

Entered September 29, 1978
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO
CONSIDER THE AMENDMENT OF ORDER
NO. R-1670-T, RULE 2(A), BLANCO
MESAVERDE POOL, SAN JUAN AND RIO
ARRIBA COUNTIES, NEW MEXICO.

CASE NO. 6312
Order No. R-1670-U

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 30, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of September, 1978, 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 Rule 2(A) of the Oil Conservation Division Special Rules and Regulations for the Blanco Mesaverde Pool as promulgated by Division Order No. R-1670, as amended, provides that the initial well drilled on a proration unit shall be located 990 feet from the outer boundary of either the Northeast or Southwest quarter of the section, subject to a variation of 200 feet for topographic conditions.
- (3) That said rule, providing for the location of wells in alternate quarter sections, was adopted early in the life of Blanco Mesaverde Pool development, and has materially contributed to the orderly development of over 2000 proration units.
- (4) That by Order No. R-1670-T, dated November 14, 1974, the special rules for the Blanco Mesaverde Pool were amended to permit the drilling of a second well on each proration unit, said second well to be drilled in the opposite quarter section of the proration unit, with the deliverability of the wells to be additive for the purpose of calculating the unit's allowable.

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(5) That subsequent to the issuance of said Order No. R-1670-T, over 600 infill wells have been drilled.

(6) That all future development in the Blanco Mesaverde Pool will consist of further infill drilling and some additional primary drilling on the edges of the pool where production is often of a marginal characteristic as the limits of production are approached.

(7) That the fixed spacing pattern described in Findings Nos. (2) and (3) above has been satisfactory and even preferable in development of the pool, but the edge drilling to establish the ultimate productive limits of the pool requires additional flexibility in the location of wells which the fixed spacing does not provide.

(8) That the pool rules for the Blanco Mesaverde Pool in San Juan and Rio Arriba Counties, New Mexico, should be amended to permit the first well on the proration unit to be drilled on either 160-acre tract comprising the unit, so long as the well is no closer than 790 feet to the outer boundary of the quarter section line and no closer than 130 feet to any quarter-quarter section line or subdivision inner boundary.

(9) That to amend said pool rules in the aforesaid manner is in the interest of conservation, may prevent waste, and will protect rather than impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That Rule 2(A) of the Special Pool Rules for the Blanco Mesaverde Pool, as promulgated by Order No. R-1670, and as amended, particularly by Order No. R-1670-T, is hereby amended to read in its entirety as follows:

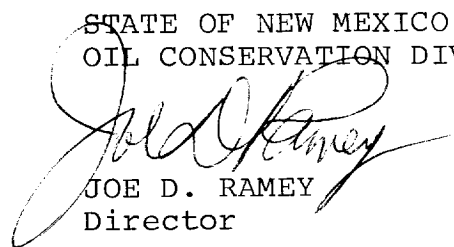
"RULE 2 (A). The initial well drilled on a proration unit shall be located not closer than 790 feet to any outer boundary of the quarter section on which the well is located, and not closer than 130 feet to any quarter-quarter section line or subdivision inner boundary."

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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