

State of New Mexico  
**ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT**  
Santa Fe, New Mexico 87505



**BRUCE KING**  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY  
MATTHEW BACA  
DEPUTY SECRETARY

December 23, 1991

TANSEY, ROSEBROUGH, GERDING  
& STORTHER  
Attorneys at Law  
P. O. Box 1020  
Farmington, New Mexico 87499

RE: CASE NO. 10413  
ORDER NO. R-4343-A

Dear Sir:

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

Sincerely,

*Florene Davidson*

Florene Davidson  
OC Staff Specialist

FD/sl

cc: Aztec OCD Office  
BLM Farmington Office

VILLAGRA BUILDING - 408 Galisteo  
Forestry and Resources Conservation Division  
P.O. Box 1948 87504-1948  
827-5830

Park and Recreation Division  
P.O. Box 1147 87504-1147  
827-7465

2040 South Pacheco  
Office of the Secretary  
827-5950

Administrative Services  
827-5925

Energy Conservation & Management  
827-5900

Mining and Minerals  
827-5870

LAND OFFICE BUILDING - 310 Old Santa Fe Trail  
Oil Conservation Division  
P.O. Box 2088 87504-2088  
827-5800

MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. Box 840  
FARMINGTON, NEW MEXICO 87499

OIL CONSERVATION DIVISION  
RECEIVED

91 DE 13 8 40

December 9, 1991

Mr. Mike Stogner  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87503

RE: **Affidavit of Notification**  
**Snake Eyes Dakota "D" Pool Rule Changes**  
**Case No. 10413**  
**Order No. R-4343**

Dear Mr. Stogner:

As requested by the examiners at the hearing for the above pool rule changes, attached are the following:

- 1) Affidavit of notification of offset operators.
- 2) Affidavit of notification of governmental agencies.
- 3) Notice that Yates Petroleum waives objection to the rule changes.
- 4) Green copy of return receipt for Ronadero Company, Inc. (I personally received verbal notification from Mr. Ronadero that Ronadero Company, Inc., has no objections to the rule changes.)

Please let me know if you need anything else.

Sincerely,



George F. Sharpe  
Petroleum Engineer

CC: Field File

**AFFIDAVIT**

Revision of Pool Rules  
Snake Eyes Dakota "D" Pool  
Order No. R-4343  
San Juan County, New Mexico

I hereby certify that the following offset owners/operators have received a copy by certified mail of our application for rule changes in the Snake Eyes Dakota "D" Pool.

Ronadero Company, Inc.  
P. O. Box 2520  
Casper, Wyoming 82602

Yates Petroleum Company  
105 South 4th Street  
Artesia, New Mexico 88210

San Juan County  
State of New Mexico

  
Esther J. Greyeyes  
December 9, 1991

My Commission Expires: August 7, 1994

AFFIDAVIT

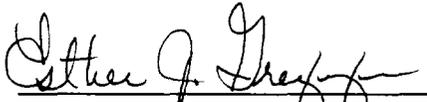
Revision of Pool Rules  
Snake Eyes Dakota "D" Pool  
Order No. R-4343  
San Juan County, New Mexico

I hereby certify that the following governmental agencies have received a copy of our application for rule changes in the Snake Eyes Dakota "D" Pool.

Bureau of Land Management  
1235 La Plata Highway  
Farmington, New Mexico 87401

New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

San Juan County  
State of New Mexico

  
\_\_\_\_\_  
Esther J. Greyeyes  
December 9, 1991

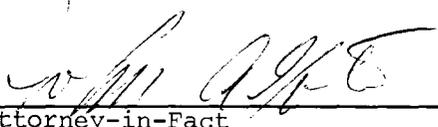
My Commission Expires: August 7, 1994

New Mexico Oil Conservation Division  
Page Three  
October 21, 1991

WAIVER

YATES PETROLEUM hereby waives objection to Merrion Oil & Gas Corporation's application for rule changes in the Snake Eyes Dakota "D" Pool.

