

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1308
Order No. R-1069

APPLICATION OF SUNRAY MID-CONTINENT
OIL COMPANY FOR AN ORDER EXTENDING
THE HORIZONTAL LIMITS OF THE BISTI-
LOWER GALLUP OIL POOL IN SAN JUAN
COUNTY, NEW MEXICO, AND TEMPORARILY
ESTABLISHING UNIFORM 80-ACRE WELL
SPACING AND PROMULGATING SPECIAL
RULES AND REGULATIONS FOR SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 18, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 9th., day of October, 1957, the Commission, a quorum being present, having considered the application and the evidence adduced, 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, Sunray Mid-Continent Oil Company, proposes to include within the horizontal limits of the Bisti-Lower Gallup Oil Pool a large amount of acreage which has not yet been proven productive.
- (3) That the Commission should continue to follow its established policy of extending the horizontal limits of oil and gas pools in the State of New Mexico to include only such acreage as has been proven productive by actual drilling operations.
- (4) That the applicant proposes to establish a uniform 80-acre well spacing pattern in the Bisti-Lower Gallup Oil Pool for a period of one year.
- (5) That the applicant has failed to prove that the Bisti-Lower Gallup Oil Pool can be adequately drained by an 80-acre well spacing pattern.

(6) That the Bisti-Lower Gallup Oil Pool should be developed on a uniform 40-acre well spacing pattern in accordance with the Rules and Regulations of the Oil Conservation Commission.

IT IS THEREFORE ORDERED:

That the application of Sunray Mid-Continent Oil Company for an order establishing uniform 80-acre well spacing in the Bisti-Lower Gallup Oil Pool for a period of one year and extending the horizontal limits of said pool to include the following described acreage:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM

Sections 2 & 3: All
Section 4: S/2

TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM

Sections 19, 26, 27, and 28: All
Section 31: S/2
Section 35: All

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM

Sections 7, 13, 14, and 15: All
Section 16: N/2
Section 24: All
Section 27: SW/4
Sections 28, 29, 30, 35, and 36: All

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 3: All
Section 4: N/2
Section 5: NE/4
Section 7: SW/4
Section 10: E/2
Sections 11 and 12: All
Section 17: SW/4
Section 18: All
Section 25: S/2

TOWNSHIP 25 NORTH, RANGE 13 WEST, NMPM

Section 1: SW/4
Section 2: All
Section 3: S/2 and NE/4
Sections 4 and 11: All
Section 12: S/2 and NW/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 31: N/2
Section 32: All

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Case No. 1308

Order No. R-1069

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM

Section 26: N/2

Section 29: S/2, NW/4, and W/2 NE/4

Sections 30, 31, and 32: All

Section 36: NE/4

all in San Juan County, New Mexico,

be and the same is hereby denied.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1308
Order No. R-1069-A

IN THE MATTER OF THE APPLICATION
OF SUNRAY MID-CONTINENT OIL COMPANY
FOR AN ORDER EXTENDING THE HORIZONTAL
LIMITS OF THE BISTI-LOWER GALLUP OIL
POOL IN SAN JUAN COUNTY, NEW MEXICO,
AND TEMPORARILY ESTABLISHING UNIFORM
80-ACRE WELL SPACING AND PROMULGATING
SPECIAL RULES AND REGULATIONS.

ORDER OF THE COMMISSION FOR REHEARING

BY THE COMMISSION:

This cause came on for consideration for a rehearing upon the petition of Sunray Mid-Continent Oil Company, Phillips Petroleum Company, Amerada Petroleum Corporation, The Texas Company, Skelly Oil Company, Sinclair Oil & Gas Company, British-American Oil Producing Company, Magnolia Petroleum Company, Anderson-Prichard Oil Corporation, Lion Oil Company, and Southern Union Gas Company.

NOW, on this 4th day of November, 1957, the Commission, a quorum being present, having considered the petitions for rehearing,

FINDS:

(1) That Order No. R-1069 was entered in Case No. 1308 on October 9, 1957.

(2) That petitions for rehearing in Case No. 1308, Order No. R-1069, were received by the Commission from the above-named companies within the time prescribed by law.

(3) That a rehearing should be held on Case No. 1308, Order No. R-1069, at 9 o'clock a.m. on December 18, 1957, at Mabry Hall, State Capitol, Santa Fe, New Mexico, to permit all interested parties to appear and present new evidence on the issues raised in the petitions for rehearing.

