

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute a pressure maintenance project designated the Many Rocks-Gallup Pressure Maintenance Project No. 3 in the Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, by the injection of water into the Gallup (Tocito) Sandstone formation initially through its Navajo "P" Well No. 6 located in Unit P of Section 35, Township 32 North, Range 17 West, NMPM, San Juan County, New Mexico.

(2) That special rules and regulations governing the Many Rocks-Gallup Pressure Maintenance Project No. 3, San Juan County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE  
MANY ROCKS-GALLUP PRESSURE MAINTENANCE PROJECT NO. 3

RULE 1. The project area of the Many Rocks-Gallup Pressure Maintenance Project No. 3, hereinafter referred to as the Project, shall comprise the following-described area:

SAN JUAN COUNTY, NEW MEXICO  
TOWNSHIP 32 NORTH, RANGE 17 WEST, NMPM  
Section 26: W/2 SW/4  
Section 34: NE/4, NE/4 NW/4, and N/2 SE/4  
Section 35: NW/4 and S/2

RULE 2. The allowable for the Project shall be the sum of the allowables of the several wells within the project area, including those wells which are shut-in, curtailed, or used as injection wells. Allowables for all wells shall be determined in a manner hereinafter prescribed.

RULE 3. Allowables for injection wells may be transferred to producing wells within the project area, as may the allowables for producing wells which, in the interest of more efficient operation of the Project, are shut-in or curtailed because of high gas-oil ratio, pressure regulation, control of pattern or sweep efficiencies, or to observe changes in pressures or changes in characteristics of reservoir liquids or progress of sweep.

RULE 4. The allowable assigned to any well which is shut-in or which is curtailed in accordance with the provisions of Rule 3, which allowable is to be transferred to any well or wells in the project area for production, shall in no event be greater than its ability to produce during the test prescribed by Rule 6, below, or greater than the current top unit allowable for the pool during the month of transfer, whichever is less.