



Apr. 23, 1951
file 3-2

BEFORE THE

OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION OF)
FIELD RULES TO GOVERN OPERATIONS IN)
THE IGNACIO FIELD, LA PLATA COUNTY,)
COLORADO.)
-----)

CAUSE NO. 3
ORDER NO. 3-1 (Emergency)

Appearances:

Donald B. Anderson, Malco Refining Co., Roswell, New Mexico

Quilman B. Davis, Southern Union Gas, Dallas, Texas

Phil Helmig, Malco Refineries, Inc., Roswell, New Mexico

Mr. Foster Morrell, Regional Oil & Gas Supervisor, U.S. Geological Survey,
Roswell, New Mexico

Ralph Sargent, Jr., Assistant Attorney General, Denver, Colorado

J. K. Smith, Stanolind Oil and Gas Company, Fair Building, Fort Worth, Texas

Benjamin E. Sweet, Attorney at Law, Denver, Colorado

Van Thompson, Southern Union Gas, Dallas, Texas

REPORT OF THE COMMISSION

Application was made to the Commission by the Stanolind Oil and Gas Company requesting the Commission to promulgate and establish immediately Field Rules to govern operations in the Ignacio Field, La Plata County, Colorado, with particular reference to those known producing zones located therein termed "Fruitland-Pictured Cliffs" and "Dakota-Morrison." This matter came on for hearing before the Commission on November 14, 1951 at 10:00 A. M. at 1280 Sherman Street, Denver, Colorado, without notice of hearing, and was heard at said time and place by the Commission as an emergency matter.

Appearing at the hearing were representatives of Stanolind Oil and Gas Company and Malco Refineries, Incorporated, operators in said Field, who stated that they had no objection to the proposed rules as submitted by Stanolind Oil and Gas Company. The Commission has also been advised by communications from Amerada

Petroleum Corporation and Skelly Oil Company, other operators in said Field, that they have no objection to the proposed Rules, said communications having been read into the record and made a part thereof.

It was understood by all interested parties that said hearing in the above entitled matter was for the purpose of considering the promulgation of emergency orders that may be deemed necessary in the premises, it being further understood that the above entitled matter was to be heard for final adoption of Field Rules to govern operations in the said Field on December 6, 1951, after due notice to the public and all interested persons, as required by the Colorado Oil and Gas Conservation Act of 1951.

F I N D I N G S

It appearing to the Commission that the orderly development of the said Ignacio Field, La Plata County, Colorado, requires immediate action, and in order to avoid waste as that term is defined in the Colorado Oil and Gas Conservation Act of 1951 and in order to conserve oil and gas and to secure the greatest ultimate recovery of oil and gas from said Field, and in accordance with the provisions of Section 8 (c) of said Act, the Commission does hereby declare and find that an emergency exists requiring immediate action and requiring the immediate promulgation of Pool Rules to apply to Ignacio-Dakota-Morrison Pool and to Ignacio-Pictured Cliffs Pool in the said Ignacio Field, La Plata County, Colorado, all as set forth in Exhibits A and B, respectively, attached hereto, which, by reference, are made a part hereof.

O R D E R

IT IS THEREFORE ORDERED That the Pool Rules, Ignacio-Dakota-Morrison Pool and Ignacio-Fruitland Pictured Cliffs Pool, attached hereto as Exhibits A and B, respectively, and made a part hereof by reference, shall be and become effective forthwith, said Pool Rules to remain in full force and effect until December 6, 1951.

IT IS FURTHER ORDERED That this order shall be and is without prejudice to any interested party who may desire to appear and be heard at any formal hearing hereinafter held by the Commission, with due notice to the public as required by the Colorado Oil and Gas Conservation Act of 1951 to consider final adoption of Field Rules to govern operations in the said Ignacio Field, La Plata County, Colorado.

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

(Signed) JOHN E. CRONIN
Secretary

Dated at Denver, Colorado,
this 23rd day of November, 1951.