IT IS THEREFORE ORDERED:

That the above-styled cause be reopened and a rehearing be held at 9 o'clock a.m. on December 18, 1957, at Mabry Hall, State Capitol, Santa Fe, New Mexico, at which time and place all interested parties may appear.

Case No. 1308
Order No. R-1069-A

IT IS FURTHER ORDERED:

That testimony on rehearing shall be limited to new evidence on the issues raised in the petitions for rehearing.

IT IS FURTHER ORDERED:

That Order No. R-1069 shall remain in full force and effect until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1308
Order No. R-1069-B

APPLICATION OF SUNRAY MID-CONTINENT
OIL COMPANY FOR AN ORDER EXTENDING
THE HORIZONTAL LIMITS OF THE BISTI-
LOWER GALLUP OIL POOL, IN SAN JUAN
COUNTY, NEW MEXICO, AND TEMPORARILY
ESTABLISHING UNIFORM 80-ACRE WELL
SPACING AND PROMULGATING SPECIAL
RULES AND REGULATIONS FOR SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on September 18, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," and that this cause came on for rehearing before the Commission, upon the petition of Sunray Mid-Continent Oil Company et al., at 9 o'clock a.m. on December 18, 1957 at Santa Fe, New Mexico.

NOW, on this 17th day of January, 1958, the Commission, a quorum being present, having considered the application, the petitions for rehearing, and the evidence adduced at both the original hearing and the rehearing 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 Order No. R-1069 should be superseded by this order.

(3) That the Commission found in Order No. R-1069 that "...the Commission should continue to follow its established policy of extending the horizontal limits of oil and gas pools in the State of New Mexico to include only such acreage as has been proven productive by actual drilling operations."

(4) That the petitioners on rehearing failed to show cause why the Commission should deviate from the aforementioned policy in the Bisti-Lower Gallup Oil Pool.

(5) That sufficient evidence was adduced by the petitioners on rehearing, in addition to the evidence adduced at the original hearing, to justify the establishment of 80-acre proration units in the Bisti-Lower Gallup Oil Pool on a temporary basis.

(6) That 80-acre proration units should be temporarily established in the Bisti-Lower Gallup Oil Pool and that all wells drilled to or completed in said pool should be located on a unit containing 80 acres, more or less, which consists of either the North half or the South half of a single governmental quarter section; and further that all wells drilled in the Bisti-Lower Gallup Oil Pool should be located within 100 feet of the center of either quarter-quarter section; provided however, that the rules should not prohibit the drilling of a well on each of the quarter-quarter sections in an 80-acre proration unit.

(7) That the Secretary-Director of the Commission should have authority to grant exceptions to the foregoing spacing and well location requirements without the necessity of a formal hearing.

(8) That an 80-acre proration unit in the Bisti-Lower Gallup Oil Pool should be assigned an 80-acre proportional factor of two (2) for allowable purposes, and that in the event there is more than one well on an 80-acre proration unit, the operator should be permitted to produce the unit's allowable from said wells in any proportion.

(9) That any well which was projected to or completed in the Bisti-Lower Gallup Oil Pool prior to the effective date of this order should be granted an exception to the 80-acre spacing and well location requirements set forth above, and that any such excepted well should be assigned an allowable which is in the proportion to the standard 80-acre allowable that the well's dedicated acreage bears to 80-acres; provided however, that the allowable for any such excepted well should be increased to that of a standard unit upon receipt by the Commission of proper notice that such well has 80 acres dedicated thereto.

IT IS THEREFORE ORDERED:

(1) That Order No. R-1069 dated October 9, 1957, be and the same is hereby superseded by this order.

(2) That the application of Sunray Mid-Continent Oil Company to extend the horizontal limits of the Bisti-Lower Gallup Oil Pool to include acreage which has not been proven productive by actual drilling operations be and the same is hereby denied.

