

February 24, 1956

MEMORANDUM

TO: Mankin, Gurley & Utz
FROM: W. B. Macey
SUBJECT: Case 977

Please write the order in this case approving Southern Union's application (Do not destroy the original rough draft of the order which you have already written).

I believe the order should contain a provision for the spacing rules to apply to all adjacent areas within two miles of the pool and also should contain some provision for interference tests to be conducted on wells during the one-year duration of the order. By this I mean that interference tests should be conducted for a period of time after the initial production from the pool and later on during the one-year period other wells should be shut-in, particularly those on the edges of the pool to determine whether or not there is any interference. A further requirement might request a monthly report on the wells involved in the test area.

WBM:brp

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 26, 1956

C
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P
Y

Mr. A. S. Grenier
Southern Union Gas Co.
1104 Burt Building
Dallas 1, Texas

Dear Sir:

We enclose a copy of Order R-794 issued on April 18, 1956, by the Oil Conservation Commission in Case 977, which was heard on November 16, 1955.

Very truly yours,

A. L. Porter, Jr.
Acting Secretary - Director

ALP:brp
Encl.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 9, 1957

Mr. A. M. Wiederkehr
Southern Union Gas Company
1104 Burt Building
Dallas, Texas

Dear Sir:

We enclose a copy of Order R-794-A issued April 5, 1957, by the Oil Conservation Commission in Case 977, which was heard on January 16th and March 14th.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 10, 1957

C

O

Mr. A. S. Grenier
Southern Union Gas Company
Burt Building
Dallas 1, Texas

Dear Sir:

P

We enclose a copy of Order R-794-B issued by the Oil Conservation Commission on September 9, 1957, in Case 977.

Yours very truly,

Y

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 10, 1957

C
O
P
Y

Mr. W. H. Johnston
Northwest Production Corp.
520 Simms Building
Albuquerque, New Mexico

Dear Sir:

We enclose a copy of Order R-794-B issued September 9, 1957,
by the Oil Conservation Commission in Case 977.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 20, 1958

C
O
P
Y

Mr. A. S. Grenier
Southern Union Gas Company
Burt Building
Dallas 1, Texas

Dear Mr. Grenier:

We enclose a copy of Order R-794-C issued March 19, 1958, by the Oil Conservation Commission in Case 977, which was last heard on February 13, 1958.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 11, 1958

Mr. Clarence Hinkle
Hervey, Dow & Hinkle
P.O. Box 547
Roswell, New Mexico

Dear Mr. Hinkle:

On behalf of your client, Humble Oil & Refining Company, we enclose two copies of Order R-794-D, Order of the Commission for Rehearing, issued April 11, 1958, in Case 977.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

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D
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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 11, 1958

C

O

Mr. A. S. Grenier
Southern Union Gas Company
Burt Building
Dallas 1, Texas

Dear Mr. Grenier:

D

We enclose a copy of Order R-794-D, Order of the Commission for Rehearing, issued April 11, 1958, in Case 977.

Very truly yours,

Y

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

Handwritten notes:
4-11-58
A. L. Porter, Jr.
Secretary - Director

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 4, 1958

C

Mr. Clarence Hinkle
Hervey, Dow & Hinkle
P.O. Box 547
Roswell, New Mexico

O

Dear Mr. Hinkle:

On behalf of your client, Humble Oil & Refining Company, we enclose two copies of Order R-794-E issued June 4, 1958, by the Oil Conservation Commission in Case 977, which was last heard on May 14, 1958.

P

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

Y

bp
Encls.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 4, 1958

C
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Y

Mr. A. S. Grenier
Southern Union Gas Company
Burt Building
Dallas 1, Texas

Dear Mr. Grenier:

We enclose one copy of Order R-794-E issued June 4, 1958, by the Oil Conservation Commission in Case 977, which was last heard on May 14, 1958.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encl.

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. 977
Order No. R-794

THE APPLICATION OF SOUTHERN UNION
GAS COMPANY FOR AN ORDER CREATING
THE TAPACITO-PICTURED CLIFFS GAS
POOL IN RIO ARriba COUNTY, NEW
MEXICO AND FOR THE TEMPORARY
ESTABLISHMENT OF 320 ACRE DRILLING
UNITS WITHIN SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 16, 1955 at Santa Fe, New Mexico, before the Oil Conservation Commission hereinafter referred to as the "Commission".