By:

  
\_\_\_\_\_  
Attorney-in-Fact

Date:

\_\_\_\_\_  
November 6, 1991

CC:

BLM-Farmington, NM  
NMOCD-Aztec, NM  
Well File

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece next to the article number.

I also wish to receive the following services (for an extra fee):

1.  Addressee's Address
2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Ronadero Company, Inc.  
P. O. Box 2520  
Casper, Wyoming 82602

307-235-2724

4a. Article Number

P 337 986 548

4b. Service Type

- |   |   |
|---|---|
| <input type="checkbox"/> Registered           | <input type="checkbox"/> Insured                        |
| <input checked="" type="checkbox"/> Certified | <input type="checkbox"/> COD                            |
| <input type="checkbox"/> Express Mail         | <input type="checkbox"/> Return Receipt for Merchandise |

7. Date of Delivery

11/18/91

5. Signature (Addressee)

*John M. Swenson*

6. Signature (Agent)

*Gene*

8. Addressee's Address (Only if requested and fee is paid)

OIL CONSERVATION DIVISION  
RECEIVED

New Mexico Oil Conservation Division  
Page Three  
October 21, 1991

'91 NOV 21 AM 8 54

**WAIVER**

RONADERO COMPANY, INC., hereby waives objection to Merrion Oil & Gas Corporation's application for rule changes in the Snake Eyes Dakota "D" Pool.

By: Robert W. Langston

Date: 11-18-91

CC: BLM-Farmington, NM  
NMOCD-Aztec, NM  
Well File

New Mexico Oil Conservation Division  
Page Two  
October 21, 1991

Attached for your review are the following:

- 1) A plat showing the Pool boundaries, the location of the three wells, and the offset owners/operators;
- 2) Affidavit of notification of offset owners/operators.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection.

If you have questions, please call me at 1-327-9801.

Sincerely,



George F. Sharpe  
Engineer

CC: Field File  
NMOCD-Aztec, NM  
BLM-Farmington, NM  
Yates Petroleum  
✓ Ronadero Company, Inc.  
SSD/JGM/LDE/MKM/PH

## MERRION OIL &amp; GAS CORPORATION

610 REILLY AVE. • P. O. Box 840  
FARMINGTON, NEW MEXICO 87499

October 22, 1991

CERTIFIED MAIL P 337 986 540

Mr. Mike Stogner  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87503

RE: Request for Revision of Pool Rules  
Snake Eyes - Dakota "D" Gas Pool  
Order No. R-4343

Dear Mr. Stogner:

We request changes in the spacing requirements for the Snake Eyes - Dakota "D" pool. Please put us on the next available hearing docket to present our recommendations.

Two wells are currently completed on non-standard locations on 320 acre proration units in Section 20, T21N, R8W (Snake Eyes #2 and Santa Fe 20-4). We have a third well in Section 20 (the Santa Fe 20-3) that is a shut-in, uneconomic Entrada producer. We would like to change the spacing to 160 acres so that we may recomplete that well in the Dakota formation. Because Section 20 is all one lease, all three wells have the same working interest owners and royalty owners. Therefore, additional producing wells will benefit everyone involved.

At the hearing, we will show that the two existing Dakota wells cannot efficiently drain all of Section 20. In addition, we will show that the Santa Fe 20-3 is in an excellent location geologically to help drain the NE quarter of the section.

To allow us to recomplete the Santa Fe 20-3, we need Rule No. 2 of Order R-4343 to be changed to allow for development on 160 acre spacing. In addition, Rule No. 4 needs to be changed to allow for each well to be located no closer than 330 feet from the outer boundary or any quarter/quarter section so that all three locations become standard locations. If there are objections to changing Rule No. 4, we ask that all three locations be approved as non-standard locations on their respective 160 acre proration units.

