

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. 11361
Order No. R-10438

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 August 10, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 16th day of August, 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 gas from the Farmington formation, said pool to bear the designation of West Gallegos Wash-Farmington Pool. Said West Gallegos Wash-Farmington Pool was discovered by the J. K. Edwards Associates, Inc. Tenneco Federal Well No. 1 located in Unit M of Section 8, Township 26 North, Range 12 West, NMPM. It was completed in the Farmington formation on January 22, 1980. The top of the perforations is at 450 feet.

(3) There is need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of oil from the Gallup and Dakota formations, said pool to bear the designation of Gallo Canyon-Gallup-Dakota Oil Pool. Said Gallo Canyon-Gallup-Dakota Oil Pool was discovered by the Great Western Onshore Inc. Martin Whittaker Well No. 57

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located in Unit C of Section 5, Township 23 North, Range 5 West, NMPM. It was completed in the Gallup formation on October 18, 1984. The top of the perforations is at 6,371 feet.

(4) There is need for certain extensions to the Lybrook-Graneros Oil Pool in Rio Arriba County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in San Juan County, New Mexico, classified as a gas pool for Farmington production is hereby created and designated as the West Gallegos Wash-Farmington Pool, consisting of the following described area:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 8: SW/4

(b) A new pool in Rio Arriba County, New Mexico, classified as an oil pool for Gallup and Dakota production is hereby created and designated as the Gallo Canyon-Gallup-Dakota Oil Pool, consisting of the following described area:

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM
Section 5: NW/4

(c) The Lybrook-Graneros Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 2: E/2, SW/4, E/2 NW/4, and
SW/4 NW/4
Section 3: E/2
Section 10: N/2 and W/2 SW/4
Section 15: NW/4 NW/4
Section 16: NE/4 NE/4

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

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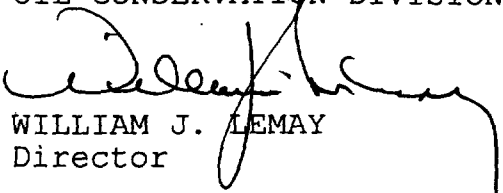
the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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