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August 16, 1960

*Case file
2069*

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

RECEIVED
AUG 17 1960
OIL CONSERVATION COMMISSION

Gentlemen:

Re: Application of:
BENSON-MONTIN-GREER DRILLING CORP.
for 80-acre drilling and spacing units,
provising for interference tests and
transfer of allowable pending order,
and granting 80-acre allowable, affect-
ing Gallup formation underlying lands
in Secs. 7, 8, 9, 16, 17 and 18,
Twp. 28 North, Range 13 West, in
San Juan County, New Mexico.

Enclosed herewith, in triplicate, is the captioned appli-
cation on behalf of Benson-Montin-Greer Drilling Corp.

We will appreciate this application being set down for
hearing and notice thereof being given to the parties interest-
ed as designated in said application, on page #3 thereof.

Yours very truly,


Geo. L. Verity

lm
3 encls
cc: Albert R. Greer

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

October 24, 1961

Mr. George Verity
152 Petroleum Center Building
Farmington, New Mexico

Re: Case No. 2069
Order No. R-1800-A
Applicant:
Benson-Montin-Creer Drlg. Corp.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC x

OTHER All appearances

[Handwritten signature and notes]

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN RE: THE APPLICATION OF -

BENSON-MONTIN-GREER DRILLING CORP.
FOR A TEMPORARY ORDER SPACING THE
GALLUP FORMATION UNDERLYING:

Township 28 North, Range 13 West,
San Juan County, New Mexico:

Section 7: East 1/2;
Section 8: All;
Section 9: West 1/2;
Section 16: West 1/2;
Section 17: All;
Section 18: East 1/2,

00009

FOR 80-ACRE DRILLING AND SPACING
UNITS, PROVIDING FOR INTERFERENCE
TESTS AND TRANSFER OF ALLOWABLE
PENDING SAME, AND GRANTING 80-
ACRE ALLOWABLE.

APPLICATION FOR TEMPORARY SPACING ORDER

Comes now the applicant, BENSON-MONTIN-GREER DRILLING CORP.,
and states:

1. That it is the Operator of the following described oil
wells which have been drilled and completed as commercial producers
in the Gallup sand formation at the locations indicated, to-wit:

<u>Present Well</u>	<u>Completed on:</u>
Jones #1	Sec. 17: SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Jones #2	Sec. 17: NW $\frac{1}{4}$ SE $\frac{1}{4}$;
Jones #3	Sec. 17: SE $\frac{1}{4}$ NW $\frac{1}{4}$;
Jones #5	Sec. 17: SE $\frac{1}{4}$ NE $\frac{1}{4}$;
Jones #A-1	Sec. 17: SE $\frac{1}{4}$ SW $\frac{1}{4}$.

2. That the above described wells have all been recently
drilled and completed into the Gallup sand formation encountered
between the depths of 5600 feet and 5800 feet, and that the common
source of supply from which such wells are producing is believed
to underly the following described acreage, all located in:

*Correct
Revised
9-1-60
JW*

Township 28 North, Range 13 West,
San Juan County, New Mexico

Section 7: East 1/2;
Section 8: All;
Section 9: West 1/2;
Section 16: West 1/2;
Section 17: All;
Section 18: East 1/2.

3. That present information indicates that one (1) well drilled into the above described Gallup sand formation common source of supply will adequately, efficiently and economically drain 80 acres, and that the Commission should enter an order which provides that only two (2) wells can be drilled on each quarter-section, with further provision that each such well must be designated for an 80-acre tract in such quarter-section, and that it shall be located in the center of a quarter-quarter section with a tolerance of not more than 150 feet from the center.

4. That the Commission should enter a temporary order for a period of one (1) year which permits one (1) well to be drilled on each 80-acre tract within the above described common source of supply, in accord with the provisions of the preceding paragraph, and that during such period of time applicant be granted permission to conduct interference tests in its wells and that in order to adequately conduct such interference tests it be granted the privilege of transferring allowables from one producing well to another producing well; that when such interference tests have been conducted, the question of 80-acre spacing be again heard by the Commission and at such time if interference tests confirm the present information regarding one (1) well adequately, efficiently and economically draining an 80-acre tract, that then such 80-acre spacing order be made permanent.

5. That the temporary order which applicant requests the Commission to enter, as above set out, should further provide that all wells located in the above described/^{common}source of supply, on 80-acre drilling and spacing units, should be granted an allowable consistent with the Commission's current practices for one (1) well drilled on 80-acre spacing for this depth.

6. That granting of the temporary 80-acre spacing order, and the other relief herein requested, will prevent waste and protect correlative rights and that drilling more than one (1) well to each 80-acre tract in the above described common source of supply will create waste and interfere with correlative rights of parties owning minerals therein.

7. That the names and addresses of all parties interested in the subject matter of this application, so far as are known to applicant, are as follows:

Pan American Petroleum Corporation
Petroleum Center Building
Farmington, New Mexico

Southern Union Gas Company
Fidelity Union Tower Building
Dallas, Texas

Gas Producers Corporation
1512 Commerce Street
Dallas 1, Texas

WHEREFORE, applicant prays that this application be set down for hearing; that due notice be given of such hearing in accord with the rules of this Commission and the laws of the State of New Mexico, and that upon such hearing and from the evidence to be adduced, the Commission enter its order as follows:

1. granting temporary 80-acre drilling and spacing units for the above described common source of supply with one (1) well to be drilled on each such unit in the approximate center of either 40-acre tract allocated thereto with a 150 foot tolerance;

2. permitting producers from the common source of supply to conduct interference tests by transferring the allowable from one producing well on a lease to the other producing well thereon;

3. granting wells producing from 80-acre tracts under the above prescribed order an allowable of 2.5 times that for the ordinary 40-acre wells of 5000 feet, or less, in depth; and, *a depth factor of one.*

4. prescribing such other rules and regulations as may be necessary to prevent waste and protect correlative rights.



(Geo. L. Verity)
Attorney for BENSON-MONTIN-GREER
DRILLING CORP., Applicant

Suite 152 Petroleum Center Bldg.
Farmington, New Mexico.