MERRION OIL & GAS CORPORATION OIL CONSERVATION DIVISION

610 REILLY AVE. • P. O. Box 840

FARMINGTON, NEW MEXICO 87499

RECEIVED

31 DEC 19 AM 9 27

*CASE FILE 10413*

CERTIFIED MAIL P 337 986 545

December 17, 1991

Santa Fe Energy  
550 West Texas, Suite 1330  
Midland, Texas 79701

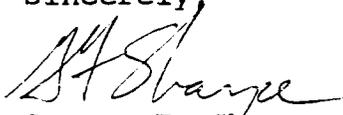
RE: Rule Changes  
Snake Eyes Dakota "D" Pool

Gentlemen:

The New Mexico Oil Conservation Division has asked us to send a waiver to all royalty owners in the Snake Eyes Dakota "D" Pool concerning a rule change. Attached is the application for the rule changes. The case was heard on December 5, 1991.

Please return the waiver to the NMOCD, P.O. Box 2088, Santa Fe, New Mexico 87503, as soon as possible.

Sincerely,



George F. Sharpe  
Petroleum Engineer

/eg

CC: Field File  
✓ NMOCD-Santa Fe, NM  
George Sharpe

Santa Fe Energy  
Page Two  
December 17, 1991

WAIVER

SANTA FE ENERGY, hereby waives objection to Merrion Oil & Gas Corporation's application for rule changes in the Snake Eyes Dakota "D" Pool.

By: \_\_\_\_\_

Date: \_\_\_\_\_

CC: Well File

MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. BOX 840  
FARMINGTON, NEW MEXICO 87499

October 22, 1991

CERTIFIED MAIL P 337 986 540

Mr. Mike Stogner  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87503

RE: Request for Revision of Pool Rules  
Snake Eyes - Dakota "D" Gas Pool  
Order No. R-4343

Dear Mr. Stogner:

We request changes in the spacing requirements for the Snake Eyes - Dakota "D" pool. Please put us on the next available hearing docket to present our recommendations.

Two wells are currently completed on non-standard locations on 320 acre proration units in Section 20, T21N, R8W (Snake Eyes #2 and Santa Fe 20-4). We have a third well in Section 20 (the Santa Fe 20-3) that is a shut-in, uneconomic Entrada producer. We would like to change the spacing to 160 acres so that we may recomplate that well in the Dakota formation. Because Section 20 is all one lease, all three wells have the same working interest owners and royalty owners. Therefore, additional producing wells will benefit everyone involved.

At the hearing, we will show that the two existing Dakota wells cannot efficiently drain all of Section 20. In addition, we will show that the Santa Fe 20-3 is in an excellent location geologically to help drain the NE quarter of the section.

To allow us to recomplate the Santa Fe 20-3, we need Rule No. 2 of Order R-4343 to be changed to allow for development on 160 acre spacing. In addition, Rule No. 4 needs to be changed to allow for each well to be located no closer than 330 feet from the outer boundary or any quarter/quarter section so that all three locations become standard locations. If there are objections to changing Rule No. 4, we ask that all three locations be approved as non-standard locations on their respective 160 acre proration units.

New Mexico Oil Conservation Division  
Page Two  
October 21, 1991

Attached for your review are the following:

- 1) A plat showing the Pool boundaries, the location of the three wells, and the offset owners/operators;
- 2) Affidavit of notification of offset owners/operators.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection.

If you have questions, please call me at 1-327-9801.

