

CASE 5047: Appli. of CHACE OIL
CO. FOR AMENDMENT OF ORDER NO.
R-4555, RIO ARriba COUNTY.

1434
Confidential to Sept 19
Chace Oil
Recd from Chace

Dean

Dean

CASE No.

5047

Application,
Transcripts,
Small Exhibits

ETC.

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
September 19, 1973

EXAMINER HEARING

IN THE MATTER OF:

The Application of Chace Oil
Company for the amendment of
Order No. R-4555, Rio Arriba
County, New Mexico

Case No. 5047

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6601 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 MR. UTZ: The hearing will come to order, gentlemen.
2 We have two dismissals and one continuance which we will
3 call first. Case 5047.

4 MR. DERRYBERRY: Application of Chace Oil Company
5 for the amendment of Order No. R-4555, Rio Arriba County,
6 New Mexico.

7 MR. UTZ: We have a request from Mr. Durret, attorney
8 for the Chace Oil Company, requesting that this case be
9 dismissed and it will be dismissed.

10
11 -ooo-
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 STATE OF NEW MEXICO)
 2 COUNTY OF BERNALILLO) SS

3 I, CLAUDIA FAHRENTHOLD, a court reporter in and for
 4 the County of Bernalillo, State of New Mexico, do hereby
 5 certify that the foregoing and attached Transcript of
 6 Hearing before the New Mexico Oil Conservation Commission
 7 was reported by me; and that the same is a true and correct
 8 record of the said proceedings to the best of my knowledge,
 9 skill and ability.

10 Claudia Fahrenthold
 11 COURT REPORTER

12
 13
 14
 15
 16
 17
 18
 19
 20
 21 I do hereby certify that the foregoing is
 22 a complete record of the proceedings in
 23 the Examiner hearing of Case No. 5047,
 24 heard by me on Sept. 19, 1977.
 25 _____, Examiner
 New Mexico Oil Conservation Commission

dearnley, meier & associates

200 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
 1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

SEPTEMBER 19, 1973

TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
H. LEO VEEGER	SAMEDAN OIL CORP.	ARMORE, OKLA.
Clifford W. Matthews	Samedan Oil Corp	Midland, Tex
R. E. LAYHE	SAMEDAN OIL CORP	ARMORE, OKLA
SG. BULL	Montgomery Ward	Santa Fe
McHenry		Roswell
John Hendry		Midland
MR. Greene	Shell Oil Co.	Midland
H. J. Conrad	Shell Oil Co	Midland
J. E. Sullivan	Shell Oil Co	Midland
D. S. Artus	Shell Oil Co.	Midland, Tx.
R. M. Richardson	am. Quasar	Roswell, N.M.
Jason Kellahan	Kellahan & Fox	Santa Fe
Eddie Walzood	Yates Pet.	Artesia
D. Love	Love & Pearson	Alco
C. E. Koch	Robert Koch & Company	Midland

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

August 22, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Chace Oil
Company for the amendment
of Order No. R-4555, Rio
Arriba County, New Mexico.

Case No. 5047

BEFORE: Richard L. Stamets,
Examiner.

TRANSCRIPT OF HEARING

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

MR. STAMETS: We'll call next Case 5047.

MR. CARR: Case 5047: Application of Chace Oil Company for the amendment of Order Number R-4555, Rio Arriba County, New Mexico.

Mr. Examiner, we have received a request requesting that Case 5047 be continued, that it be continued and re-advertised for the September 19th, 1973 Examiner Hearing.

MR. STAMETS: Case 5047 will be continued to the 19th of September Examiner Hearing.

* * * *

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, RICHARD E. MCCORMICK, a Certified Shorthand Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Richard E. McCormick
CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5047 heard by me on August 22, 1973.

Richard L. Starnes, Examiner
New Mexico Oil Conservation Commission

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1062, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87108



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

October 15, 1973

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. J. M. Durrett, Jr.
Attorney at Law
1008 Simms Building
Albuquerque, New Mexico 87110

Re: CASE NO. 5047
ORDER NO. R-4640
Applicant:
Chace Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC x

Other _____

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. 5047
Order No. R-4640

APPLICATION OF CHACE OIL COMPANY
FOR THE AMENDMENT OF ORDER NO.
R-4555, RIO ARriba COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 19,
1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 11th day of October, 1973, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in
the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 5047 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. Trujillo
I. R. TRUJILLO, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

