

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

1011

SEP 1 1983

RECEIVED

APPLICATION OF HICKS OIL &
GAS COMPANY FOR THE
AMENDMENT OF THE SPECIAL RULES
GOVERNING THE BISTI-LOWER GALLUP
OIL POOL, SAN JUAN COUNTY,
NEW MEXICO

CASE 7965

APPLICATION

Comes now Hicks Oil & Gas Company, by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for an Amendment to Rule 2 of the Special Rules governing the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, to provide for 80-acre proration units comprising either the N/2, S/2, E/2 or W/2 of any quarter section in Section 2, T25N, R13W, NMPM, and in support thereof would show:

1. Applicant is the operator of all of the acreage contained within Section 2, T25N, R13W, with the exception of the SW/4SW/4 which is operated by El Paso Natural Gas Company.

2. On August 4, 1983, by Division Order R-7325 the Division granted an exception to Southern Union Exploration Company to provide for 80-acre proration units in the E/2 or W/2 of any quarter section in Section 11, the section immediately to the South of the Applicant's Section 2.

3. Prior to Amendment by Southern Union Exploration Company, the Special Pool Rules required any 80 acre proration unit to be located either in the N/2 or S/2 of any quarter section.

4. As a result of the granting of the Southern Union Exploration application, Southern Union can now drill three wells immediately offsetting the applicant's acreage where the applicant is now limited to one well.

5. In order to prevent waste and protect correlative rights, applicant seeks an extension of the exception granted to Southern Union Exploration to the acreage contained in Section 2, T25N, R13W, NMPM.

WHEREFORE, applicant requests that after notice and hearing the application herein be granted.

Respectfully submitted:

KELLAHIN & KELLAHIN

By 

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