

CASE 6942: BENSON-MONTIN-GREER DRILLING *Corp.*
CORPORATION FOR AMENDMENT OF ORDER NO.
R-2565-B, RIO ARRIBA COUNTY, NEW MEXICO

Dismissed

CASE NO.

6942

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

August 6, 1980

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 6942
ORDER NO. R-6408

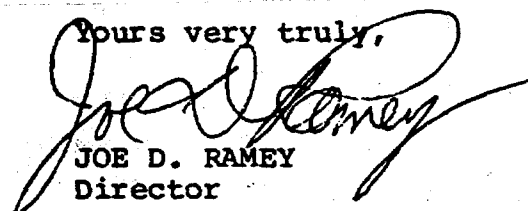
Applicant:

Benson-Montin-Greer Drilling Corp.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD x

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6942
Order No. R-6408

APPLICATION OF BENSON-MONTIN-GREER
DRILLING CORPORATION FOR AMENDMENT
OF ORDER NO. R-2565-B, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 9, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of August, 1980, the Division
Director, having considered the record and the recommendations
of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 6942 is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director


S E A L
fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
9 July 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Benson-Montin-Greer) CASE
Drilling Corporation for amendment) 6942
of Order No. R-2565-B, Rio Arriba)
County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Ernest L. Padilla, Esq.
Division:	Legal Counsel to the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

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MR. NUTTER: Call Case Number 6942.

MR. PADILLA: Application of Benson-Montin-
Greer Drilling Corporation for amendment of Order No. R-2565-B,
Rio Arriba County, New Mexico.

MR. NUTTER: Applicant has requested that
this case be dismissed.

So Case Number 6942 will be dismissed.

(Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript is
a full, true, and correct record of the hearing, prepared by
me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6943
heard by me on 7/9 1980
[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
9 July 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Benson-Montin-Greer) CASE
Drilling Corporation for amendment) 6942
of Order No. R-2565-B, Rio Arriba)
County, New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

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Greer Drilling Corporation for amendment of Order No. R-2565-B,
Rio Arriba County, New Mexico.

MR. NUTTER: Applicant has requested that
this case be dismissed.

So Case Number 6942 will be dismissed.

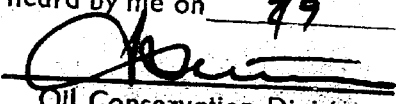
(Hearing concluded.)

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
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tion Division was reported by me; that the said transcript is
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me to the best of my ability.

SALLY W. BOYD, C.S.R.
Rt. Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6942
heard by me on 79 1980
 Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
25 June 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Benson-Montin-Greer)	CASE
Drilling Corporation for amendment)	6942
of Order No. R-2565-B, Rio Arriba)	
County, New Mexico.)	

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Ernest L. Padilla, Esq.
Division:	Legal Counsel to the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 MR. STAMETS: Call next Case 6942.

2 MR. PADILLA: Application of Benson-Montin-
3 Greer Drilling Corporation for amendment of Order No. R-2565-B,
4 Rio Arriba County, New Mexico.

5 MR. STAMETS: At the request of the
6 applicant this case will be continued to the July 9th Examiner
7 Hearing.

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9 (Hearing concluded.)
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SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6942 heard by me on 6-25 1980.

Richard L. Hunt, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
25 June 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Benson-Montin-Greer)	CASE
Drilling Corporation for amendment)	6942
of Order No. R-2565-B, Rio Arriba)	
County, New Mexico.)	

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.
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Phone: (505) 455-7409

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2 MR. PADILLA: Application of Benson-Montin-
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Santa Fe, New Mexico 87501
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a full, true, and correct record of the hearing, prepared by
me to the best of my ability.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone: (505) 455-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

