

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. 1984
Order No. R-1698

APPLICATION OF MOUNTAIN STATES
PETROLEUM CORPORATION FOR AN
UNORTHODOX GAS WELL LOCATION
AND FOR A 183-ACRE NON-STANDARD
GAS UNIT IN THE PINE LAKES-
PICTURED CLIFFS GAS POOL, RIO
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 1, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of June, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 applicant, Mountain States Petroleum Corporation, is the owner and operator of all of partial Section 31, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico which Section consists in its entirety of Lots 1, 2, 3, and 4, comprising respectively 45.59 acres, 45.77 acres, 45.95 acres and 46.13 acres.

(3) That the applicant proposes to dedicate the above-described 183-acre non-standard gas unit in the Pine Lakes-Pictured Cliffs Gas Pool to its Federal Well No. 31-E to be located on an unorthodox location 825 feet from the North line and 751 feet from the East line of said Section 31.

(4) That the request for the 183-acre non-standard gas unit is necessitated by a variation in the legal subdivision of the

United States Public Land Surveys, but inasmuch as two dry holes have been drilled to the Pictured Cliffs formation immediately East of Lot No. 4 of said Section 31, Lot 4 cannot reasonably be presumed to be productive of gas from the Pictured Cliffs formation and should not be included in the unit at the present time.

(5) That in the event Lot 4 is reasonably proven to be productive from the Pictured Cliffs formation as the result of subsequent development in the future it may then be included in the unit dedicated to the said Federal Well No. 31-E.

(6) That since it is not possible to drill an orthodox gas well location in said Section 31, the unorthodox gas well location as requested by the applicant should be approved, and such approval will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Mountain States Petroleum Corporation for a non-standard gas unit in the Pine Lakes-Pictured Cliffs Gas Pool consisting of all of partial Section 31 be and the same is hereby denied.

(2) That a 137.31-acre non-standard gas unit in the Pine Lakes-Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico, be and the same is hereby established, such unit to consist of Lots 1, 2, and 3 of partial Section 31, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico. Said unit is to be dedicated to the applicant's Federal Well No. 31-E to be located at an unorthodox location 825 feet from the North line and 751 feet from the East line of said Section 31.

(3) That an administrative procedure be and the same is hereby established whereby upon proof that Lot No. 4 of said Section 31 has been reasonably proven to be productive from the Pictured Cliffs formation as the result of subsequent development, said Lot can be added to the non-standard gas unit herein established.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

S E A L

esr/

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