

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. 11760
Order No. R-10788\

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 3, 1997, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of April, 1997, 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 Fruitland Sand formation, said pool to bear the designation of Huerfano-Fruitland Sand Pool. Said Huerfano-Fruitland Sand Pool was discovered by the Burlington Resources Oil and Gas Company A. D. Hudson Well No. 4 located in Unit J of Section 29, Township 27 North, Range 9 West, NMPM. It was completed in the Fruitland Sand formation on January 17, 1997. The top of the perforations is at 2,074 feet.
- (3) There is need for certain extensions to the North Aztec-Fruitland Sand Pool and the Fulcher Kutz-Pictured Cliffs Pool, both in San Juan County, New Mexico, and the

Case No. 11760
Order No. R-10788
-2-

La Jara-Pictured Cliffs Pool 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 Fruitland Sand production is hereby created and designated as the Huerfano-Fruitland Sand Pool, consisting of the following described area:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
Section 29: SE/4

(b) The North Aztec-Fruitland Sand Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 7: SW/4

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
Section 1: SW/4
Section 2: E/2
Section 12: All

(c) The Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 8: W/2

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

TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM
Section 26: SW/4
Section 27: S/2
Section 34: N/2 and SE/4
Section 35: W/2

(e) 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:

Case No. 11760
Order No. R-10788

-3-

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
Section 31: W/2

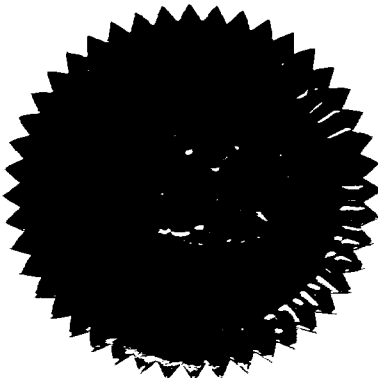
TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM
Section 35: NE/4
Section 36: All

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.

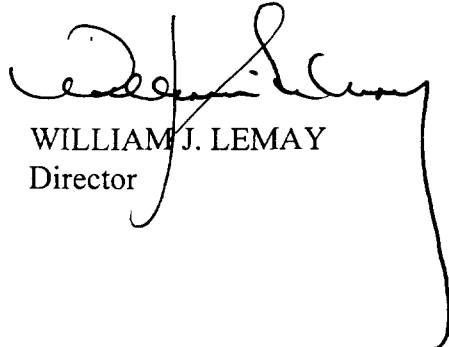
(2) The effective date of this order and all creations and extensions included herein shall be May 1, 1997.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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