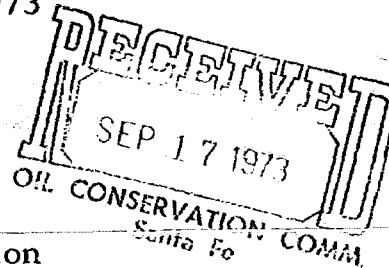
Wf
Porter

J. M. DURRETT, JR.

Attorney at Law

XXXXXXXXXXXXXXXXXXXX
ALBUQUERQUE, NEW MEXICO 87110
1008 Simms Building
TELEPHONE (505) 268.1022

September 14, 1973



Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico, 87501

Re: Case 5047, Application of Chace Oil Company for
the Amendment of Order R-4555, Rio Arriba County,
New Mexico

Dear Mr. Porter:

The applicant respectfully requests that the above case be dismissed. The gas-oil ratio on the applicant's Jicarilla 71 Well No. 3 is fluctuating and the applicant does not feel that it has sufficient evidence to present to the Commission at this time. If the gas-oil ratio stabilizes in the future, the applicant would like to consider refiling the application, and would therefore request that the case be dismissed without prejudice.

Very truly yours,

J M Durrett Jr

J. M. Durrett, Jr.

JMD/vc

cc: Mr. Ewell N. Walsh

Mr. Royce McCary

5047

Heard 9-19-73

Recd 9-19-73

See miss Chance with Co.
Case 5047 as required

[Signature]

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 22, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Elvis A. Utz, Alternate Examiner:

CASE 4548: (Reopened) (Continued from the August 9, 1973, Examiner Hearing)

In the matter of Case No. 4548 being reopened pursuant to the provisions of Order No. R-4157, which order established special rules and regulations for the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, including a provision for 640-acre proration units. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing.

CASE 5046: Application of David Fasken for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a gas well at an unorthodox location 660 feet from the South and West lines of Section 7, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, to which well the S/2 of said Section 7 would be dedicated.

CASE 5047: Application of Chace Oil Company for the amendment of Order No. R-4555, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the special rules and regulations for the South Lindrith Gallup-Dakota Pool, Rio Arriba County, New Mexico, as promulgated by Order No. R-4555, to provide for the classification of oil wells and gas wells, the assignment of 320-acre units to gas wells, and to provide for approval of unorthodox locations for wells drilled as oil wells but classified as gas wells upon completion.

CASE 5048: Application of Roger C. Hanks for creation of a pool and special rules therefor, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of the South Dagger Draw-Upper Pennsylvanian Pool for his Preston Federal Well No. 1 located in Unit L of Section 35, Township 20 South, Range 24 East, Eddy County, New Mexico. Applicant further seeks the promulgation of special rules for said pool, including a provision for 320-acre spacing for all wells in said pool, for the classification of oil wells and gas wells, for a limiting gas-oil ratio of 8,000 to 1, and for the assignment of a depth bracket allowable for oil wells of 267 barrels of oil per day.

CASE 5049: Application of Mobil Oil Corporation for a triple completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its Federal "LL" Well No. 1 located in Unit N of Section 13, Township 23 South, Range 26 East, South Carlsbad Field, Eddy County, New Mexico, to produce gas from the Canyon, Atoka, and Morrow formations through three strings of tubing.

CASE 5050: Application of Read and Stevens, Inc. for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority

(Case 5050 continued from Page 1)

to dispose of produced salt water into the Montoya formation in the perforated interval from 6225 feet to 6245 feet in its Federal "I," Well No. 1, located in Unit B of Section 21, Township 6 South, Range 27 East, Haystack-Cisco Pool, Chaves County, New Mexico.

CASE 5051: Application of Hillin Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Winchester-Morrow Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing and specified well locations.

CASE 5052: Application of Atlantic Richfield Company for a non-standard gas proration unit and simultaneous well dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 320-acre gas proration unit comprising the NW/4, E/2 NE/4, SW/4 NE/4, and NE/4 SE/4, of Section 35, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. P. Combust Wells Nos. 1 and 4 located in Units H and E, respectively, of said Section 35.

CASE 5053: Southeast nomenclature case calling for the creation, extension and contraction of certain pools in Eddy and Lea Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Burton Flat-Atoka Gas Pool. The discovery well is the Monsanto Company Miller Federal No. 1 located in Unit G of Section 3, Township 21 South, Range 27 East, NMPM. Said pool described as:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 3: Lots 1 through 8

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Burton Flat-Strawn Gas Pool. The discovery well is the Monsanto Company, Burton Flat Deep Unit No. 3 located in Unit V of Section 3, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 3: S/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the Carlsbad-Canyon Gas Pool. The discovery well is the Morris R. Antweil Randall No. 1 located in Unit K of Section 21, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 21: S/2

