

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 11251
Order No. R-10344

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN
POOLS IN RIO ARriba AND SAN JUAN
COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 6, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of April, 1995, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) There is need for the creation of a new pool in San Juan County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation of Grassy-Gallup Oil Pool. Said Grassy-Gallup Oil Pool was discovered by the Redwolf Production Inc. Kelly Well No. 1 located in Unit P of Section 25, Township 30 North, Range 15 West, NMPM. It was completed in the Gallup formation on September 23, 1985. The top of the perforations is at 4,524 feet.

(3) There is need for the dismissal of the proposed creation of the Greek-Gallup Oil Pool in San Juan County, New Mexico, for further study.

(4) There is need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of gas from the Pictured Cliffs formation, said pool to bear the designation of La Jara-Pictured Cliffs Pool. Said La Jara-Pictured Cliffs Pool was discovered by the Meridian Oil Inc. San Juan 30-6 Well No. 92A located in Unit I of Section 33, Township 30 North, Range 7 West, NMPM. It was completed in the Pictured Cliffs formation on September 13, 1994. The top of the perforations is at 3,134 feet.

(5) There is need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of gas from the Pictured Cliffs formation, said pool to bear the designation of Navajo City-Pictured Cliffs Pool. Said Navajo City-Pictured Cliffs Pool was discovered by the Meridian Oil Inc. San Juan 30-6 Well No. 66 located in Unit K of Section 14, Township 30 North, Range 7 West, NMPM. It was completed in the Pictured Cliffs formation on April 20, 1994. The top of the perforations is at 3,004 feet.

(6) There is need for certain extensions to the Angels Peak-Gallup Associated Pool, the Bisti-Chacra Pool, the Bisti-Lower Gallup Oil Pool, and the Crouch Mesa-Mesaverde Pool, all in San Juan County, New Mexico, and the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, and the Choza Mesa-Pictured Cliffs Pool, the Gavilan-Pictured Cliffs Pool, the Gobernador-Pictured Cliffs Pool the Rosa-Pictured Cliffs Pool, and the Tapacito-Pictured Cliffs Pool, all in Rio Arriba County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production is hereby created and designated as the Grassy-Gallup Oil Pool, consisting of the following described area:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM
Section 25: SE/4 SE/4

(b) The proposed creation of the Greek-Gallup Oil Pool in San Juan County, New Mexico, is hereby dismissed.

(c) A new pool in Rio Arriba County, New Mexico, classified as a gas pool for Pictured Cliffs production is hereby created and designated as the La Jara-Pictured Cliffs Pool, consisting of the following described area:

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TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM
Section 33: SE/4

(d) A new pool in Rio Arriba County, New Mexico, classified as a gas pool for Pictured Cliffs production is hereby created and designated as the Navajo City-Pictured Cliffs Pool, consisting of the following described area:

TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM
Section 14: SW/4

(e) The Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM
Section 29: NE/4

(f) The Bisti-Chacra Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM
Section 18: W/2
Section 19: N/2
Section 20: NW/4

(g) The Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM
Section 33: NW/4

(h) The Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM
Section 5: W/2
Section 6: E/2

TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM
Section 31: E/2
Section 32: W/2

(i) The Choza Mesa-Pictured Cliffs Pool in Rio Arriba

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County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM
Section 20: NE/4
Section 21: NW/4

(j) The Crouch Mesa-Mesaverde Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 1: NE/4

(k) The Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM
Section 36: E/2

(l) The Gobernador-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM
Section 13: W/2

(m) The Rosa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM
Section 8: S/2
Section 16: All
Section 17: NW/4 and E/2
Section 21: SE/4
Section 22: NE/4

(n) The Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM
Section 19: W/2

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TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM

Section 5: NW/4
Section 6: N/2 and SW/4
Section 7: S/2 and NW/4
Section 18: W/2

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Sections 1 and 2: All
Section 10: SE/4
Section 11: All
Section 12: N/2 and SE/4
Section 13: E/2
Section 14: All
Section 15: NE/4

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM

Section 24: SW/4
Section 25: All
Section 26: S/2
Section 27: S/2
Section 28: S/2
Section 31: NE/4
Section 32: N/2
Sections 33 through 36: All

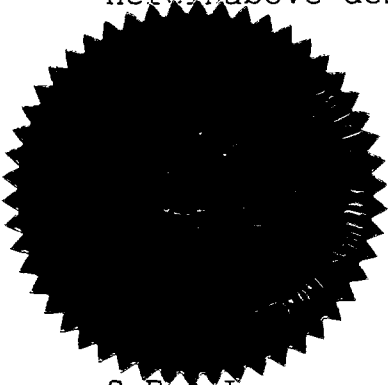
IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations and extensions included herein shall be May 1, 1995.

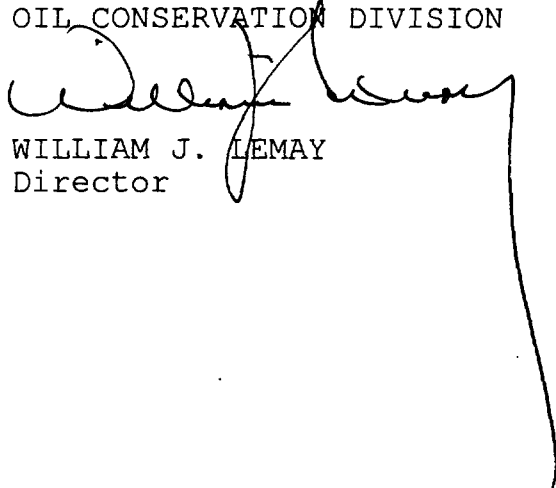
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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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