EXHIBIT A

CAUSE NO. 3

ORDER 3-1 (EMERGENCY)

POOL RULES

IGNACIO DAKOTA-MORRISON POOL

LA PLATA COUNTY, COLORADO

The following emergency rules and regulations shall apply to wells hereafter drilled or completed or recompleted in the Dakota and Morrison formations in the Ignacio Dakota-Morrison Pool, in addition to other applicable rules, regulations, and orders of the Commission, if any, heretofore adopted and not in conflict herewith:

RULE 1: No well shall be drilled or completed or recompleted and no notice of intention to drill or drilling permit approved unless:

- (a) Such well be located on a designated drilling unit of not less than 640 acres of land more or less according to legal subdivisions of the United States Land Surveys in which all of the interests are consolidated by Pooling Agreement or otherwise and on which no other well is completed or approved for completion in the same pool.
- (b) Such drilling unit be in the shape of a square except for normal variations in legal subdivisions of the United States Land Surveys, each section constituting a drilling unit.
- (c) Such well be located no closer than 2310 feet to the boundaries of the section upon which it is drilling.

RULE 2: It is provided further that the Commission may, by Order entered after due notice and hearing, and to prevent waste or confiscation of property, grant exceptions to the provisions of Rule 1, and permit drilling of wells in the pool which do not conform to its requirements.

RULE 3: The casing program on all wells hereafter drilled in the Ignacio

Dakota-Morrison Pool shall include at least three (3) strings of casing which shall be set in accordance with the following provisions:

- (a) Surface casing shall consist of new or reconditioned pipe with an original mill test of not less than 1200 PSI and shall be set and cemented at a point not less than 750 feet from the surface of the ground. Cementing shall be by the pump and plug method and sufficient cement shall be used to fill the annular space behind the pipe to the surface of the ground or the bottom of the cellar. Cement shall be allowed to stand a minimum of twenty-four (24) hours before drilling the plug or initiating tests. Before drilling the plug, a pump pressure of at least 1000 PSI shall be applied. If at the end of thirty (30) minutes the pressure shows a drop of 100 PSI or more, the casing shall be condemned. After corrective operations the casing shall again be tested in the same manner and this string shall stand the required test before compliance with this rule shall have been made.
- (b) The intermediate string shall consist of new or reconditioned pipe with an original mill test of not less than 2000 PSI. This string shall be set and cemented at a point not higher than the bottom of the Pictured Cliffs formation. Cementing shall be by the pump and plug method. This string shall be cemented with the calculated volume of cement to bring the top of cement 600 feet above the highest formation which is indicated to be commercially productive of oil or gas. The cement shall be allowed to stand a minimum of twenty-four (24) hours before drilling the plug or initiating tests. Before drilling the plug a pump pressure of at least 1500 PSI shall be applied. If at the end of thirty (30) minutes the pressure shows a drop of 150 PSI or more, the casing shall be condemned. After corrective operations casing shall again be tested in the same manner and this string shall stand the

required tests before compliance with this rule shall have been made.

- (c) The producing or oil string shall consist of new or reconditioned pipe with an original mill test of not less than 2000 PSI. This string shall be set and cemented at a point not higher than the top of the producing zone. Cementing shall be by the pump and plug method. This string shall be cemented with calculated volume of cement sufficient to bring the top of the cement 1000 feet above the top of the Dakota formation. The cement shall be allowed to stand a minimum of twenty-four (24) hours before drilling the plug or initiating tests. Before drilling the plug a pump pressure of at least 1500 PSI shall be applied. If at the end of thirty (30) minutes the pressure shows a drop of 150 PSI or more, the casing shall be condemned. After corrective operations casing shall again be tested in the same manner and this string shall stand the required tests before compliance with this rule shall have been made.

The Dakota-Morrison producing pool in the Ignacio Area to which these Pool Rules apply is defined to include the following described land in La Plata County, Colorado.

Township 32 North, Range 7 West

Sections 1, 2, and 3 N/2

Township 33 North, Range 7 West

Section 5 S/2

Sections 6, 7, 8, and 9 All

Section 15 W/2, SE/4

Sections 16, 17, 18, 19, 20, 21,
and 22 All

Section 23 SW/4

Section 25 S/2

Sections 26, 27, 28, and 29 All

Section 30 N/2

Sections 33, 34, 35, and 36 All

Township 33 North, Range 8 West

Sections 1, 2, and 3	All
Sections 4 and 9	E/2
Sections 10, 11, 12, 13, 14, and 15	All
Section 16	E/2
Section 22 and 23	N/2
Section 24	All

All additional lands located within one-half mile of any land in the pool as defined or as it may be extended shall conform to these rules and regulations; and it is provided further that by Order of the Commission, after due notice and hearing, the Pool may be redesignated from time to time so as to embrace other lands in the vicinity which are believed, on the basis of additional development, to be capable of producing gas from the Ignacio Dakota-Morrison Pool.

