6760

SUN OIL COMPANY

Date of Hearing: 12-12-79
Docket No.: 6760
Exhibit #: 6

SECTION II

(TODD-UPPER SAN ANDRES GAS POOL- Cont'd.)

(4) That the applicant, Sunray DX Oil Company, seeks the abolishment of the Todd-San Andres Pool, Roosevelt County, New Mexico, and the creation of the Todd-Upper San Andres Gas Pool, with horizontal limits to be the same as those presently designated for the Todd-San Andres Pool and vertical limits to be that portion of the San Andres formation above the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair, Inc., Mark Federal Well No. 1, located in Unit M of Section 26, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, and the creation of the Todd-Lower San Andres Pool, with horizontal limits to be the same as those presently designated for the Todd-San Andres Pool and vertical limits to be that portion of the San Andres formation below the above-described anhydrite bed.

(5) That the applicant proposes that the Todd-Lower San Andres Pool be governed by all the previous rules, regulations, and orders of the Commission presently applicable to the Todd-San Andres Pool.

(6) That the applicant also seeks the promulgation of special pool rules for the Todd-Upper San Andres Gas Pool, including a provision for 320-acre spacing.

(7) That the Todd-San Andres Pool encompasses more than one separate common source of supply and should therefore be abolished.

(8) That each of the proposed pools encompasses a separate common source of supply.

(9) That effective December 1, 1966, the Todd-Upper San Andres Gas Pool and the Todd-Lower San Andres Pool should be created with vertical limits as proposed by the applicant and horizontal limits as follows:

TODD-UPPER SAN ANDRES GAS POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Sections 22 and 23: All
Section 24: W/2
Section 25: W/2
Sections 26, 27, and 28: All
Section 34: N/2
Section 35: All
Section 36: W/2

R. W. Byram & Co., - Apr., 1968

TODD-LOWER SAN ANDRES POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Sections 22 and 23: All
Section 24: W/2
Sections 25, 26, 27, and 28: All
Section 35: N/2 and SE/4
Section 36: All

TOWNSHIP 7 SOUTH, RANGE 36 EAST, NMPM
Section 30: W/2
Section 31: W/2

(10) That the Todd-Lower San Andres Pool should be governed by all the previous rules, regulations, and orders presently applicable to the Todd-San Andres Pool.

(11) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 320-acre spacing units should be promulgated for the Todd-Upper San Andres Gas Pool.

(12) That the special rules and regulations for the Todd-Upper San Andres Gas Pool should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(13) That in order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights, authority should be granted to dualy complete those wells presently open to both the upper zone and the lower zone of the San Andres formation in the subject area.

(TODD-UPPER SAN ANDRES GAS POOL - Cont'd.)

(14) That each well which is presently open to both the upper zone and the lower zone of the San Andres formation in the subject area and which has an underproduced status or an overproduced status as of December 1, 1966, should, on that date, have said status reduced by 50 percent, thereby permitting one-half of the well's production and status up to that time to be charged to the prorated lower zone and one-half to be charged to the non-prorated upper zone.

(15) That after December 1, 1966, all production from any well which is open to both the upper zone and the lower zone of the San Andres formation in the subject area should be charged to the allowable of the well for the lower zone only, until said well has been dually completed and notices of connection for both zones have been filed with the Commission.

(16) That any well which is open to both the upper zone and the lower zone of the San Andres formation in the subject area and which has not been dually completed by December 31, 1966, should, on that date, be shut in and the allowable cancelled.

IT IS THEREFORE ORDERED:

(1) That the Todd-San Andres Pool is hereby abolished.

(2) That a new pool in Roosevelt County, New Mexico, classified as an associated reservoir for the production of oil and gas from the Lower San Andres formation is hereby created and designated the Todd-Lower San Andres Pool with vertical limits comprising that portion of the San Andres formation below the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair, Inc., Mark Federal Well No. 1, located in Unit M of Section 26, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, and with horizontal limits as follows:

TODD-LOWER SAN ANDRES POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM

Sections 22 and 23: All

Section 24: W/2

Sections 25, 26, 27, and 28: All

Section 35: N/2 and SE/4

Section 36: All

TOWNSHIP 7 SOUTH, RANGE 36 EAST, NMPM

Section 30: W/2

Section 31: W/2

(3) That a new pool in Roosevelt County, New Mexico, classified as a gas pool for Upper San Andres production is hereby created and designated the Todd-Upper San Andres Gas Pool with vertical limits comprising that portion of the San Andres formation above the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair, Inc., Mark Federal Well No. 1, located in Unit M of Section 26, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, and with horizontal limits as follows:

TODD-UPPER SAN ANDRES GAS POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM

Sections 22 and 23: All

Section 24: W/2

Section 25: W/2

Sections 26, 27, and 28: All

Section 34: N/2

Section 35: All

Section 36: W/2

(4) That the Todd-Lower San Andres Pool shall be governed by all the previous rules, regulations, and orders presently applicable to the Todd-San Andres Pool.

(5) That Special Rules and Regulations for the Todd-Upper San Andres Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS

FOR THE

TODD-UPPER SAN ANDRES GAS POOL

RULE 1. Each well completed or recompleted in the Todd-Upper San Andres Gas Pool or in the Upper San Andres formation within one mile of the Todd-Upper San Andres Gas Pool, and not nearer to or within the limits of another designated Upper San Andres gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Todd-Upper San Andres Gas Pool shall be located on a standard unit consisting of approximately 320 acres which shall comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well completed or recompleted in the Todd-Upper San Andres Gas Pool shall be located in the northeast quarter or the southwest quarter of the section and shall be located no nearer than 330 feet to the corner boundary of the quarter section and no nearer than 330 feet to any governmental quarter-quarter section line.

(TODD-UPPER SAN ANDRES GAS POOL - Cont'd.)

RULE 5. The Secretary-Director may grant an exception to the footage requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed unorthodox 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 offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Upper San Andres formation within the Todd-Upper San Andres Gas Pool or within one mile of the Todd-Upper San Andres Gas Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator of any such well shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 1, 1966.

(2) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Todd-Upper San Andres Gas Pool shall file a new Form C-102 with the Commission on or before December 1, 1966.

(3) That each well presently open to both the upper zone and the lower zone of the San Andres formation in the subject area is hereby authorized for dual completion provided the operator furnishes the items required by Rules 112-A IV (a) and (d) of the Commission Rules and Regulations to the Secretary-Director of the Commission and obtains his approval for said dual completion. No waiting period or offset waivers will be required.

(4) That each well that is presently open to produce from both the upper zone and the lower zone of the San Andres formation in the subject area and which has an underproduced status or an overproduced status as of December 1, 1966, shall have said status reduced by 50 per cent.

(5) That after December 1, 1966, all production from any well which is completed in both the upper zone and the lower zone of the San Andres formation in the subject area shall be charged to the allowable for the lower zone only (Todd-Lower San Andres Pool) until said well has been dually completed and notices of connection for both zones have been filed with the Commission.

(6) That any well which is open to both the upper zone and the lower zone of the San Andres formation in the subject area and which has not been dually completed and notice of connection received by the Commission by December 31, 1966, shall be ordered shut in and the allowable therefor cancelled until such dual completion has been effected and notice of connection received.

(7) That the overproduced or underproduced status of any well presently completed in the lower zone only of the San Andres formation in the subject area shall remain unchanged by this order.

(8) That any well which is presently completed in the upper zone only of the San Andres formation in the subject area shall be removed from the gas proration schedule December 1, 1966.

(9) That this order shall become effective December 1, 1966.

(10) 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 herein above designated.

GALLEGOS-GALLUP OIL POOL
Rio Arriba and San Juan Counties, New Mexico

Order No. R-1286, Exempting from Rule 502 I(a), the Gallegos-Gallup Oil Pool, Rio Arriba and San Juan Counties, New Mexico, November 21, 1958.