(3) That any well which was drilling to or completed in the Bisti-Lower Gallup Oil Pool prior to January 25, 1958, be and the same is hereby granted an exception to the well location requirements of Rule 3 of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool hereinafter set forth, and that any such well which is located on a tract comprising either the North half or the South half of a governmental quarter section on which 80-acre unit there is located more than one well, be and the same is hereby granted an exception to the requirements of Rule 2 of the Special Rules and Regulations hereinafter set forth; further, that all such excepted wells shall be assigned an allowable effective at 7 o'clock a.m. Mountain Standard Time, March 1, 1958,

which allowable shall bear the same proportion to the standard 80-acre allowable for the Bisti-Lower Gallup Oil Pool that the acreage dedicated to such well bears to 80 acres; provided however, that the allowable for any such excepted well may be increased to that of a standard 80-acre unit by the dedication to the well of additional acreage sufficient to constitute a standard 80-acre proration unit, said allowable to become effective on the date of receipt by the Commission of an amended Form C-128, Well Location and Acreage Dedication Plat, showing the increased acreage dedication. Provided however, that no well shall be assigned an 80-acre allowable in the Bisti-Lower Gallup Oil Pool prior to March 1, 1958.

(4) That the effective date of this order shall be March 1, 1958.

(5) That this order shall be of no further force nor effect after February 28, 1959.

(6) That a case be called for the regular Commission hearing in January, 1959, to permit all interested parties to appear and show cause why the Special Rules and Regulations hereinafter set forth should be continued beyond February 28, 1959.

(7) That special pool rules for the Bisti-Lower Gallup Oil Pool be and the same are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE BISTI-LOWER GALLUP OIL POOL**

RULE 1. Any well projected to or completed in the Lower Gallup formation within one mile of the boundaries of the Bisti-Lower Gallup Oil Pool shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. All wells projected to or completed in the Bisti-Lower Gallup Oil Pool shall be located on a unit containing 80 acres, more or less, which consists of either the North half or the South half of a single governmental quarter section.

RULE 3. All wells projected to or completed in the Bisti-Lower Gallup Oil Pool shall be located within 100 feet of the center of either quarter-quarter section in the unit; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in an 80-acre unit.

RULE 4. The Secretary-Director of the Commission may grant exceptions to the requirements of Rule 2 and, for topographical reasons only, to the requirements of Rule 3 above without notice and where the application is filed in due form, provided the applicant furnish all operators within a 2640-foot radius of the well a copy of the application to the Commission, and p

Secretary-Director of the Commission shall wait at least twenty days before approving any such application and that no such application shall be approved over the objection of an offset operator. In the event an offset operator objects to the application, the Commission shall consider the matter only after proper notice and hearing. The applicant shall include with his application a list of names and addresses of all the operators within the radius set forth above together with a stipulation that proper notice of the application has been given said operators.

RULE 5. An 80-acre proration unit in the Bisti-Lower Gallup Oil Pool ~~shall~~ be assigned an 80-acre proportional factor of two (2) for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from said wells in any proportion.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1308
Order No. R-1069-C

APPLICATION OF SUNRAY MID-CONTINENT
OIL COMPANY FOR AN ORDER EXTENDING
THE HORIZONTAL LIMITS OF THE BISTI-
LOWER GALLUP OIL POOL IN SAN JUAN
COUNTY, NEW MEXICO, AND TEMPORARILY
ESTABLISHING UNIFORM 80-ACRE WELL
SPACING AND PROMULGATING SPECIAL
RULES AND REGULATIONS FOR SAID POOL.

ORDER OF THE COMMISSION FOR REHEARING

BY THE COMMISSION:

This cause came on for consideration upon the petition of Shell Oil Company for a rehearing in Case No. 1308, Order No. R-1069-B, heretofore entered by the Commission on January 17, 1958.

NOW, on this 12th day of February, 1958, the Commission, a quorum being present, having considered the petition,

HEREBY ORDERS:

That the above-styled cause be reopened and a rehearing be held at 9 o'clock a.m. on March 13, 1958, at Mabry Hall, State Capital, Santa Fe, New Mexico.

IT IS FURTHER ORDERED:

That the testimony on rehearing shall be limited to new evidence upon the issues raised in the petition for rehearing.

IT IS FURTHER ORDERED:

That Order No. R-1069-B shall remain in full force and effect pending the issuance of any further order in this case.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1308
Order No. R-1069-D

APPLICATION OF SUNRAY MID-CONTINENT
OIL COMPANY FOR AN ORDER EXTENDING
THE HORIZONTAL LIMITS OF THE BISTI-
LOWER GALLUP OIL POOL, IN SAN JUAN
COUNTY, NEW MEXICO, AND TEMPORARILY
ESTABLISHING UNIFORM 80-ACRE WELL
SPACING AND PROMULGATING SPECIAL RULES
AND REGULATIONS FOR SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 18, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," and this cause came on for rehearing before the Commission, upon the petition of Sunray Mid-Continent Oil Company et al., at 9 o'clock a.m., on December 18, 1957, at Santa Fe, New Mexico, and this cause came on for rehearing before the Commission, upon the petition of Shell Oil Company, at 9 o'clock a.m., on March 13, 1958, at Santa Fe, New Mexico.

