

Entered May 14, 1969
Q.L.R.

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. 4117
Order No. R-3751

APPLICATION OF EASTERN PETROLEUM COMPANY
FOR SPECIAL POOL RULES, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 7, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 14th day of May, 1969, 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, Eastern Petroleum Company, seeks the establishment of special rules and regulations for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, to permit the drilling of wells on 2 1/2-acre spacing, provided that no well be located nearer than 50 feet to the outer boundary of the quarter-quarter section and no nearer than 165 feet to another well producing from the same pool, and provided further, that a 40-acre proration unit would be subject to a 40-acre allowable regardless of the number of wells on the unit.

(3) That the evidence presented indicates that wells may need to be drilled nearer than 50 feet to the outer boundary of the quarter-quarter section and/or nearer than 165 feet to another well producing from the same pool in order to efficiently and economically drain the subject reservoir.

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(4) That in order to afford operators in the subject pool the opportunity to produce their just and equitable share of the oil in the pool, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 2 1/2-acre spacing units should be promulgated for the Rattlesnake-Dakota Pool.

(5) That a 40-acre proration unit in the subject pool should not receive more than a 40-acre top unit allowable for wells in the 0-4999 foot depth range in Northwest New Mexico, regardless of the number of wells on the 40-acre unit.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
RATTLESNAKE-DAKOTA POOL

RULE 1. Each well completed or recompleted in the Rattlesnake-Dakota Pool or in the Dakota formation within one mile thereof, and not nearer to or within the limits of another designated Dakota 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 on a 2 1/2-acre tract and shall be located no nearer than 25 feet to the outer boundary of the quarter-quarter section on which it is located; provided however, that in no event shall said well or wells be completed or recompleted nearer than 165 feet to the boundary of acreage owned by an offset operator.

That nothing contained herein shall be construed as prohibiting the location of a well because of its nearness to a previously drilled well.

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

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All operators owning acreage within 165 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 165 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.

RULE 4. A 40-acre proration unit shall not produce in excess of the 40-acre top unit allowable for wells in the 0-4999 foot depth range in Northwest New Mexico, 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 Rattlesnake-Dakota Pool or in the Dakota formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Aztec District Office of the Commission in writing of the name and location of the well on or before June 1, 1969.

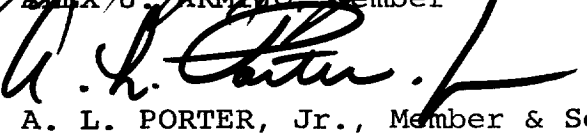
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID E. CARGO, Chairman


ALEX J. ARMERO, Member


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

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