- CASE 6958:** Application of Kenai Oil and Gas, Inc. for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of undesignated Seven Rivers and Artesia Queen-Crayburg-San Andres production in the wellbore of its Gulf State Well No. 1 located in Unit K of Section 36, and its Cobb Federal Well No. 2 located in Unit H of Section 22, both in Township 18 South, Range 27 East, Artesia Pool. Applicant further seeks an administrative procedure whereby similar commingling could be approved for other wells to be drilled in the NE/4 and S/2 NW/4 of said Section 22.
- CASE 6959:** Application of Great Western Drilling Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the S/2 of Section 19, Township 18 South, Range 27 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6960:** Application of Bass Enterprises Production Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Strawn formation underlying the S/2 SE/4 of Section 13, Township 16 South, Range 36 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6950:** (Continued from June 25, 1980, Examiner Hearing)
Application of Bass Enterprises Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the North line and 1980 feet from the East line of Section 4, Township 25 South, Range 31 East, the E/2 of said Section 4 to be dedicated to the well.
- CASE 6961:** Application of Conoco Inc. for a dual completion and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Meyer A-29 Well No. 11 to be drilled at an unorthodox location 990 feet from the North line and 660 feet from the East line of Section 29, Township 22 South, Range 36 East, to produce gas from the Langley-Devonian and Ellenburger Pools thru parallel strings of tubing, the E/2 of said Section 29 to be dedicated to the well.
- CASE 6962:** Application of BTA Oil Producers for special pool rules and pool extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of Special Pool Rules for the North Bell Lake-Devonian Gas Pool to provide for 640-acre spacing and specified well locations. Applicant also seeks the extension of said pool to include all of Sections 6, 7, and 18, Township 23 South, Range 34 East.
- CASE 6896:** (Continued from June 25, 1980, Examiner Hearing)
Application of John E. Schalk for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the NE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to his Gulf Well No. 2 to be drilled at an unorthodox location 1925 feet from the North line and 790 feet from the East line of said Section 8.
- CASE 6965:** Application of Supron Energy Corporation for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard Mesaverde and Dakota gas proration unit comprising the SE/4 of Section 8, Township 25 North, Range 3 West, to be dedicated to a well to be drilled at a standard location thereon.
- CASE 6966:** Application of Reading & Bates Petroleum Co. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup and Dakota formations underlying the NE/4 of Section 17, Township 24 North, Range 3 West, Chacon Field, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6942:** (Continued from June 25, 1980, Examiner Hearing)
Application of Benson-Montin-Greer Drilling Corporation for amendment of Order No. R-2565-B, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 2 of the Special Pool Rules for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Order No. R-2565-B to provide that all 320-acre spacing and proration units in said pool would comprise either the W/2 or the E/2 of a governmental section, provided however, that one injection well would have dedicated thereto the N/2 of Section 1, Township 24 North, Range 1 West, and also that the short 400-acre sections on the South side of Township 27 North, Range 1 West, would each comprise a single spacing unit.

- CASE 6935:** Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Basin-Dakota and undesignated Gallup production in the wellbore of its June Joy Well No. 2 located in Unit B of Section 25, Township 24 North, Range 10 West.
- CASE 6936:** Application of Dugan Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the S/2 of Section 26, Township 30 North, Range 14 West, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6916:** (Continued from June 4, 1980, Examiner Hearing)
Application of Petro-Lewis Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of the Drinkard and Blinberry production in the wellbore of its State DC Well No. 1, a quadruple completion located in Unit F of Section 19, Township 21 South, Range 37 East.
- CASE 6937:** Application of R. N. Hillin for an unorthodox location and dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of his DWV Well No. 4 to produce gas from the Wolfcamp and Morrow formations thru tubing and the annulus, respectively. Applicant further seeks approval of the unorthodox location of said well in the Wolfcamp and Pennsylvanian formations at a point 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East.
- CASE 6938:** Application of Anadarko Production Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Dalport Federal Well No. 1 660 feet from the South and West lines of Section 20, Township 13 South, Range 31 East, Southeast Chaves Queen Gas Area, the W/2 of said Section 20 to be dedicated to the well.
- CASE 6939:** Application of Anadarko Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests at a depth from 2400 feet to 5000 feet below the surface, Turkey Track Field, underlying the NE/4 SE/4 of Section 10, Township 19 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6940:** Application of Adobe Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Wolfcamp formation underlying the NW/4 SE/4 for oil and the SE/4 for gas, Section 23, Township 20 South, Range 38 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.
- CASE 6941:** Application of Ellwade Corporation for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 129.52-acre non-standard gas proration unit comprising the W/2 of partial Section 33, Township 26 South, Range 30 East, Ross Draw-Wolfcamp area, to be dedicated to its Ross Draw Well No. 1 located in Unit C of said Section 33.
- CASE 6942:** Application of Benson-Montin-Greer Drilling Corporation for amendment of Order No. R-2565-B, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 2 of the Special Pool Rules for the West Puerto Chiquito-Mancos Oil Pool as promulgated by Order No. R-2565-B to provide that all 320-acre spacing and proration units in said pool would comprise either the W/2 or the E/2 of a governmental section, provided however, that one injection well would have dedicated thereto the N/2 of Section 1, Township 24 North, Range 1 West, and also that the short 400-acre sections on the South side of Township 27 North, Range 1 West, would each comprise a single spacing unit.
- CASE 6943:** Application of Benson-Montin-Greer Drilling Corporation for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the East Puerto Chiquito-Mancos Unit Area, comprising 9,769 acres, more or less, of Federal, Indian, and fee lands in Townships 26 and 27 North, Ranges 1 East and 1 West.

