

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. 11593
Order No. R-10643

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 8, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 20th day of August, 1996, 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 Kimbeto Wash-Gallup Oil Pool. Said Kimbeto Wash-Gallup Oil Pool was discovered by the Yates Drilling Company Bejunje Federal Well No. 1 located in Unit H of Section 24, Township 23 North, Range 9 West, NMPM. It was completed in the Gallup formation on June 23, 1987. The top of the perforations is at 4,859 feet.

(3) There is need for the creation of a new pool in San Juan County, New Mexico, for the production of oil from the Mesaverde formation, said pool to bear the

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designation of White Wash-Mesaverde Oil Pool. Said White Wash-Mesaverde Oil Pool was discovered by the Dugan Production Corporation Blanco Wash Well No. 1 located in Unit J of Section 2, Township 24 North, Range 9 West, NMPM. It was completed in the Mesaverde formation on May 3, 1996. The top of the perforations is at 4,098 feet.

(4) There is need for certain extensions to the Baca-Gallup Oil Pool in San Juan County, New Mexico, and the Largo-Gallup Pool 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 Kimbeto Wash-Gallup Oil Pool, consisting of the following described area:

TOWNSHIP 23 NORTH, RANGE 9 WEST, NMPM
Section 24: SE/4 NE/4

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

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM
Section 2: NW/4 SE/4

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

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM
Section 9: SE/4
Section 10: SW/4 SW/4
Section 15: NW/4, N/2 SW/4, and NW/4 SE/4
Section 16: E/2 NE/4 and NE/4 SE/4

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

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
Section 35: S/2
Section 36: S/2

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IT IS FURTHER ORDERED THAT:

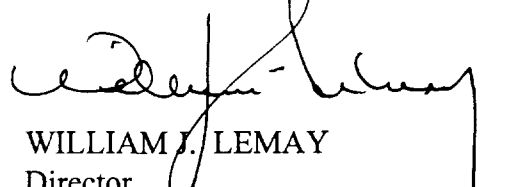
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective 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 September 1, 1996.

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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