Sincerely,

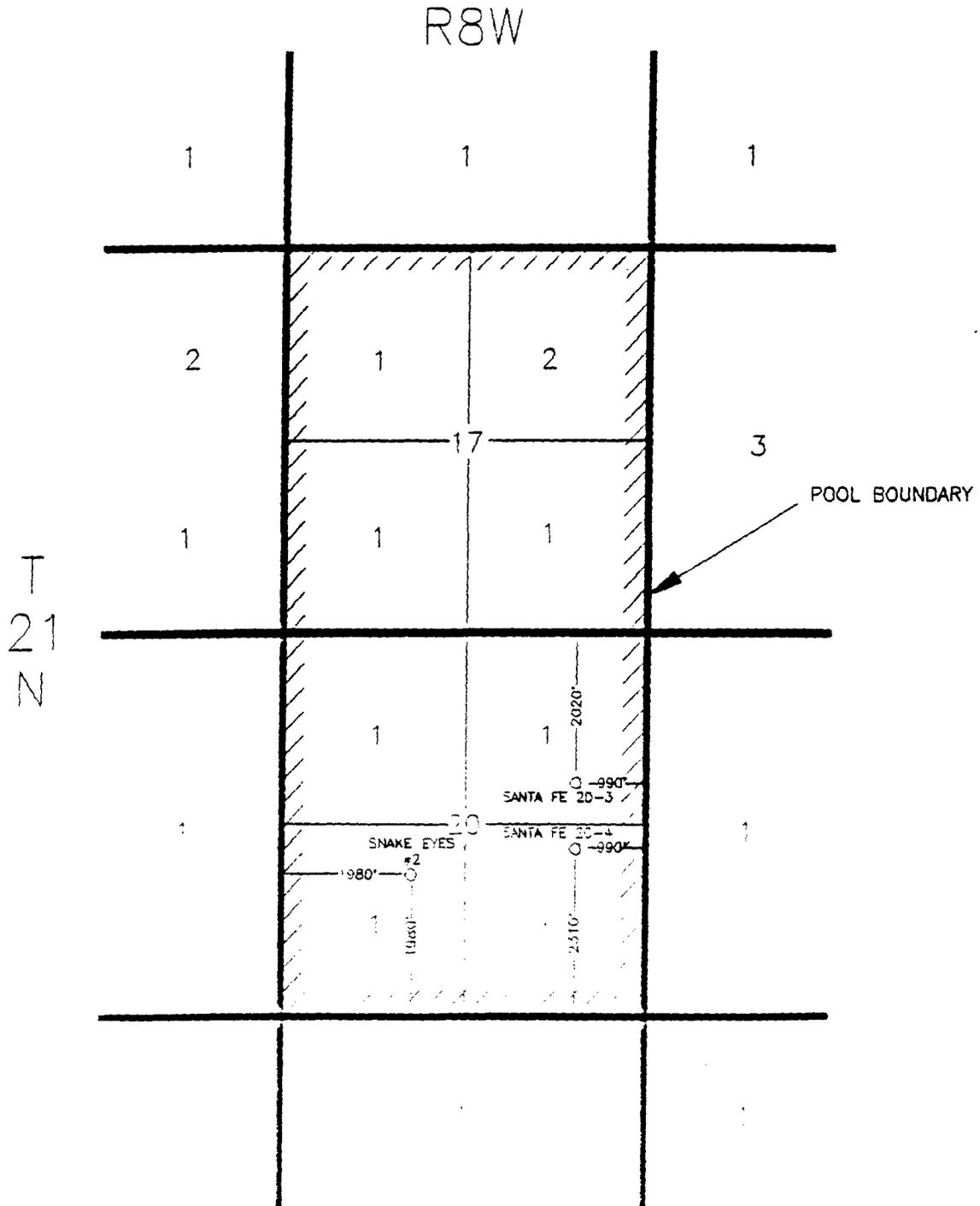


George F. Sharpe  
Engineer

CC: Field File  
NMOCD-Aztec, NM  
BLM-Farmington, NM  
Yates Petroleum  
Ronadero Company, Inc.  
SSD/JGM/LDE/MKM/PH

MERRION OIL & GAS CORP.

APPLICATION FOR 160 ACRE SPACING  
AND REVISED STANDARD LOCATION FOOTAGES  
SNAKE EYES DAKOTA D POOL



MERRION OIL & GAS CORP., P.O. BOX 100, FARMINGTON, N.M. 87499

BY: POWERS COMPANY, INC., 307 1/2 S. 10TH ST., LOS ALAMOS, N.M. 88501

BY: STATES PETROLEUM, INC., 106 S. 45TH ST., ARTESIA, N.M. 88210

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece next to the article number.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
 Santa Fe Energy  
 550 West Texas, Suite 1330  
 Midland, Texas 79701

4a. Article Number  
 P 337 986 545

4b. Service Type  
 Registered  Insured  
 Certified  COD  
 Express Mail  Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Thank you for using Return Receipt Service.

