

CASE 5605: SAGUARO OIL COMPANY
FOR SPECIAL POOL RULES, SAN
JUAN COUNTY, NEW MEXICO

CASE NO.

5605

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 7, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Saguaro Oil Company for) CASE
special pool rules, San Juan County,) 5605
New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Jason W. Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 2

I N D E X

	<u>Page</u>
<u>ROBERT EVERETT LAUTH</u>	
Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	11

EXHIBIT INDEX

	<u>Page</u>
Saguaro's Exhibit No. One, Lease Plat	10
Saguaro's Exhibit No. Two, Lease Description	10
Saguaro's Exhibit No. Three, History	10
Saguaro's Exhibit No. Four, Structure Map	10
Saguaro's Exhibit No. Five, Production Data	10
Saguaro's Exhibit No. Six, Production Data	10

1 MR. STAMETS: We will call the next Case, 5605.

2 MR. CARR: Case 5605, application of Saguaro Oil
3 Company for special pool rules, San Juan County, New Mexico.

4 MR. KELLAHIN: Jason Kellahin of Kellahin and Fox,
5 Santa Fe appearing for the applicant and I have one witness
6 I would like to have sworn.

7 (THEREUPON, the witness was duly sworn.)

8 ROBERT EVERETT LAUTH

9 called as a witness, having been first duly sworn, was
10 examined and testified as follows:

11
12 DIRECT EXAMINATION

13 BY MR. KELLAHIN:

14 Q Would you state your name, please?

15 A My name is Robert Everett Lauth, I'm a consulting
16 geologist residing in Durango, Colorado.

17 Q Have you ever testified before the Oil Conservation
18 Commission and made your qualifications a matter of record?

19 A Yes, I have.

20 MR. KELLAHIN: Are the witness's qualifications
21 acceptable?

22 MR. STAMETS: They are.

23 Q (Mr. Kellahin continuing.) How did you spell your
24 last name, please?

25 A Lauth, L-a-u-t-h.

sid morrison reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 Q Mr. Lauth, are you familiar with the application of
2 Saguaro Oil Company in Case 5605?

3 A Yes, I am.

4 Q Briefly, what does the applicant propose in this
5 case?

6 A The applicant proposes, briefly, to go ahead and
7 be able to drill in the Table Mesa field, a very old field,
8 in Northwestern New Mexico, in essence on two-and-a-half acre
9 spacing and not hindered or hampered by State regulations as
10 far as distances from internal subdivision boundaries.

11 Q Referring to what has been marked as Saguaro's
12 Exhibit Number One, would you identify that exhibit, please?

13 A Exhibit Number One is a lease plat showing Saguaro
14 Oil Company's Table Mesa lease. In essence this is a thirty-
15 two hundred acre lease in parts of Sections 33, 34 and 35,
16 Township 28 North, Range 17 West and parts of Sections 2, 3,
17 4, 9, 10 and 16 in Township 27 North, Range 17 West.

18 Q Referring to what has been marked as Exhibit Number
19 Two, is that a legal description of the lease you have just
20 discussed?

21 A Yes, a very, very old lease in there and it was done
22 before a formal survey so it is changed a little bit, but that
23 is correct, the lease description.

24 Q Referring briefly back to Exhibit Number One, does
25 that show the wells that have been drilled on the lease?

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 A. Yes, it does and the two wells that are producing
2 right now are circled in red, the wells number 5 and number 20.

3 Q. And it appears that the wells that have been
4 drilled in Section 3 or Section 10 are not spaced on forty-
5 acre spacing, is that correct?

6 A. Originally they were not spaced on forty-acre
7 spacing.

8 Q. How did that occur?

9 A. That was before a spacing came into being in
10 New Mexico and well control was primarily based upon structural
11 positions.

12 Q. Now, referring to what has been marked as Exhibit
13 Number Three, would you identify that exhibit and briefly
14 discuss the information it contains?

15 A. Exhibit Number Three is a brief history of the
16 inception of the Table Mesa field from its discovery in 1925
17 to the present time. It outlines primarily the factual data
18 and the various phases of development that has happened in
19 the Dakota sand during this fifty-year period.

20 The oil production from the first benches of the
21 Dakota sandstone had an average depth of about thirteen to
22 fourteen hundred feet. The gravity of the oil was very high,
23 it was fifty-six gravity and presently it is producing water.
24 The water is very fresh, just with a high sulphur content.

25 The field was discovered by Continental Oil Company.

1 The first phase of production consisted primarily of drilling
2 on structure and a few off-structure wells. And during that
3 time, during the period of 1925 to 1927, it was found that the
4 Dakota sandstone had a very active water drive and the up-dip,
5 high structural wells, were completely water free at this
6 point and the down-dip wells that were completed were making
7 some water.

8 In the second stage of the development which lasted
9 from the period of 1939 to 1948, they completed about five
10 wells, all of which produced some water.

11 The third phase of production or development occurred
12 during 1961 and '62 and at this time the field was making a
13 considerable amount of water so Continental installed high-
14 volume pumps to go ahead and produce the water and the oil
15 which was contained with it. In 1963 they started a pressure-
16 maintenance by drilling two wells on the north end and
17 injecting the water back into the formation. I don't think
18 they achieved very good results and at this point is when they
19 sold the field and it was subsequently acquired by Saguaro.

20 In 1970 Eastern Petroleum and eventually Saguaro
21 went in there and drilled three additional wells to go ahead
22 and see what effects all these years of production and the
23 pressure maintenance had on the field and they found some very
24 interesting oil zones but a lot of the wells, three wells in
25 there couldn't be produced because of the high excessive rate

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, San Francisco, New Mexico 87501
Phone (505) 987-9212

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 of water and at this time in there we thought about coming
2 before the Commission to go ahead and allow them to be able to
3 go ahead and drill wells on a spot in there which would be
4 structurally favorable for structure and also for sand
5 conditions and also stay away from the water. At this point
6 in there, this is what we are requesting, is that we would
7 like to drill additional wells on the structural axis and
8 along the north plunge and these locations be not hindered by
9 regulations on footage to internal subdivision boundaries, to
10 recover any attic or any residual oil that is left in the
11 ground.

12 As I said previously Saguaro has a thirty-two
13 hundred acre block that covers the entire structure and no
14 adjacent leaseholders' correlative rights will be violated.