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Happy Valley-Morrow

(Case 5053 continued from Page 2)

Gas Pool. The discovery well is The Superior Oil Company State Q Com No. 1 located in Unit L of Section 34, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 34: W/2

(e) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the LaHuerta-Morrow Gas Pool. The discovery well is the Cities Service Oil Company Cawley A Com No. 1 located in Unit K of Section 28, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 28: S/2

(f) Extend the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 28: NE/4 SE/4

(g) Extend the Fowler-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 10: SE/4

(h) Extend the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 1: S/2
Section 2: All

(i) Extend the Lea-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 24: SE/4

(j) Extend the Parrish Ranch-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 13: E/2 SE/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 18: N/2 S/2 and SE/4 NE/4

(Case 5053 continued from Page 3)

(k) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 32: W/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 5: W/2 NW/4 and NE/4 NW/4

(l) Extend the Rock Tank-Lower Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 11: E/2, E/2 SW/4, S/2 SE/4 NW/4
and NE/4 SE/4 NW/4

(m) Extend the Round Tank-Queen Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 36: NE/4

(n) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: E/2 NE/4

(o) Extend the Winchester-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 34: E/2

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 2: N/2

(p) Contract the vertical limits of the Townsend Pennsylvanian Pool in Lea County, New Mexico, to include the Cisco formation only and redesignate said pool the Townsend-Cisco Pool comprising:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: SW/4

CASE 4745: (Reopened) (Continued from the August 9, 1973, Examiner Hearing)

In the matter of Case No. 4745 being reopened pursuant to the provisions of Order No. R-4365, which order established special rules and regulations for the Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, including a provision for classification of oil wells and gas wells, the spacing thereof, and a limiting gas-oil ratio of 3000 to 1. All interested parties may appear and show cause why said pool rules should remain in effect.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 19, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 4745: (Reopened) (Continued from the August 22, 1973, Examiner Hearing)

In the matter of Case No. 4745 being reopened pursuant to the provisions of Order No. R-4365, which order established special rules and regulations for the Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, including a provision for classification of oil wells and gas wells, the spacing thereof, and a limiting gas-oil ratio of 3000 to 1. All interested parties may appear and show cause why said pool rules should remain in effect.

CASE 5047: (Continued and Readvertised)

Application of Chace Oil Company for the amendment of Order No. R-4555, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the special rules and regulations for the South Lindrith Gallup-Dakota Pool, Rio Arriba County, New Mexico, as promulgated by Order No. R-4555, to provide for the classification of oil wells and gas wells, the assignment of 320-acre units to gas wells, and to provide for approval of unorthodox locations for wells drilled as oil wells but classified as gas wells upon completion.

CASE 5063: Application of Shell Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Sanger Well No. 6Y to be located 1220 feet from the North line and 180 feet from the West line of Section 27, Township 18 South, Range 38 East, Hobbs Pool, Lea County, New Mexico.

CASE 5064: Application of Exxon Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its South Carlsbad 2 Gas Com. Well No. 1 located in Unit J of Section 27, Township 23 South, Range 26 East, Eddy County, New Mexico, to produce gas from the South Carlsbad-Strawn and South Carlsbad-Morrow Gas Pools through the casing-tubing annulus and tubing, respectively.

CASE 5065: Application of Roberts, Koch & Cartwright for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Deer Canyon Unit Area comprising 10,620 acres, more or less, of Federal and State lands in Township 20 South, Range 21 East, Eddy County, New Mexico.

CASE 5057: (Continued and readvertised)

Application of Coquina Oil Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a proposed gas well at an unorthodox location 330 feet from the South and East lines of Section 12, Township 18 South, Range 25 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico, the S/2 of Section 12 to be dedicated to the well. In the alternative, applicant seeks approval of an unorthodox location 660 feet from the South and East lines of said Section 12.

CASE 5066: Application of Burleson & Huff for a non-standard gas proration unit and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the NE/4 of Section 29, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Coll Well No. 1-A located in Unit G of said Section 29.

Applicant further seeks an order of the Commission pooling all mineral interests in the Jalmat Gas Pool underlying the aforesaid quarter section. Also to be considered will be the cost of recompleting said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in recompleting said well.

CASE 5067: Application of American Quasar Petroleum Co. of New Mexico for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Dune Unit Area comprising 2,576 acres, more or less, of Federal and Fee lands in Township 23 South, Range 31 East, and Township 24 South, Ranges 30 and 31 East, Lea County, New Mexico.