PS Form 3811, October 1990 \*U.S. GPO: 1990-273-861 **DOMESTIC RETURN RECEIPT**

**CERTIFIED MAIL**

P 337 986 545

*Fill in here over top of envelope to the right of the return address.*

PS Form 3800, June 1985 U.S.G.P.O. 1989-234-555

Sent to	Santa Fe Energy
Street and No.	550 W. Texas, Ste 1330
P.O. State and ZIP Code	Midland, Texas 79701
Postage	\$ 1.32
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom, Date, and Address of Delivery	1.00
TOTAL Postage and Fees	\$ 2.32
Postmark or Date	12/17/91
Snake Eyes Dakota "D" Pool	

P 337 986 545

**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

OIL CONSERVATION DIVISION  
REVISION

MERRION OIL & GAS CORPORATION

610 REILLY AVE. • P. O. Box 840  
FARMINGTON, NEW MEXICO 87499

91 OCT 23 AM 8 43

October 22, 1991

*Case 10413*

CERTIFIED MAIL P 337 986 540

Mr. Mike Stogner  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87503

*120  
330' outer  
boundary*

RE: Request for Revision of Pool Rules  
Snake Eyes - Dakota "D" Gas Pool  
Order No. R-4343

Dear Mr. Stogner:

We request changes in the spacing requirements for the Snake Eyes - Dakota "D" pool. Please put us on the next available hearing docket to present our recommendations.

Two wells are currently completed on non-standard locations on 320 acre proration units in Section 20, T21N, R8W (Snake Eyes #2 and Santa Fe 20-4). We have a third well in Section 20 (the Santa Fe 20-3) that is a shut-in, uneconomic Entrada producer. We would like to change the spacing to 160 acres so that we may recomplete that well in the Dakota formation. Because Section 20 is all one lease, all three wells have the same working interest owners and royalty owners. Therefore, additional producing wells will benefit everyone involved.

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To allow us to recomplete the Santa Fe 20-3, we need Rule No. 2 of Order R-4343 to be changed to allow for development on 160 acre spacing. In addition, Rule No. 4 needs to be changed to allow for each well to be located no closer than 330 feet from the outer boundary or any quarter/quarter section so that all three locations become standard locations. If there are objections to changing Rule No. 4, we ask that all three locations be approved as non-standard locations on their respective 160 acre proration units.

New Mexico Oil Conservation Division  
Page Two  
October 21, 1991

Attached for your review are the following:

- 1) A plat showing the Pool boundaries, the location of the three wells, and the offset owners/operators;
- 2) Affidavit of notification of offset owners/operators.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that they furnish your Santa Fe office with a Waiver of Objection.

If you have questions, please call me at 1-327-9801.

Sincerely,



George F. Sharpe  
Engineer

CC: Field File  
NMOCD-Aztec, NM  
BLM-Farmington, NM  
Yates Petroleum  
Ronadero Company, Inc.  
SSD/JGM/LDE/MKM/PH

New Mexico Oil Conservation Division  
Page Three  
October 21, 1991

**WAIVER**

RONADERO COMPANY, INC., hereby waives objection to Merrion Oil & Gas Corporation's application for rule changes in the Snake Eyes Dakota "D" Pool.

By: \_\_\_\_\_ Date: \_\_\_\_\_

CC: BLM-Farmington, NM  
NMOCD-Aztec, NM  
Well File

New Mexico Oil Conservation Division  
Page Three  
October 21, 1991

**WAIVER**

YATES PETROLEUM hereby waives objection to Merrion Oil & Gas Corporation's application for rule changes in the Snake Eyes Dakota "D" Pool.