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

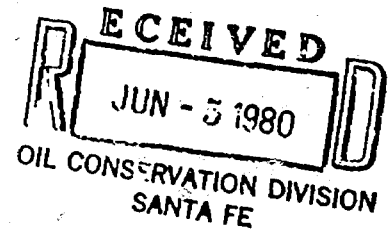
KELLAHIN and KELLAHIN
Attorneys at Law
500 Don Gaspar Avenue
Post Office Box 1769
Santa Fe, New Mexico 87501

Telephone 982-4285
Area Code 505

June 5, 1980

Mr. Joe Ramey
Oil Conservation Division
Santa Fe, New Mexico

HAND DELIVERED



re: Benson-Montin-Greer

Case 6942

Dear Joe:

Enclosed please find the following:

- X - Application of Benson-Montin-Greer Drilling Corporation for Amendment of the Special Pool Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool, including the Configuration of Spacing Units, Rio Arriba County, New Mexico
- Application of Benson-Montin-Greer Drilling Corporation for Approval of the East Puerto Chiquito-Mancos Unit and Secondary and Tertiary Recovery Project, Rio Arriba County, New Mexico.

We would appreciate your setting these applications for hearing on June 25, 1980.

Thank you for your assistance.

Very truly yours,

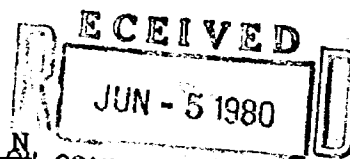
W. Thomas Kellahin
W. Thomas Kellahin

cc: Mr. Al Greer
encl.
WTK:msf

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF)
BENSON-MONTIN-GREER DRILLING CORPORATION))
FOR AMENDMENT OF THE SPECIAL POOL RULES)
AND REGULATIONS FOR THE WEST PUERTO)
CHQUITO-MANCOS OIL POOL, INCLUDING THE)
CONFIGURATION OF SPACING UNITS, RIO)
ARRIBA COUNTY, NEW MEXICO.)

NO. 6942



A P P L I C A T I O N
OIL CONSERVATION DIVISION
SANTA FE

COMES NOW BENSON-MONTIN-GREER DRILLING CORPORATION, and applies to the New Mexico Oil Conservation Division for amendment of Rule 2 of the Special Pool Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, to provide that a 320-acre spacing unit assigned to any well drilled in this pool shall consist of either the West Half or the East Half of any governmental section, and in support thereof would show:

1. That the Applicant, Benson-Montin-Greer Drilling Corporation, *and providing for certain exceptions* is the owner of leases in the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, and is the operator of the voluntary Canada Ojitos Unit which covers most of such pool. *(page)*

2. That heretofore the New Mexico Oil and Gas Conservation Commission, by Order No. R-2565-B, created the West Puerto Chiquito-Mancos Oil Pool consisting of the Niobrara member of the Mancos Formation covering the following described lands:

WEST PUERTO CHIQUITO-MANCOS OIL POOL:

RIO ARRIBA COUNTY, NEW MEXICO
TOWNSHIP 25 NORTH, RANGE 1 EAST, NMPM
Sections 6 and 7: All
Sections 18 and 19: All
Sections 30 and 31: All

