

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
Santa Fe, New Mexico

18 March 1987

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil Conser- CASE
vation Division on its own motion for 9112
an order creating and extending cer-
tain pools in McKinley, Rio Arriba,
San Juan and Sandoval Counties, New
Mexico.

BEFORE: David R. Catanach, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division: Jeff Taylor
Legal Counsel to the Division
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico

For the Applicant:

1

2

I N D E X

3

4

ERNIE BUSCH

5

Direct Examination by Mr. Taylor

4

6

7

8

9

10

11

E X H I B I T S

12

13

Division Exhibit One, Documents

5

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. CATANACH: Call this hearing to order this morning for Docket No. 10-87.

We'll go a little out of turn here, we're going to call Case 9112.

MR. TAYLOR: May it please the Examiner, I'm Jeff Taylor, Counsel for the Division. You just called it, are you going to read it?

MR. CATANACH: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in McKinley, Rio Arriba, San Juan and Sandoval Counties, New Mexico.

Are there appearances in this case?

MR. TAYLOR: May it please the Examiner, I'm Jeff Taylor, Counsel for the Division.

I have one witness.

MR. CATANACH: Are there any other appearances in this case?

Will the witness stand?

(Witness sworn.)

1 ERNIE BUSCH,
2 being called as a witness and being duly sworn upon his
3 oath, testified as follows, to-wit:

4

5 DIRECT EXAMINATION

6 BY MR. TAYLOR:

7 Q Will you state your name, position, and
8 residence?

9 A Ernie Busch, District Geologist for New
10 Mexico Oil Conservation Division, District III, Aztec.

11 Q Mr. Busch, you've previously qualified
12 before -- or testified before the Examiner and had your cre-
13 dentials accepted, have you not?

14 A Yes.

15 MR. TAYLOR: Mr. Examiner, I
16 tender the witness as an expert.

17 MR. CATANACH: Mr. Busch is
18 qualified.

19 Q Mr. Busch, are you parpared to make
20 recommendations to the Examiner today concerning the nomen-
21 clature of certain pools in McKinley, Rio Arriba, San Juan,
22 and Sandoval Counties, New Mexico?

23 A Yes, I am.

24 Q Are you recommendations prepared in the
25 form of an exhibit?

1 A They are.

2 Q And how is that denominated?

3 A Exhibit Number One.

4 Q Will you please refer to Exhibit One and
5 to the docket that's been prepared and distributed at the
6 hearing today, and in particular to Case 9112 for these
7 pools that are listed and point out any differences between
8 the two?

9 A Yes. Mr. Examiner, paragraph (s) has
10 been changed: Township 22, 2 West, Section 13 has been
11 changed from west half to all. 25 north, 2 West, same
12 paragraph, Section 15 has been changed from the east half to
13 all. Paragraph (t) has been changed. Refer you to Township
14 25 North , Range 2 West, Section 2 has been changed from the
15 south half to all. One other change, Mr. Examiner,
16 omission actually, paragraph (gg) Rio Arriba County was
17 left off of the docket. It should be included.

18 Q Mr. Busch, is that pool in both San Juan
19 County and Rio Arriba County ?

20 A That's correct.

21 Q So it should read in San Juan and Rio
22 Arriba Counties?

23 A That's right.

24 Q Is that all the changes you have?

25 A That should take care of all the changes.

1 Q So the advertisement in this case
2 correctly states the nomenclature except for paragraphs (s),
3 (t) and (gg)?

4 A Yes, sir.

5 Q Do you have anything further to add to
6 your testimony?

7 A No, I don't.

8 Q Was Exhibit One prepared by you or under
9 your supervision and control or have you reviewed its
10 contents and can you testify as to its accuracy?

11 A Yes.

12 MR. TAYLOR: Mr. Examiner, I
13 tender Exhibit One.

14 MR. CATANACH: Exhibit One
15 will be admitted into evidence.

16 MR. TAYLOR: And that's all we
17 have in this matter.

18 MR. CATANACH: What we will do
19 is we will readvertise paragraphs (s). (t) and (gg) for the
20 March-- April 8 Hearing.