By: \_\_\_\_\_ Date: \_\_\_\_\_

CC: BLM-Farmington, NM  
NMOCD-Aztec, NM  
Well File

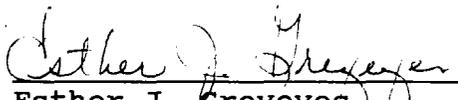
Revision of Pool Rules  
Snake Eyes Dakota "D" Pool  
Order No. R-4343  
San Juan County, New Mexico

I hereby certify that the following offset owners/operators have been notified by certified mail of our application for rule changes in the Snake Eyes Dakota "D" Pool.

Ronadero Company, Inc.  
527 Petroleum Building  
Roswell, New Mexico 88201

Yates Petroleum Company  
105 South 4th Street  
Artesia, New Mexico 88210

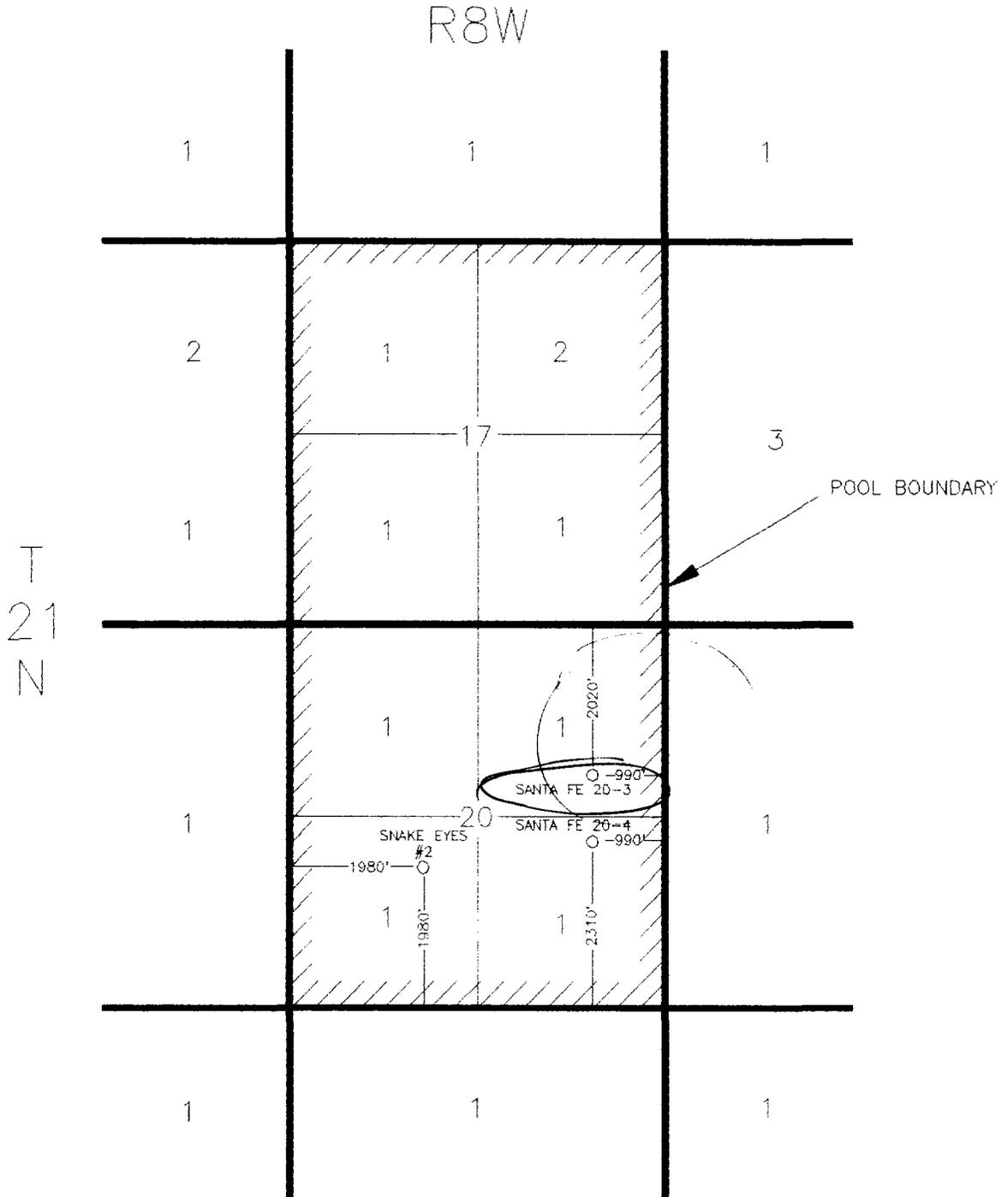
San Juan County  
State of New Mexico

  
\_\_\_\_\_  
Esther J. Greyeyes  
October 22, 1991

My Commission expires: August 7, 1994

# MERRION OIL & GAS CORP.

APPLICATION FOR 160 ACRE SPACING  
AND REVISED STANDARD LOCATION FOOTAGES  
SNAKE EYES DAKOTA D POOL



- 1.) MERRION OIL & GAS, CORP., P.O. BOX 840, FARMINGTON, N.M. 87499
- 2.) RONADERO COMPANY, INC., 527 PETROLEUM BLDG, ROSWELL N.M. 88201
- 3.) YATES PETROLEUM, CO., 105 S. 45TH ST., ARTESIA, N.M. 88210

P 337 986 542

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

U.S.G.P.O. 1989-234-555

PS Form 3800, June 1985

Sent to Yates Petroleum Company	
Street and No. 105 South 4th Street	
P.O., State and ZIP Code Artesia, NM 88210	
Postage	\$ 52
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	1.00
TOTAL Postage and Fees	\$ 2.52
Postmark or Date 10/22/91 Request for Revision of Pool Rules - Order # R4343 S.E. Dakota "D" Pool	

Fold at line over top of envelope to the right of the return address

CERTIFIED

P 337 986 542

MAIL

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece next to the article number.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Yates Petroleum Company 105 South 4th Street Artesia, NM 88210	4a. Article Number P 337 986 542
	4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
	7. Date of Delivery
5. Signature (Addressee)	8. Addressee's Address (Only if requested and fee is paid)
6. Signature (Agent)	

Thank you for using Return Receipt Service.