TOWNSHIP 25 NORTH, RANGE 1 WEST, NMPM
Sections 1 through 36: All

TOWNSHIP 26 NORTH, RANGE 1 EAST, NMPM
Section 19: All
Sections 30 and 31: All

TOWNSHIP 26 NORTH, RANGE 1 WEST, NMPM
Sections 1 through 36: All

TOWNSHIP 27 NORTH, RANGE 1 WEST, NMPM

Section 1: W/2

Sections 2 through 11: All

Section 12: W/2

Section 13: W/2

Sections 14 through 23: All

Section 24: W/2

Section 25: W/2

Sections 26 through 30: All

3. That said Order promulgated rules for the orderly development of the pool and provided in Rule 2 for temporary 320-acre spacing and proration units and then on the 6th day of January, 1970, the Oil and Gas Conservation Commission, by Order No. R-2565-C, made such 320-acre spacing or proration units permanent. That such Order provided in Rule 2 that each unit should consist of any two contiguous quarter sections of a single governmental section, being a legal subdivision half section of the United States Public Lands Survey. That irrespective of the leniency of the rules the pool has been developed so that at this time all spacing or proration units are formed of either the East or the West half of a governmental section, except for the injection well unit consisting of the North Half (N/2) of Section 1, Township 24 North, Range 1 West; that in addition to present unit development conforming to East-West units, some of the pooled area must be developed on the East-West units in that only the West half of Sections 12, 13, 24 and 25 of Township 27 North, Range 1 West, are within the West Puerto Chiquito-Mancos Oil Pool, and also Sections 5, 8, 17 and 20 of Township 26 North, Range 1 West, must be developed on East-West units inasmuch as the East half of said sections lie within the Canado Ojitos Unit while the West half of such sections lie outside the unit. That such development and circumstances have fixed the equities of the parties and in order to protect correlative rights, it is necessary that this Division enter an Order amending Rule 2 of Order No. R-2565-C to provide that the 320-acre spacing or proration units in the pool will all be an East Half or West Half of a governmental section, with an exception granted for the injection well unit consisting of the North Half (N/2) of Section 1, Township 24 North, Range 1 West, and further providing that the short 400-acre

sections on the South edge of Township 27 North, Range 1 West, being Sections 25 through 30 should only have one well to the section.

4. That heretofore the owners of oil and gas leases covering 87 sections in the West Puerto Chiquito-Mancos Oil Pool formed the Canada Ojitos Unit; that this unit has conducted orderly development of the field and has instituted a pressure maintenance program for the pool which has greatly enhanced the ultimate recovery of hydrocarbons from the formation and by orderly development and scientific pressure maintenance is recovering the greatest possible amount of oil from the formation as to the lands within the unit. That continued orderly development of the pool is necessary in order to prevent waste but that Rule 2 as presently constituted will permit the drilling of unnecessary wells; that the drilling of such unnecessary wells will create waste and should not be permitted. That, therefore, Rule 2 should be amended as suggested in the preceding paragraph and that such unnecessary wells and waste should be prevented by the suggested amendment to Rule 2.

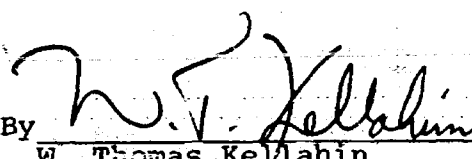
5. That because of the nature of this application, it should be heard by the entire Division and Applicant requests that it be set for hearing before the entire Division.

WHEREFORE, Applicant prays that this application be set for hearing before the Division and that after notice and hearing as provided by law, the Division issue an Order amending Rule 2 of Order No. R-2565-C to provide that all units in the West Puerto Chiquito-Mancos Oil Pool should consist of the East Half (E/2) or West Half (W/2) of governmental sections except for the Southern Tier in Township 27 North, Range 1 East, NMPM, wherein only one well should be allowed to a section; further allowing exception for the injection well unit in the North Half (N/2) of Section 1 of Township 24 North, Range 1 West; and further granting Applicant such other and further relief which it might be justly entitled to receive.