15 Q Well, actually the main portion of the development
16 is in Section 3, is it not?

17 A It would be in Section 3 and Section 34.

18 Q And the offsetting acreage, at least as to 3, is
19 open, is not held by anyone?

20 A Correct.

21 Q So in your opinion the correlative rights of any
22 other operators will not be affected by your proposal?

23 A None whatsoever.

24 Q Referring to what has been marked as Exhibit Number
25 Four, would you identify that exhibit, please?

sid morrison reporting service
General Court Reporting Service
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
 Phone (505) 982-9212

1 A. Exhibit Four is a structure map of the area,
 2 showing Saguaro's lease block in relation to the Table Mesa
 3 structure. Also encircled in red are the two wells that
 4 are presently producing at this time.

5 Q. Now, referring to what has been marked as Exhibit
 6 Number Five, would you identify that exhibit?

7 A. Exhibit Number Five is production data from the
 8 period of 1955 through 1975, showing the amount of water that
 9 has been produced and the daily barrels of oil produced. The
 10 decline is readily apparent.

11 Q. At this time is this reservoir reaching its economic
 12 limit under present production methods?

13 A. Yes, it is.

14 Q. And would be abandoned in the near future?

15 A. Yes.

16 Q. Referring to Exhibit Number Six, would you identify
 17 that exhibit, please?

18 A. Exhibit Number Six is the actual production data
 19 through the period 1969 through 1975.

20 Q. That is essentially the same information as shown
 21 on Five?

22 A. The same information. The two wells producing now,
 23 5 and 20, are producing an average of about fifteen and a half
 24 barrels per day, with about a hundred and fifty barrels of
 25 water. The water is being injected into two wells on the north

sid morrish reporting service

General Court Reporting Service
325 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9312

1 end, wells number 22 and 23, into the Dakota formation. That
2 oil pressure is less than a hundred and seventy-five pounds.

3 Q In the application that was filed in this case, the
4 request was for the adoption of rules which would include a
5 provision for wells to be located on two-and-a-half acre
6 tracts?

7 A Correct. More important would be to allow them to
8 be not hampered by the regulation of internal distance from
9 internal subdivision lines.

10 Q Would you agree to no nearer than twenty-five feet
11 to the outer boundary of any quarter-quarter section?

12 A Oh, yes.

13 Q And no nearer than a hundred and sixty-five feet
14 from the boundary of acreage owned by any offset operator?

15 A Oh, yes.

16 Q Otherwise you want freedom to locate the well
17 wherever you see fit?

18 A Yes, the production will be of a low order and we
19 propose to still be bounded by the forty-acre top allowable.

20 Q In other words, you will not produce greater than
21 the top allowable from the forty-acre tract, regardless of
22 the number of wells?

23 A No.

24 Q Do you request an administrative procedure for
25 approval of unorthodox locations or exceptions to the require-

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 177, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 ments based on topographical conditions?

2 A. Yes, sir, most of the topography out there is not --

3 Q. You don't think that will pose a problem?

4 A. No.

5 Q. Are you familiar with the order entered by this
6 Commission in the Rattle Snake-Dakota pool case?

7 A. Yes.

8 Q. That being Order Number R-3751?

9 A. Yes, in essence and I appeared before the Commission
10 on that and requested about the same thing, identical.

11 Q. Essentially, you are asking for the same thing here?

12 A. Correct.

13 Q. And something along the lines of Order R-3751 would
14 be satisfactory with Saguaro?

15 A. Yes, sir.

16 Q. Were Exhibits One through Six prepared by you or
17 under your supervision?

18 A. Yes.

19 MR. KELLAHIN: At this time I would like to offer
20 into evidence Exhibits One through Six, inclusive.

21 MR. STAMETS: These exhibits will be admitted.

22 (THEREUPON, Saguaro's Exhibits One through
23 Six were admitted into evidence.)

24 MR. STAMETS: Are there any questions of the
25 witness?

CROSS EXAMINATION

1
2 BY MR. STAMETS:

3 Q Mr. Lauth, how many wells do you anticipate will
4 be drilled?

5 A Oh, probably no more than ten. The sand is a good,
6 generous sand and it is water bearing and in essence all we
7 are doing is just skimming the oil off. It is generally
8 productive in the upper three to five feet at best and so,
9 one well, if we find variations in sand conditions and there
10 is some minor faulting through there, one well can drain any
11 little particular attic trap that we find.

12 Q All of the lease that you show on Exhibit One,
13 bounded by the dashed line, that is a single lease with
14 common ownership throughout?

15 A Yes, sir.

16 Q And comparing that to your map, Exhibit Four, it
17 would seem to indicate that the likelihood that most of your
18 locations would be toward the inside of the lease, rather
19 than toward the lease line?

20 A Very definitely.

21 MR. STAMETS: Any other questions of the witness?
22 He may be excused.

23 (THEREUPON, the witness was excused.)

24 MR. STAMETS: Is there anything further in this Case?
25 We will take the case under advisement.

sid morrish reporting service


General Court Reporting Service

825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

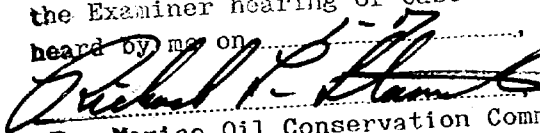
Page 12

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5605
heard by me on 1976

 Examiner
New Mexico Oil Conservation Commission

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. 5605
Order No. R-5147

APPLICATION OF SAGUARO OIL COMPANY
FOR SPECIAL POOL RULES, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 7, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of January, 1976, 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 the applicant, Saguaro Oil Company, seeks the establishment of special rules and regulations for the Table Mesa-Dakota Pool, San Juan County, New Mexico, to permit the drilling of wells on 2 1/2-acre spacing, provided that no well be located nearer than 25 feet to the outer boundary of the quarter-quarter section and no nearer than 165 feet to the boundary of acreage owned by an offset operator, and provided further, that a 40-acre proration unit would be subject to a 40-acre allowable regardless of the number of wells on the unit.

(3) That the evidence presented indicates that the application of the proposed special pool rules may result in production of oil from the Table Mesa-Dakota Pool which would not otherwise be recovered, thereby preventing waste.

(4) That in order to afford operators in the subject pool the opportunity to produce their just and equitable share of the oil in the pool, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 2 1/2-acre spacing units should be promulgated for the Table Mesa-Dakota Pool.

-2-

Case No. 5605
Order No. R-5147

(5) That a 40-acre proration unit in the subject pool should not receive more than a 40-acre top unit allowable regardless of the number of wells on the 40-acre unit.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Table Mesa-Dakota Pool, San Juan County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
TABLE MESA-DAKOTA POOL

RULE 1. Each well completed or recompleted in the Table Mesa-Dakota Pool or in the Dakota formation within one mile thereof, and not nearer to or within the limits of another designated Dakota oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a 2 1/2-acre tract and 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.