The application of the Oil Conservation Commission upon its own motion at the request of certain operators to determine whether all wells in the Gallegos-Gallup Oil Pool should be granted an exception to Rule 502 I (a) of the Commission Rules and Regulations.

CASE NO. 1544
Order No. R-1286

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a. m. on November 13, 1958, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of November, 1958, the Commission, a quorum being present, having considered the application, and the evidence adduced, and being fully advised in the premises,

FINDINGS:

(1) That due public notice having been given as required

NOV 21 1979

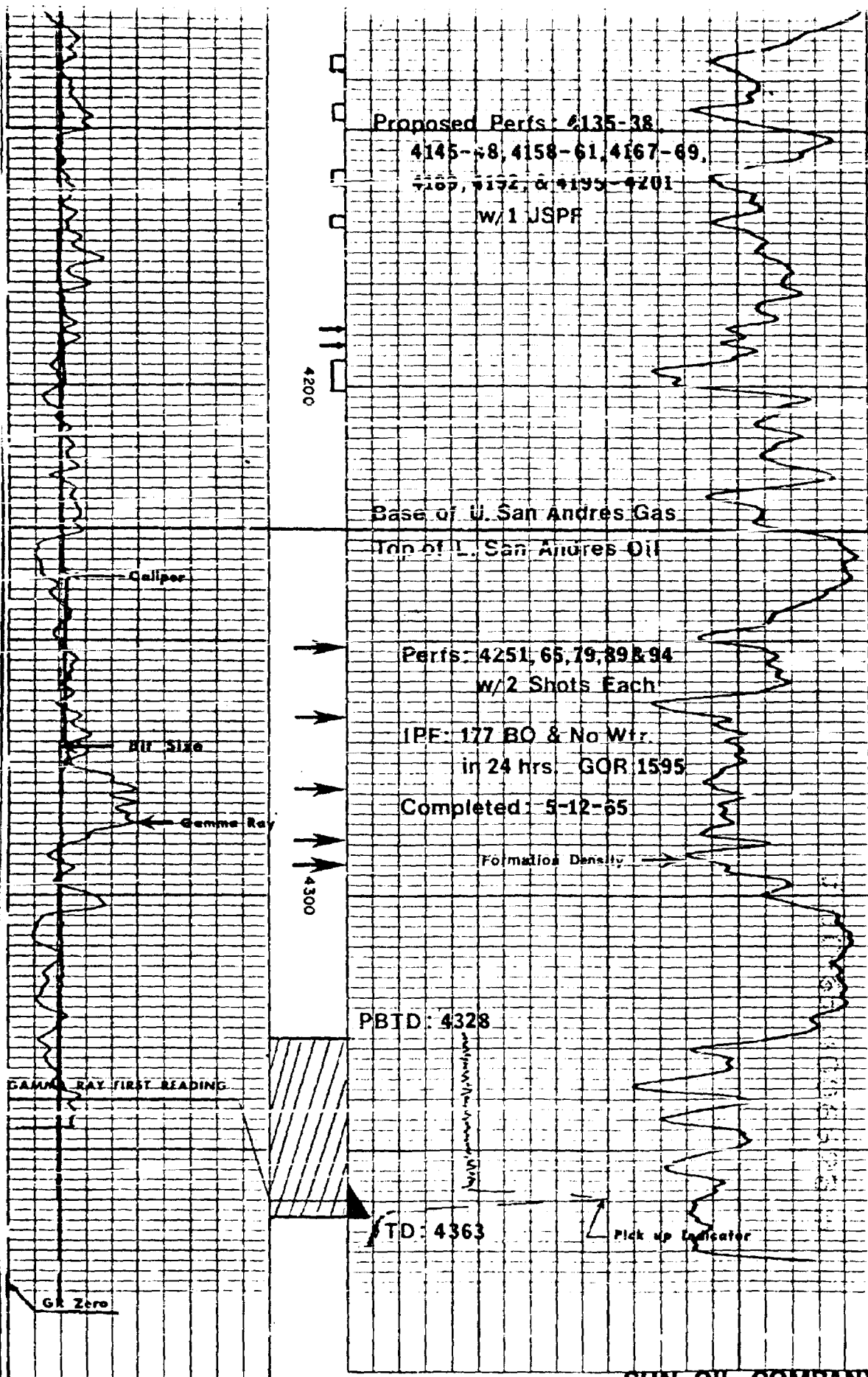
TODD UPPER SAN ANDRES GAS FIELD
ROOSEVELT COUNTY, NEW MEXICO

COMPANY & LEASE	WELL & LOCATION	CUMULATIVE, MCF (TO 8/1/79)	1978 SI TBG PRESS (PSIG)	CURRENT STATUS OR JULY, 1979 PRODUCTION
J.F. FEATHERSTONE II FEDERAL H 27	1H 27 7S 35E	2,723,624	135	440 MCF/D
RANKLIN, ASTON & FAIR MARK FEDERAL	2M 25 7S 35E	801,212	-	Plugged 1970
McCLELLAN FED	1A 28 7S 35E	371,719	-	Plugged 1972
CUNNINGHAM MARK FED	3G 26 7S 35E	1,429,686	-	Plugged 1976
HOLLY ENERGY MARK FEDERAL	1M 26 7S 35E	1,708,446	201	TA 10/77 @ 39 MCF/D
NIX YATES FED	10 28 7S 35E	1,578,787	190	147 MCF/D
TEXACO FED	1M 27 7S 35E	1,994,232	48	70 MCF/D
ACK L. McCLELLAN FEDERAL 22	1N 22 7S 35E	79,859	-	Plugged 1970
MONUMENT ENERGY STATE BA	1A 34 7S 35E	620,073	-	244 MCF/D
STATE BA	2H 34 7S 35E	254,525	-	267 MCF/D
D AND STEVENS HOLLY FEDERAL	1B 28 7S 35E	1,710	-	25 MCF/D
ENE A. SNOW HOBBS S	1K 36 7S 35E	200,821	-	Plugged 1977
HOBBS V	1K 35 7S 35E	346,750	-	Plugged 1977
EXACO, INC. N.M. CT STATE	1A 35 7S 35E	524,014	-	Recomp to L-S.A. 10/65
N.M. CT STATE	4C 35 7S 35E	64,028	-	TA 4/75 @ 0 MCF/D
*ROLAND McLEAN FED	2M 23 7S 35E	28,830	-	Plugged 1973
*ROLAND McLEAN FED	3M 24 7S 35E	63,540	-	Plugged 1973
TOTAL		12,791,856		