P 337 986 541

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

U.S.G.P.O. 1985-234-555

PS Form 3800, June 1985

Sent to <b>Ronadero Company, Inc.</b>	
Street and No. <b>527 Petroleum Bldg</b>	
P.O., State and ZIP Code <b>Roswell, NM 88201</b>	
Postage	\$ <b>.52</b>
Certified Fee	<b>1.00</b>
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	<b>1.00</b>
TOTAL Postage and Fees	\$ <b>2.52</b>
Postmark or Date <b>10/22/91</b> Request for Revision of Pool Rules - Order #R4343 S.E. Dakota "D" Pool	

Fold at line over top of envelope to the front of the return address

**CERTIFIED**

P 337 986 541

**MAIL**

**SENDER:**

- Complete items 1 and/or 2 for additional services
- Complete items 3, and 4a & b
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece next to the article number.

Following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
**Ronadero Company, Inc.**  
**527 Petroleum Building**  
**Roswell, New Mexico 88201**

4a. Article Number  
**P 337 986 541**

- 4b. Service Type
- Registered  Insured
  - Certified  COD
  - Express Mail  Return Receipt for Merchandise

7. Date of Delivery

5. Signature (Addressee)

6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

**SNAKE EYES-DAKOTA "D" GAS POOL**  
San Juan County, New Mexico

Order No. R-4343, Adopting Operating Rules for the Snake Eyes-Dakota "D" Gas Pool, San Juan County, New Mexico, July 19, 1972.

Application of Tenneco Oil Company for Pool Contraction Redefinition of a Pool and Special Pool Rules, San Juan County, New Mexico.

CASE NO. 4743  
Order No. R-4343

**ORDER OF THE COMMISSION**

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on June 28, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 19th day of July, 1972, 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 the applicant, Tenneco Oil Company, seeks the creation of a new gas pool for Dakota "D" zone production in San Juan County, New Mexico, and the promulgation of special rules and regulations governing said pool, including a provision for 320-acre spacing and proration units.

