BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
D. W. FALLS, INC. FOR THE PROMULGATION
OF A DEFINITION OF AN OIL WELL IN THE
BASIN-DAKOTA POOL IN SAN JUAN AND RIO
ARRIBA COUNTIES, NEW MEXICO, AND THE   CASE NO.
ESTABLISHMENT OF 160 ACRE SPACING FOR   2491
THE SAME AND FOR THE ESTABLISHMENT OF
CERTAIN NON-STANDARD PRO-RATION UNITS
AND UNORTHODOX WELL LOCATIONS IN SAID
POOL

A P P L I C A T I O N

COMES NOW, D. W. FALLS, INC., by and through its attorneys,

Verity, Burr & Cooley, and would show the Oil Conservation

Commission of New Mexico as follows:

1.   That applicant is the owner and operator of the

Federal 2-11 Well located 1190 feet from the South line and

2210 feet from the East line of Section 11, Township 28 North,

Range 13 West, N.M.P.M., San Juan County, New Mexico.

2.   That the aforesaid well is dually completed in the

Totah-Gallup Oil Pool and Basin-Dakota (Gas) Pool.

3.   That the Gallup completion in the above referenced

well resulted in a normal oil well completion in the Totah-

Gallup Oil Pool.   The Dakota completion in the above referenced

well resulted, however, in a well which produces approximately

42° gravity oil with a gas-oil ratio of approximately 5500 to 1.

4.   That the Special Rules and Regulation for the Basin-

Dakota (Gas) Pool should be amended to provide for a definition

of an oil well in said pool and to further provide the spacing

and well location requirements for such wells.

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5.   That an oil well in the Basin-Dakota (Gas) Pool should be defined as a well having a gas-oil ratio of 30,000 to 1 or less, AND producing liquid hydrocarbons with a gravity of 49° API or less.

6.   That oil wells in the Basin-Dakota (Gas) Pool, as defined above, should be drilled on 160 acre spacing and pro-ration units and that such wells should be located no closer than 330 feet from the outer boundary of such units.

7.   That the Special Rules and Regulations governing oil wells in the Basin-Dakota (Gas) Pool should prohibit the flaring of casinghead gas from any such well ninety (90) days after the completion of the same.

8.   That the said Section 11 of Township 28 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, is a fractional section containing 275.36 acres, more or less, and that Section 10 of the same Township and Range is also a fractional section containing 275.36 acres, more or less. That there is a good probability that any additional well or wells drilled to the Dakota Formation in said sections will also be clasified as oil wells under the definition proposed above and that the Commission should, therefore, establish the following as non-standard oil well spacing and pro-ration units in the Basin-Dakota (Gas) Pool, to-wit:

Section 11:   East Half (E½)
                 Containing 137.78 acres, more or less

Section 11:   West Half (W½)
                 Containing 137.58 acres, more or less

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Section 10:   East Half (E½)
                  Containing 137.58 acres, more or less

Section 10:   West Half (W½)
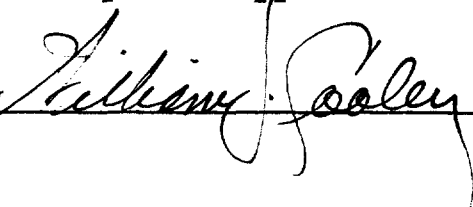   Containing 137.78 acres, more or less

All in Township 28 North, Range 13 West, N.M.P.M.,
San Juan County, New Mexico.

9.   That in the event the Commission does not see fit to permit the drilling of oil wells in the Basin-Dakota (Gas) Pool within 330 feet from the outer boundary of the spacing and pro-ration unit upon which said well is located as a general rule for oil wells in said pool, the Commission should, nevertheless, permit applicant to drill such wells on the above described non-standard spacing and pro-ration units due to the irregular shape of said units and the rough topographical features of the area.

WHEREFORE Applicant prays that the Commission enter its order amending and revising the Special Rules and Regulations of the Basin-Dakota Pool in San Juan and Rio Arriba Counties, New Mexico, to include the provisions requested above.

VERITY, BURR & COOLEY
Attorneys for Applicant

By _William J. Cooley_____