GAS WELL LISTED UNDER TODD LOWER SAN ANDRES FIELD

SUN OIL COMPANY

Date of Hearing: 12-12-79
Docket No.: 6760
Exhibit #: 2



NEW MEXICO STATE "AY" No. 5
TODD SAN ANDRES FIELD
ROOSEVELT COUNTY, NEW MEXICO
Sec. 36 Twp. 7S Rge. 35E

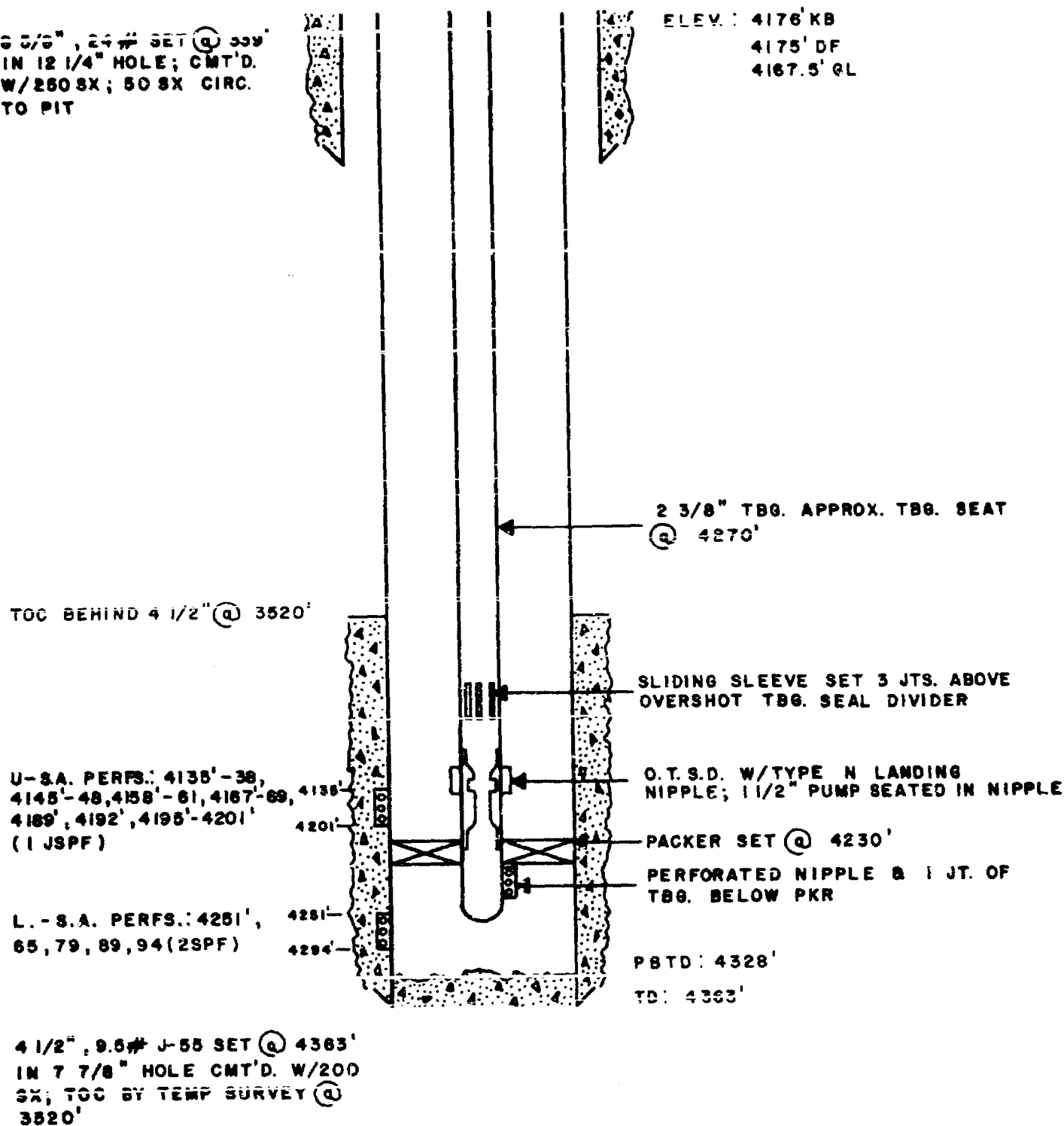
ELEV:
KB 4176
DF 4175
GL 4157.5

SUN OIL COMPANY
Date of Hearing: 12-12-79
Docket No.: 6760
Exhibit # 3

NEW MEXICO STATE "AY" NO. 5
TODD LOWER & UPPER SAN ANDRES
ROOSEVELT COUNTY, NEW MEXICO
UNIT E, SEC. 36, T-7-S, R-35-E.
PROPOSED COMPLETION

6 5/8", 24# SET @ 339'
IN 12 1/4" HOLE; CMT'D.
W/250 SX; 50 SX CIRC.
TO PIT

ELEV.: 4176' KB
4175' DF
4167.5' GL



SUN OIL COMPANY

Date of Hearing: 12-12-79

Docket No.: 6760

Exhibit # 5

(SHOE BAR-PENNSYLVANIAN POOL - Cont'd.)

the Shoe Bar-Pennsylvanian Oil Pool, Lea County, New Mexico, for a period of eighteen months.

(3) That pursuant to the provisions of Order No. R-3136, this case was reopened to allow the operators in the subject pool to appear and show cause why the Shoe Bar-Pennsylvanian Oil Pool should not be developed on 40-acre spacing units.

(4) That no operator in the subject pool appeared to show cause why the Shoe Bar-Pennsylvanian Oil Pool should not be developed on 40-acre spacing units.

(5) That the operators in the subject pool have not established that one well can efficiently and economically drain and develop 80 acres.

(6) That no necessity exists for the continuation of the Special Rules and Regulations promulgated by Order No. R-3136 and that said rules should therefore be abolished.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Shoe Bar-Pennsylvanian Oil Pool, promulgated by Order No. R-3136, are hereby abolished.

(2) That this order shall become effective May 1, 1968.

(3) 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.

TODD-UPPER SAN ANDRES GAS POOL
Roosevelt County, New Mexico

Ord. No. R-3153, Subdividing the Todd-San Andres Pool into the Todd-Lower San Andres Pool and Todd-Upper San Andres Gas Pool and Adopting Operating Rules for the Todd-Upper San Andres Gas Pool, Roosevelt County, New Mexico, December 1, 1966.

See separate order for rules governing the Todd-Lower San Andres Pool.

Application of Sunray DX Oil Company for Pool Redelineation, Roosevelt County, New Mexico.

CASE NO. 3490
Order No. R-3153

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on November 2, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of November, 1966, 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-1670-G, dated October 29, 1965, temporary Special Rules and Regulations were promulgated for the Todd-San Andres Pool, Roosevelt County, New Mexico, superseding the Special Rules and Regulations promulgated by Order No. R-2666, dated March 13, 1964.

(3) That by Order No. R-1670-G, dated October 19, 1966, said temporary Special Rules and Regulations were continued in full force and effect until further order of the Commission.

SUN OIL COMPANY

Date of Hearing: 12-12-79

Docket No.: 6760

Exhibit # 6

SECTION II

(TODD-UPPER SAN ANDRES GAS POOL- Cont'd.)

(4) That the applicant, Sunray DX Oil Company, seeks the abolishment of the Todd-San Andres Pool, Roosevelt County, New Mexico, and the creation of the Todd-Upper San Andres Gas Pool, with horizontal limits to be the same as those presently designated for the Todd-San Andres Pool and vertical limits to be that portion of the San Andres formation above the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair, Inc., Mark Federal Well No. 1, located in Unit # 2 of Section 26, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, and the creation of the Todd-Lower San Andres Pool, with horizontal limits to be the same as those presently designated for the Todd-San Andres Pool and vertical limits to be that portion of the San Andres formation below the above-described anhydrite bed.

(5) That the applicant proposes that the Todd-Lower San Andres Pool be governed by all the previous rules, regulations, and orders of the Commission presently applicable to the Todd-San Andres Pool.

(6) That the applicant also seeks the promulgation of special pool rules for the Todd-Upper San Andres Gas Pool, including a provision for 320-acre spacing.

(7) That the Todd-San Andres Pool encompasses more than one separate common source of supply and should therefore be abolished.

(8) That each of the proposed pools encompasses a separate common source of supply.

(9) That effective December 1, 1966, the Todd-Upper San Andres Gas Pool and the Todd-Lower San Andres Pool should be created with vertical limits as proposed by the applicant and horizontal limits as follows:

TODD-UPPER SAN ANDRES GAS POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Sections 22 and 23: All
Section 24: W/2
Section 25: W/2
Sections 26, 27, and 28: All
Section 34: N/2
Section 35: All
Section 36: W/2

R. W. Byram & Co., - Apr., 1968

TODD-LOWER SAN ANDRES POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Sections 22 and 23: All
Section 24: W/2
Sections 25, 26, 27, and 28: All
Section 35: N/2 and SE/4
Section 36: All

TOWNSHIP 7 SOUTH, RANGE 36 EAST, NMPM
Section 30: W/2
Section 31: W/2

(10) That the Todd-Lower San Andres Pool should be governed by all the previous rules, regulations, and orders presently applicable to the Todd-San Andres Pool.

