

Entered May 24, 1977
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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. 5911
Order No. R-5353-B

APPLICATION OF ODESSA NATURAL GAS
COMPANY FOR SPECIAL POOL RULES, RIO
ARRIBA AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 20, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of May, 1977, 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 by Order No. R-5192, dated March 30, 1976,
temporary special rules and regulations were promulgated for
the Chacon-Dakota Oil Pool, Rio Arriba and Sandoval Counties,
New Mexico, establishing temporary 80-acre spacing units.

(3) That the applicant, Odessa Natural Gas Company, seeks
the adoption of special rules and regulations for said Chacon-
Dakota Oil Pool to provide for the classification of oil wells
and gas wells therein, and the adoption of 160-acre and 320-
acre spacing and proration units, respectively, therefor.

(4) That the evidence available at the time of the hearing
indicates that said Chacon-Dakota Oil Pool should be reclassified
as an associated pool.

(5) That the evidence available at the time of the hearing
indicates that said Chacon-Dakota Oil Pool may be efficiently
and economically developed by oil wells on 160-acre spacing

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and proration units and by gas wells on 320-acre spacing and proration units.

(6) That the application for special rules and regulations should be approved for a temporary period of one year to permit operators in the subject pool to gather additional reservoir information.

(7) That this case should be reopened at an examiner hearing in June, 1978, at which time the operators in the subject pool should be prepared to appear and show cause why said pool should not be reclassified as an oil pool to be governed by statewide rules.

IT IS THEREFORE ORDERED:

(1) That effective June 1, 1977, the Chacon-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, is hereby reclassified as an associated pool and redesignated the Chacon-Dakota Associated Pool.

(2) That said Chacon-Dakota Associated Pool shall be governed by the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico, promulgated by Order No. R-5353, insofar as said General Rules and Regulations are not inconsistent with the Special Rules and Regulations for the subject pool as hereinafter set forth, in which event the Special Rules shall apply.

SPECIAL RULES AND REGULATIONS
FOR THE
CHACON-DAKOTA ASSOCIATED POOL

RULE 2. (a) A standard oil proration unit shall be 160 acres. A standard gas proration unit shall be 320 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Chacon-Dakota Associated 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 August 1, 1977.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, N.M.S.A. 1953 Comp, contained in Laws 1969, Chapter 271, existing oil wells in the Chacon-Dakota Associated Pool

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shall have dedicated thereto 160 acres and existing gas wells shall have dedicated thereto 320 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.


Failure to file new Forms C-102 with the Commission dedicating the appropriate acreage to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Chacon-Dakota Associated Pool or in the Dakota formation within one mile thereof shall receive no more than an 80-acre allowable for the pool.

(3) That this case shall be reopened at an examiner hearing in June, 1978, at which time the operators in the subject pool should be prepared to appear and show cause why the Chacon-Dakota Associated Pool should not be reclassified as an oil pool to be governed by statewide rules.

(4) 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


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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