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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:)
IN THE MATTER OF THE HEARING) CASE NO. 10318
CALLED BY THE OIL CONSERVATION)
DIVISION ON ITS OWN MOTION FOR)
EXTENDING CERTAIN EXISTING POOLS)
IN SAN JUAN, RIO ARRIBA, McKINLEY)
AND SANDOVAL COUNTIES, NEW MEXICO)
_____)

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

BEFORE: JIM MORROW, Hearing Examiner

May 30, 1991

Santa Fe, New Mexico

This matter came on for hearing before the Oil
Conservation Division on May 30, 1991, at 4:10 p.m. at Oil
Conservation Division Conference Room, State Land Office
Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico,
before Freda Donica, RPR, Certified Court Reporter No. 417,
for the State of New Mexico.

FOR: OIL CONSERVATION BY: FREDA DONICA, RPR
DIVISION Certified Court Reporter
CCR No. 417

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I N D E X

May 30, 1991
Examiner Hearing
CASE NO. 10318

PAGE
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APPEARANCES

OIL CONSERVATION DIVISION'S WITNESS:

MICHAEL E. STOGNER
Direct Examination by Mr. Stovall

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REPORTER'S CERTIFICATE

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E X H I B I T S

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A P P E A R A N C E S

FOR THE DIVISION:

ROBERT G. STOVALL, ESQ.
General Counsel
Oil Conservation Commission
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

1 HEARING EXAMINER: We'll call case 10318. In the
2 matter of the hearing called by OCD on its own motion for
3 extending certain existing pools in San Juan, Rio Arriba,
4 McKinley and Sandoval Counties, New Mexico.

5 Call for appearances.

6 MR. STOVALL: Robert G. Stovall of Santa Fe on behalf
7 of the division.

8 HEARING EXAMINER: Will you call any witnesses, sir?

9 MR. STOVALL: I have one witness.

10 HEARING EXAMINER: Will the witness please stand and be
11 sworn?

12 (Witness sworn.)

13 HEARING EXAMINER: Go ahead, Mr. Stovall.

14 MICHAEL E. STOGNER

15 the witness herein, having been first duly sworn, was
16 examined and testified as follows:

17 DIRECT EXAMINATION

18 BY MR. STOVALL:

19 Q. Please state your name and place of residence.

20 A. I'm Michael E. Stogner, and I reside in Torrance
21 County, New Mexico.

22 Q. And how are you employed, Mr. Stogner?

23 A. I'm employed with the Oil Conservation Division
24 as a petroleum engineer in the Santa Fe office.

25 MR. STOVALL: Offer Mr. Stogner as an expert in

1 petroleum engineering.

2 HEARING EXAMINER: We'll accept his qualifications.

3 Q. (By Mr. Stovall) I will add for the record, you
4 have testified before the division and had your credentials
5 accepted before; is that correct?

6 A. Yes, I have.

7 Q. Are you prepared to make a recommendation with
8 respect to the extension of certain existing pools in the
9 San Juan, Rio Arriba, McKinley and Sandoval Counties, New
10 Mexico?

11 A. I am.

12 Q. And how was your recommendation prepared or
13 denominated?

14 A. A booklet denominated as Exhibit Number 1.

15 Q. And have you examined Exhibit Number 1 and a
16 docket that's been prepared for today's hearing and
17 determined if there are any differences?

18 A. Yes, I have.

19 Q. Are there any?

20 A. There are no differences.

21 Q. Do you recommend the nomenclature be adopted in
22 accordance with Exhibit Number 1?

23 A. Yes, I do.

24 Q. Do you have anything further to add to your
25 testimony?

1 A. I do not.

2 MR. STOVALL: I move the admission of Exhibit Number 1,
3 and I have nothing further.

4 HEARING EXAMINER: Exhibit Number 1 is admitted. And I
5 have no questions of the witness, so case 10318 will be
6 taken under advisement.

