

Entered July 16, 1982  
JHR

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. 7519  
Order No. R-7022

APPLICATION OF S & J OIL COMPANY  
FOR SPECIAL POOL RULES, MCKINLEY  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 9, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of July, 1982, 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 the applicant, S & J Oil Company, seeks the promulgation of special pool rules for the Seven Lakes-Menefee Oil Pool to provide for wells to be located not nearer than 25 feet to the quarter-quarter section line nor nearer than 165 feet to lands owned by an offset operator.

(3) That said Seven Lakes-Menefee Oil Pool was discovered in 1911 at a depth of approximately 300 to 350 feet.

(4) That wells in said pool have extremely low rates of production and expected ultimate recoveries.

(5) That the proposed special rules and regulations may permit the production of oil from said pool which may be otherwise unrecoverable thereby preventing waste.

(6) That approval of the application will not result in violation of correlative rights.

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(7) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Seven Lakes-Menefee Oil Pool, McKinley County, New Mexico, are hereby promulgated as follows:

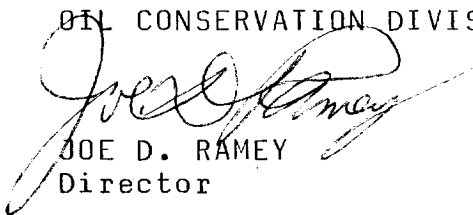
SPECIAL RULES AND REGULATIONS  
FOR THE  
SEVEN LAKES-MENEFEE OIL POOL

RULE 1. Each well completed or recompleted in the Seven Lakes-Menefee Oil Pool or in the Menefee formation within one mile thereof, and not nearer to or within the limits of another designated Menefee oil pool, 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.

(2) 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 hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

S E A L

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