21 MR. TAYLOR: Okay.

22 MR. CATANACH: Is there
23 anything further in this case? If not it will be taken
24 under advisement.

25

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO
HEREBY CERTIFY the foregoing Transcript of Hearing before
the Oil Conservation Division (Commission) was reported by
me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 9112,
heard by me on March 18 1987.
David L. Catanzano, Examiner
Oil Conservation Division

R-8417

NMOCD DISTRICT 3
NOMENCLATURE CASE 9112
MARCH 1987

(a)

That a new pool in Mckinley County, New Mexico, classified as a Mesaverde pool for oil production, is hereby created and designated the Pot Mesa Mesaverde Oil Pool, comprising the following described area:

TOWNSHIP 20 NORTH, RANGE 6 WEST, NMPM

Section 2: SW/4 SE/4, S/2 SW/4
Section 3: S/2 SE/4, SE/4 SW/4
Section 10: NW/4 NE/4, NE/4 NW/4

BASED ON:

DISCOVERY WELL

Merrion Oil & Gas Corporation Pot Mesa #1
B-10-20N-6W 5/22/85
Perforations 2312-2754 IP Pumping 30 BO/D

Merrion Oil & Gas Corporation Pot Mesa #4
C-10-20N-6W
Perforations 2147-2928 IP Pumping 17 BO/D

Merrion Oil & Gas Corporation Zia #1
O-2-20N-6W
Perforations 2291-2748 IP Pumping 6 BO/D

Merrion Oil & Gas Corporation Corrales #1
O-3-20N-6W
Perforations 2196-3067 IP Flowing 10 BO/D

Merrion Oil & Gas Corporation Corrales #2
N-3-20N-6W
Perforations 2186-2723 IP Flowing 40 BO/D

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 1

CASE NO. 9112

(b)

That a new pool in McKinley County, New Mexico, classified as a Hospah pool for oil production, is hereby created and designated the Nose Rock Hospah Oil Pool, comprising the following described area:

TOWNSHIP 20 NORTH, RANGE 12 WEST, NMPM
Section 9: SE/4 SE/4

BASED ON:

DISCOVERY WELL

Black Oil, Inc.

P-9-20N-12W

Perforations 2180-2186 IP 14 BO/D

Completed 5/15/88

NMALCO Gurley #1

(c)

That the Albino-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM
Section 10: SE/4

BASED ON:

Southland Royalty Company
J-10-32N-8W
AOF 7752 MCF/D

Reese Mesa #10

(d)

That the Astec-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM
Section 36: N/2, SW/4

BASED ON:

Meridian Oil Inc.
N-36-31N-12W
No Flow

Brookhaven Com #17

(e)

That the Beautiful Mountain Mississippian Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 19 WEST, NMPH

Section 5: SW/4

BASED ON:

Petroleum Energy Inc.

L-5-26N-19W

AO# 130

Navajo 5 #2

(f)

That the Bisti-Farmington Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 28 NORTH. RANGE 12 WEST. NMPM
Section 33: NW/4

BASED ON:

Dugan Production Company
F-33-26N-12W

Old Hickory #1

AOF 53 MCF/D 53 SICP 290# in 7 Days

(g)

That the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM

Section 30: S/2 NW/4, SW/4

Section 31: N/2 NW/4

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM

Section 29: W/2

Section 32: N/2 NW/4

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 20: E/2

Section 21: NW/4, N/2 SW/4

Section 26: NE/4

Section 29: N/2 NE/4

BASED ON:

Dugan Production Company

Fabulous Feb #1

D-31-24N-9W

Flowing 135 BO/D

Hixon Development Corporation

Bryan Simpson #1

D-32-25N-11W

Pumping 48 BO/D

Hixon Development Corporation

Bob Brewer #1

L-21-25N-12W

Pumping 108 BO/D

Hixon Development Corporation

Hunter Foster #1

G-26-25N-12W

Pumping 68 BO/D

Four Corners Exploration Company

South Bisti Federal 29 #1

A-29-25N-12W

Swabbing 60 BO/D

(h)