(11) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 320-acre spacing units should be promulgated for the Todd-Upper San Andres Gas Pool.

(12) That the special rules and regulations for the Todd-Upper San Andres Gas Pool should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(13) That in order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights, authority should be granted to dually complete those wells presently open to both the upper zone and the lower zone of the San Andres formation in the subject area.

(TODD-UPPER SAN ANDRES GAS POOL - Cont'd.)

(14) That each well which is presently open to both the upper zone and the lower zone of the San Andres formation in the subject area and which has an underproduced status or an overproduced status as of December 1, 1966, should, on that date, have said status reduced by 50 percent, thereby permitting one-half of the well's production and status up to that time to be charged to the prorated lower zone and one-half to be charged to the non-prorated upper zone.

(15) That after December 1, 1966, all production from any well which is open to both the upper zone and the lower zone of the San Andres formation in the subject area should be charged to the allowable of the well for the lower zone only, until said well has been dually completed and notices of connection for both zones have been filed with the Commission.

(16) That any well which is open to both the upper zone and the lower zone of the San Andres formation in the subject area and which has not been dually completed by December 31, 1966, should, on that date, be shut in and the allowable cancelled.

IT IS THEREFORE ORDERED:

(1) That the Todd-San Andres Pool is hereby abolished.

(2) That a new pool in Roosevelt County, New Mexico, classified as an associated reservoir for the production of oil and gas from the Lower San Andres formation is hereby created and designated the Todd-Lower San Andres Pool with vertical limits comprising that portion of the San Andres formation below the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair, Inc., Mark Federal Well No. 1, located in Unit M of Section 26, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, and with horizontal limits as follows:

TODD-LOWER SAN ANDRES POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Sections 22 and 23: All
Section 24: W/2
Sections 25, 26, 27, and 28: All
Section 35: N/2 and SE/4
Section 36: All

TOWNSHIP 7 SOUTH, RANGE 36 EAST, NMPM
Section 30: W/2
Section 31: W/2

(3) That a new pool in Roosevelt County, New Mexico, classified as a gas pool for Upper San Andres production is hereby created and designated the Todd-Upper San Andres Gas Pool with vertical limits comprising that portion of the San Andres formation above the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair, Inc., Mark Federal Well No. 1, located in Unit M of Section 26, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, and with horizontal limits as follows:

TODD-UPPER SAN ANDRES GAS POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Sections 22 and 23: All
Section 24: W/2
Section 25: W/2
Sections 26, 27, and 28: All

Section 34: N/2
Section 35: All
Section 36: W/2

(4) That the Todd-Lower San Andres Pool shall be governed by all the previous rules, regulations, and orders presently applicable to the Todd-San Andres Pool.

(5) That Special Rules and Regulations for the Todd-Upper San Andres Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS

FOR THE

TODD-UPPER SAN ANDRES GAS POOL

RULE 1. Each well completed or recompleted in the Todd-Upper San Andres Gas Pool or in the Upper San Andres formation within one mile of the Todd-Upper San Andres Gas Pool, and not nearer to or within the limits of another designated Upper San Andres gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Todd-Upper San Andres Gas Pool shall be located on a standard unit consisting of approximately 320 acres which shall comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well completed or recompleted in the Todd-Upper San Andres Gas Pool shall be located in the northeast quarter or the southwest quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section and no nearer than 320 feet to any governmental quarter-quarter section line.

(TODD-UPPER SAN ANDRES GAS POOL - Cont'd.)

RULE 5. The Secretary-Director may grant an exception to the footage requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators effecting the proposed unorthodox 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 offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Upper San Andres formation within the Todd-Upper San Andres Gas Pool or within one mile of the Todd-Upper San Andres Gas Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator of any such well shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 1, 1966.

(2) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Todd-Upper San Andres Gas Pool shall file a new Form C-102 with the Commission on or before December 1, 1966.

(3) That each well presently open to both the upper zone and the lower zone of the San Andres formation in the subject area is hereby authorized for dual completion provided the operator furnishes the items required by Rules 112-A IV(a) and (d) of the Commission Rules and Regulations to the Secretary-Director of the Commission and obtains his approval for said dual completion. No waiting period or offset waivers will be required.

(4) That each well that is presently open to produce from both the upper zone and the lower zone of the San Andres formation in the subject area and which has an underproduced status or an overproduced status as of December 1, 1966, shall have said status reduced by 50 per cent.

(5) That after December 1, 1966, all production from any well which is completed in both the upper zone and the lower zone of the San Andres formation in the subject area shall be charged to the allowable for the lower zone only (Todd-Lower San Andres Pool) until said well has been dually completed and notices of connection for both zones have been filed with the Commission.

(6) That any well which is open to both the upper zone and the lower zone of the San Andres formation in the subject area and which has not been dually completed and notice of connection received by the Commission by December 31, 1966, shall be ordered shut in and the allowable therefor cancelled until such dual completion has been effected and notice of connection received.

(7) That the overproduced or underproduced status of any well presently completed in the lower zone only of the San Andres formation in the subject area shall remain unchanged by this order.

(8) That any well which is presently completed in the upper zone only of the San Andres formation in the subject area shall be removed from the gas proration schedule December 1, 1966.

(9) That this order shall become effective December 1, 1966.

(10) 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.

GALLEGOS-GALLUP OIL POOL
Rio Arriba and San Juan Counties, New Mexico

Order No. R-1286, Exempting from Rule 502 I(a), the Gallegos-Gallup Oil Pool, Rio Arriba and San Juan Counties, New Mexico, November 21, 1958.

The application of the Oil Conservation Commission upon its own motion at the request of certain operators to determine whether all wells in the Gallegos-Gallup Oil Pool should be granted an exception to Rule 502 I(a) of the Commission Rules and Regulations.

CASE NO. 1644
Order No. R-1286

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a. m. on November 13, 1958, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of November, 1958, the Commission, a quorum being present, having considered the application, and the evidence adduced, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required

NEW MEXICO STATE "AY" NO. 5
TODD LOWER SAN ANDRES
ROOSEVELT COUNTY, NEW MEXICO
UNIT E, SEC. 36, T. 7-S., R. 35-E.

PRESENT COMPLETION

8 5/8", 24# SET @
339' IN 12 1/4" HOLE;
CMT'D W/250 SX; 50 SX
CIRCULATED TO PIT

ELEV.: 4176' KB
4175' DF
4167.5' GL

2 3/8", 4.7# J-55; TBG. SEAT
@ 4515'

1 1/2" INSERT PUMP SEATED @
4296'

TOC BEHIND 4 1/2" @
3520'

4 1/2", 9.5# J-55 SET @
4363' IN 7 7/8" HOLE;
CMT'D. W/200 SX; TOC
BY TEMP SURVEY @ 3520'

4251' PERFS: 4251', 65, 79, 89 &
4294' 94 (2 SPF)

PB TD: 4326'
TD: 4363'

