

CASE NO. 5631

The Bisti-Lower Gallup Oil Pool Rules are contained in Order R-1069 as amended and became effected in 1957.

Rule 3 of the order now requires that all wells projected to or completed in the Bisti-Lower Gallup Oil Pool be located within 100 feet of the center of either quarter-quarter section of the proration unit and does not prohibit the drilling of a well on each quarter-quarter section of the unit. Wells have recently been completed in the Basin-Dakota Gas Pool near the Bisti-Lower Gallup Oil Pool. The location requirements for the wells in the Basin Dakota Gas Pool require the wells to be located "no nearer than 790 feet to the boundary line of the proration unit..."

The two orders are not compatible for a dual completion to be drilled in the two pools.

Since the Bisti-Lower Gallup Pool is nearing depletion, I believe the spacing requirements have served the intended purpose.

It is recommended that Rule 3 of the Bisti-Lower Gallup Pool Rules be amended as follows:

Rule 3. All wells projected to or completed in the Bisti-Lower Gallup Oil Pool shall be located at least 330 feet from the boundary of either quarter-quarter section of the proration unit; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each quarter-quarter section of the unit.