

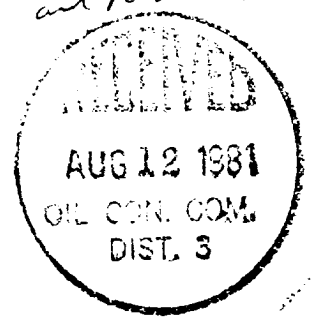
STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7296

Order No. R-5353-G

NOMENCLATURE



APPLICATION OF J. GREGORY MERRION
AND ROBERT L. BAYLESS FOR AMENDMENT
OF POOL RULES, CONTRACTION OF THE
OTERO-GALLUP POOL, AND EXTENSION
OF THE DEVILS FORK-GALLUP ASSOCIATED
POOL, RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 2, 1981,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of August, 1981, the Division
Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicants, J. Gregory Merrion and Robert L.
Bayless, seek the amendment of the Devils Fork-Gallup Associated
Pool Rules to provide for 160-acre spacing rather than 80 acres.

(3) That the applicants further seek the contraction of the
Otero-Gallup Pool by the deletion of the following acreage:
E/2 and NE/4 SW/4 of Section 2, Township 24 North, Range 6 West,
and the E/2 of Section 35, Township 25 North, Range 6 West,
and the concomitant extension of the Devils Fork-Gallup Associated
Pool to include the following acreage: In Township 24 North,
Range 6 West: All of Section 2; N/2 and SE/4 of Section 3; S/2
and NE/4 of Section 4; S/2 of Section 5; SE/4 of Section 6; and
N/2 of Section 11. In Township 25 North, Range 6 West: SE/4
of Section 33; S/2 of Section 34; and all of Section 35.

(4) That while the special pool rules for the Devils Fork-Gallup Associated Pool have provided for 80-acre spacing and proration units said pool has in fact been developed essentially on a 160-acre spacing pattern.

(5) That available pressure data and the results of "infill" drilling demonstrate that wells in the Devils Fork-Gallup Associated Pool are capable of efficiently and effectively draining 160 acres.

(6) That the proposed amendment of the Devils Fork-Gallup Associated Pool spacing rules should be approved.

(7) That the Devils Fork-Gallup Associated Pool and the Otero-Gallup Pool are joined by a common boundary.

(8) That the acreage proposed for deletion from the Otero-Gallup Pool in Finding No. (3) above may more properly be developed and produced as a part of the Devils Fork-Gallup Associated Pool.

(9) That the proposed pool contraction and pool extension described in Finding No. (3) above should be approved.

(10) That in addition, the Devils Fork-Gallup Associated Pool should be expanded to include therein the NE/4 of Section 10, Township 24 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(11) That the proposed amendment of the Devils Fork-Gallup Associated Pool Rules and the pool contraction and pool extension described in the previous findings will not result in waste and will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That Rule 2 of the Special Rules and Regulations for the Devils Fork-Gallup Associated Pool as contained in Division Order No. R-5353, as amended, is hereby amended to read in its entirety as follows:

"RULE 2. (a) a standard oil proration unit shall be 160 acres. A standard gas proration unit shall be 320 acres."

(2) That the Otero-Gallup Pool as previously defined and described in Rio Arriba County, New Mexico, is hereby contracted by the deletion of the following acreage: E/2 and NE/4 SW/4

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of Section 2, Township 24 North, Range 6 West, NMPM, and the E/2 of Section 35, Township 25 North, Range 6 West, NMPM.

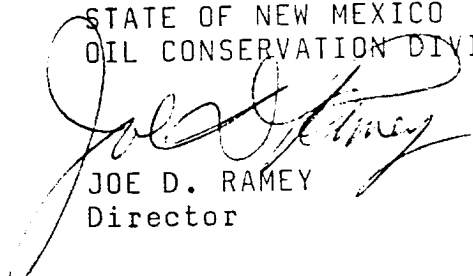
(3) That the Devils Fork-Gallup Associated Pool as previously defined and described in Rio Arriba County, New Mexico, is hereby extended to include the following acreage: All of Section 2; N/2 and SE/4 of Section 3; S/2 and NE/4 of Section 4; S/2 of Section 5; SE/4 of Section 6; NE/4 of Section 10; and the N/2 of Section 11, all in Township 24 North, Range 6 West, NMPM, and the SE/4 of Section 33; S/2 of Section 34; and all of Section 35, all in Township 25 North, Range 6 West, NMPM.

(4) That the effective date of this order and the pool rule amendment, pool contraction and pool extension contained herein shall be August 1, 1981.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L



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