That nothing contained herein shall be construed as prohibiting the location of a well because of its nearness to a previously drilled well.

RULE 3. The Secretary-Director of the Commission shall have authority to grant exceptions to Rule 2 without notice and hearing where an application therefor has been filed in due form and the necessity for the exception is based on topographical conditions.

All operators owning acreage within 165 feet of the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators owning acreage within 165 feet of the proposed location or if no such operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 4. A 40-acre proration unit shall not produce in excess of the 40-acre top unit allowable regardless of the number of wells on the unit.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Table Mesa-Dakota Pool or in the Dakota formation within one mile thereof are hereby approved; that

-3-

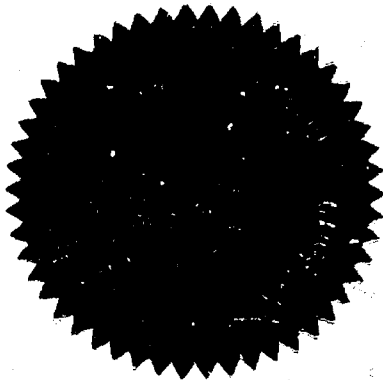
Case No. 5605
Order No. R-5147

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 February 15, 1976.

(2) 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

S E A L

dr/

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:

JSR
APPLICATION OF *Saguaro Oil* ~~EASTERN PETROLEUM COMPANY~~
FOR SPECIAL POOL RULES, SAN JUAN COUNTY,
NEW MEXICO. *WKE*

CASE No. *5605*
~~4117~~
Order No. ~~R-3751~~
R-5147

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on *January 1996* ~~May 7, 1969~~,
at Santa Fe, New Mexico, before Examiner ~~Elvis R. Ute~~ *PLS*

NOW, on this *January 1996* ~~14th~~ day of ~~May~~, 1969, 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.

Table Mesa
(2) That the applicant, *Saguaro Oil* ~~EASTERN PETROLEUM COMPANY~~, seeks
the establishment of special rules and regulations for the
~~Rattlesnake-Dakota Pool~~, San Juan County, New Mexico, to permit
the drilling of wells on 2 1/2-acre spacing, provided that no
well be located nearer than ~~25~~ feet to the outer boundary of the
quarter-quarter section and no nearer than 165 feet to another
~~well producing from the same pool~~, and provided further, that
a 40-acre proration unit would be subject to a 40-acre allowable
regardless of the number of wells on the unit.

(3) That the evidence presented indicates that ~~wells may~~
~~need to be drilled nearer than 50 feet to the outer boundary~~
~~of the quarter-quarter section and/or nearer than 165 feet to~~
~~another well producing from the same pool in order to efficiently~~
~~and economically drain the subject reservoir.~~

*The application of the proposed special pool rules
may result in production of oil from the Table Mesa
Dakota Pool, which would not otherwise be
recovered, thereby preventing waste.*

The boundary of acreage owned by an offset operator,

-2-

CASE No. 4117
Order No. R-3751

(4) That in order to afford operators in the subject pool the opportunity to produce their just and equitable share of the oil in the pool, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 2 1/2-acre spacing units should be promulgated for the ~~Rattlesnake~~ *Table Mesa* Dakota Pool.

(5) That a 40-acre proration unit in the subject pool should not receive more than a 40-acre top unit allowable ~~for wells in the 0-4999 foot depth range in Northwest New Mexico~~, regardless of the number of wells on the 40-acre unit.

IT IS THEREFORE ORDERED:

Table Mesa
That Special Rules and Regulations for the ~~Rattlesnake~~ Dakota Pool, San Juan County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE

Table Mesa RATTLESNAKE-DAKOTA POOL

RULE 1. Each well completed or recompleted in the ~~Rattle~~ *Table Mesa* ~~snake~~ Dakota Pool or in the Dakota formation within one mile thereof, and not nearer to or within the limits of another designated Dakota oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a 2 1/2-acre tract and 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.

That nothing contained herein shall be construed as prohibiting the location of a well because of its nearness to a previously drilled well.

RULE 3. The Secretary-Director of the Commission shall have authority to grant exceptions to Rule 2 without notice and hearing where an application therefor has been filed in due form and the necessity for the exception is based on topographical conditions.

-3-
CASE No. 4117
Order No. R-3751

All operators owning acreage within 165 feet of the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators owning acreage within 165 feet of the proposed location or if no such operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 4. A 40-acre proration unit shall not produce in excess of the 40-acre top unit allowable ~~for wells in the 0-4999 foot depth range in Northwest New Mexico,~~ regardless of the number of wells on the unit.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the ~~Rattlesnake~~^{700 ft. zone}-Dakota 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 ~~June 1, 1969. March 1, 1976.~~
February 15, 1976.

