

*Entered May 21, 1974*  
*D.S.B.*

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. 5236  
Order No. R-2210-A

APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR FIVE UNORTHODOX OIL  
WELL LOCATIONS AND AN ADMINISTRATIVE  
PROCEDURE, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 8, 1974,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of May, 1974, 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, Atlantic Richfield Company, seeks  
approval for the unorthodox location of five oil wells in the  
Horseshoe-Gallup Oil Pool in Township 31 North, Range 16 West,  
NMPM, San Juan County, New Mexico, to be drilled at the following  
points:

1975 feet from the North line and 890 feet from the  
West line of Section 28; 150 feet from the North line  
and 1375 feet from the East line of Section 33; 2580  
feet from the South line and 295 feet from the West line  
of Section 35; 2605 feet from the North line and 2580  
feet from the East line of Section 32; and 2540 feet  
from the South line and 2570 feet from the East line  
of Section 30.

(3) That the applicant further seeks an administrative  
procedure for the approval without notice and hearing of addi-  
tional unorthodox locations for infill wells to be drilled  
within applicant's Horseshoe-Gallup Unit Pressure Maintenance  
Project.

(4) That the subject unorthodox locations are proposed for  
the purpose of infill drilling in the Horseshoe-Gallup Oil Pool.

-2-

CASE NO. 5236

Order No. R-2210-A

(5) That wells drilled at the proposed unorthodox locations will better enable the applicant to recover its just and equitable share of the oil in the Horseshoe-Gallup Oil Pool, will otherwise prevent waste, and not violate correlative rights.

(6) That Rule 11 of the Special Rules and Regulations for applicant's Horseshoe-Gallup Pressure Maintenance Project as promulgated by Commission Order No. R-2210 entered April 18, 1962, should be amended to provide a procedure whereby additional injection and production wells drilled in unorthodox locations may be approved without the necessity of notice and hearing.

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to drill oil wells in the following unorthodox locations in Township 31 North, Range 16 West, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico:

1975 feet from the North line and 890 feet from the West line of Section 28; 150 feet from the North line and 1375 feet from the East line of Section 33; 2580 feet from the South line and 295 feet from the West line of Section 35; 2605 feet from the North line and 2580 feet from the East line of Section 32; and 2540 feet from the South line and 2570 feet from the East line of Section 30.

(2) That Rule 11 of the Special Rules and Regulations for applicant's Horseshoe-Gallup Unit Pressure Maintenance Project as promulgated by Commission Order No. R-2210 entered April 18, 1962, is hereby amended to read in its entirety as follows:

RULE 11. The Secretary-Director of the Commission is hereby authorized to approve such additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Horseshoe-Gallup Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the Commission, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

(1) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.

(2) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.

-3-

CASE NO. 5236

Order No. R-2210-A

(3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

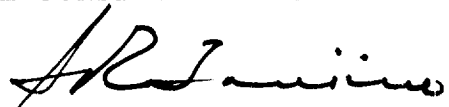
The Secretary-Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant immediate approval, provided waivers of objection are received from all offset operators.

Expansion of the project area may be approved by the Secretary-Director of the Commission administratively when good cause is shown therefor.


(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.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

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