

Called in by Bill Carr 7/15/86

# Memo

From  
FLORENE DAVIDSON  
OC Staff Specialist

To August 6, 1986

Mesa Grande Resources, Inc.  
Non-Standard Proration  
Unit

Rio Arriba County

Lots 1, 2, 3, and 4  
185.84 acres

7-25N-2W

Gallup and Dakota  
formations

CAMPBELL & BLACK, P.A.  
LAWYERS

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TELEPHONE: (505) 988-4421  
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July 25, 1986

*Case 8961*

HAND DELIVERED

R. L. Stamets, Director  
Oil Conservation Division  
New Mexico Department of  
Energy and Minerals  
State Land Office Building  
Santa Fe, New Mexico 87501

RECEIVED

JUL 25 1986


OIL CONSERVATION DIVISION

Re: Application of Mesa Grande Resources, Inc. for Approval  
of Two Non-Standard Proration and Spacing Units, Gavilan-  
Mancos Oil Pool, Rio Arriba County, New Mexico.

Dear Mr. Stamets:

Enclosed in triplicate is the Application of Mesa Grande Resources, Inc. in the above-referenced case. Mesa Grande Resources, Inc. respectfully requests that this matter be placed on the docket for the Examiner hearings scheduled on August 6, 1986.

Very truly yours,



William F. Carr

WFC/cv  
enclosures

cc: (w/enclosure)  
Ms. Kathy Michael

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS  
RECEIVED

IN THE MATTER OF THE APPLICATION  
OF MESA GRANDE RESOURCES, INC. FOR  
APPROVAL OF TWO NON-STANDARD PRORATION  
AND SPACING UNITS, GAVILAN-MANCOS OIL  
POOL, RIO ARriba COUNTY, NEW MEXICO.

JUL 25 1986

OIL CONSERVATION DIVISION

Case 8962

APPLICATION

Comes now, MESA GRANDE RESOURCES, INC., by and through its undersigned attorneys, and pursuant to the rules and regulations of the Oil Conservation Division, hereby seeks approval of the following non-standard proration and spacing units in the Gavilan-Mancos Oil Pool, Rio Arriba County, New Mexico:

✓ (1) A non-standard spacing unit of 185.84 acres, more or less, consisting of Lots 1, 2, 3 and 4 of Section 7, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico; and

(2) A non-standard spacing unit of 186.36 acres, more or less, consisting of Lots 1, 2, 3 and 4 of Section 18, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico.

In support of its application, Mesa Grande Resources, Inc. would show the Division:

1. Applicant is the owner and operator in the area and has the right to drill and develop the two non-standard proration units.

2. The proposed non-standard spacing units are necessary because of a governmental survey which created the western side of the subject township with sections of less than 640 acres.

3. Applicant has already developed certain nearby sections by drilling Gavilan-Mancos Oil Pool wells on 320-acre spacing.

4. In order to protect correlative rights, applicant proposes that each of the subject non-standard spacing units be authorized 50% of the allowable for a standard 320-acre unit.

5. That said Section 7 and Section 18, each can be drilled and developed by a voluntary agreement among the owners in those sections.

6. That the inclusion of either said Section 7 or Section 18 with acreage in any adjoining section will result in the formation of a spacing unit in excess of 320-acres and will violate correlative rights.

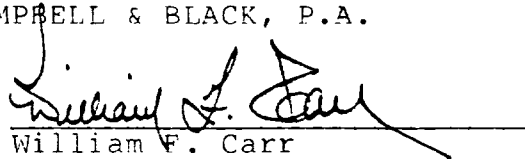
7. That in order to resolve the governmental survey problem with the subject sections, the most equitable method would be to approve each said section as a separate non-standard unit and then restrict the allowable for Gavilan-Mancos wells drilled on those sections.

WHEREFORE, applicant requests that this matter be set for hearing and that after notice and hearing, the application be granted as requested.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

By

  
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87501  
(505) 938-4421

ATTORNEYS FOR MESA GRANDE  
RESOURCES, INC.

TOWNSHIP 25 NORTH, RANGE 2 WEST, RIO ARRIBA CO

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