CASE 5068: Southeastern nomenclature case calling for the creation and extension of the vertical and horizontal limits of certain pools in Lea County, New Mexico:

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Townsend-Strawn Pool, with special vertical limits defined as being the Strawn formation from 11,325 feet to 11,535 feet as on the log of the discovery well, the Ralph E. & J. C. Williamson Harrod State No. 1 in Unit U of Section 4, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: SW/4

(b) Extend the vertical limits of the Tubb Gas Pool in Lea County, New Mexico, as established by Rule 25 of the Special Rules for said pool as promulgated by Order No. R-1670, downward to include the entire interval from 100 feet above the Tubb marker to the top of the

(Case 5068 continued from Page 2)

Drinkard formation, in order to eliminate the zone of no nomenclature which exists between the Tubb and Drinkard Pools.

(c) Extend the Bell Lake-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 6: NW/4

(d) Extend the Querecho Plains-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 23: SW/4
Section 26: W/2

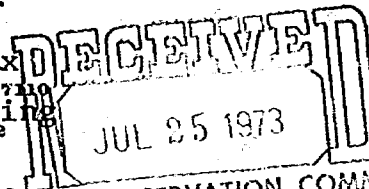
(e) Extend the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 24: NE/4

J. M. DURRETT, JR.

Attorney at Law

XXXXXXXXXXXXXXXXXXXX
ALBUQUERQUE, NEW MEXICO 87110
1008 Simms Building
TELEPHONE (505) 268-1022



July 25, 1973

OIL CONSERVATION COMM.
Santa Fe

Case 5047

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

I am enclosing an Application on behalf of Chace Oil Company. Will you please place this on the docket for the first available Examiner hearing.

Thank you for your assistance.

Very truly yours,

J. M. Durrett, Jr.

JMD/vc

Enclosure

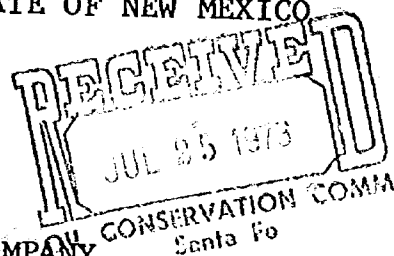
DOCKET MAILED

Date 9-7-73

DOCKET MAILED

Date 8-9-73

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO



APPLICATION OF CHACE OIL COMPANY
FOR AMENDMENT OF THE TEMPORARY
SPECIAL RULES AND REGULATIONS FOR
THE SOUTH LINDRITH GALLUP-DAKOTA
OIL POOL, RIO ARRIBA COUNTY,
NEW MEXICO

CASE NO. 5047

APPLICATION

1. The applicant, Chace Oil Company, is the owner and operator of wells completed in the South Lindrith Gallup-Dakota Oil Pool.
2. Temporary Special Rules and Regulations for the South Lindrith Gallup-Dakota Oil Pool were promulgated by the Commission by Order No. R-4555.
3. The applicant's Jicarilla 71 Well No. 3, located in Unit E of Section 3, Township 23 North, Range 4 West, N.M.P.M., Rio Arriba County, New Mexico, was drilled as a Gallup-Dakota oil well but was non-productive in the Dakota formation and was plugged back and completed in the Gallup formation only.
4. Said well has a high gas-oil ratio and should be classified as a gas well in order to protect the applicant's correlative rights.
5. In order to protect the correlative rights of the operators in the pool, the Temporary Special Rules and Regulations for the South Lindrith Gallup-Dakota Oil Pool should be amended to define a reasonable gas-oil ratio which would classify wells completed within the horizontal and

vertical limits of the pool as gas wells which would be prorated on 320 acre proration units.

6. In order to protect correlative rights and prevent waste, the said rules should also be amended to provide for approval of unorthodox locations for wells drilled as oil wells but classified as gas wells upon completion, due to the gas-oil ratio.

WHEREFORE, the applicant requests the Commission to amend the Temporary Special Rules and Regulations for the South Lindrith Gallup-Dakota Oil Pool to define a reasonable gas-oil ratio which would classify wells as gas wells which would be prorated on 320 acre proration units, and to provide for approval of unorthodox locations for wells drilled as oil wells but classified as gas wells upon completion.

Respectfully submitted,



J. M. DURRETT, JR.
Attorney for Chace Oil Company
1008 Simms Building
Albuquerque, New Mexico 87101

Walt
DRAFT

TWD/dr *du*

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:

APPLICATION OF CHACE OIL COMPANY
FOR THE AMENDMENT OF ORDER NO.
R-4555, RIO ARriba COUNTY,
NEW MEXICO.

CS
CASE No. 5047

Order No. R- 4640

off *W*
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 19, 1973,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of October, 1973, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 5047 is hereby dismissed.

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