SUN OIL COMPANY

Date of Hearing: 12-12-79

Docket No.: 6760

Exhibit # 4

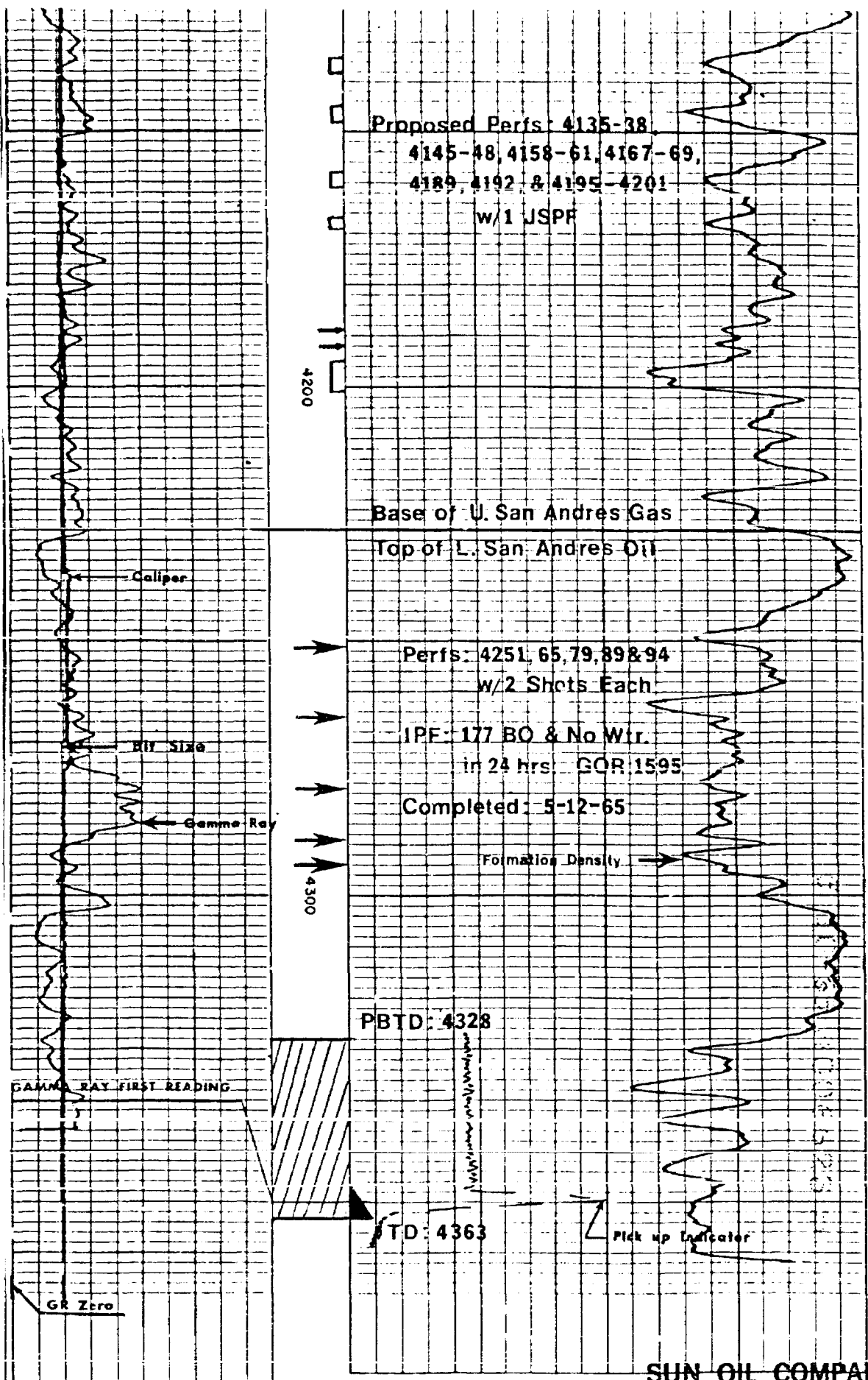
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TODD UPPER SAN ANDRES GAS FIELD
ROOSEVELT COUNTY, NEW MEXICO

COMPANY & LEASE	WELL & LOCATION	CUMULATIVE, MCF (TO 8/1/79)	1978 SI TRG PRESS (PSIG)	CURRENT STATUS OR JULY, 1979 PRODUCTION
J.F. FEATHERSTONE II FEDERAL H 27	1H 27 7S 35E	2,723,624	135	440 MCF/D
RANKLIN, ASTON & FAIR MARK FEDERAL	2M 25 7S 35E	801,212	-	Plugged 1970
McCLELLAN FED	1A 28 7S 35E	371,719	-	Plugged 1972
CUNNINGHAM MARK FED	3G 26 7S 35E	1,429,686	-	Plugged 1976
HOLLY ENERGY MARK FEDERAL	1M 26 7S 35E	1,708,446	201	TA 10/77 @ 39 MCF/D
NIX YATES FED	10 28 7S 35E	1,578,787	190	147 MCF/D
TEXACO FED	1M 27 7S 35E	1,994,232	48	70 MCF/D
ACK L. McCLELLAN FEDERAL 22	1N 22 7S 35E	79,859	-	Plugged 1970
MONUMENT ENERGY STATE BA	1A 34 7S 35E	620,073	-	244 MCF/D
STATE BA	2H 34 7S 35E	254,525	-	267 MCF/D
EAD AND STEVENS HOLLY FEDERAL	1B 28 7S 35E	1,710	-	25 MCF/D
ENE A. SNOW HOBBS S	1K 36 7S 35E	200,821	-	Plugged 1977
HOBBS V	1K 35 7S 35E	346,750	-	Plugged 1977
EXACO, INC. N.M. CT STATE	1A 35 7S 35E	524,014	-	Recomp to L-S.A. 10/65
N.M. CT STATE	4C 35 7S 35E	64,028	-	TA 4/75 @ 0 MCF/D
*ROLAND McLEAN FED	2M 23 7S 35E	28,830	-	Plugged 1973
*ROLAND McLEAN FED	3M 24 7S 35E	63,540	-	Plugged 1973
TOTAL		12,791,856		

GAS WELL LISTED UNDER TODD LOWER SAN ANDRES FIELD

SUN OIL COMPANY
Date of Hearing: 12-12-79
Docket No.: 6760
Exhibit # 2



NEW MEXICO STATE "AY" No. 5
 TODD SAN ANDRES FIELD
 ROOSEVELT COUNTY, NEW MEXICO
 Sec. 36 Twp. 7S Rge. 35E

ELEV:
 KB 4176
 DF 4175
 GL 4167.5

SUN OIL COMPANY
 Date of Hearing: 12-12-79
 Docket No.: 6760
 Exhibit # 3

NEW MEXICO STATE "AY" NO. 5
TODD LOWER SAN ANDRES
ROOSEVELT COUNTY, NEW MEXICO
UNIT E, SEC. 36, T. 7-S., R. 35-E.

PRESENT COMPLETION

8 5/8", 24# SET @
339' IN 12 1/4" HOLE;
CMT'D W/250 SX; 50 SX
CIRCULATED TO PIT

ELEV.: 4176' KB
4175' DF
4167.5' GL

2 3/8", 4.7# J-55; TBG. SEAT
@ 4315'

1 1/2" INSERT PUMP SEATED @
4296'

TOC BEHIND 4 1/2" @
3520'

4 1/2", 9.5# J-55 SET @
4363' IN 7 7/8" HOLE;
CMT'D. W/200 SX; TOC
BY TEMP SURVEY @ 3520'

4251' PERFS: 4251', 65, 79, 89 @
4294' 94 (2 SPF)

PB TD: 4328'
TD: 4363'