NOW, on this 13th day of April 1956, 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 the subject acreage of paragraph (e) of application for creation of new pool in Rio Arriba County as set forth in Case 964, was consolidated with Case 977 by paragraph (2) of Order No. R-709. Subject acreage is described as follows:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM

NE/4 Section 9
W/2 Section 10
SW/4 Section 13
S/2 Section 14
All Section 15
SE/4 Section 16
NE/4 Section 22
W/2 & NE/4 Section 23

(2) That there is sufficient evidence to justify creation of a new gas pool, said pool to be designated as the Tapacito-Pictured Cliffs Gas Pool.

(3) That the delineation of said Tapacito-Pictured Cliffs Gas Pool should conform to the area presently outlined by development.

(4) That there is sufficient evidence to justify establishment of 320 acre drilling units within said gas pool.

IT IS THEREFORE ORDERED:

(1) That the Tapacito-Pictured Cliffs Gas Pool be and the same is hereby created. Said pool to consist of the following described acreage in Rio Arriba County, New Mexico:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
N/2 Section 4
N/2 Section 5

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
S/2 Section 7
All Section 18
All Section 19
All Section 29
All Section 30
All Section 32

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
E/2 Section 9
S/2 Section 10
All Section 13
All Section 14
All Section 15
E/2 Section 16
E/2 Section 22
All Section 23
All Section 24

(2) That applicant's request for an order granting temporary establishment of 320 acre drilling units in the Tapacito-Pictured Cliffs Gas Pool, be and the same is hereby approved.

(3) Any well drilled a distance of two miles or more from the outer boundary of the Tapacito-Pictured Cliffs Gas Pool shall be classified as a wildcat. Any well drilled less than two miles from the outer boundary of said pool shall be spaced, drilled and operated in accordance with the temporary rules of the Tapacito-Pictured Cliffs Gas Pool.

(4) That all wells shall be drilled in the NE/4 or the SW/4 of the governmental sections of all units in said Tapacito-Pictured Cliffs Gas Pool.

(5) That all wells shall be located at least 990 feet from the outer boundary of the quarter section in which the well is drilled, provided however, that a tolerance of plus or minus 200 feet will be permissible. Provided further that the wells shall not be drilled closer than 130 feet to any quarter quarter section, or subdivision, inner boundary.

(6) That the following wells having been drilled prior to the effective date of this order shall be exceptions to the spacing rules provided in Paragraph 4 above:

1. Southern Union Gas Company, Jicarilla Well No. 1-E, located in the NW/4 SE/4 Section 16, Township 26 North, Range 4 West.

2. Southern Union Gas Company's Jicarilla No. 1-D located in NW/4 NW/4 Section 32, Township 26 North, Range 3 West.
3. Gunsite Butte Uranium Corporation's Florence Well No. 1 located in NE/4 NW/4 Section 4, Township 25 North, Range 3 West.

(7) That the applicant, Southern Union Gas Company, shall perform an interference test involving four wells. Said test shall be for a period of one year or until definite proof of communication among the wells has been established in a lesser period. The applicant's Jicarilla Well No. 2-E located in the NE/4 SW/4 Section 15, Township 26 North, Range 4 West shall be shut-in for the duration of the test. Shut-in pressure tests on this well shall be taken each month beginning April 1, 1956. The valves on said well shall be sealed in the interim between pressure tests. All tests shall be witnessed by a Commission representative or other personnel authorized by the Commission. The other three wells involved in this interference test were producing as of April 1, 1956 and shall continue to be produced unrestrictedly into the pipeline for the duration of the test. Said wells are the applicant's, Jicarilla Well 3-E located in the NW/4 NE/4 Section 15, Township 26 North, Range 4 West, Jicarilla Well No. 1-E located in NW/4 SW/4 Section 16, Township 26 North, Range 4 West, and the Jicarilla Well No. 4-E located in the NE/4 NE/4 Section 22, Township 26 North, Range 4 West.

