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. 8724 Order No. R-2565-D

APPLICATION OF BENSON-MONTIN-GREER DRILLING CORPORATION FOR THE EXTENSION OF THE VERTICAL LIMITS OF THE EAST PUERTO CHIQUITO-MANCOS OIL POOL, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on October 9, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this <u>l0th</u> day of February, 1986, 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 East Puerto Chiquito-Mancos Oil Pool, located in Rio Arriba County, New Mexico, was created by Division Order No. R-2565-B, dated November 26, 1966, with the vertical limits comprising the Niobrara member of the Mancos shale.

(3) The applicant, Benson-Montin-Greer Drilling Corporation, is the operator of the East Puerto Chiquito-Mancos Unit Area located entirely within the present horizontal boundaries of the East Puerto Chiquito-Mancos Oil Pool.

(4) The applicant seeks the extension of the vertical limits of said pool to be from the base of the Mesaverde formation to the base of the Greenhorn member of the Mancos formation.

(5) The evidence presented indicates that such vertical extension should permit maximum development of the productive



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horizons not presently within the defined limits of the pool, thereby preventing waste.

(6) The vertical limits of the East Puerto Chiquito-Mancos Oil Pool should be redefined as that interval from the base of the Mesaverde formation to the base of the Greenhorn member of the Mancos formation as found from approximately 1175 feet to 3143 feet, respectively, on the Gamma Ray/Induction Log from the Intex Oil Company Hijo Well No. 1 located 1980 feet from the North and West lines of Section 5, Township 26 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(7) Approval of this order would promote the conservation of oil and gas and should serve to protect the correlative rights of all operators within the pool.

IT IS THEREFORE ORDERED THAT:

(1) The vertical limits of the East Puerto Chiquito-Mancos Oil Pool is hereby redefined as that interval from the base of the Mesaverde formation to the base of the Greenhorn member of the Mancos formation as found from approximately 1117 feet to 3143 feet, respectively, on the Gamma Ray/Induction Log from the Intex Oil Company Hijo Well No. 1 located 1980 feet from the North and West lines of Section 5, Township 26 North, Range 1 East, NMPM, Rio Arriba County, New Mexico.

(2) 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

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R. L. STAMETS, Director

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