

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. 11431
Order No. R-10519

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 November 17, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 20th day of November, 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 Chacra formation, said pool to bear the designation of East Bisti-Chacra Pool. Said East Bisti-Chacra Pool was discovered by the McElvain Oil & Gas Production Inc. Warner Federal Well No. 1 located in Unit A of Section 10, Township 22 North, Range 8 West, NMPM. It was completed in the Chacra formation on July 26, 1995. The top of the perforations is at 1,480 feet.

(3) There is need for certain extensions to the Ensenada-Gallup Pool and the Gavilan-Pictured Cliffs Pool, both in Rio Arriba County, New Mexico, and the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM
Section 10: NE/4

(b) The Ensenada-Gallup Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 27: SW/4
Section 28: S/2

(c) 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 2 WEST, NMPM
Section 18: N/2

(d) The Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 6: W/2
Section 7: W/2
Section 17: N/2
Section 18: NE/4
Section 19: All
Section 20: E/2
Section 21: All

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM
Sections 19 through 21: All

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Sections 16 through 18: All

Section 19: N/2 and SW/4

Section 20: All

Section 21: N/2 and SE/4

Section 27: N/2

Section 28: NE/4

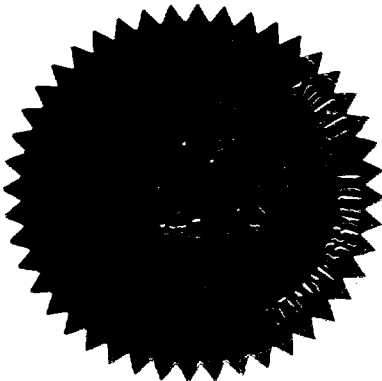
Section 30: NW/4

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 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.

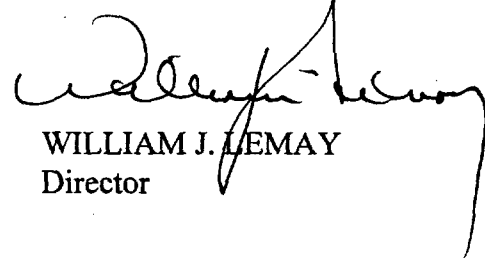
(2) The effective date of this order and all creations and extensions included herein shall be December 1, 1995.

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