(8) That the Commission, at its discretion may order additional interference tests on any of applicants wells.

(9) That the completion data and the results of a one point back pressure test, as prescribed in the Commission's Memorandum NO. 1-56, on all wells completed within the area effected by this order will be reported to the Commission before any of the wells are put on production. All wells completed between April 1, 1956 and rehearing date of this temporary order shall be so reported.

(10) That a rehearing will be held on the date of the regular January 1957 monthly hearing of the Commission, at which time applicant will make an appearance to show cause why rules herein adopted should be continued.

(11) The effective date of this order shall be April 1, 1956 and unless otherwise adduced shall remain in full force and effect until April 1, 1957.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

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



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. 977
Order No. R-794-A

IN THE MATTER OF THE HEARING
ORDERED TO BE HELD BY PARAGRAPH
10 OF ORDER R-794, CASE 977, TO
PERMIT SOUTHERN UNION GAS COMPANY
AND OTHER INTERESTED PARTIES TO SHOW
CAUSE WHY 320-ACRE SPACING SHOULD BE
CONTINUED IN THE TAPACITO-PICTURED
CLIFFS GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 16, 1957 and again on March 14, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 5th day of April, 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 notice having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
2. That under the authority granted by Paragraph 8 of Order R-794, the Commission ordered an additional interference test to be conducted by the applicant, Southern Union Gas Company.
3. That the applicant began an additional interference test on December 17, 1956, on its Jicarilla No. 4-D Well located in the SE/4 NE/4 of Section 30, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.
4. That the applicable provisions of Order R-794 should be extended until October 1, 1957, in order that the results of the additional test may be considered in the final determination of this matter.
5. That the case should be heard at the Commission monthly hearing on August 15, 1957 to show cause why the rules promulgated by Order R-794 should be continued in effect.

IT IS THEREFORE ORDERED:

1. That the provisions of Paragraphs 1 through 6 and Paragraph 8 of Order R-794 be and the same are hereby continued in effect until October 1, 1957.

-2-

Case No. 977

Order No. R-794-A

2. That the completion data and the results of a one-point back pressure test, as prescribed in the Commission's Memorandum No. 1-56, on all wells completed within the area affected by this order will be reported to the Commission before any of the wells are put on production. All wells completed between April 1, 1956 and October 1, 1957 shall be so reported.

3. That the case be heard at the Commission monthly hearing on August 15, 1957, to show cause why the rules contained in Order R-794 should be continued.

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. 977
Order No. R-794-B

IN THE MATTER OF THE HEARING
ORDERED TO BE HELD BY PARAGRAPH
3 OF ORDER R-794-A TO PERMIT
SOUTHERN UNION GAS COMPANY TO
SHOW CAUSE WHY 320-ACRE SPACING
SHOULD BE CONTINUED IN THE TAPACITO-
PICTURED CLIFFS GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on November 16, 1955, on March 14, 1957, and again on August 15, 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 September, 1957, the Commission, a quorum being present, having considered the testimony and evidence adduced, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the interference test on the Southern Union Gas Company's Jicarilla No. 4-D Well located in the SE/4 NE/4 of Section 30, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, has not yet been completed.

(3) That the applicable provisions of Order R-794 should be extended until April 1, 1958, in order that the results of the aforementioned interference test may be considered in the final determination of this matter.

(4) That the applicant, Southern Union Gas Company, should be required to conduct a bottom hole pressure test on the said Jicarilla No. 4-D Well and bottom hole flowing pressure tests on the offset interference wells at the conclusion of the interference test and that the applicant should further be required to take flowing casing and tubing pressure tests on the offset interference wells at the same time that the monthly shut-in casing and tubing pressure test is taken on the said Jicarilla No. 4-D Well.

(5) That the applicant should be required to permit any interested operator to conduct a gas analysis of the gas produced from the aforementioned offset interference wells.

(6) That Southern Union Gas Company has agreed to furnish all operators within two miles of the Tapacito-Pictured Cliffs Gas Pool with the results of the aforementioned tests upon receipt of a request for the same from the said operators.

(7) That this case should be called for hearing at the Commission monthly hearing in February of 1958 to permit Southern Union Gas Company and all other interested parties to show cause why the rules promulgated by Order R-794 should be continued in effect.