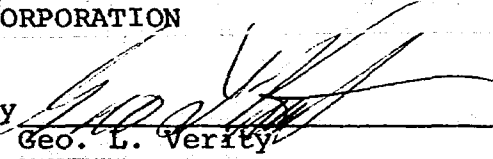
Respectfully submitted,

BENSON-MONTIN-GREER DRILLING
CORPORATION

By


W. Thomas Kellahin
Kellahin & Kellahin
P.O. Box 1769
Santa Fe, New Mexico 87501

By


Geo. L. Verity
Attorney at Law
501 N. W. 13th Street
Oklahoma City, Oklahoma 73103

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF)
BENSON-MONTIN-GREER DRILLING CORPORATION))
FOR AMENDMENT OF THE SPECIAL POOL RULES)
AND REGULATIONS FOR THE WEST PUERTO)
CHIQUITO-MANCOS OIL POOL, INCLUDING THE)
CONFIGURATION OF SPACING UNITS, RIO)
ARRIBA COUNTY, NEW MEXICO.)

NO. 6942

A P P L I C A T I O N

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1. That the Applicant, Benson-Montin-Greer Drilling Corporation, is the owner of leases in the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, and is the operator of the voluntary Canada Ojitos Unit which covers most of such pool.

2. That heretofore the New Mexico Oil and Gas Conservation Commission, by Order No. R-2565-B, created the West Puerto Chiquito-Mancos Oil Pool consisting of the Niobrara member of the Mancos Formation covering the following described lands:

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3. That said Order promulgated rules for the orderly development of the pool and provided in Rule 2 for temporary 320-acre spacing and proration units and then on the 6th day of January, 1970, the Oil and Gas Conservation Commission, by Order No. R-2565-C, made such 320-acre spacing or proration units permanent. That such Order provided in Rule 2 that each unit should consist of any two contiguous quarter sections of a single governmental section, being a legal subdivision half section of the United States Public Lands Survey. That irrespective of the leniency of the rules the pool has been developed so that at this time all spacing or proration units are formed of either the East or the West half of a governmental section, except for the injection well unit consisting of the North Half (N/2) of Section 1, Township 24 North, Range 1 West; that in addition to present unit development conforming to East-West units, some of the pooled area must be developed on the East-West units in that only the West half of Sections 12, 13, 24 and 25 of Township 27 North, Range 1 West, are within the West Puerto Chiquito-Mancos Oil Pool, and also Sections 5, 8, 17 and 20 of Township 26 North, Range 1 West, must be developed on East-West units inasmuch as the East half of said sections lie within the Canado Ojitos Unit while the West half of such sections lie outside the unit. That such development and circumstances have fixed the equities of the parties and in order to protect correlative rights, it is necessary that this Division enter an Order amending Rule 2 of Order No. R-2565-C to provide that the 320-acre spacing or proration units in the pool will all be an East Half or West Half of a governmental section, with an exception granted for the injection well unit consisting of the North Half (N/2) of Section 1, Township 24 North, Range 1 West, and further providing that the short 400-acre

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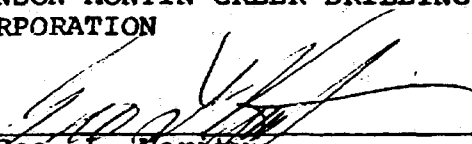
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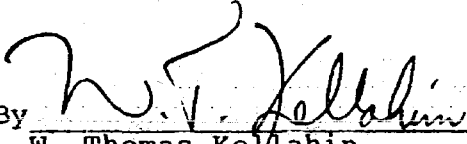
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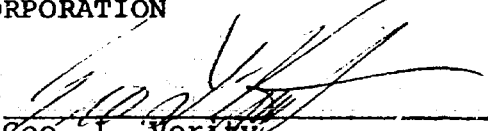
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DRAFT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

dr/

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6942

Order No. R- 6408

APPLICATION OF BENSON-MONTIN-GREER
DRILLING CORPORATION FOR AMENDMENT
OF ORDER NO. R-2565-B, RIO ARRIBA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 9,
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of July, 19 80, the Division
Director, having considered the record and the recommendations of
the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 6942 is hereby dismissed.

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