SUN OIL COMPANY

Date of Hearing: 12-12-79

Docket No.: 6760

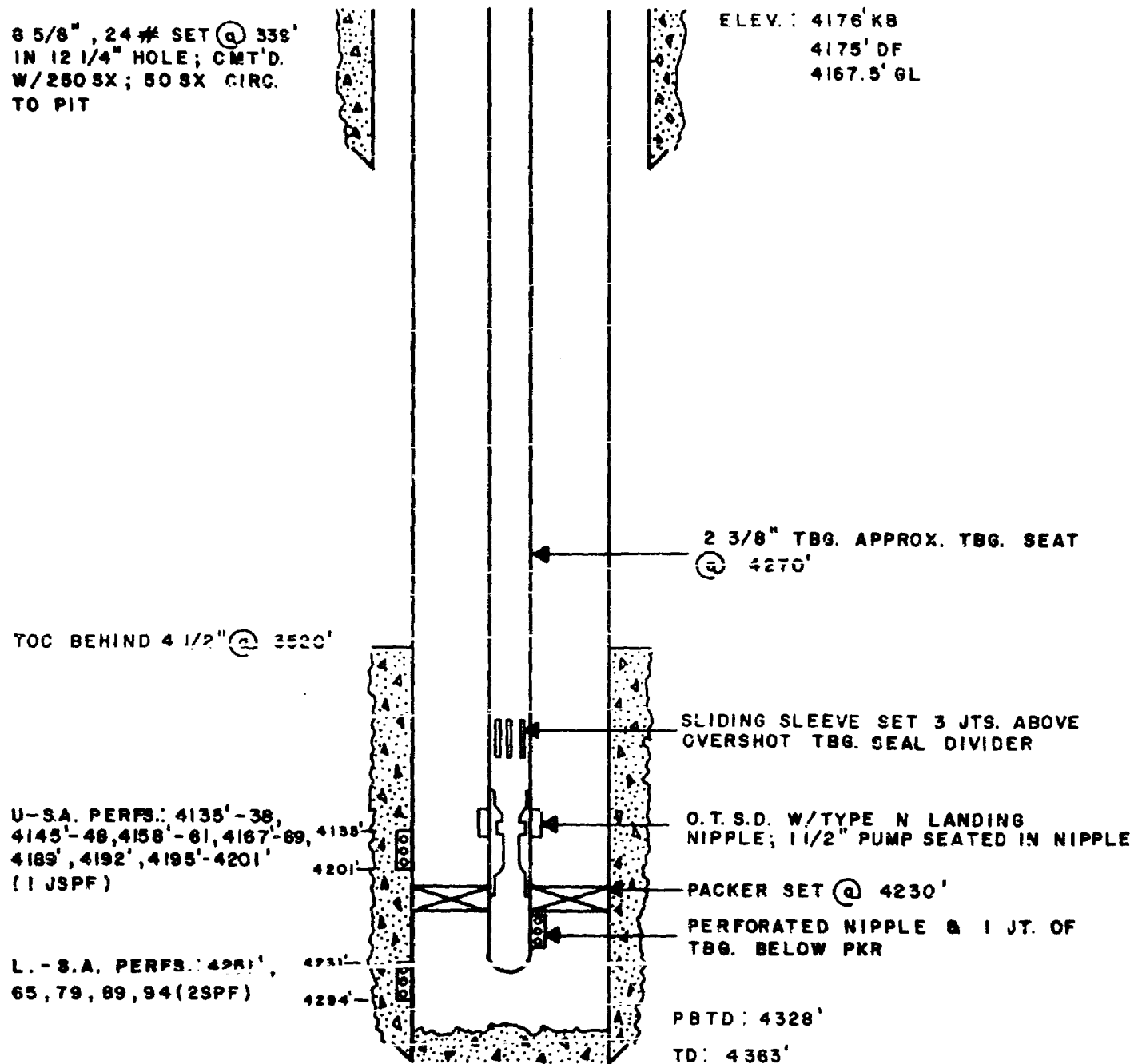
Exhibit # 4

NEW MEXICO STATE "AY" NO. 5
TODD LOWER & UPPER SAN ANDRES
ROOSEVELT COUNTY, NEW MEXICO
UNIT E, SEC. 36, T-7-S, R-35-E.

PROPOSED COMPLETION

8 5/8", 24 # SET @ 338'
IN 12 1/4" HOLE; CMT'D.
W/250 SX; 50 SX CIRC.
TO PIT

ELEV.: 4176' KB
4175' DF
4167.5' GL



4 1/2", 9.5 # J-55 SET @ 4363'
IN 7 7/8" HOLE CMT'D. W/200
SX; TOC BY TEMP SURVEY @
3520'

SUN OIL COMPANY

Date of Hearing: 12-12-79

Docket No.: 6760

Exhibit # 5

(SHOE BAR-PENNSYLVANIAN POOL - Cont'd.)

the Shoe Bar-Pennsylvanian Oil Pool, Lea County, New Mexico, for a period of eighteen months.

(3) That pursuant to the provisions of Order No. R-3136, this case was reopened to allow the operators in the subject pool to appear and show cause why the Shoe Bar-Pennsylvanian Oil Pool should not be developed on 40-acre spacing units.

(4) That no operator in the subject pool appeared to show cause why the Shoe Bar-Pennsylvanian Oil Pool should not be developed on 40-acre spacing units.

(5) That the operators in the subject pool have not established that one well can efficiently and economically drain and develop 80 acres.

(6) That no necessity exists for the continuation of the Special Rules and Regulations promulgated by Order No. R-3136 and that said rules should therefore be abolished.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Shoe Bar-Pennsylvanian Oil Pool, promulgated by Order No. R-3136, are hereby abolished.

(2) That this order shall become effective May 1, 1968.

(3) 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.

TODD-UPPER SAN ANDRES GAS POOL
Roosevelt County, New Mexico

Order No. R-3153, Subdividing the Todd-San Andres Pool into the Todd-Lower San Andres Pool and Todd-Upper San Andres Gas Pool and Adopting Operating Rules for the Todd-Upper San Andres Gas Pool, Roosevelt County, New Mexico, December 1, 1966.

See separate order for rules governing the Todd-Lower San Andres Pool.

Application of Sunray Oil Company for Pool Redelineation, Roosevelt County, New Mexico.

CASE NO. 3490
Order No. R-3153

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on November 2, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of November, 1966, 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-1670-G, dated October 29, 1965, temporary Special Rules and Regulations were promulgated for the Todd-San Andres Pool, Roosevelt County, New Mexico, superseding the Special Rules and Regulations promulgated by Order No. R-2666, dated March 13, 1964.

(3) That by Order No. R-1670-G, dated October 19, 1966, said temporary Special Rules and Regulations were continued in full force and effect until further order of the Commission.

SUN OIL COMPANY

Date of Hearing: 12-12-79

Docket No.: 6760

Exhibit # 6

(TODD-UPPER SAN ANDRES GAS POOL- Cont'd.)

(4) That the applicant, Sunray DX Oil Company, seeks the abolishment of the Todd-San Andres Pool, Roosevelt County, New Mexico, and the creation of the Todd-Upper San Andres Gas Pool, with horizontal limits to be the same as those presently designated for the Todd-San Andres Pool and vertical limits to be that portion of the San Andres formation above the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair, Inc., Mark Federal Well No. 1, located in Unit M of Section 26, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, and the creation of the Todd-Lower San Andres Pool, with horizontal limits to be the same as those presently designated for the Todd-San Andres Pool and vertical limits to be that portion of the San Andres formation below the above-described anhydrite bed.

(5) That the applicant proposes that the Todd-Lower San Andres Pool be governed by all the previous rules, regulations, and orders of the Commission presently applicable to the Todd-San Andres Pool.

(6) That the applicant also seeks the promulgation of special pool rules for the Todd-Upper San Andres Gas Pool, including a provision for 320-acre spacing.

(7) That the Todd-San Andres Pool encompasses more than one separate common source of supply and should therefore be abolished.

(8) That each of the proposed pools encompasses a separate common source of supply.