IT IS THEREFORE ORDERED:

1. That the provisions of paragraph 1 through 6 and paragraph 8 of Order R-794 be and the same are hereby continued in effect until April 1, 1958.

2. That the completion data and the results of a one-point pressure test, as prescribed in the Commission's Memorandum No. 1-56, on all wells completed within the area affected by this order will be reported to the Commission before any of the wells are put on production. All wells completed between April 1, 1956, and April 1, 1958, shall be so reported.

3. That Southern Union Gas Company shall conduct a bottom hole pressure test on its Jicarilla No. 4-D Well located in the SE/4 NE/4 of Section 30, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, and bottom hole flowing pressure tests on the offset interference wells at the conclusion of the interference test.

4. That Southern Union Gas Company shall take flowing casing and tubing pressure tests on the offset interference wells at the same time that the monthly shut-in casing and tubing pressure test is taken on the aforementioned Jicarilla No. 4-D Well.

5. That Southern Union Gas Company shall permit any interested operator to conduct a gas analysis of the gas produced from the aforementioned interference wells.

6. That Southern Union Gas Company shall furnish all operators within two miles of the Tapacito-Pictured Cliffs Gas Pool with the results of the tests which are herein ordered to be conducted upon receipt of a request for the same by said operators.

7. That this case be called for hearing at the Commission monthly hearing in February of 1958 to permit Southern Union Gas Company and all other interested parties to appear and show cause why the rules contained in Order R-794 should be continued beyond

-3-
Case No. 977
Order No. R-794-B

April 1, 1958.

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

STATE OF NEW MEXICO
GIL CONSERVATION COMMISSION

E. L. Mechem

EDWIN L. MECHEM, Chairman

M. E. Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

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



ir/

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. 977
Order No. R-794-C

APPLICATION OF SOUTHERN UNION GAS
COMPANY FOR AN ORDER CREATING THE
TAPACITO-PICTURED CLIFFS POOL IN
RIO ARriba COUNTY, NEW MEXICO, AND
FOR THE TEMPORARY ESTABLISHMENT OF
320-ACRE DRILLING UNITS WITHIN SAID
POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 16, 1955, January 16, 1957, March 14, 1957, August 15, 1957, and again on February 13, 1958, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 19th day of March, 1958, the Commission, a quorum being present, having considered the testimony and the evidence adduced at said hearings 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 Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico, was created by Order No. R-794 dated April 18, 1956, and that, upon application of Southern Union Gas Company, temporary 320-acre spacing was established in said pool.

(3) That paragraph (10) of Order No. R-794 ordered Southern Union Gas Company to appear and show cause why temporary 320-acre spacing should be continued in the Tapacito-Pictured Cliffs Gas Pool beyond April 1, 1957, and that the Commission by Order No. 794-A dated April 5, 1957, and R-794-B dated September 9, 1957, extended the duration of Order No. R-794 until April 1, 1958, in order to allow Southern Union Gas Company more time in which to compile additional information concerning the Tapacito-Pictured Cliffs Gas Pool.

(4) That Southern Union Gas Company has failed to prove that the Tapacito-Pictured Cliffs Gas Pool can be efficiently drained on a 320-acre spacing pattern.

-2-

Case No. 977
Order No. R-794-C

(5) That the Tapacito-Pictured Cliffs Gas Pool can be efficiently and economically drained on a 160-acre spacing pattern.

(6) That the drilling and spacing of wells in the Tapacito-Pictured Cliffs Gas Pool should be governed by Rule 104 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

1. That paragraph (1) of Order No. R-794 which created the Tapacito-Pictured Cliffs Gas Pool shall remain in full force and effect and that paragraphs (2) through (11) inclusive be and the same are hereby superseded.

2. That all wells hereafter projected to or completed in the Tapacito-Pictured Cliffs Gas Pool shall be drilled, spaced, and operated in conformance with Rule 104 of the Commission Rules and Regulations.

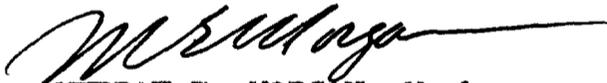
3. That this order shall become effective on April 1, 1958.

