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DIVISION OF THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

E-35-30N-8W

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5993
Order No. R-5512

THE APPLICATION OF LIVELY EXPLORATION
COMPANY FOR AN EXCEPTION TO THE
PROVISIONS OF ORDER NO. R-5459,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 20, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of August, 1977, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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 by its Order No. R-5459, entered on June 14, 1977,
the Commission redefined the vertical limits of the Blanco-
Mesaverde Pool, Rio Arriba and San Juan Counties, New Mexico.

(3) That such redefinition resulted in the inclusion of
"Chacra" equivalent fractured shales or siltstone zones within
the vertical limits of said pool in approximately one-half of
said pool north and east of a certain line traversing the pool.

(4) That in said Order No. R-5459 the Commission found:

"(17) That there are 4 wells north and east of
the line defined in Finding No. 15 above and Exhibit
A which may be producing from fractured shale or siltstone
zones equivalent to said Chacra sands and which may or
may not be connected to other producing zones in said
Blanco-Mesaverde Pool." and

"(18) That to protect the correlative rights of
the owners of said four wells, the effective date of any
redefinition of the vertical limits of said Blanco-
Mesaverde Pool should be delayed to provide such owners
with the opportunity to bring a case for an exception
before the Commission."



Order
Open
L. Hall

(5) That the applicant, Lively Exploration Company, is the operator of one of the wells referenced in Findings Nos. (17) and (18) of said Order No. R-5459, the well being its Chacra Well No. 7Y located in Unit E of Section 35, Township 30 North, Range 8 West, San Juan County, New Mexico.

(6) That the applicant seeks an exclusion from the vertical limits of said Blanco Mesaverde Pool for said Chacra Well No. 7Y as an exception to said Order No. R-5459.

(7) That said Chacra Well No. 7Y was completed as a gas producer on April 20, 1974, through "Chacra" perforations from 3,685 feet to 3,700 feet.

(8) That said Chacra Well No. 7Y first delivered gas into the pipeline on June 7, 1974.

(9) That on April 12, 1976, El Paso Natural Gas Company completed its Howell L Well No. 3A as an infill well in said Blanco-Mesaverde Pool through perforations from 4,564 feet to 5,435 feet on the same quarter section with said Chacra Well No. 7Y.

(10) That there are differences in ownership between said Chacra Well No. 7Y and said Howell L Well No. 3A.

(11) That the applicant only has operating rights to the interval from 3,650 feet to 3,750 feet of depth in the NW/4 of said Section 35.

(12) That there was no testimony in opposition to said application.

(13) That approval of said application will not result in waste nor violate correlative rights.

(14) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That effective August 1, 1977, the Lively Exploration Company Chacra Well No. 7Y located in Unit E of Section 35, Township 30 North, Range 8 West, NMPM, San Juan County, New Mexico, is hereby excluded from the Blanco-Mesaverde Pool as an exception to Commission Order No. R-5459.

PROVIDED HOWEVER, that such exclusion and exception shall apply only to such zone or zones producing in said well from within the interval from 3,650 feet to 3,750 feet of depth.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

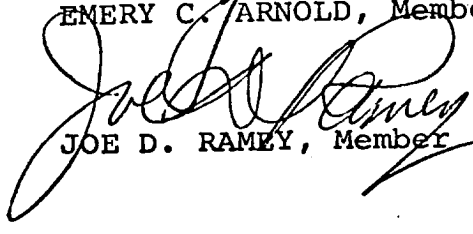
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/