7 That concludes the hearing in docket 1591, and
8 we're adjourned.

9 (The foregoing hearing was adjourned at the
10 approximate hour of 4:15 p.m.)
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1 STATE OF NEW MEXICO)

2 :

3 COUNTY OF SANTA FE)

4 I, FREDA DONICA, RPR, a Certified Court Reporter, DO
5 HEREBY CERTIFY that I stenographically reported these
6 proceedings before the Oil Conservation Division; and that
7 the foregoing is a true, complete and accurate transcript of
8 the proceedings of said hearing as appears from my
9 stenographic notes so taken and transcribed under my
10 personal supervision.

11 I FURTHER CERTIFY that I am not related to nor employed
12 by any of the parties hereto, and have no interest in the
13 outcome hereof.

14 DATED at Santa Fe, New Mexico, this 30th day of
15 May, 1991.

16 Freda Donica
17 Freda Donica
18 Certified Court Reporter
19 CCR No. 417

20
21 I do hereby certify that the foregoing is
22 a complete record of the proceedings in
23 the Examiner hearing of Case No. 10318,
24 heard by me on May 30 1991.
25 S. J. [Signature], Examiner
Oil Conservation Division

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. 10318
Order No. R-9516

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER EXTENDING CERTAIN EXISTING POOLS
IN MCKINLEY, RIO ARriba, SANDOVAL, 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 May 30, 1991, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 3rd day of June, 1991, 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 certain extensions to the Bisti-Lower Gallup Oil Pool, the South Bisti-Gallup Oil Pool, and the West Kutz-Pictured Cliffs Pool, all in San Juan County, New Mexico, and the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, and the Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, and the Papers Wash-Entrada Oil Pool in McKinley County, New Mexico, and the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico.

(3) The effective date of this order and all extensions included herein should be June 1, 1991.

Case No. 10318
Order No. R-9516

IT IS THEREFORE ORDERED THAT:

(a) 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 11 WEST, NMPM
Section 5: N/2 NE/4

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 34: NE/4

TOWNSHIP 25 NORTH, RANGE 13 WEST, NMPM
Section 1: SW/4
Section 2: SE/4
Section 11: NE/4
Section 12: NW/4

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 29: SE/4 and S/2 SW/4
Section 30: S/2
Section 31: NE/4
Section 32: N/2

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

TOWNSHIP 23 NORTH, RANGE 10 WEST, NMPM
Section 6: E/2 SW/4 and W/2 SE/4

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

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM
Section 5: W/2
Section 6: E/2
Section 8: E/2
Section 9: All
Section 10: W/2

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM
Section 31: All
Section 32: W/2

Case No. 10318
Order No. R-9516

(d) The West Kutz-Pictured Cliffs 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 17: W/2

Section 20: NW/4

(e) The West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM

Section 1: NE/4

(f) The Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM

Section 18: SE/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 30: N/2 S/2

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 25: SE/4 NE/4, NE/4 NW/4,
and NE/4 SE/4

(g) The Papers Wash-Entrada Oil Pool in McKinley County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM

Section 16: SE/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

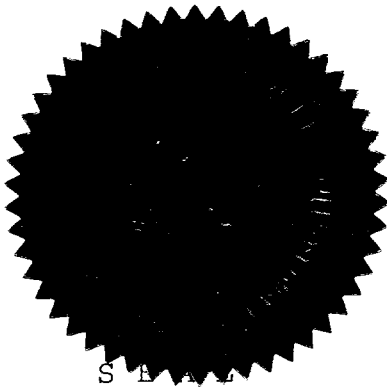
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Case No. 10318
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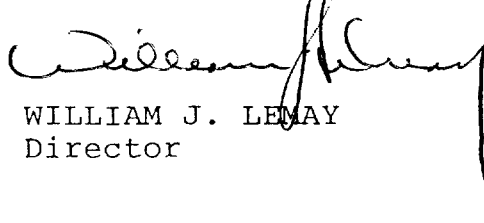
this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage 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 extensions included herein shall be June 1, 1991.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

fd/