

Entered December 23, 1977  
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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. 5994 DE NOVO  
Order No. R-5531-A

APPLICATION OF TENNECO OIL COMPANY  
FOR AN EXCEPTION TO THE PROVISIONS  
OF ORDER NO. R-5459, SAN JUAN COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 10, 1977, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of December, 1977, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 its Order No. R-5459, entered on June 14, 1977, the Commission redefined the vertical limits of the Blanco-Mesaverde Pool, Rio Arriba and San Juan Counties, New Mexico.

(3) That such redefinition resulted in the inclusion of "Chacra" equivalent fractured shales or siltstone zones within the vertical limits of said pool in approximately one-half of said pool North and East of a certain line traversing the pool.

(4) That in said Order No. R-5459 the Commission found:

"(17) That there are 4 wells north and east of the line defined in Finding No. 15 above and Exhibit A which may be producing from fractured shale or siltstone zones equivalent to said Chacra sands and which may or may not be connected to other producing zones in said Blanco-Mesaverde Pool." and

"(18) That to protect the correlative rights of the owners of said four wells, the effective date

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of any redefinition of the vertical limits of said Blanco-Mesaverde Pool should be delayed to provide such owners with the opportunity to bring a case for an exception before the Commission."

(5) That the applicant, Tenneco Oil Company, is the operator of one and an interest owner in another of the wells referenced in Findings Nos. (17) and (18) of said Order No. R-5459, the wells being, respectively, its Florance Well No. 29A located in Unit F of Section 25 and the Blackwood and Nichols Northeast Blanco Unit Well No. 64 located in Unit P of Section 24, both in Township 30 North, Range 8 West, San Juan County, New Mexico.

(6) That the applicant seeks an exclusion from the vertical limits of said Blanco-Mesaverde Pool for said Florance Well No. 29A and said Northeast Blanco Unit Well No. 64 as an exception to said Order No. R-5459.

(7) That this matter came on for hearing at 9:00 a.m. on July 20, 1977 at Santa Fe, New Mexico, before Examiner Richard L. Stamets, and, pursuant to this hearing, Order No. R-5531 was issued denying the exclusion sought.

(8) That on September 30, 1977, application for hearing De Novo was made by Tenneco Oil Company and the matter was set for hearing before the Commission.

(9) That the matter came on for hearing De Novo on November 10, 1977.

(10) That the evidence adduced at said hearing fully supports the findings in Order No. R-5531 and confirms the action denying the application.

(11) That Commission Order No. R-5531 entered September 6, 1977, should be affirmed and adopted.

IT IS THEREFORE ORDERED:

(1) That Commission Order No. R-5531, entered September 6, 1977, is hereby affirmed and adopted.

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

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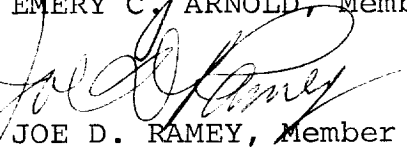
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DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

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