EXHIBIT B

CAUSE NO. 3

ORDER 3-1 (EMERGENCY)

POOL RULES

IGNACIO FRUITLAND-PICTURED CLIFFS POOL

The following rules and regulations shall apply to wells hereafter drilled or completed or recompleted in the Fruitland or Pictured Cliffs formations in the Ignacio Fruitland-Pictured Cliffs Pool, in addition to other applicable rules, regulations, and orders of the Commission, if any, heretofore adopted and not in conflict herewith.

RULE 1: No well shall be drilled or completed or recompleted and no notice of intention to drill or drilling permit shall be approved unless:

- (a) Such well be located on a designated drilling unit of not less than 320 acres of land, more or less, according to legal sub-divisions of United States Land Surveys in which unit all of the interests are consolidated by Pooling Agreement or otherwise and on which no other well is completed or approved for completion in the pool.
- (b) Such drilling unit be in the shape of a rectangle except for normal variations in legal subdivisions of the United States Land Surveys, the N/2, S/2, E/2, or W/2 of each section constituting the drilling unit.
- (c) Such well be located on either the northwest or southeast quarter of the section and no closer than 990 feet to the boundaries of the quarter section upon which it is located.

RULE 2: It is provided further that the Commission may by Order entered after due notice and hearing, and to prevent waste or confiscation of property, grant exceptions to the provisions of Rule 1, and permit drilling of wells in the pool which do not conform to its requirements.

RULE 3: The casing program of all wells hereafter drilled in the Ignacio Fruitland-Pictured Cliffs Pool shall include at least two (2) strings of casing which shall be set in accordance with the following:

- (a) The surface casing shall consist of new or reconditioned pipe with an original mill test of not less than 1200 PSI and shall be set and cemented at a point not less than 750 feet from the surface of the ground. Cementing shall be by the pump and plug method and sufficient cement shall be used to fill the annular space behind the pipe to the surface of the ground or the bottom of the cellar. Cement shall be allowed to stand a minimum of twenty-four (24) hours before drilling the plug or initiating tests. Before drilling the plug, a pump pressure of at least 1000 PSI shall be applied. If at the end of thirty (30) minutes the pressure shows a drop of 100 PSI or more, the casing shall be condemned. After corrective operations the casing shall again be tested in the same manner and this string shall stand the required test before compliance with this rule shall have been made.
- (b) The producing or oil string shall consist of new or reconditioned pipe with an original mill test of not less than 2000 PSI. Cementing shall be by the pump and plug method. This string shall be set no higher than the top of the Fruitland formation and cemented with the calculated volume of cement to bring the top of cement 600 feet above the highest formation which is indicated to be commercially productive of oil or gas. The cement shall be allowed to stand a minimum of twenty-four (24) hours before drilling the plug or initiating tests. Before drilling the plug a pump pressure of at least 1500 PSI shall be applied. If at the end of thirty (30) minutes the pressure shows a drop of 150 PSI or more, the casing shall be condemned. After corrective operations casing shall again be tested in the same manner and this string shall stand the required tests before compliance with this rule shall have been made.

The Fruitland-Pictured Cliffs gas producing pool in the Ignacio Area to which these Pool Rules apply is defined to include the following described land in La Plata

County, Colorado:

Township 32 North, Range 7 West

Sections 1, 2, and 3 N/2

Township 33 North, Range 7 West

Section 5 S/2

Sections, 6, 7, 8, and 9 All

Section 15 W/2, SE/4

Sections 16, 17, 18, 19, 20, 21 and 22 All

Section 23 SW/4

Section 25 S/2

Sections 26, 27, 28, and 29 All

Section 30 N/2

Sections 33, 34, 35, and 36 All

Township 33 North, Range 8 West

Sections 1, 2, and 3 All

Sections 4 and 9 E/2

Sections 10, 11, 12, 13, 14, and 15 All

Section 16 E/2

Section 22 and 23 N/2

Section 24 All

All additional lands located within one-half mile of any land in the pool as defined or as it may be extended shall conform to these rules and regulations; and, it is provided further that by Order of the Commission, after due notice and hearing, The Pool may be redesignated from time to time so as to embrace other lands in the vicinity which are believed, on the basis of additional developments, to be capable of producing gas from the Ignacio Fruitland-Pictured Cliffs Pool.