

*Entered January 2, 1968*  
*A.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. 3695  
Order No. R-3361

APPLICATION OF TENNECO OIL COMPANY  
FOR SPECIAL POOL RULES, MCKINLEY  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 20, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of January, 1968, 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, Tenneco Oil Company, seeks the promulgation of special pool rules for the South Hospah Upper Sand Oil Pool and the South Hospah Lower Sand Oil Pool, McKinley County, New Mexico, to provide that wells drilled in said pools could be located anywhere on the 40-acre unit except that no well could be located closer than 330 feet to the outer boundary of the lease nor closer than 200 feet to another well producing from the same pool.

(3) That the applicant further proposes that any existing well not located in accordance with the above requirements be granted an exception to said requirements.

(4) That adoption of the proposed special rules and regulations will prevent waste and protect correlative rights, provided

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a 40-acre proration unit in the South Hospah Upper Sand Oil Pool or the South Hospah Lower Sand Oil Pool is subject to a 40-acre unit allowable for wells in the South Hospah Upper Sand Oil Pool or South Hospah Lower Sand Oil Pool, whichever is applicable, regardless of the number of wells on the unit.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the South Hospah Upper Sand Oil Pool and the South Hospah Lower Sand Oil Pool, McKinley County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE  
SOUTH HOSPAH UPPER SAND OIL POOL  
AND THE  
SOUTH HOSPAH LOWER SAND OIL POOL

RULE 1. Each well completed or recompleted in the South Hospah Upper Sand Oil Pool or in the South Hospah Lower Sand Oil Pool or in the Gallup formation within one mile thereof, and not nearer to or within the limits of another designated Gallup oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located no nearer than 330 feet to the outer boundary of the lease upon which it is located nor closer than 200 feet to another well drilling to or capable of producing from the same pool nor nearer than 20 feet to the boundary of the 40-acre tract upon which it is located.

RULE 3. The Secretary-Director of the Commission shall have authority to grant exceptions to Rule 2 without notice and hearing when an application therefor has been filed in due form and the necessity for the exception is based upon topographical conditions.

All operators owning acreage within 330 feet of the proposed 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 operators owning acreage within 330 feet of the proposed location or if no such operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

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RULE 4. A 40-acre proration unit in the South Hospah Upper Sand Oil Pool or the South Hospah Lower Sand Oil Pool shall be subject to a 40-acre unit allowable for wells in the South Hospah Upper Sand Oil Pool or the South Hospah Lower Sand Oil Pool, whichever is applicable, regardless of the number of wells on the unit.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the South Hospah Upper Sand Oil Pool or the South Hospah Lower Sand Oil Pool or in the Gallup formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location not previously approved by order of the Commission shall notify the Aztec District Office of the Commission in writing of the name and location of the well on or before January 15, 1968.

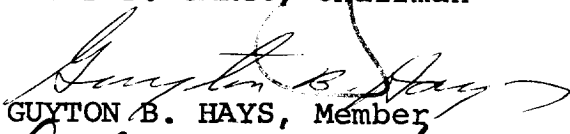
(2) That all provisions of Order No. R-3270 and Order No. R-3325 that are in conflict with the provisions of this order are hereby superseded.

(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

  
DAVID F. CARGO, Chairman

  
GUYTON B. HAYS, Member

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

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