and 28, 1975

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. 5394 Order No. R-3252-A

APPLICATION OF WALTER DUNCAN OIL PROPERTIES FOR AMENDMENT OF SPECIAL POOL RULES, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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This cause came on for hearing at 9 a.m. on January 22, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>28th</u> day of January, 1975, 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 by Order No. R-3252, dated June 5, 1967, Special Rules and Regulations for the Slick Rock-Dakota Oil Pool were established, including a provision requiring that wells be located no nearer than 165 feet to the outer boundary of the quarter-quarter section on which it is located and no nearer than 300 feet to any other well producing from the same pool.

(3) That the applicant, Walter Duncan Oil Properties, seeks the amendment of said Special Rules and Regulations to permit the drilling of wells to within 25 feet of a quarterquarter section boundary when the offset acreage is owned by the operator of the well, and to permit drilling to within 165 feet of a well producing from the same pool.

(4) That amendment of said Rules and Regulations as proposed by the applicant will allow operators in the pool greater flexibility in locating their wells, will prevent the drilling of unnecessary wells, and will otherwise prevent waste and protect correlative rights. -2-Case No. 5394 Order No. R-3252-A

IT IS THEREFORE ORDERED:

(1) That Rule 2 of the Special Rules and Regulations for the Slick Rock-Dakota Oil Pool as promulgated by Order No. R-3252, dated June 5, 1967, is hereby amended to read in its entirety as follows:

"RULE 2. Each well shall be located no nearer than 25 feet to the outer boundary of the quarter-quarter section on which it is located and no nearer than 165 feet to any other well producing from the same pool; provided, however, that in no event shall said well or wells be completed or recompleted nearer than 165 feet to the boundary of acreage owned by an offset operator."

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman R Lucero PHIL R. LUCERO, Member

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

SEAL

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