

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. 8448
Order No. R-7471-A

APPLICATION OF GARY-WILLIAMS OIL
PRODUCER, INC., FOR POOL EXPANSION,
AMENDMENT OF DIVISION ORDER R-7471,
AND TWELVE NON-STANDARD OIL
PRORATION UNITS, SANDOVAL COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on January 30, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 22nd day of May, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Gary-Williams Oil Producer, Inc. seeks an order expanding the horizontal limits of the Rio Puerco-Mancos Oil Pool to include the following additional lands:

SANDOVAL COUNTY, NEW MEXICO

TOWNSHIP 20 NORTH, RANGE 2 WEST, NMPM

Sections 3 through 5: All
Sections 8 through 10: All
Sections 15 through 17: All

TOWNSHIP 20 NORTH, RANGE 3 WEST, NMPM

Sections 21 through 28: All

TOWNSHIP 21 NORTH, RANGE 2 WEST, NMPM

Sections 19 through 22: All

Sections 27 through 34: All

TOWNSHIP 21 NORTH, RANGE 3 WEST, NMPM

Sections 25 and 26: All

Sections 35 and 36: All

(3) The applicant further seeks the amendment of the SPECIAL POOL RULES AND REGULATIONS FOR THE RIO PUERCO-MANCOS OIL POOL, as promulgated by Division Order No. R-7471, dated March 7, 1984, to provide for stricter well location requirements, and the approval of twelve non-standard oil proration and spacing units, all within the above-described pool extension area and necessitated by irregularities in section sizes and shapes, each comprised of various contiguous lots and/or tracts in Sections 3, 4, and 5 of Township 20 North, Range 2 West and Sections 19, 30, and 31 of Township 21 North, Range 2 West.

(4) The proposed expansion for the Rio Puerco-Mancos Oil Pool will include acreage that constitutes the same common sources of supply with said pool and should be approved.

(5) To promote more efficient recovery, to prevent the economic loss caused by the drilling of unnecessary wells, and to otherwise prevent waste and protect correlative rights, RULE 3 of the present Rio Puerco-Mancos Oil Pool Rules should be amended to provide that wells in the pool shall be located no closer than 1800 feet to any other well completed or drilling within the pool.

(6) The Rio Puerco-Mancos Oil Pool should be expanded as requested.

(7) The aforesaid six sections where the 12 non-standard proration units are being sought are comprised in the following manner:

SANDOVAL COUNTY, NEW MEXICO

TOWNSHIP 20 NORTH, RANGE 2 WEST, NMPM

Section 3: Lot 1 (28.76 acres), Lot 2 (28.86 acres), Lot 3 (28.98 acres), Lot 4 (29.08 acres), S/2 N/2 (160 acres),

and S/2 (320 acres). Total acreage, 595.68.

Section 4: Lot 1 (29.19 acres), Lot 2 (29.27 acres), Lot 3 (29.37 acres), Lot 4 (29.45 acres), S/2 N/2 (160 acres) and S/2 (320 acres). Total acreage, 597.28.

Section 5: Lot 1 (29.44 acres), Lot 2 (29.31 acres), Lot 3 (29.19 acres) Lot 4 (29.06 acres), S/2 N/2 (160 acres) and S/2 (320 acres). Total acreage, 597.00.

TOWNSHIP 21 NORTH, RANGE 2 WEST, NMPM

Section 19: Lot 1 (38.50 acres), Lot 2 (38.70 acres), Lot 3 (38.90 acres), Lot 4 (39.10 acres), E/2 W/2 (160 acres) and E/2 (320 acres). Total acreage, 635.20.

Section 30: Lot 1 (39.27 acres), Lot 2 (39.43 acres), Lot 3 (39.57 acres), Lot 4 (39.73 acres), E/2 W/2 (160 acres) and E/2 (320 acres). Total acreage, 638.00

Section 31: Lot 1 (39.82 acres), Lot 2 (39.88 acres), Lot 3 (39.92 acres), Lot 4 (39.98 acres), E/2 W/2 (160 acres) and E/2 (320 acres). Total acreage, 639.60.

(8) Each of the aforementioned sections would have two Rio Puerco-Mancos Oil Pool spacing and proration units dedicated to them, each unit consisting of one-half of that section being either the N/2, S/2, E/2, or W/2 of the section.

(9) In all the above-described sections there exists at least one 320-acre standard spacing and proration unit.

(10) The applicant did not specify the acreage to be dedicated to the 12 non-standard proration units in the above-described sections.

(11) To avoid a rehearing of this matter, the applicant should be authorized to file for administrative approval of any non-standard oil proration unit in the sections described in Finding No. (3) when and if the necessity for such non-standard unit is because of the variation in the legal subdivision of the U. S. Public Land Surveys.

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(12) Applications for such administrative approval should be filed concurrently with the Santa Fe and Aztec offices of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The horizontal limits of the existing Rio Puerco-Mancos Oil Pool are hereby expanded to include the following additional area:

SANDOVAL COUNTY, NEW MEXICO

TOWNSHIP 20 NORTH, RANGE 2 WEST, NMPM

Sections 3 through 5: All
Sections 8 through 10: All
Sections 15 through 17: All

TOWNSHIP 20 NORTH, RANGE 3 WEST, NMPM

Sections 21 through 28: All

TOWNSHIP 21 NORTH, RANGE 2 WEST, NMPM

Sections 19 through 22: All
Sections 27 through 34: All

TOWNSHIP 21 NORTH, RANGE 3 WEST, NMPM

Sections 25 and 26: All
Sections 35 and 36: All

(2) RULE 3 of the Special Rules and Regulations for the Rio Puerco Mancos Oil Pool is hereby amended to read in its entirety as follows:

"RULE 3. Each well shall be located no nearer than 660 feet to the outer boundary of the spacing or proration unit, nor nearer than 300 feet to a governmental quarter-quarter section line, nor nearer than 1800 feet to any other well completed or drilling within the pool."

(3) Within Sections 3, 4, and 5 of Township 20 North, Range 2 West and Sections 19, 30, and 31, Township 21 North, Range 2 West, NMPM, the Director of the Division may approve non-standard oil proration units when the unorthodox size and shape of such units is necessitated by a variation in the legal subdivision of the U. S. Public Land Surveys.

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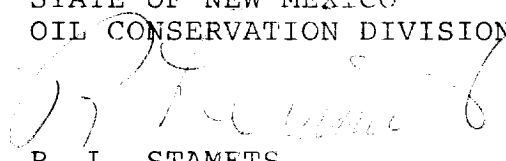
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(4) Applications for such administrative approval must be filed concurrently with the Santa Fe and Aztec offices of the Division.

(5) 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


R. L. STAMETS
Director

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