

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF GRUY PETROLEUM
MANAGEMENT CO. AND WADI PETROLEUM,
INC. TO AMEND THE SPECIAL RULES
AND REGULATIONS FOR THE WHITE
CITY-PENNSYLVANIAN GAS POOL, OR
IN THE ALTERNATIVE FOR APPROVAL
OF FOUR UNORTHODOX INFILL GAS WELL
LOCATIONS, TWO UNORTHODOX GAS WELL
LOCATIONS, AND ONE INFILL GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

No. 12873

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OCT 11 1961
11:44

APPLICATION

Gruy Petroleum Management Co. ("Gruy") and Wadi Petroleum, Inc. ("Wadi") apply for an order amending the Special Rules and Regulations for the White City-Pennsylvanian Gas Pool (the "Pool"), or, in the alternative, for approval of four unorthodox infill gas well locations, two unorthodox gas well locations, and one infill gas well location, and in support thereof, states:

1. Applicants are operators in the Pool, which was created by Oil Conservation Commission Order No. R-1857, dated February 1, 1961. The Pool currently encompasses the following acreage:

Township 24 South, Range 26 East, N.M.P.M.

Section 8:	All
Section 9:	All
Sections 15-17:	All
Sections 19-22:	All
Sections 26-35:	All

Township 25 South, Range 26 East, N.M.P.M.

Sections 1-4:	All
Sections 10-14:	All

Township 25 South, Range 27 East, N.M.P.M.

Section 7:	All
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2. Special Rules and Regulations for the Pool were adopted by Commission Order No. R-2429-A, as amended. The rules require (a) 640 acre well units, (b) wells to be located no closer than

1650 feet to the outer boundary of the spacing unit nor closer than 330 feet to a quarter-quarter section line, and (c) no more than two producible wells on a spacing unit at one time.

3. The Pool is not a prorated gas pool.

4. Applicants request that the Special Rules and Regulations for the Pool be amended to provide for (a) the option to drill one well on each quarter section within a standard 640 gas spacing unit, and (b) the setback requirement for wells be relaxed such that wells can be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line or subdivision inner boundary.

5. In the alternative, if the Pool rules are not amended, applicants request approval of:

(a) the following four unorthodox infill gas well locations:

(1) Wadi's Pennzoil 9 Fed. Com. Well No. 4, to be located 1310 feet from the north and east lines of Section 9;

(2) Wadi's Pennzoil Fed. Com. Well No. 3, to be located 2000 feet from the south line and 660 feet from the east line of Section 15;

(3) Gruy's White Baby Com. Well No. 3, to be located 1980 feet from the south line and 660 feet from the east line of Section 16; and

(4) Gruy's White Baby Com. Well No. 4, to be located 990 feet from the north and west lines of Section 16.

(b) the following two unorthodox gas well locations:

- Less unorthodox
760' FEL
660' FEL
Less unorthodox
990' FEL
660' FEL*
- (1) Wadi's Pennzoil Fed. Com. Well No. 2, to located 660 feet from the north and east lines of Section 15; and
- (2) Wadi's Federal 22 Com. Well No. 2, to be located 660 feet from the north and east lines of Section 22.

(c) the following infill gas well location:


- (1) Wadi's Pennzoil 9 Fed. Com. Well No. 3, to be located 1650 feet from the north and west lines of Section 9.

The foregoing wells are all in Township 24 South, Range 26 East, N.M.P.M. Applicant requests that the infill wells be allowed to produce concurrently with other producible wells on the well units.

6. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the relief requested above be granted.

Respectfully submitted,



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