

Entered December 29, 1978
JAR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6387
Order No. R-5353-E

APPLICATION OF R B PETROLEUM
COMPANY FOR POOL RECLASSIFICATION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 21, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 29th day of December, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-4260, effective March 1, 1972, the North Tocito Dome-Pennsylvanian Gas Pool was created and defined subject to the general rules for gas pools in Northwest New Mexico.

(3) That the applicant, R B Petroleum Company, seeks the reclassification of said pool as an associated pool, and the adoption of special rules and regulations for said 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 North Tocito Dome-Pennsylvanian Gas Pool should be reclassified as an associated pool.

-2-

Case No. 6387

Order No. R-5353-E

(5) That the evidence available at the time of the hearing indicates that said North Tocito Dome-Pennsylvanian Pool may be efficiently and economically developed by oil wells on 160-acre spacing 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 January, 1980, 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 a gas pool to be governed by statewide rules.

IT IS THEREFORE ORDERED:

(1) That effective January 1, 1979, the North Tocito Dome-Pennsylvanian Gas Pool in San Juan County, New Mexico, is hereby reclassified as an associated pool and redesignated the North Tocito Dome-Pennsylvanian Associated Pool.

(2) That said North Tocito Dome-Pennsylvanian 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
NORTH TOCITO DOME-PENNSYLVANIAN 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 North Tocito Dome-Pennsylvanian Associated Pool or in the Pennsylvanian 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 Division in writing of the name and location of the well on or before February 1, 1979.

-3-

Case No. 6387

Order No. R-5353-E

(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 North Tocito Dome-Pennsylvanian Associated Pool 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 Division and dedicated thereto.

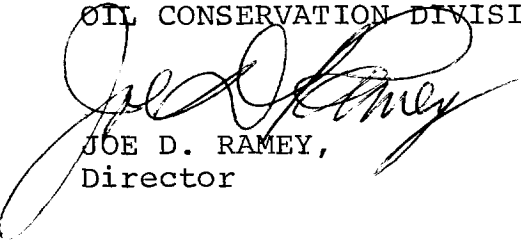
Failure to file new Forms C-102 with the Division dedicating the appropriate acreage to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the North Tocito Dome-Pennsylvanian Associated Pool or in the Pennsylvanian formation within one mile thereof shall receive no more than an 40-acre allowable for the pool.

(3) That this case shall be reopened at an examiner hearing in January, 1980, at which time the operators in the subject pool should be prepared to appear and show cause why the North Tocito Dome-Pennsylvanian Associated Pool should not be reclassified as a gas pool to be governed by statewide rules.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

dr/