(3) That the Tenneco Oil Company Snake Eyes Well No. 1, located in Unit C of Section 20, Township 21 North, Range 8 West, NMPM, San Juan County, New Mexico, having its top perforations at 4606 feet, has discovered a separate common source of supply which should be designated the Snake Eyes-Dakota "D" Gas Pool; that the vertical limits of said pool should be the Dakota "D" formation and that the horizontal limits of said pool should be Sections 17 and 20.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 320-acre spacing unit should be promulgated for the Snake Eyes-Dakota "D" Gas Pool.

(5) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That the horizontal limits of the Basin-Dakota Pool should be contracted by deleting therefrom all of Sections 17 and 20, Township 21 North, Range 8 West, NMPM, San Juan County, New Mexico.

**IT IS THEREFORE ORDERED:**

(1) That the horizontal limits of the Basin-Dakota Pool are hereby contracted by the deletion therefrom of the following described area:

**SAN JUAN COUNTY, NEW MEXICO**  
TOWNSHIP 21 NORTH, RANGE 8 WEST, NMPM  
Section 17: All  
Section 20: All

(2) That a new pool in San Juan County, New Mexico, classified as a gas pool for Dakota "D" zone production, is hereby created and designated the Snake Eyes-Dakota "D" Gas Pool, with vertical limits comprising the Dakota "D" zone and horizontal limits comprising the following-described area:

**SAN JUAN COUNTY, NEW MEXICO**  
TOWNSHIP 21 NORTH, RANGE 8 WEST, NMPM  
Section 17: All  
Section 20: All

(3) That Special Rules and Regulations for the Snake Eyes-Dakota "D" Gas Pool, San Juan County, New Mexico, are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS**  
**FOR THE**  
**SNAKE EYES-DAKOTA "D" GAS POOL**

**RULE 1.** Each well completed or recompleted in the Snake Eyes-Dakota "D" Gas Pool or in the Dakota formation within one mile thereof, and not nearer to or within the limits of another designated Dakota gas pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

**RULE 2.** Each well shall be located on a standard unit consisting of approximately 320 acres which shall comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Land Surveys. For purposes of these rules, a unit consisting of between 316 and 324 contiguous surface acres shall be considered a standard unit.

**RULE 3.** The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit and the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys, or the following facts exist and the following provisions are complied with:

(a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(b) The non-standard unit lies wholly within a governmental section and contains less acreage than a standard unit.

(c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(SNAKE EYES-DAKOTA "D" GAS POOL - Cont'd.)

(d) In lieu of Paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no closer than 990 feet to the outer boundary of the dedicated tract nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Snake Eyes-Dakota "D" Gas Pool or in the Dakota "D" zone within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Aztec District Office of the Commission in writing of the name and location of the well on or before August 1, 1972.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the Snake Eyes-Dakota "D" Gas Pool shall have dedicated thereto 320 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 320 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable.

(3) 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.

MANY GATES-ABO POOL  
Chaves County, New Mexico

Order No. R-4375, Adopting Temporary Operating Rules for the Many Gates-Abo Pool, Chaves County, New Mexico, August 30, 1972.

Order No. R-4375-A, August 24, 1973, makes permanent the rules adopted in Order No. R-4375.

Application of Humble Oil & Refining Company for Special Pool Rules, Chaves County, New Mexico.

CASE NO. 4789  
Order No. R-4375

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on August 9, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of August, 1972, 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 the applicant, Humble Oil & Refining Company, seeks the promulgation of special rules and regulations for the Many Gates-Abo Pool, Chaves County, New Mexico, including a provision for 80-acre spacing and proration units, and wells to be located in the approximate center of the NE/4 or SW/4 of each quarter section.

(3) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the Many Gates-Abo Pool.

(4) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(5) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(6) That this case should be reopened at an examiner hearing in August, 1973, at which time the operators in the subject pool should be prepared to appear and show cause why the Many Gates-Abo Pool should not be developed on 40-acre spacing units.

