

Entered September 17, 1963  
A. L. P.

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. 2575  
Order No. R-2267-A

APPLICATION OF VAL R. REESE &  
ASSOCIATES, INC., FOR THE CREA-  
TION OF A NEW OIL POOL AND FOR  
SPECIAL POOL RULES, RIO ARRIBA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 10, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of August, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Order No. R-2267 dated June 21, 1962, established 80-acre oil proration units and 320-acre gas proration units for the Lybrook-Gallup Oil Pool, Rio Arriba County, New Mexico, for a temporary one-year period.

(3) That pursuant to the provisions of Order No. R-2267, Case 2575 has been reopened to allow the applicant and all interested parties to present information concerning the reservoir characteristics of the subject pool and the effectiveness of the temporary rules and regulations established by Order No. R-2267.

(4) That the evidence concerning the reservoir characteristics of the subject pool and the effectiveness of the temporary rules and regulations established by Order No. R-2267 is not

-2-

CASE No. 2575

Order No. R-2267-A

sufficient to justify continuation of the temporary special rules and regulations for the Lybrook-Gallup Oil Pool for more than an additional one-year period.

(5) 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, the temporary special rules and regulations for the Lybrook-Gallup Oil Pool promulgated by Order No. R-2267 should be continued in effect for an additional one-year period.

(6) That this case should be reopened at an examiner hearing in August, 1964, and that 160-acre gas proration units and 40-acre oil proration units should be established for the Lybrook-Gallup Oil Pool if the operators in the subject pool do not present substantial evidence to justify continuation of the special rules and regulations for the Lybrook-Gallup Oil Pool.

IT IS THEREFORE ORDERED:

(1) That the temporary special rules and regulations for the Lybrook-Gallup Oil Pool promulgated by Order No. R-2267 shall be continued in effect for an additional one-year period.

(2) That this case shall be reopened at an examiner hearing in August, 1964, and that 160-acre gas proration units and 40-acre oil proration units shall be established for the Lybrook-Gallup Oil Pool if the operators in the subject pool do not present substantial evidence to justify continuation of the special rules and regulations for the Lybrook-Gallup Oil Pool.


(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

  
JACK M. CAMPBELL, Chairman

  
E. S. WALKER, Member

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

S E A L

esr/