(2) 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

DAVID F. CARGO, Chairman

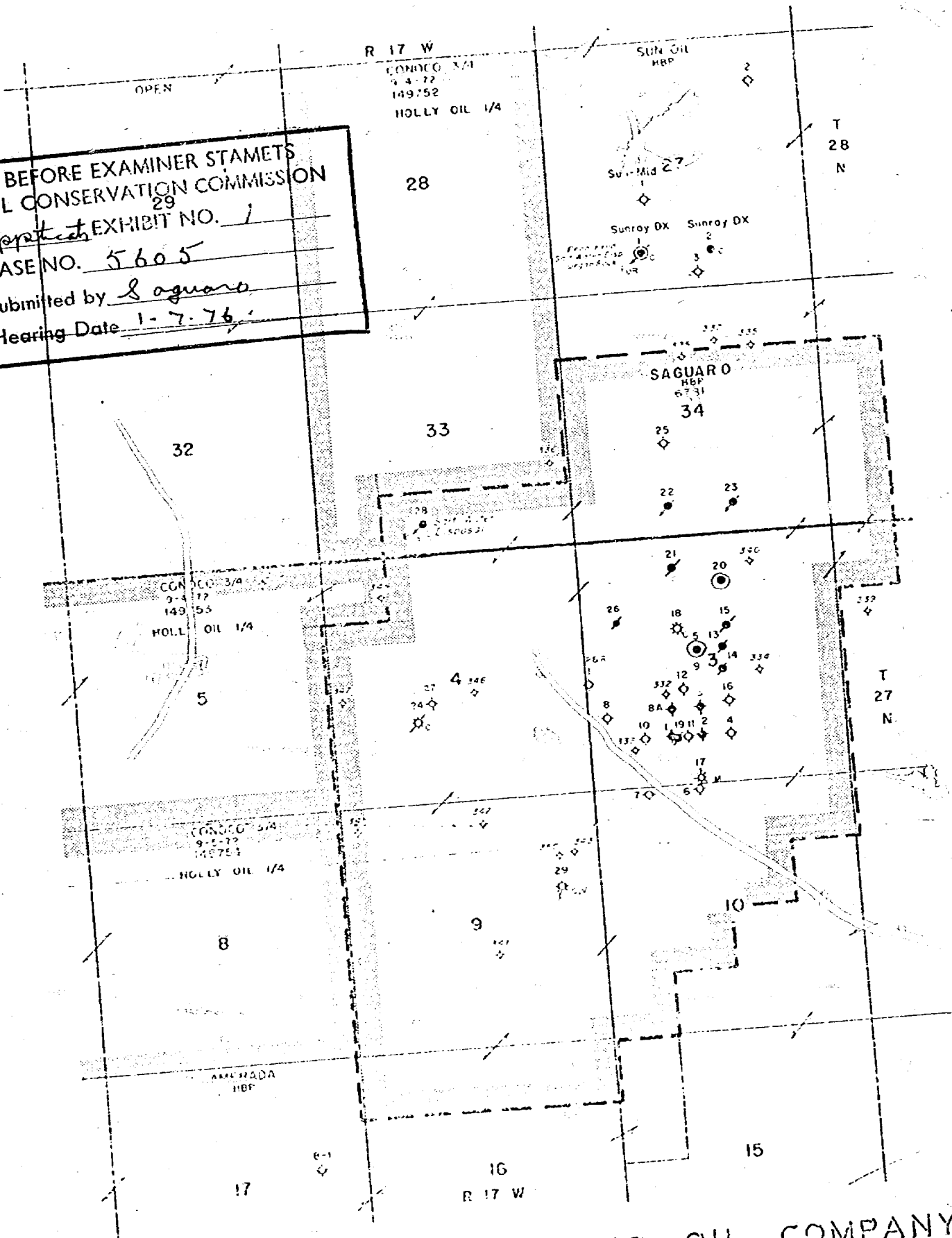
ALEX J. ARMijo, Member

S E A L

esr/

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

BEFORE EXAMINER STAMETS
 OIL CONSERVATION COMMISSION
 29
 EXHIBIT NO. 1
 CASE NO. 5605
 Submitted by Saguaro
 Hearing Date 1-7-76



SAGUARO OIL COMPANY
 LEASE PLAT

①

EXHIBIT

TABLE MESA

1. I-89-IND-57 dated November 30, 1923, by and between H. J. Hagerman, acting for and in behalf of the Navajo Tribe of Indians and J. C. Bailey:

Beginning at a point $4\frac{1}{2}$ miles South and 1 mile East of the Southwest corner of Township 29 North, Range 17 West, N.M.P.M., San Juan County, New Mexico (as place of beginning), thence South two miles, thence East one mile, thence North one quarter mile, thence East one quarter mile, thence North one quarter mile, thence East one quarter mile, thence North one quarter mile, thence East one quarter mile, thence North one mile, thence East one quarter mile, thence North one mile, thence West one and one quarter miles, thence South one half mile, thence West three quarters mile, thence South one half mile, thence West one quarter mile to the place of beginning, containing 3200 acres more or less, which when surveyed will contain the following approximate subdivisions:

TOWNSHIP 28 NORTH, RANGE 17 WEST, N.M.P.M.
(Unsurveyed)

Section 33: $S\frac{1}{2}SE\frac{1}{4}$, $SE\frac{1}{4}SW\frac{1}{4}$
Section 34: $S\frac{1}{2}N\frac{1}{4}$, $S\frac{1}{2}$
Section 35: $W\frac{1}{2}SW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$

TOWNSHIP 27 NORTH, RANGE 17 WEST, N.M.P.M.
(Unsurveyed)

Section 2: $NW\frac{1}{4}NW\frac{1}{4}$
Section 3: All
Section 4: $E\frac{1}{2}$, $E\frac{1}{4}NW\frac{1}{4}$, $W\frac{1}{2}SW\frac{1}{4}$, $SW\frac{1}{4}NW\frac{1}{4}$
Section 9: All
Section 10: $NE\frac{1}{4}$, $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$, $SW\frac{1}{4}SW\frac{1}{4}$
Section 16: $N\frac{1}{2}N\frac{1}{4}$

BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION
<i>apphant</i> EXHIBIT NO. <u>2</u>
CASE NO. <u>5605</u>
Submitted by <u>Saguaro</u>
Hearing Date <u>1-7-76</u>

SAGUARO OIL COMPANY

LEASE DESCRIPTION: TABLE MESA LEASE

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
applicants EXHIBIT NO. 3
CASE NO. Sept 25, 1925 5,605
Submitted by Jagiero
Hearing Date 1-7-76

Table Mesa Field: Discovery in 1925
all in Sec. 3 : Disc. well Cont. O. No. #1 Table Mesa
T27N- R17W SESW TD 1333

Average production depth 1300 to 1400'

Cumulative to
11-1-75
1,355,049
80.

Gravity of oil 56° (Produces from the Upper Bench of Dakota ss
(a white fine grained clean sand.) Produced.
Water is slightly
sulfurous but
fresh.

Original development of the Table Mesa Field
was in the Dakota formation during the period
1925 to 1927. A total of 12 wells were drilled
five of which were dry holes. The high structural
(200 BOPD) (#1-2-3)
wells flow oil with NO water. The lower structural
wells flow oil (50 BOPD) and some water.

At this point when the downstructure wells were ^{Completed} drilled
it was determined that ^{they were an} active Dakota ss water drive

Second stage (Dakota) was during the period of 1939 to 1948.
5 wells (Nos 12 thru 16), were completed - about 50 BOPD with some
water. In 1955 Continental drilled 19 core holes for structural
& sand development control.

Third Stage of development occurred during 1961 & 1962.
in which 8 wells were drilled - 7 completed with high volume
pumps to ^{produce} move the water.

In 1963 a pressure maintenance project was initiated whereby all the produced water was injected back into the formation.

In 1970 3 additional wells were drilled in hopes of obtaining residual or attic oil. These were partially successful but discouraging because of spacing regulations.

It is requested ^{that} in this 4th & final stage to drill additional wells along the structural axis and on the north plunge. These locations not hindered by regulations on footages to internal subdivision lines can recover attic or residual oil otherwise left in the ground.

Saguero has a 3200 acre block. Because of this no adjacent lease holder's correlative rights will be violated.

