

operating costs and charges for supervision, designation of Chevron U.S.A. Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 10 miles Southwest of Malaga, New Mexico.

16. **CASE 15191:** (Continued from the March 5, 2015 Examiner Hearing.)

Application To Amend Order No. R-12984 To Remove Certain Acreage From The Basin-Mancos Gas Pool (97232); To Create A Mancos Oil Pool With Special Pool Rules; To Exempt Horizontal Wells From Pre-Existing Pools In The Subject Area And Restrict Those Pools To Current Boundaries; To Abolish Oil Allowables In The Subject Area; To Retain For The New Oil Pool The Authority To Downhole Commingle Production From The Mancos, Mesaverde And Dakota Formations Provided By Order No. R-12984-B; And To Amend The Special Rules For The Counselors Gallup-Dakota Pool (13379); San Juan, Rio Arriba, Sandoval And McKinley Counties, New Mexico. Applicants, ConocoPhillips Company, Encana Oil & Gas (USA) Inc., Logos Resources, LLC, and WPX Energy Production, LLC seek to amend Division Order No. R-12984 to remove the subject area, as applicable, from the Basin-Mancos Gas Pool (97232) and to place the subject area within a new oil pool (“Mancos Oil Pool”) for horizontal and vertical well development in the Mancos formation. Applicants propose special rules for this new oil pool allowing, among other things, 320-acre spacing units for all horizontal wells in the subject area and standard 330 foot setbacks. The subject area includes the following acreage in McKinley, Rio Arriba, San Juan and Sandoval Counties, New Mexico:

TOWNSHIPS 17-32 NORTH, RANGES 14-19 WEST:

All Sections

TOWNSHIPS 17-29 NORTH, RANGES 10-13 WEST:

All Sections

TOWNSHIP 30 NORTH, RANGE 13 WEST:

Sections 5-8 and 13-36

TOWNSHIP 31 NORTH, RANGE 13 WEST:

Sections 1-24 and 29-32

TOWNSHIP 32 NORTH, RANGE 13 WEST:

All Sections

TOWNSHIPS 17-28 NORTH, RANGE 9 WEST:

All Sections

TOWNSHIPS 17-27 NORTH, RANGE 8 WEST:

All Sections

TOWNSHIPS 17-25 NORTH, RANGES 3-7 WEST:

All Sections

TOWNSHIPS 17-26 NORTH, RANGE 2 WEST:

All Sections

TOWNSHIPS 24-32 NORTH, RANGE 1 WEST:

All Sections

TOWNSHIP 26 NORTH, RANGES 4 -7 WEST:

Sections 25-36

TOWNSHIP 26 NORTH, RANGE 3 WEST:

Sections 1-4, 9-16 and 21-36

TOWNSHIP 23 NORTH, RANGE 1 WEST:

Sections 1-18

TOWNSHIPS 25-26 NORTH, RANGE 1 EAST:

All Sections

TOWNSHIP 24 NORTH, RANGE 1 EAST:

Sections 5-8, 17-20 and 29-32

TOWNSHIP 27 NORTH, RANGE 1 EAST:

Sections 3-10 and 13-25

TOWNSHIPS 28-31 NORTH, RANGE 1 EAST:

Sections 3-10, 15-22 and 27-34

TOWNSHIP 32 NORTH, RANGE 1 EAST:

Sections 7, 15-22 and 27-34

The vertical limits of this new “Mancos Oil Pool” will extend from the stratigraphic equivalent of the base of the Point Lookout formation to the base of the Greenhorn member of the Mancos formation as reflected in the type log for the Rincon No. 20 well in Unit Letter K, Section 11, Township 23 North, Range 7 West, NMPM (API No. 30-039-26768). Applicants further seek to exempt horizontal oil wells from pre-existing pools covering all or part of the Mancos formation in the subject area, to restrict these pre-existing pools to current boundaries, and to abolish oil allowables for all pools in the subject area. Said pre-existing pools include:

Alamito-Gallup Oil (1039)
Amarillo-Gallup (1330)
Armenta-Gallup (2290)
Badland Hills-Mancos Oil (96929)
Bisti-Gallup, South (5860)
Eagle Springs-Mancos (97029)
Counselors Gallup-Dakota (13379)
Devils Fork-Gallup Associated (17610)
Duffers Point Gallup-Dakota (19859)
Ensenada-Gallup (96321)
Gallegos-Gallup Associated (26980)
Gamblers Mesa-Gallup (96357)
Gavilan-Mancos (27194)
Greek-Gallup (96219)
Hospah Upper Sand (33075)
Hospah Lower-Gallup Sand, South (33070)
Kimbeto Wash-Gallup Oil (96598)
Kutz- Gallup, South (96852)
Lindrith-Gallup Gas (80200)
Lindrith Gallup-Dakota, West (39189)
Many Rocks-Gallup (44690)
Meadows-Gallup (45450)
Nageezi-Gallup (47540)
Ojito Gallup-Dakota (48020)
Ojo-Gallup Gas (81880)
Otero-Sanastee (48640)
Puerto Chiquito-Mancos Oil, East (50430)
Rattlesnake-Gallup (50940)
Rio Puerco-Mancos (52260)
Rusty-Gallup Gas (52860)
San Jose Creek-Mancos Oil (97521)
Shiprock-Gallup North Gas (85280)
Tapacito-Gallup Associated (58090)
Verde-Gallup (62510)
White Wash Gallup-Dakota (64290)

Alamito-Gallup, South Oil (96203)
Angels Peak-Gallup Associated Gas (2170)
Baca-Gallup Oil (3745)
Bisti Lower-Gallup Oil (5890)
Boulder-Mancos (7140)
CHA CHA-Gallup (11880)
Cuervo-Gallup (15006)
Dike Rock Mancos (96158)
Eagle Nest-Gallup Gas (76340)
Escrito-Gallup Associated (22619)
Gallo Canyon Gallup-Dakota Oil (96369)
Gavilan-Greenhorn-Graneos-Dakota (27192)
Grsassy-Gallup Oil (96339)
Horseshoe-Gallup (32870)
Hospah Upper Sand, South (33080)
Jewett Valley-Gallup (34140) (abandoned)
Kutz-Gallup Oil (36550)
La Plata-Gallup (37310)
Lindrith Gallup-Dakota, South (39179)
Lybrook-Gallup (42289)
Many Rocks-Gallup, North (44700)
Mesa-Gallup (45680)
Nose Rock Hospah (47940)
Ojito Gallup-Dakota, Northeast (48025)
Otero-Gallup Oil (48450)
Pinon-Gallup (50380)
Puerto Chiquito-Mancos Oil, West (50440)
Regina-Gallup (51690)
Rock Mesa-Mancos Oil (96152) (abolished)
Rusty-Gallup South Oil (96236)
Shiprock-Gallup Oil (55750) (abandoned)
Simpson-Gallup (56600)
Totah-Gallup Oil (59750)
Walker Dome-Mancos (62670) (abandoned)

Applicants further seek to retain for this new Mancos Oil Pool the approval to down hole commingle production from the Mancos, Mesaverde and Dakota formations provided by Order No. R-12984-B and to amend the Special Rules for the Counselors Gallup Dakota Oil Pool (13379) to provide for standard 330 foot setbacks.