NOW, on this 10th. day of April, 1958, the Commission, a quorum being present, having considered the application, the petitions for rehearings, and the testimony and evidence adduced at both the original hearing and the subsequent rehearings, 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 in light of all the evidence, testimony and arguments presented at the rehearing in the subject case held on March 13, 1958, the Commission reaffirms each and every finding made in Order No. R-1069-B.
- (3) That in deciding Case No. 1308, Order No. R-1069-B, the Commission determined that one well would efficiently and economically drain 80 acres in the Bisti-Lower Gallup Oil Pool and that such determination is inherent in finding No. (5) and finding No. (6) of Order No. R-1069-B; and further, that in making such determination the Commission took into consideration the economic loss caused by the drilling of unnecessary wells, the protection of correlative rights, including those

of royalty owners, the prevention of waste, the avoidance of the augmentation of risks arising from the drilling of an excessive number of wells, and the prevention of reduced recovery which might result from the drilling of too few wells.

(4) That in order to afford each owner in a pool the opportunity to produce his just and equitable share of the oil or gas, or both, in said pool, a well located on a smaller than standard proration unit must be assigned an allowable, in the proportion that the acreage in said non-standard proration unit bears to the acreage in the standard-sized proration unit for the pool as established by the Commission.

(5) That the petition of Shell Oil Company to rescind or revoke Order No. R-1069-B should be denied and that Order No. R-1069-B should be continued in full force and effect until March 1, 1959, at which time said order expires by its own terms.

IT IS THEREFORE ORDERED:

That the petition of Shell Oil Company to rescind or revoke Order No. R-1069-B be and the same is hereby denied, and that Order No. R-1069-B shall remain in full force and effect until March 1, 1959.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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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. 1308
Order No. R-1069-E

APPLICATION OF SUNRAY MID-CONTINENT OIL
COMPANY TO MAKE PERMANENT THE SPECIAL
RULES AND REGULATIONS FOR THE BISTI-
LOWER GALLUP OIL POOL, SAN JUAN COUNTY,
NEW MEXICO, AS SET FORTH IN ORDER NO.
R-1069-B.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 18, 1957, December 18, 1957, March 13, 1958, and again on January 14, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 2nd day of February, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced, 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 preponderance of the evidence presented in this case indicates that one well will efficiently and economically drain 80 acres in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

(3) That the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool, as set forth in Order No. R-1069-B, should be continued in effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, as set forth in Order No. R-1069-B, be and the same are hereby continued in effect until further order of the Commission.

(2) That this order shall become effective March 1, 1959.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

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

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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. 4949
Order No. R-1069-F

APPLICATION OF SKELLY OIL COMPANY
FOR THE AMENDMENT OF ORDER NO.
R-1069-B, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 25, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of June, 1973, 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, Skelly Oil Company, is the owner-operator of the J. C. Daum Well No. 1 located in Unit I of Section 26, Township 25 North, Range 11 West, NMPM, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.
- (3) That the Bisti-Lower Gallup Oil Pool in the area of said well has been depleted by primary and secondary recovery techniques and is now capable of only marginal production.
- (4) That applicant's J. C. Daum Well No. 1 has a gas-oil ratio in excess of 50,000 to 1, and that said well's allowable is restricted due to this high gas-oil ratio.
- (5) That said well is located in an area of the Bisti-Lower Gallup Oil Pool where casing failures have occurred and that should such a failure occur in said well before said well is depleted, hydrocarbons could be wasted through non-production.
- (6) That the applicant seeks the amendment to the special pool rules of the Bisti-Lower Gallup Oil Pool to include provisions for the classification of gas wells in said pool and the dedication of 320 acres thereto.

(7) That the applicant further seeks approval of a 320-acre proration unit consisting of the SE/4 of Section 26 and the NE/4 of Section 35, Township 25 North, Range 11 West, NMPM, to be dedicated to said J. C. Daum Well No. 1.

(8) That the evidence indicates that said well can efficiently and economically drain said 320 acre tract.

(9) That the resultant higher allowables should permit the applicant to deplete said well at an earlier date minimizing the risk of waste due to casing failure.