In reality the remaining oil would be lost if not permitted to produce in this optimum but present by unorthodox locations.

Very truly yours
Robert E. Lauth
Certified Professional Geologist

DATE _____ TITLE _____ AREA _____
MADE BY _____ COUNTY _____
PAGE _____ OF _____ SCALE _____ STATE _____

Calculation Sheet

DURANGO, COLORADO
GEOLOGIST
ROBERT E. LAUTH

30	29	

PHOTO AXIS

T.
28
N.

T.
27
N.

- ◆ Core Hole
- Producing Oil Well
- ⊙ Producing Gas Well
- Shut-in Oil Well
- ⊗ Shut-in Gas Well
- ◆ Abandoned Oil Well
- ⊙ Abandoned Gas Well
- ◆ Dry Hole
- Injection Well

All wells are Dakota unless designated otherwise

- Pennsylvanian Completion
- Mississippian Completion
- on Organ Rock
- Chalk Completion

Field/Unit	TABLE MESA
Structure	T / GRANEROS (Kd)
Isopuch	
Other	
County	San Juan
	State

Contour Int 50'

4

SAGUARO OIL COMPANY

PRODUCTION DATA

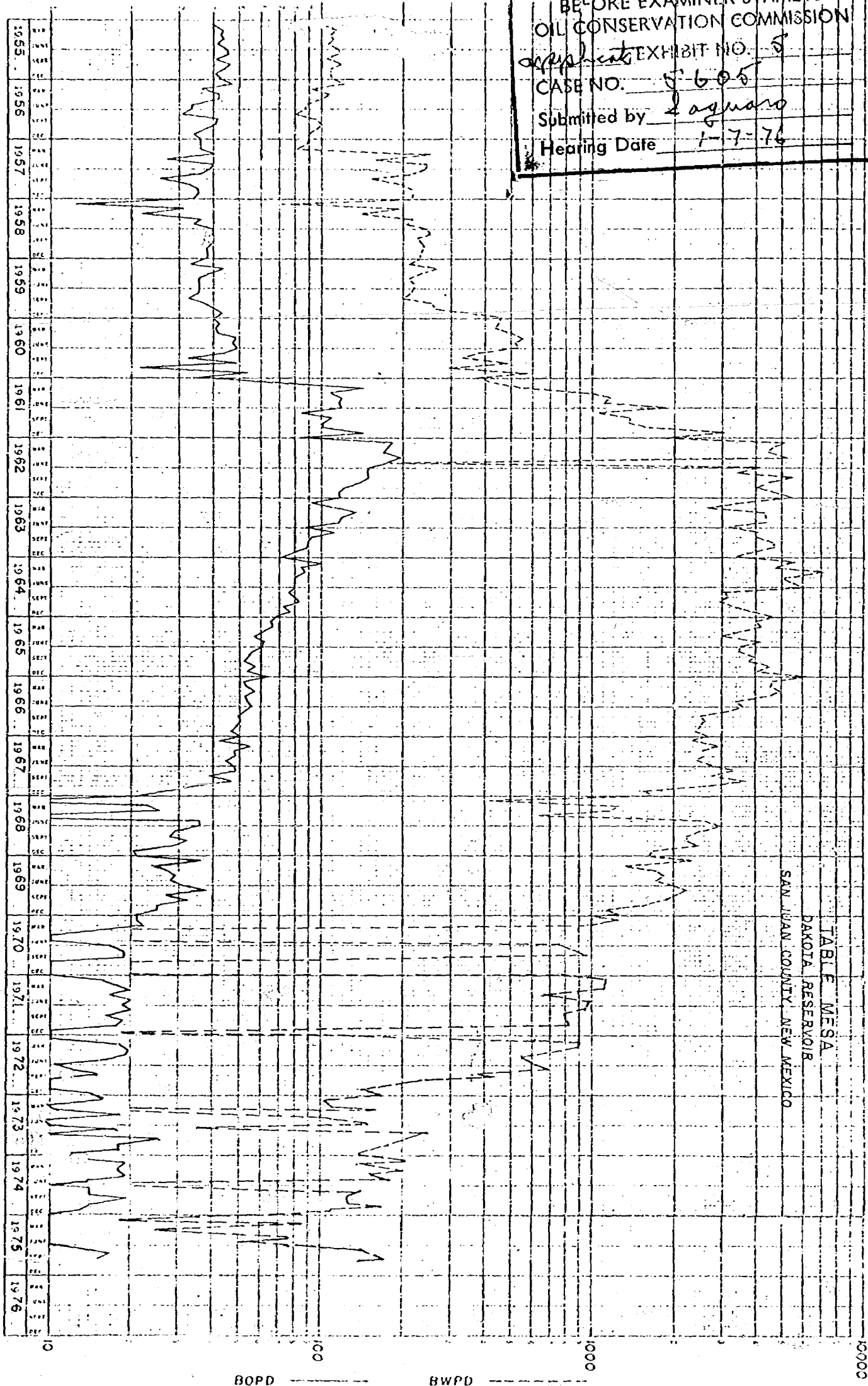


Table Mesa Dakota Production

		69		70		71	
		Oil	Water	Oil	Water	Oil	Water
January	31	1105 ^{35 1/2}	72938 ^{23 5/8}	662 ²¹	32296 ^{10 4/2}	-0-	-0-
February	28	655 ²³	37426 ^{13 3/4}	630 ^{22 1/2}	35277 ^{12 6/0}	438 ¹⁶	31248 ^{11 1/5}
March	31	837 ²¹	53464 ^{17 2/4}	553 ¹⁸	30122 ^{9 7/2}	562 ¹⁸	34391 ^{11 0/9}
April	30	862 ²⁸	55025 ^{18 3/4}	-0-	-0-	615 ²⁰	33497 ^{11 1/7}
May	31	873 ¹⁸	53101 ^{17 1/2}	-0-	-0-	515 ¹⁷	20110 ^{6 4/9}
June	30	916 ³⁰	58877 ^{19 6/2}	90	-0-	614 ²⁰	29890 ^{9 9/6}
July	31	1176 ^{37 1/2}	67102 ^{21 6/4}	836 ²¹	24078 ^{7 1/1}	587 ¹⁹	29760 ^{9 6/0}
August	31	830 ²¹	62809 ^{20 2/6}	891 ²⁹	27754 ^{9 9/5}	612 ²⁰	29160 ^{9 4/0}
September	30	967 ³²	56009 ^{18 9/0}	863 ²⁹	29280 ^{9 1/6}	494 ¹⁶	23958 ^{7 9/8}
October	31	771 ⁶	47684 ^{15 3/8}	-0-	-0-	599 ¹⁹	25057 ^{8 0/8}
November	30	742 ²⁴	34266 ^{11 4/2}	-0-	-0-	546 ¹⁸	25157 ^{8 3/8}
December	31	669 ²¹	38528 ^{12 4/2}	80 ^{2 1/0}	15217 ^{4 0/0}	-0-	-0-
		10463		4605		5582	
		72		73		74	
		Oil	Water	Oil	Water	Oil	Water
January	31	98 ^{3 2/2}	133 ^{4 3/3}	497 ¹⁶	5221 ^{16 8/8}	582 ¹⁹	6460 ^{20 8/8}
February	29	529 ¹⁸	17952 ^{6 1/9}	290 ¹⁰	2874 ^{10 2/8}	351 ¹²	3808 ^{13 6/8}
March	31	609 ^{11 1/6}	27909 ^{9 0/0}	344 ¹¹	3405 ^{10 9/9}	601 ¹⁹	6213 ^{20 0/0}
April	30	581 ^{10 3/3}	26959 ^{8 9/8}	557 ^{18 5/5}	4790 ^{16 0/0}	543 ¹⁸	4820 ^{16 0/0}
May	31	482 ^{15 5/5}	24208 ^{18 0/0}	-0-	-0-	600 ¹⁹	5668 ^{18 2/2}
June	30	300 ^{10 5/5}	16555 ^{5 5/1}	-0-	-0-	-0-	-0-
July	31	378 ^{12 2/2}	18960 ^{6 0/8}	554 ¹⁸	4630 ^{15 0/0}	441 ¹⁴	4426 ^{14 2/2}
August	31	468 ^{15 0/0}	21105 ^{10 0/0}	99 ^{3 1/2}	1025 ^{3 3/3}	442 ¹⁴	3870 ^{12 4/4}
September	30	-0-	-0-	775 ²⁶	7860 ^{26 1/2}	448 ¹⁴	3850 ^{12 4/4}
October	31	305 ¹⁰	3199 ^{4 2/5}	572 ¹⁸	6250 ^{26 1/2}	588 ¹⁹	5310 ^{17 1/1}
November	30	320 ¹⁰	7401 ^{4 6/6}	542 ¹⁸	5255 ^{17 5/5}	428 ¹⁴	3515 ^{11 1/1}
December	31	451 ^{14 5/5}	4961 ^{16 0/0}	382 ¹²	4240 ^{13 6/6}	415 ¹³	3500 ^{11 2/2}
		4521			5439		

15

		Oil		Water	
January	31	296	10.	2640	85
February	28	56	2	511	18
March	31	308	10	2643	85
April	30	61	2	740	25
May	31	112	3.5	2370	76
June	30	167	6	1540	51
July	31	255	9	2397	77
August	31	451	14.	4796	154
September	30	514	17	5101	170
October	31	479	15.4	4670	150
Nov	30	2699			
Dec	31				

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
applicants EXHIBIT NO. 6
CASE NO. 5605
Submitted by Saguaro
Hearing Date 1-7-76

Sugaro

RATTLESNAKE-DAKOTA POOL
San Juan County, New Mexico

Order No. R-3751, Adopting Operating Rules for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, May 14, 1969.