That the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 31 NORTH. RANGE 9 WEST. NMPM

Section 7: NW/4

Section 33: SW/4

TOWNSHIP 31 NORTH. RANGE 10 WEST. NMPM

Section 12: NE/4

BASED ON:

Union Texas petroleum Corporation
F-7-31N-9W
AOF 740 MCF/D 734 SICP 620# in 11 Days

Johnston Federal #11J

Union Texas Petroleum Corporation
M-33-31N-9W
MCF/D 1786 SICP 1100# in 7 Days

Johnston Federal #21

(1)

That the South Blanco-Tecito Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 3: NW/4

Section 4: NE/4

BASED ON:

Caulkins Oil Company

E-3-26N-6W

Pumping 20 BO/D

Breech E #89

(j)

That the Bloomfield-Farmington Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 13: SE/4

Section 24: NE/4, N/2 SE/4

BASED ON:

B.H.Keyes & Keyes N.M.

O-13-29N-11W

MCF/D 288

Ransom #1M

(k)

That the Blue Mesa-Mesa Verde Oil Pool in McKinley County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM
SECTION 11: N/2 SE/4

BASED ON:

Woosley Oil Company
J-11-19N-5W
Pumping 5 BO/D

Ptasynsk A #2

(1)

That the Chaco-Wash Mesaverde Oil Pool in McKinley County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 20 NORTH, RANGE 9 WEST, NMPM
Section 28: SE/4 NE/4

BASED ON:

Geo-Engineering Inc.
H-28-20N-9W
Pumping 10 BO/D

State #33

(m)

That the Devils Fork-Gallup Associated Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 25 NORTH. RANGE 6 WEST. NMPM

Section 31: ALL

TOWNSHIP 25 NORTH. RANGE 7 WEST. NMPM

Section 36: SE/4

BASED ON:

Merrion Oil & Gas Corporation
P-36-25N-7W
Pumping 58 BO/D

Canyon Largo Unit #345

(n)

That the Dufrers Point-Gallup/Dakota Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 25 NORTH. RANGE 8 WEST. NMPM

Section 5: SW/4

Section 8: NE/4

TOWNSHIP 25 NORTH. RANGE 9 WEST. NMPM

Section 2: NE/4

BASED ON:

Merrion Oil & Gas Corporation
M-5-25N-8W
Pumping 78 BO/D

Custer Federal #1

Amoco Production Company
B-8-25N-8W
Pumping 198 BO/D

Helen Hasuse #1

Merrion Oil & gas Corporation
H-2-25N-9W
Pumping 47 BO/D

Yucca Com #1

(o)

That the Escrito-Gallup Associated Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 14: NW/4 NE/4, NE/4 NW/4

BASED ON:

Merrion Oil & Gas Corporation
C-14-24N-8W
Pumping 47 BO/D

Shoo Fly #1

(P)

That the Flora Vista-Gallup Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 20 NORTH, RANGE 13 WEST, NMPM
Section 4: N/2

BASED ON:

Columbus Energy Corporation
D-4-30N-13W
AOF 518

Rourke #1E

(q)

That the Flora Vista-Fruitland Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 16: E/2

Section 21: NE/4

BASED ON:

Joel B. Barr Jr.

