



BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION AND  
ESTABLISHMENT OF FIELD RULES TO GOVERN  
OPERATIONS IN THE IGNACIO FIELD, LA PLATA  
COUNTY, COLORADO, WITH PARTICULAR REFERENCE  
TO THOSE KNOWN PRODUCING ZONES LOCATED THERE-  
IN TERMED "FRUITLAND-PICTURED CLIFFS" and  
"DAKOTA-MORRISON".

CAUSE NO. 3

ORDER NO. 3-3

APPEARANCES:

Donald B. Anderson, Malco Refining Co., Roswell, N. M.  
Phil Helmig, " " " " " " "

J. K. Smith, Stanolind Oil & Gas Company, Fort Worth, Texas  
Lewis H. Bond, " " " " " " "  
T. F. Newman, " " " " " " "  
John R. Evans, " " " " " " "  
T. J. Files, " " " " " Casper, Wyoming  
W. B. Richards, " " " " " " "

Quilman B. Davis, Southern Union Gas Co., Dallas, Texas  
Van Thompson, " " " " " " "

Foster Morrell, Regional Oil and Gas Supervisor, U. S. Geological  
Survey, Roswell, N. M.

Ralph Sargent, Jr., Assistant Attorney General, Denver, Colorado  
Wilbur Rocchio, " " " " " " "

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W. T. Hollis, El Paso Natural Gas Co., Farmington, N. M.  
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Robert G. Hiltz, Stanolind Oil & Gas Company, Fort Worth, Texas  
P. P. Marion, Jr., " " " " " Tulsa, Okla.

REPORT OF THE COMMISSION

This matter first came on for hearing before the Commission on November 14, 1951, at 10:00 A.M., at 1280 Sherman Street, Denver, Colorado, and was then heard as an emergency matter because of insufficient publication of notice of hearing. The hearing was then adjourned to December 6, 1951, at 10:00 A.M., at 1280 Sherman Street, Denver, Colorado, and was then heard, after publication of Notice of Hearing as required by the Colorado Oil and Gas Conservation Act of 1951. Hearing on the matter was continued after December 6, 1951, until January 7, 1952, at which time, and upon the Commission's own motion, it continued the matter of the promulgation of field rules in the Ignacio area to July 7, 1952. On July 7, 1952, the hearing was concluded.

## F I N D I N G S

The Commission finds as follows:

1. That due notice of the time, place, and purpose of the hearing has been given in all respects as required by law.
2. That the Commission has jurisdiction over the subject matter embraced in said notice and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order.
3. That after due consideration of all of the evidence submitted by those parties appearing, after hearing arguments of counsel, and after due consideration of all of the physical facts, that the public interest would best be served by promulgation of field rules for the Ignacio Fruitland-Pictured Cliffs Pool and the Dakota-Morrison Pool, in La Plata County, Colorado;
4. That the application of Stanolind Oil and Gas Company for spacing and establishment of drilling units is amply supported by the evidence;
5. That from such evidence, the Commission <sup>finds</sup> that drilling units of not less than 320 acres of land for the Ignacio Fruitland-Pictured Cliffs Pool will adequately drain the pool, and that correlative rights will be adequately protected by such sized drilling units;
6. That the evidence amply supports a drilling unit of not less than 640 acres of land for the Dakota-Morrison Pool, and that such sized drilling units will adequately drain the pool and that correlative rights of all parties will be protected, but that the provisions of Senate Bill No. 52, effective February 26, 1952, which amended Chapter 230, Session Laws of Colorado, 1951, do not authorize the Commission to establish drilling units which contain more than 160 acres for a shallow gas well or more than 320 acres for a deep gas well, as defined by the Commission;
7. That the evidence amply supports the establishment of the field limits as established herein by order; and that the evidence further amply supports the drilling and completion practices as set forth herein by order.

## O R D E R

IT IS THEREFORE ORDERED, that effective on the date of this Order, the following rules and regulations shall apply to wells heretofore and hereafter drilled or completed or recompleted in the Fruitland or Pictured Cliffs formations in the Ignacio Fruitland-Pictured Cliffs Pool, and the Dakota-Morrison formation in the Ignacio Dakota-Morrison Pool, La Plata County, Colorado; in addition to other applicable rules, regulations, and orders of the Commission, 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 subdivisions 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 drilled no closer than 990 feet to the boundaries of the quarter section upon which it is located.
- (d) Such well, if drilled to the Fruitland-Pictured Cliffs Pool, be located on either the northwest or southeast quarter of the section on which it is located, unless such well was completed prior to the date of this Order.

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; and also, that where exceptions to Rule 1 (c) are necessary due to topographical reasons only, such exceptions may be granted by the Commission without notice and hearing.

RULE 3. The casing program of all wells hereafter drilled in the Ignacio Fruitland-Pictured Cliffs Pool and the Ignacio Dakota-Morrison 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 the original mill test of not less than 1200 psi and shall be set and cemented at a point such that all fresh water and water of present or probable value for domestic, commercial or stock purposes shall be confined to their respective strata and shall be adequately protected against contamination by objectionable water, oil or gas. 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 1,000 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. In lieu of the foregoing test the surface casing shall be tested after drilling the plug by bailing the hole dry. The hole shall remain dry for one hour to constitute satisfactory proof of a water shutoff. In event the casing is condemned, it shall again be tested in the same manner after corrective operations are completed 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. This string of casing shall be set and cemented at such a point that all oil, gas and water encountered above the producing formation and below the surface casing shall be adequately confined to their respective strata. Cementing shall be by the pump and plug method and the volume of cement used shall be that calculated to bring the top of the 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. In lieu of the foregoing test the surface casing shall be tested after drilling the plug by bailing the hole dry. The hole shall remain dry for one hour to constitute satisfactory proof of a water shutoff. In event the casing is condemned, it shall again be tested in the same manner after corrective operations are completed and this string shall stand the required tests before compliance with this rule shall have been made.

IT IS FURTHER ORDERED that the Fruitland-Pictured Cliffs gas producing pool and the Dakota-Morrison Gas producing pool in the Ignacio area to which this Order applies, is defined to include the following described land in La Plata County, Colorado:

<u>Township 32 North, Range 7 West</u>	
Sections 1, 2 and 3	All
<u>Township 33 North, Range 7 West</u>	
Section 5	All
Sections 6, 7, 8, 9, 16, 17, 18,	
19, 20, 21, and 22	All
Section 15	S/2 and NW/4
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
<u>Township 33 North, Range 8 West</u>	
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
Sections 22 and 23	N/2
Section 24	All

It is further provided that by Order of the Commission 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 or the Dakota-Morrison gas producing pool.

IT IS FURTHER ORDERED that the rules and regulations contained herein shall become effective forthwith, and henceforth the commencement of the drilling of any well or wells in the Ignacio Fruitland-Pictured Cliffs Pool and the Dakota-Morrison Pool, in La Plata County, Colorado, as defined herein, for the purpose of producing oil and gas therefrom, at a location other than that authorized by this Order, except as herein provided, is hereby prohibited.

ORDERED this 7th day of July, 1952, by the Oil and Gas Conservation Commission of the State of Colorado.

THE OIL AND GAS CONSERVATION COMMISSION OF  
THE STATE OF COLORADO

By  John E. Cronin, Secretary