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

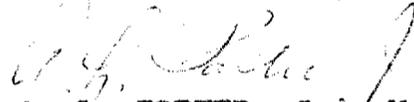
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



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. 977
Order No. R-794-D

APPLICATION OF SOUTHERN UNION GAS
COMPANY FOR AN ORDER CREATING THE
TAPACITO-PICTURED CLIFFS POOL IN
RIO ARriba COUNTY, NEW MEXICO, AND
FOR THE TEMPORARY ESTABLISHMENT OF
320-ACRE DRILLING UNITS WITHIN SAID
POOL.

ORDER OF THE COMMISSION FOR REHEARING

BY THE COMMISSION:

This cause came on for reconsideration upon the petition of Southern Union Gas Company and Humble Oil & Refining Company for a rehearing in Case No. 977, Order No. R-794-C, heretofore entered by the Commission on March 19, 1958.

NOW, on this 11th day of April, 1958, the Commission, a quorum being present, having considered the petitions for rehearing,

HEREBY ORDERS:

That the above-styled cause be reopened and that a rehearing be held at 9 o'clock a.m. on May 14, 1958, at Mabry Hall, State Capitol, 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 petitions for rehearing.

IT IS FURTHER ORDERED:

That Order No. R-794-C shall remain in full force and effect pending the issuance of any further order by the Commission in the above-styled cause; provided however, that all operators in the Tapacito-Pictured Cliffs Pool are hereby notified that inasmuch as this cause has been set for rehearing, the issues involved have not yet been finally determined by the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

M. E. Morgan
MURRAY E. MORGAN, Member

A. L. Porter, Jr.
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. 977
Order No. R-794-E

APPLICATION OF SOUTHERN UNION GAS
COMPANY FOR AN ORDER CREATING THE
TAPACITO-PICTURED CLIFFS POOL IN
RIO ARRIBA COUNTY, NEW MEXICO, AND
FOR THE ESTABLISHMENT OF 320-ACRE
DRILLING UNITS WITHIN SAID POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 16, 1955, January 16, 1957, March 14, 1957, August 15, 1957, and again on February 13, 1958, 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 at Santa Fe, New Mexico, on May 14, 1958, upon the petition of Southern Union Gas Company and Humble Oil and Refining Company.

NOW, on this 4th day of June, 1958, the Commission, a quorum being present, having considered the testimony and evidence adduced at all of said hearings, 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 petitioners, Southern Union Gas Company and Humble Oil and Refining Company, seek the establishment of 320-acre spacing in the Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico.

(3) That the Tapacito-Pictured Cliffs Pool cannot be efficiently drained and developed on a 320-acre spacing pattern, and that the establishment of a 320-acre spacing pattern in said pool would appreciably reduce the ultimate recovery from the pool as a result of the drilling of too few wells thereby causing underground waste.

(4) That the Tapacito-Pictured Cliffs Pool can be efficiently and economically drained and developed on a 160-acre spacing pattern, and that such a pattern should be established for said pool.

(5) That the drilling and spacing of wells in the Tapacito-Pictured Cliffs Pool should be governed by Rule 104 of the Commission Rules and Regulations.

(6) That paragraph (1) of Order No. R-794 which created the Tapacito-Pictured Cliffs Pool should remain in full force and effect but that paragraphs (2) through (11) inclusive of Order No. R-794 should be superseded hereby, and further that Order No. R-794-A, Order No. R-794-B, and Order No. R-794-C should also be superseded hereby.

IT IS THEREFORE ORDERED:

(1) That a 160-acre spacing pattern be and the same is hereby established for the Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico.

(2) That the drilling and spacing of wells in the Tapacito-Pictured Cliffs Pool shall be governed by Rule 104 of the Rules and Regulations of the Oil Conservation Commission of New Mexico.

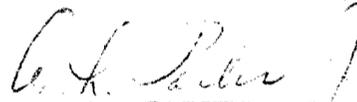
(3) That Order No. R-794, Order No. R-794-A, Order No. R-794-B, and Order No. R-794-C be and the same are hereby superseded with the exception that paragraph (1) of Order No. R-794 shall remain in full force and effect.

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