Application of Eastern Petroleum Company
for Special Pool Rules, San Juan County, New
Mexico.

CASE NO. 4117
Order No. R-3751

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on May 7, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 14th day of May, 1969, 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 the applicant, Eastern Petroleum Company, seeks the establishment of special rules and regulations for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, to permit the drilling of wells on 2-1/2-acre spacing, provided that no well be located nearer than 50 feet to the outer boundary of the quarter-quarter section and no nearer than 165 feet to another well producing from the same pool, and provided further, that a 40-acre proration unit would be subject to a 40-acre allowable regardless of the number of wells on the unit.

(3) That the evidence presented indicates that wells may need to be drilled nearer than 50 feet to the outer boundary of the quarter-quarter section and/or nearer than 165 feet to another well producing from the same pool in order to efficiently and economically drain the subject reservoir.

(4) That in order to afford operators in the subject pool the opportunity to produce their just and equitable share of the oil in the pool, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 2-1/2-acre spacing units should be promulgated for the Rattlesnake-Dakota Pool.

(5) That a 40-acre proration unit in the subject pool should not receive more than a 40-acre top unit allowable for wells in the 0-4999 foot depth range in Northwest New Mexico, regardless of the number of wells on the 40-acre unit.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
RATTLESNAKE-DAKOTA POOL**

RULE 1. Each well completed or recompleted in the Rattlesnake-Dakota Pool or in the Dakota formation within one mile thereof, and not nearer to or within the limits of another designated Dakota oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a 2-1/2-acre tract and 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.

That nothing contained herein shall be construed as prohibiting the location of a well because of its nearness to a previously drilled well.

RULE 3. The Secretary-Director of the Commission shall have authority to grant exceptions to Rule 2 without notice and hearing where an application therefor has been filed in due form and the necessity for the exception is based on topographical conditions.

All operators owning acreage within 165 feet of the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators owning acreage within 165 feet of the proposed location; or if no such operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 4. A 40-acre proration unit shall not produce in excess of the 40-acre top unit allowable for wells in the 0-4999 foot depth range in Northwest New Mexico, regardless of the number of wells on the unit.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Rattlesnake-Dakota 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 June 1, 1969.

(2) 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.

Docket No. 1-76

Dockets Nos. 2-76 and 3-76 are tentatively set for hearing on January 14 and January 21, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 7, 1976

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 Daniel S. Nutter, Alternate Examiner:

- CASE 5600: Application of Chaplin Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Carlsbad-Wolfcamp Gas Pool, Eddy County, New Mexico, including a provision for 320-acre spacing.
- CASE 5601: Application of Consolidated Oil & Gas, Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Yacinto-Pictured Cliffs and Basin-Dakota gas production in the wellbore of its Tribal "C" Well No. 10-7, located, Unit J of Section 7, Township 26 North, Range 3 West, Rio Arriba County, New Mexico.
- CASE 5602: Application of Consolidated Oil & Gas, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Fulcher-Kutz-Pictured Cliffs and Aztec-Fruitland gas production in the wellbore of its Collins Well No. 1, Manley Well No. 1, and Walz Well No. 1, located, respectively, in Units E, P, and L of Section 31, Township 29 North, Range 10 West, San Juan County, New Mexico.
- CASE 5603: Application of Burleson and Huff for compulsory pooling, a non-standard gas proration unit, and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NW/4 of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, to form a non-standard 160-acre proration unit; applicant further seeks the pooling of all mineral interests in the Langlie-Martix Pool underlying each of the following tracts in said Section 35 to form three standard 40-acre proration units: the NE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 1, located 330 feet from the North line and 2310 feet from the West line of said Section 35; the SE/4 NW/4, to be dedicated to applicant's Dabbs Well No. 3, located 1980 feet from the North and West lines of said Section 35; and the SW/4 NW/4, to be dedicated to a well to be drilled on said tract at a standard Langlie-Martix Pool location. In the event re-entry into either the Dabbs Well No. 1 or No. 3 is unsuccessful, applicant proposes to drill a replacement well at a standard location on its tract. Applicant further proposes to dedicate the 160-acre Jalmat proration unit to one of the three above-described wells, and in the event it should be the Dabbs Well No. 1, applicant seeks approval for the unorthodox Jalmat location for said well. Also to be considered will be the cost of re-entering, drilling, and completing said wells and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the wells and a charge for the risk involved in re-entering, drilling, and completing said wells.
- CASE 5604: Application of Burleson & Huff for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Querecho Plains-Queen Pool by the injection of water into the Queen formation through its Antarko Federal Well No. 6 to be drilled at an unorthodox location in the approximate center of the SW/4 of Section 27, Township 18 South, Range 32 East, Lea County, New Mexico. Applicant further seeks an administrative procedure for approval of additional wells at standard and non-standard locations within the project area.
- CASE 5605: Application of Gaguaro Oil Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Table Mesa-Dakota Oil Pool, San Juan County, New Mexico, including a provision for 2 1/2-acre spacing.
- CASE 5606: Application of Cities Service Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Tubb and Drinkard production in the wellbore of its Brunson B Well No. 3, located in Unit M of Section 3, Township 22 South, Range 27 East, Lea County, New Mexico.
- CASE 5607: Application of Black River Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill an undesignated Canyon formation well at an unorthodox location 280 feet from the South line and 150 feet from the West line of Section 33, Township 25 South, Range 24 East, Eddy County, New Mexico.
- CASE 5608: Application of Northern Natural Gas Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Magruder Hill Unit Area comprising 2,256 acres, more or less, of Federal, State, and fee lands in Township 22 South, Range 25 and 26 East, Eddy County, New Mexico.
- CASE 5609: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Nellor "EO" Well to be drilled at a point 1980 feet from the North line and 660 feet from the West line or in the alternative, 660 feet from the North and West lines of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, the N/2 of said Section 30 to be dedicated to the well.
- CASE 5610: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Caskey "EV" Well to be drilled at a point 660 feet from the South line and 1400 feet from the West line of Section 30, Township 17 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.
- CASE 5611: Application of David C. Collier for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Welch State No. 7 Well located 1330 feet from the South and West lines of Section 17, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico, said well having formerly been a water injection well.
- CASE 5612: Application of Dalport Oil Corporation for exception to the provisions of Order No. R-3221, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to the provisions of Commission Order No. R-3221 permission to dispose of produced salt water from its State C Wells Nos. 1, 2, and 3, located in Units D, E, and L, respectively, of Section 16, Township 15 South, Range 30 East, Double L Queen Associated Pool, Chaves County, New Mexico, in an unlined surface pit located in Unit E of said Section 16.
- CASE 5596: (Reopened & Readvertised)
Application of Burk Royalty Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the Queen formation underlying the following-described lands, Double L-Queen Pool, Chaves County, New Mexico:

Examiner Hearing - Wednesday - January 7, 1976

Docket No. 1-76

-2-

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM

Section 23: E/2 SE/4

Section 24: W/2 SW/4

Section 25: NW/4, SW/4 NE/4, N/2 SW/4, SE/4 SW/4, W/2 SE/4, SE/4 SE/4

Section 26: NE/4 NW/4, NE/4, N/2 SE/4, & SE/4 SE/4

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM

Section 31: W/2, W/2 SE/4, & SE/4 SE/4

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM

Section 1: E/2 E/2

Section 12: NE/4 & E/2 SE/4

Section 13: NE/4 NE/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM

Section 6: N/2, SW/4, & NW/4 SE/4

Section 7: W/2 W/2 & NE/4 NW/4

Section 18: NW/4

Among the matters to be considered at the hearing will be the necessity of unit operations and the feasibility of the proposed secondary recovery program; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 5613: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production and designated as the West Grama Ridge-Bone Springs Pool. The discovery well is Southern Union Production Company Barbara Federal Well No. 1 located in Unit I of Section 6, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 6: SE/4

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Hay Hollow-Strawn Gas Pool. The discovery well is Great Western Drilling Company Hay Hollow Unit Well No. 1 located in Unit J of Section 11, Township 26 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM
Section 11: E/2

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Ross-Draw-Delaware Gas Pool. The discovery well is J. C. Williamson Ross Draw Unit Well No. 1 located in Unit N of Section 27, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 27: W/2 Section 34: NW/4

(d) Create a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Sulmar-San

Andres Pool. The discovery well is McClellan Oil Corporation Lisa A Federal Well No. 1Y located in Unit X of Section 13, Township 15 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 13: SW/4

(e) Extend the vertical limits of the Legg-Morrow Gas Pool in Lea County, New Mexico, to include the Atoka formation; and redesignate the pool as the Legg Atoka-Morrow Gas Pool.

(f) Extend the Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 26: S/2 Section 35: N/2

(g) Extend the Bar-U-Pennsylvanian Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 31: S/2

(h) Extend the North Burton Flats-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 19: S/2 Section 30: W/2

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

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 17: NW/4 Section 18: NE/4

(j) Extend the East Chisum-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM
Section 9: E/2 SE/4 and S/2 SW/4

(k) Extend the High Plains-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 26: SW/4

(l) Extend the Jalcat Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 2: NW/4

(m) Extend the South Lucky Lake-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 22: W/2 NW/4

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

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 27: SW/4 NE/4 and W/2 SE/4

(o) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 6: SW/4

(p) Extend the Vacuum-Queen Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 11: NW/4

Case 5605

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

December 9, 1975

Mr. Joe D. Ramey, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Enclosed, in triplicate, is the application of Saguaro Oil Company for the adoption of special pool rules for the Table Mesa-Dakota Oil Pool, similar to the rules adopted by the Commission for the Rattlesnake-Dakota pool.

It is requested that this application be set for hearing at the January 7, 1976 examiner hearing.

