

*Entered Sept. 10, 1964  
R.L.P.*

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. 2575  
Order No. R-2267-B

APPLICATION OF VAL R. REESE &  
ASSOCIATES, INC. FOR THE CREA-  
TION OF A NEW OIL POOL AND FOR  
SPECIAL POOL RULES, 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 August 5, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 1964, 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 Order No. R-2267, dated June 21, 1962, temporary Special Rules and Regulations were promulgated for the Lybrook-Gallup Oil Pool, Rio Arriba County, New Mexico, establishing 320-acre gas proration units and 80-acre oil proration units for a one-year period.

(3) That by Order No. R-2267-A, dated August 16, 1963, said temporary Special Rules and Regulations were continued in full force and effect for an additional one-year period.

(4) That pursuant to the provisions of Order No. R-2267-A, this case was reopened to allow the operators in the subject pool

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to appear and show cause why the Lybrook-Gallup Oil Pool should not be developed on 160-acre gas proration units and 40-acre oil proration units.

(5) That the evidence concerning the reservoir characteristics of the Lybrook-Gallup Oil Pool and the effectiveness of the temporary Special Rules and Regulations promulgated by Order No. R-2267 does not establish that said pool can be efficiently and economically drained and developed on 320-acre gas proration units and 80-acre oil proration units.

(6) That to afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas and oil in the pool, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Lybrook-Gallup Oil Pool should be developed on 160-acre gas units and 40-acre oil units.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Lybrook-Gallup Oil Pool promulgated by Order No. R-2267 are hereby abolished.

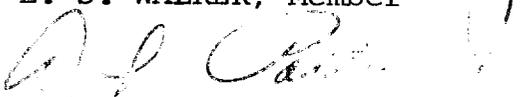
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JACK M. CAMPBELL, Chairman

  
E. S. WALKER, Member

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

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