

□ 104.A

Rule 104.A – To Remain Unchanged

104 WELL SPACING: ACREAGE REQUIREMENTS FOR DRILLING TRACTS

104.A. CLASSIFICATION OF WELLS: WILDCAT WELLS AND DEVELOPMENT WELLS

- (1) San Juan, Rio Arriba, Sandoval, and McKinley Counties
 - (a) Any well which is to be drilled the spacing unit of which is a distance of 2 miles or more from:
 - (i) the outer boundary of any defined pool which has produced oil or gas from the formation to which the well is projected; and
 - (ii) any other well which has produced oil or gas from the formation to which the proposed well is projected, shall be classified as a wildcat well. [12-29-52...2-1-96]
- (2) All Counties Except San Juan, Rio Arriba, Sandoval, and McKinley
 - (a) Any well which is to be drilled the spacing unit of which is a distance of one mile or more from:
 - (i) the outer boundary of any defined pool which has produced oil or gas from the formation to which the well is projected; and
 - (ii) any other well which has produced oil or gas from the formation to which the proposed well is projected, shall be classified as a wildcat well. [12-29-52...2-1-96]

(3) Any well which is not a wildcat well as defined above shall be classified as a development well for the nearest pool which has produced oil or gas from the formation to which the well is projected. Any such development well shall be spaced, drilled, operated, and produced in accordance with the rules and regulations in effect in such nearest pool, provided the well is completed in the formation to which it was projected. [5-25-64...2-1-96]

(4) Any well classified as a development well for a given pool but which is completed in a producing horizon not included in the vertical limits of said pool shall be operated and produced in accordance with the rules and regulations in effect in the nearest pool within the 2 mile limit in San Juan, Rio Arriba, Sandoval, and McKinley Counties or within one mile everywhere else which is producing from that horizon. If there is no designated pool for said producing horizon within the 2 mile limit in San Juan, Rio Arriba, Sandoval, and McKinley Counties or within one mile everywhere else, the well shall be re-classified as a wildcat well. [5-25-64...2-1-96]