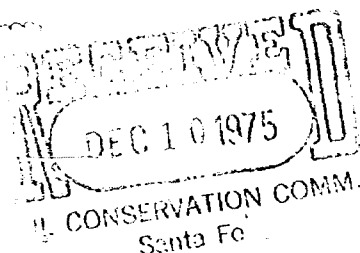
Yours very truly,

Jason W. Kellahin
Jason W. Kellahin

CC: Mr. John Cunningham
Mr. Robert Lauth

JWK:kj::

Enclosure



Case 5605

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SAGUARO OIL COMPANY FOR APPROVAL
OF SPECIAL POOL RULES, TABLE MESA
DAKOTA OIL POOL, SAN JUAN COUNTY,
NEW MEXICO

A P P L I C A T I O N

Comes now Saguaro Oil Company and applies to the Oil Conservation Commission of New Mexico for the adoption of special pool rules for the development and operation of the Table Mesa-Dakota Oil Pool, ~~Pio~~ ^{San Juan} County, New Mexico, including a provision for special spacing of wells, and in support thereof would show the Commission:

1. Applicant is the sole operator in the Table Mesa-Dakota Oil Pool.
2. The pool has reached an advanced stripper stage of development.
3. In order to recover the greatest amount of oil from the pool, special well spacing provisions are necessary, and the approval of such provisions would prevent premature abandonment of the pool.
4. Applicant proposes the adoption of an order making the following provisions:
 - a. A provision for wells to be located on 2 1/2 acre tracts, wells to be located no nearer than 25 feet to the outer boundary of any quarter-quarter section, and no nearer than 165 feet from the boundary of acreage

owned by any offset operator, but permitting wells to be located in proximity to a previously drilled well.

b. Adoption of an administrative procedure for approval of an exception to the well spacing requirements based on topographical conditions.

c. A provision that a 40-acre proration unit shall not produce in excess of the 40-acre top unit allowable for wells completed in the Table Mesa-Dakota Oil Pool, regardless of the number of wells on the unit.

5. Approval of the proposed spacing regulations is in the interests of conservation, will prevent waste, result in the greatest ultimate recovery of oil from the Table Mesa-Dakota Oil Pool, and fully protect correlative rights.

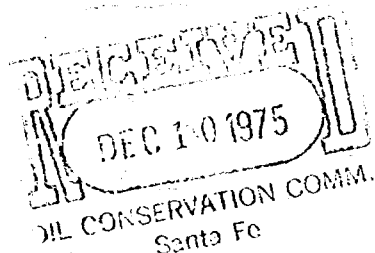
WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order adopting the special pool rules as proposed.

Respectfully submitted,
SAGUARO OIL COMPANY

By Josiah W. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DOCKET MAILED
Date 12/29/75



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SAGUARO OIL COMPANY FOR APPROVAL
OF SPECIAL POOL RULES, TABLE MESA
DAKOTA OIL POOL, SAN JUAN COUNTY,
NEW MEXICO

A P P L I C A T I O N

Comes now Saguaro Oil Company and applies to the Oil Conservation Commission of New Mexico for the adoption of special pool rules for the development and operation of the Table Mesa-Dakota Oil Pool, ~~Doña Ana~~ ^{San Juan} County, New Mexico, including a provision for special spacing of wells, and in support thereof would show the Commission:

1. Applicant is the sole operator in the Table Mesa-Dakota Oil Pool.
2. The pool has reached an advanced stripper stage of development.
3. In order to recover the greatest amount of oil from the pool, special well spacing provisions are necessary, and the approval of such provisions would prevent premature abandonment of the pool.
4. Applicant proposes the adoption of an order making the following provisions:
 - a. A provision for wells to be located on 2 1/2 acre tracts, wells to be located no nearer than 25 feet to the outer boundary of any quarter-quarter section, and no nearer than 165 feet from the boundary of acreage

owned by any offset operator, but permitting wells to be located in proximity to a previously drilled well.

b. Adoption of an administrative procedure for approval of an exception to the well spacing requirements based on topographical conditions.

c. A provision that a 40-acre proration unit shall not produce in excess of the 40-acre top unit allowable for wells completed in the Table Mesa-Dakota Oil Pool, regardless of the number of wells on the unit.

5. Approval of the proposed spacing regulations is in the interests of conservation, will prevent waste, result in the greatest ultimate recovery of oil from the Table Mesa-Dakota Oil Pool, and fully protect correlative rights.

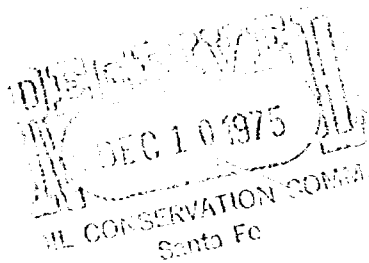
WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order adopting the special pool rules as proposed.

Respectfully submitted,
SAGUARO OIL COMPANY

By Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

Case 5605



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SAGUARO OIL COMPANY FOR APPROVAL
OF SPECIAL POOL RULES, TABLE MESA
DAKOTA OIL POOL, SAN JUAN COUNTY,
NEW MEXICO

A P P L I C A T I O N

Comes now Saguaro Oil Company and applies to the Oil Conservation Commission of New Mexico for the adoption of special pool rules for the development and operation of the Table Mesa-Dakota Oil Pool, ^{San Juan} ~~Pio Jiriba~~ County, New Mexico, including a provision for special spacing of wells, and in support thereof would show the Commission:

1. Applicant is the sole operator in the Table Mesa-Dakota Oil Pool.
2. The pool has reached an advanced stripper stage of development.
3. In order to recover the greatest amount of oil from the pool, special well spacing provisions are necessary, and the approval of such provisions would prevent premature abandonment of the pool.
4. Applicant proposes the adoption of an order making the following provisions:
 - a. A provision for wells to be located on 2 1/2 acre tracts, wells to be located no nearer than 25 feet to the outer boundary of any quarter-quarter section, and no nearer than 165 feet from the boundary of acreage

owned by any offset operator, but permitting wells to be located in proximity to a previously drilled well.

b. Adoption of an administrative procedure for approval of an exception to the well spacing requirements based on topographical conditions.

c. A provision that a 40-acre proration unit shall not produce in excess of the 40-acre top unit allowable for wells completed in the Table Mesa-Dakota Oil Pool, regardless of the number of wells on the unit.

5. Approval of the proposed spacing regulations is in the interests of conservation, will prevent waste, result in the greatest ultimate recovery of oil from the Table Mesa-Dakota Oil Pool, and fully protect correlative rights.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order adopting the special pool rules as proposed.

Respectfully submitted,

SAGUARO OIL COMPANY

By Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT