

Entered September 17, 1963
A. Q. 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. 2857
Order No. R-2543

APPLICATION OF STANDARD OIL COMPANY
OF TEXAS 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 9th 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 the applicant, Standard Oil Company of Texas, seeks the promulgation of special rules and regulations for the Boulder-Mancos Oil Pool, including a provision for 80-acre spacing units.
- (3) That the evidence concerning reservoir characteristics establishes that the Boulder-Mancos Oil Pool can be efficiently and economically drained and developed on 80-acre proration units.
- (4) That the establishment of 80-acre proration units for the Boulder-Mancos Oil Pool will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risks arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells, and will otherwise prevent waste and protect correlative rights.

-2-

CASE No. 2857
Order No. R-2543

IT IS THEREFORE ORDERED:

That special rules and regulations for the Boulder-Mancos Oil Pool are hereby promulgated as follows, effective September 1, 1963.

SPECIAL RULES AND REGULATIONS
FOR THE
BOULDER-MANCOS OIL POOL

RULE 1. Each well completed or recompleted in the Boulder-Mancos Oil Pool or in the Mancos formation within one mile of the Boulder-Mancos Oil Pool, and not nearer to or within the limits of another designated Mancos oil 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 Boulder-Mancos Oil Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director 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 comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit 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 formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well projected to or completed in the Boulder-Mancos Oil Pool shall be located within 150 feet of the center of a single governmental quarter-quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each quarter-quarter section in a standard unit.

RULE 5. The Secretary-Director may grant an exception to the 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. All operators offsetting the proposed unorthodox location shall be notified of the application

-3-

CASE No. 2857

Order No. R-2543

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.

RULE 6. A standard proration unit (79 through 81 acres) in the Boulder-Mancos Oil Pool shall be assigned an 80-acre proportional factor of 2.00 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Boulder-Mancos Oil Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 7. An 80-acre allowable shall not be assigned to any well in the Boulder-Mancos Oil Pool until a productivity test covering a period of not less than 48 hours has been filed on Commission Form C-116 with the Aztec District Office of the Commission. At least three days prior to the test the operator shall notify the Aztec District Office and all offset operators in writing of the date and time the test will commence. The Commission and all offset operators shall be allowed to witness the test. During the 48 hours of the productivity test, the well shall be produced at a constant and uniform rate. However, only the last 24 hours of the test period shall determine the productivity of the well for proration purposes.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Mancos formation within the Boulder-Mancos Oil Pool or within one mile of the Boulder-Mancos Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Aztec District Office in writing of the name and location of the well on or before September 1, 1963.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling to or completed in the Boulder-Mancos Oil Pool shall file a new Form C-128 with the Commission on or before September 1, 1963. The plat shall be accompanied by a new test taken in accordance with Rule 7 above if an increase in allowable is sought.

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

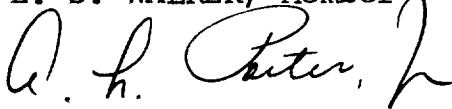
-4-
CASE No. 2857
Order No. R-2543

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

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