(9) That effective December 1, 1968, the Todd-Upper San Andres Gas Pool and the Todd-Lower San Andres Pool should be created with vertical limits as proposed by the applicant and horizontal limits as follows:

TODD-UPPER SAN ANDRES GAS POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Sections 22 and 23: All
Section 24: W/2
Section 25: W/2
Sections 26, 27, and 28: All
Section 34: N/2
Section 35: All
Section 36: W/2

TODD-LOWER SAN ANDRES POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Sections 22 and 23: All
Section 24: W/2
Sections 25, 26, 27, and 28: All
Section 35: N/2 and SE/4
Section 36: All

TOWNSHIP 7 SOUTH, RANGE 36 EAST, NMPM
Section 30: W/2
Section 31: W/2

(10) That the Todd-Lower San Andres Pool should be governed by all the previous rules, regulations, and orders presently applicable to the Todd-San Andres Pool.

(11) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 320-acre spacing units should be promulgated for the Todd-Upper San Andres Gas Pool.

(12) That the special rules and regulations for the Todd-Upper San Andres Gas Pool should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(13) That in order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights, authority should be granted to dually complete those wells presently open to both the upper zone and the lower zone of the San Andres formation in the subject area.

(TODD-UPPER SAN ANDRES GAS POOL - Cont'd.)

(14) That each well which is presently open to both the upper zone and the lower zone of the San Andres formation in the subject area and which has an underproduced status or an overproduced status as of December 1, 1966, should, on that date, have said status reduced by 50 percent, thereby permitting one-half of the well's production and status up to that time to be charged to the prorated lower zone and one-half to be charged to the non-prorated upper zone.

(15) That after December 1, 1966, all production from any well which is open to both the upper zone and the lower zone of the San Andres formation in the subject area should be charged to the allowable of the well for the lower zone only, until said well has been dually completed and notices of connection for both zones have been filed with the Commission.

(16) That any well which is open to both the upper zone and the lower zone of the San Andres formation in the subject area and which has not been dually completed by December 31, 1966, should, on that date, be shut in and the allowable cancelled.

IT IS THEREFORE ORDERED:

(1) That the Todd-San Andres Pool is hereby abolished.

(2) That a new pool in Roosevelt County, New Mexico, classified as an associated reservoir for the production of oil and gas from the Lower San Andres formation is hereby created and designated the Todd-Lower San Andres Pool with vertical limits comprising that portion of the San Andres formation below the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair, Inc., Mark Federal Well No. 1, located in Unit M of Section 26, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, and with horizontal limits as follows:

TODD-LOWER SAN ANDRES POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Sections 22 and 23: All
Section 24: W/2
Sections 25, 26, 27, and 28: All
Section 35: N/2 and SE/4
Section 36: All

TOWNSHIP 7 SOUTH, RANGE 36 EAST, NMPM
Section 30: W/2
Section 31: W/2

(3) That a new pool in Roosevelt County, New Mexico, classified as a gas pool for Upper San Andres production is hereby created and designated the Todd-Upper San Andres Gas Pool with vertical limits comprising that portion of the San Andres formation above the anhydrite bed found at 4200 feet in the Franklin, Aston and Fair, Inc., Mark Federal Well No. 1, located in Unit M of Section 26, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, and with horizontal limits as follows:

TODD-UPPER SAN ANDRES GAS POOL
ROOSEVELT COUNTY, NEW MEXICO

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Sections 22 and 23: All
Section 24: W/2
Section 25: W/2
Sections 26, 27, and 28: All

Section 34: N/2
Section 35: All
Section 36: W/2

(4) That the Todd-Lower San Andres Pool shall be governed by all the previous rules, regulations, and orders presently applicable to the Todd-San Andres Pool.

(5) That Special Rules and Regulations for the Todd-Upper San Andres Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS

FOR THE

TODD-UPPER SAN ANDRES GAS POOL

RULE 1. Each well completed or recompleted in the Todd-Upper San Andres Gas Pool or in the Upper San Andres formation within one mile of the Todd-Upper San Andres Gas Pool, and not nearer to or within the limits of another designated Upper San Andres gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Todd-Upper San Andres Gas Pool shall be located on a standard unit consisting of approximately 320 acres which shall comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a single governmental section and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well completed or recompleted in the Todd-Upper San Andres Gas Pool shall be located in the northeast quarter or the southwest quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section and no nearer than 330 feet to any governmental quarter-quarter section line.

(TODD-UPPER SAN ANDRES GAS POOL - Cont'd.)

RULE 5. The Secretary-Director may grant an exception to the footage requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed unorthodox 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 offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Upper San Andres formation within the Todd-Upper San Andres Gas Pool or within one mile of the Todd-Upper San Andres Gas Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator of any such well shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 1, 1966.

(2) That any operator desiring to dedicate 320 acres to a well presently drilling to or completed in the Todd-Upper San Andres Gas Pool shall file a new Form C-102 with the Commission on or before December 1, 1966.

(3) That each well presently open to both the upper zone and the lower zone of the San Andres formation in the subject area is hereby authorized for dual completion provided the operator furnishes the items required by Rules 112-A IV(a) and (d) of the Commission Rules and Regulations to the Secretary-Director of the Commission and obtains his approval for said dual completion. No waiting period or offset waivers will be required.

(4) That each well that is presently open to produce from both the upper zone and the lower zone of the San Andres formation in the subject area and which has an underproduced status or an overproduced status as of December 1, 1966, shall have said status reduced by 50 per cent.

(5) That after December 1, 1966, all production from any well which is completed in both the upper zone and the lower zone of the San Andres formation in the subject area shall be charged to the allowable for the lower zone only (Todd-Lower San Andres Pool) until said well has been dually completed and notices of connection for both zones have been filed with the Commission.

(6) That any well which is open to both the upper zone and the lower zone of the San Andres formation in the subject area and which has not been dually completed and notice of connection received by the Commission by December 31, 1966, shall be ordered shut in and the allowable therefor cancelled until such dual completion has been effected and notice of connection received.

(7) That the overproduced or underproduced status of any well presently completed in the lower zone only of the San Andres formation in the subject area shall remain unchanged by this order.

(8) That any well which is presently completed in the upper zone only of the San Andres formation in the subject area shall be removed from the gas proration schedule December 1, 1966.

(9) That this order shall become effective December 1, 1966.

(10) 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.

GALLEGOS-GALLUP OIL POOL
Rio Arriba and San Juan Counties, New Mexico

Order No. R-1286, Exempting from Rule 502 I(a), the Gallegos-Gallup Oil Pool, Rio Arriba and San Juan Counties, New Mexico, November 21, 1958.

The application of the Oil Conservation Commission upon its own motion at the request of certain operators to determine whether all wells in the Gallegos-Gallup Oil Pool should be granted an exception to Rule 502 I (a) of the Commission Rules and Regulations.

CASE NO. 1544
Order No. R-1286

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a. m. on November 13, 1958, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of November, 1958, the Commission, a quorum being present, having considered the application, and the evidence adduced, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
500 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

November 19, 1979

Mr. Joe Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 6760

re: Sun Oil Company

Dear Joe:

I would appreciate you setting the enclosed TWO applications for hearing on December 12, 1979.

They are for the Sun Oil Company, NM, "AY" State No. 5 well and the A. B. Reeves Well No. 6.

Very truly yours

W. Thomas Kellahin
W. Thomas Kellahin

WTK:mmm
Encls.

cc: J. T. Powers

SUN OIL

2 Applications

set ready

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF SUN OIL COMPANY FOR APPROVAL OF
DUAL COMPLETION, EXCEPTION TO RULE
4 OF THE SPECIAL RULES OF THE TODD
UPPER SAN ANDRES POOL, UNORTHODOX
LOCATION, NON-STANDARD GAS PRORATION
UNIT, FOR INFILL DRILLING, AND SIMULTANEOUS
DEDICATION OF ACREAGE, ROOSEVELT COUNTY,
NEW MEXICO.

