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September 4, 1985

Richard L. Stamets  
OCD, Director  
Post Office Box 2088  
Santa Fe, New Mexico 87504

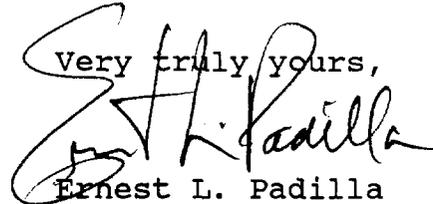
*Case 8715*

Dear Mr. Stamets:

Enclosed are two Benson-Montin-Greer Drilling Corporation's applications, in triplicate, for filing. These applications have been set for the September 25, 1985 hearing. The applications are:

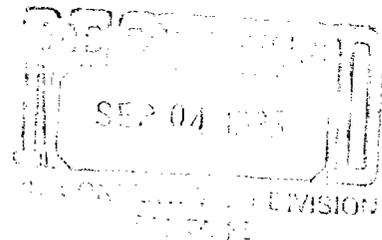
- (1) Application to amend the West Puerto Chiquito Rules.
- (2) Application for unorthodox location.

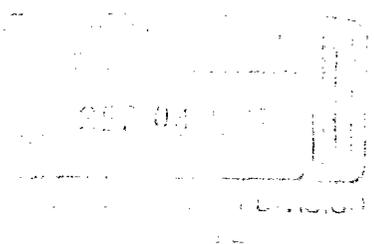
Thank you for your assistance.

Very truly yours,  
  
Ernest L. Padilla

ELP:tm  
Enclosure

cc: Benson-Montin-Greer  
Drilling Corporation





STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF BENSON-MONTIN-GREER DRILLING  
CORPORATION FOR THE AMENDMENT OF  
ORDER R-2565, AS AMENDED, AND  
R-6469, AS AMENDED, RIO ARRIBA  
COUNTY, NEW MEXICO

No. 8715

APPLICATION

Applicant states:

1. That it is the operator of the Canada Ojitos Unit which is governed by the West Puerto Chiquito Mancos Oil Pool Special Rules promulgated under the captioned orders of the Oil Conservation Commission.

2. That the western boundary of the Canada Ojitos Unit and the West Puerto Chiquito Mancos Oil Pool are immediately adjacent to the eastern boundary of the Gavilan-Mancos Oil Pool.

3. That the West Puerto Chiquito Mancos Oil Pool special rules provide for 640 acre spacing with well locations to be no closer than 1,650 feet to the outer boundary of the proration unit and no closer than 330 feet to a quarter section line.

4. That the Gavilan Mancos Oil Pool special pool rules provides for 320 acre spacing and allow no more than one well in the East one-half of any section that is contiguous with the western boundary of the West Puerto

Chiquito Oil Pool, with said well being located no closer than 1,650 feet to said boundary.

5. That the West Puerto Chiquito Oil Pool is a gravity drainage reservoir significantly affected by applicant's pressure maintenance operations for the Canada Ojitos Unit.

6. That in order to protect its correlative rights and to promote orderly development along the common boundary of the West Puerto Chiquito Oil Pool and the Gavilan Mancos Oil Pool, applicant proposes amendments to the West Puerto Chiquito Pool Rules. Such proposed amendments include:

(a) To allow the drilling of a second well on any proration unit within the Canada Ojitos Unit on any proration unit on the western-most two rows of sections in such Unit adjoining the Gavilan Mancos Pool.

(b) Only one well shall be allowed to be drilled in the west one-half of the row of sections which border the Gavilan Mancos Oil Pool

(c) That the method of calculating allowables for the Pool should be adjusted as follows:

The top allowable for proration units in the Pool should be equal to two times the top allowable for proration units in the Gavilan Mancos Oil Pool, except that wells located in the

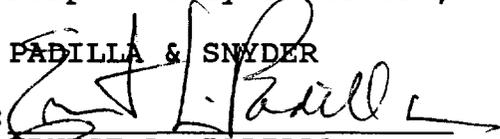
west one-half of a proration unit immediately adjacent to the Gavilan Mancos Oil Pool shall not be allowed to produce a share of its proration unit's top allowable in excess of the top allowable for a well in the Gavilan Mancos Oil Pool.

(d) For such further rules and regulations as are just under the circumstances.

Wherefore, Applicant requests that this application be set for hearing at the earliest available Division hearing and that upon hearing the application be approved.

Respectfully submitted,

PADILLA & SNYDER

By: 

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