(10) That wells producing in the Bisti-Lower Gallup Oil Pool with gas-oil ratios in excess of 50,000 to 1 should be permitted to have dedicated thereto up to 320 acres and be assigned oil and casinghead gas allowables in proportion as the dedicated acreage relates to 80 acres; that approval of amendments to the special pool rules for the Bisti-Lower Gallup Oil Pool to provide for the same is in the interest of conservation, will prevent waste, and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the special pool rules for the Bisti-Lower Gallup Oil Pool are amended to include:

RULE 6. Any well in the Bisti-Lower Gallup Oil Pool with a gas-oil ratio of 50,000 cubic feet or more of gas per barrel of oil may have dedicated to it up to 320 acres.

RULE 7. That the acreage dedicated under Rule 6 above shall be all or part of a single governmental half section.

RULE 8. That acceptance of Commission Form C-102 by the Supervisor of the Aztec District office of the Commission shall constitute approval of the proration unit.

RULE 9. That wells in the Bisti-Lower Gallup Oil Pool shall be permitted to produce a casinghead gas allowable obtained by multiplying the top unit oil allowable for the pool by 2,000 and by a fraction, the numerator of which is the number of acres dedicated to the particular well and the denominator of which is 80.

IT IS FURTHER ORDERED:

(1) That the SE/4 of Section 26 and the NE/4 of Section 35, Township 25 North, Range 11 West, NMPM, is hereby approved as a 320-acre proration unit to be dedicated to applicant's J. C. Daum Well No. 1, located in Unit I of said Section 26 in said pool.

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Case No. 4949
Order No. R-1069-F

(2) That the dedication shall be effective after the effective date of this order and upon the receipt of a proper Form C-102 by the Aztec District Office of the Commission.

(3) That the effective date of this order shall be June 1, 1973.

(4) That jurisdiction of this cause is hereby 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

ALEX J. ARMIJO, Member

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

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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 ON ITS
OWN MOTION TO CONSIDER THE AMENDMENT
OF SPECIAL POOL RULES, SAN JUAN COUNTY,
NEW MEXICO.

CASE NO. 5631
Order No. R-1069-G

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 3, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 23rd day of March, 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 there is need to amend the Special Pool Rules for the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, to permit the drilling of a well at any point within a 40-acre tract not closer than 330 feet to the outer boundary thereof.

(3) That the proposed amendment may permit the recovery of additional volumes of oil from said pool, thereby preventing waste, will not violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That Rule 3. of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool, San Juan County, is hereby amended to read in its entirety as follows:

"RULE 3. All wells projected to or completed in the Bisti-Lower Gallup Oil Pool shall be located no closer than 330 feet to any quarter-quarter section boundary of the proration unit; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each quarter-quarter section of the unit."

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Case No. 5631

Order No. R-1069-G

(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.

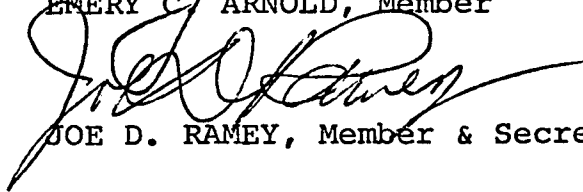
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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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. 7965
Order No. R-1069-H

APPLICATION OF HICKS OIL AND
GAS COMPANY FOR AN EXCEPTION
TO DIVISION ORDER NO. R-1069-B,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 28, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 5th day of October, 1983, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Hicks Oil and Gas Company, seeks an exception to RULE 2 of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool as promulgated by Division Order No. R-1069-B to provide for 80-acre proration units comprising either the N/2, S/2, E/2 or W/2 of any single governmental quarter section in Section 2, Township 25 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the application is sought to permit the applicant flexibility in developing a new "sandstone bar" which may lie in this portion of said pool.

(4) That the approval of the subject application will permit the applicant to recover oil from said pool which might not otherwise be recovered, thereby preventing waste, and will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Hicks Oil and Gas Company, is hereby granted an exception to RULE 2 of the Special Rules and Regulations for the Bisti-Lower Gallup Oil Pool as promulgated by Division Order No. R-1069-B, to permit the development of Section 2, Township 25 North, Range 13 West, NMPM, San Juan County, New Mexico, on 80-acre oil proration units consisting of the N/2, S/2, E/2, or W/2 of any single governmental quarter section contained therein.

(2) That 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

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