APPLICATION

Case 6760

COMES NOW SUN OIL COMPANY by and through its attorneys Kellahin and Kellahin, and applies to the Oil Conservation Division of New Mexico for approval of dual completion, exception to Rule 4 of the Special Rules of the Todd Upper San Andres Pool, unorthodox location, non-standard gas proration unit, and for infilling drilling findings for its N.M. "AY" State Well No. 5, located in Unit E, Section 36, T7S, R35E, N.M.P.M., Roosevelt County, New Mexico and in support thereof would show:

1. Applicant is the operator of the N/2 of Section 36, T7S, R35E, N.M.P.M.
2. Applicant desires approval to plug back its N.M. "AY" State Well No. 5 and recomplete said well as a dual completion of the Todd-Lower San Andres Pool (Oil) and the Todd-Upper San Andres Gas Pool.
3. Applicant further seeks approval of an unorthodox well location of 1980 feet from the North line and 660 feet from the West line for said well, requiring an exception to Rule 4 of the Special Rules for the Todd-Upper San Andres Gas Pool.

*Rule 4 requires wells
to be in the NE or SW
quarter of the Section*

4. Applicant further seeks approval of a 160 acre non-standard gas proration unit for said well consisting of the NW/4 of Section 36.


5. Applicant further seeks infill drilling determination that the subject well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be effectively and efficiently drained by any existing well within the proration unit.

6. Applicant proposes to simultaneously dedicate the 160 acre unit to the subject well and to the N.M. "AY" State Well No. 3 located in Unit F of Section 36.

WHEREFORE, Applicant requests that this matter be set for hearing before the Division's Examiner and that after notice and hearing the application be granted as requested.

KELLAHIN & KELLAHIN

By


W. Thomas Kellahin

P. O. Box 1769
Santa Fe, New Mexico 87501
ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF SUN OIL COMPANY FOR APPROVAL OF
DUAL COMPLETION, EXCEPTION TO RULE
4 OF THE SPECIAL RULES OF THE TODD
UPPER SAN ANDRES POOL, UNORTHODOX
LOCATION, NON-STANDARD GAS PRORATION
UNIT, FOR INFILL DRILLING, AND SIMULTANEOUS
DEDICATION OF ACREAGE, ROOSEVELT COUNTY,
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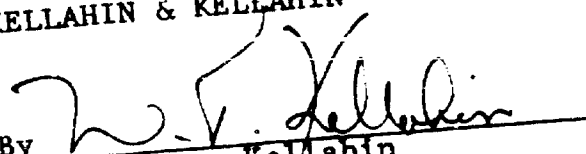
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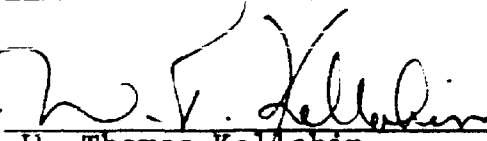
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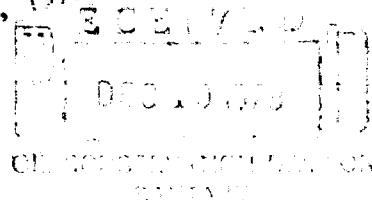
KELLAHIN & KELLAHIN

By


W. Thomas Kellahin
P. O. Box 1769
Santa Fe, New Mexico 87501
ATTORNEYS FOR APPLICANT

Olen F. Featherstone II
INVESTMENTS
1717 WEST SECOND STREET
ROSWELL, NEW MEXICO 88201

December 5, 1979



Case 6760
Dec. 12

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501
Attn: Joe D. Ramey

Re: Dual Completion, Unorthodox Location,
Non-Standard Gas Proration Unit and
Exception to Rule 4 of the Special
Field Rules
New Mexico "AY" State Well No. 5
Todd Upper San Andres and Todd Lower
San Andres Pools, Roosevelt County,
New Mexico

Gentlemen:

This letter is to support the request recently made to your office
by Sun Production Company of which we wish to inform you that we
have no objection to the completion of the unorthodox well location
and a non-standard gas proration unit of 160 acres.

If we can be of any further assistance towards this matter please
do not hesitate to contact us.

Thanking you, I am

Yours truly,

A handwritten signature of Olen F. Featherstone II.

Olen F. Featherstone II

OFFII/blm
cc: Sun Production Co.
P. O. Box 2880
Dallas, TX 75221

DOUCH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6760

Order No. R-6237

APPLICATION OF SUN OIL COMPANY

FOR APPROVAL OF ~~XXXXXXXXXXXXXXXXXXXX~~ AN UNORTHODOX LOCATION, NON-
STANDARD PRORATION UNIT, INFILL FINDINGS, AND SIMULTANEOUS DEDICATION,
~~XXXXXXXXXXXXXXXXXXXX~~ ROOSEVELT

COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12,
19 79, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of December, 1979, the
Division Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Sun Oil Company, seeks

approval of a 160-acre non-standard gas proration
unit comprising the NW 1/4 of Section 36, Township
7 South, Range 35 East, NMPM, Todd-^{Upper} San Andres
Gas Pool, Roosevelt County, New Mexico to be dedi-
cated to its State "AY" well No. 5, located at an
unorthodox location for said pool in Unit E
of said Section 36, which well, now a Todd-Lower
San Andres Associated Pool oil well, would be
finally completed to produce gas from the
Upper San Andres formation and oil from
the Lower San Andres formation through
the casing-tubing annulus and through
tubing, respectively, with separation of the zones to be achieved
by means of a central, split, eccentric, 4 1/2" bit

- and of the proposed non-standard
 100-acre proration
 unit for said pool
- approval of the the foregoing
- (3) That, dual completion of said State "A4" Well No. 5 in the Todd-Upper San Andres Gas Pool, is necessary in order to effectively and efficiently drain the gas in said pool underlying the NW/4 of said Section 36.
- (4) That the unorthodox location of said well in the Todd-Upper San Andres Gas Pool, ~~results~~ being in the ~~NE/4~~ NW/4 of Section 36, rather than in the NE/4 or the SE/4 of the ~~section~~ section as specified by the pool rules, results from the well originally having been drilled at a standard location for the Todd-Upper San Andres Pool. ~~and also from a~~
- (5) That no object operator objected to the ~~same~~ unorthodox location of the subject well in the Todd-Upper San Andres Gas Pool.
- (6) That the ^{mechanics of the} proposed dual completion of the subject well ~~is~~ are feasible and in accord with good conservation practices, assuming that the upper zone, when completed, is classified as a gas well and not as an oil well.
- (7) ~~That should the subject well be classified as an oil well in the~~
- (7) That ~~approval of~~ the proposed dual completion, unorthodox location, and non-standard gas proration unit are in the interest of conservation ^{and} will not impair correlative rights nor cause waste and should be approved.

IT IS THEREFORE ORDERED:

(1) That Sun Oil Company is hereby authorized to finally complete its ~~new~~ State "H4" well No 5 at an unorthodox location for the Todd-Upper San Andres Gas Pool 1980 feet from the North line and 660 feet from the West line of Section 36, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, in such a manner as to produce gas from said pool through the casing-tubing annulus and to produce oil from the Todd Lower San Andres Associated Pool through tubing, with separation of the zones to be achieved by means of a packer set at 4230 feet

(2) That the aforesaid unorthodox gas well location in the Todd-Upper San Andres Gas Pool is hereby approved, as is a 160-acre nonstandard acreage unit for the subject well in said pool comprising the NW 1/4 of the above-described Section 36.

(3) That the subject well shall receive an acreage factor of 0.5 for allowance purposes in the Todd-Upper San Andres Gas Pool.

(4) That the applicant shall complete, operate, and produce the subject well in accordance with the provisions of Rule 112-B of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

(5) Jurisdiction
DONE @

PROVIDED HOWEVER, that the applicant shall take Packer Leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for the Todd-Upper San Andres Gas Pool.