A-21-30N-12W

AOF 1816 MCF/D 1748 SICP 645#

Amoco #1

(r)

That the Gallegos-Gallup Associated Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM

Section 21: SW/4

Section 28: SW/4

BASED ON:

Merrion Oil & gas Corporation
M-21-27N-13W
Pumping 87 BO/D

Charley J #1

Dugan Production Corporation
F-28-27N-13W
Pumping 35 BO/D

La Lee Ann #7

(s)

That the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH. RANGE 2 WEST. NMPM

Section 4: ALL
Section 5: E/2
Section 10: E/2
Section 13: ALL
Section 14: ALL

TOWNSHIP 25 NORTH. RANGE 2 WEST. NMPM

Section 7: ALL
Section 8: W/2
Section 15: ALL
Section 16: ALL
Section 17: E/2
Section 18: ALL
Section 32: E/2

BASED ON:

Mobil Producing Tx & NM
G-4-24N-2W
Pumping 240 BO/D

Lindrith B Unit #37

Mobil Producing Tx & NM
K-4-24N-2W
Pumping 37 BO/D

Lindrith B Unit #38

Jerome P. McHugh
A-5-24N-2W
Flowing 352 BO/D

Lady Luck #1

Jerome P. McHugh
J-10-24N-2W
Pumping 168 BO/D

Greener Grass #1

Merrion Oil & Gas Corporation
F-13-24N-2W
Pumping 53 BO/D

Oso Canyon Gas Com C #1

Amoco Production Company F-14-24N-2W Pumping 27 BO/D	Oso Canyon Federal A	#1
Merrion Oil & Gas Corporation K-14-24N-2W Pumping 12 BO/D	Krystina	#1
Mesa Grande Resources Inc. N-8-25N-2W Pumping 82 BO/D	Marauder	#1
Reading and Bates Petroleum Company I-15-25N-2W Flowing 98 BO/D	Howard Federal 15	#43
Jerome P. McHugh G-17-25N-2W Flowing 400 BO/D	Beeks Babbit	#1
Mobil Producing Tx & NM G-32-25N-2W Pumping 125 BO/D	Lindrith B Unit	#34

(t)

That the Gavilan Greenhorn Graneros-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM

Section 2: ALL

Section 11: ALL

Section 14: ALL

Section 15: E/2

BASED ON:

Mallon Oil Company

A-2-25N-2W

Swabbing 60 BO/D

Ribeyowids #2

Reading and Bates Petroleum Company

I-15-25N-2W

Flowing 53 BO/D

Howard Federal 15 #43

(u)

That the Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPH
Section 6: SE/4

BASED ON:

Mesa Grande Resources Inc.
P-5-25N-2W
AOF 75

Federal Guardian #1

(v)

That the Gobernador-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 5 WEST, NMPM

Section 2: NW/4

Section 3: NE/4

BASED ON:

Northwest Pipeline Corporation
D-2-29N-5W
AOF 748

San Juan 29-5 Unit #107

(w)

That the Kuts-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM

Section 1: SW/4

Section 2: SE/4

Section 11: NE/4

Section 12: NW/4

BASED ON:

BHP Petroleum Inc.

E-12-27N-11W

Pumping 17 BO/D

E.H. Pipkin #26

(x)

That the West Euts-Fruitland Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 19: S/2

BASED ON:

BHP Petroleum Inc.

G-19-29N-12W

AO# 1189

Gallegos Canyon Unit #356

(y)

That the South Lindrith-Gallup/Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 5 WEST, NEMO

Section 35: NE/4

Section 36: NW/4

BASED ON:

Merrion Oil & Gas Corporation Jicarrila Apache Tribal 430 #5
H-35-23N-5W
pumping 35 BO/D

Merrion Oil & Gas Corporation Jicarilla Apache Tribal 430 #6
C-36-23N-5W
Pumping 55 BO/D

(z)

That 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:

TOWNSHIP 22 NORTH, RANGE 2 WEST, NMPM

Section 6: NW/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM

Section 18: NW/4

Section 35: ALL

Section 36: S/2, NW/4

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 23: NW/4

BASED ON:

Amoco Production Company	Jicarilla Apache Tribal 358	#11
E-6-22N-2W		
Pumping 54 BO/D		

W.B. Martin & Associates Inc.	Martin-Whittaker	#56
C-18-24N-4W		
Pumping 45 BO/D		

Meridian Oil Inc.	Medio Canyon	#10
M-35-24N-4W		
Pumping 94 BO/D		

Amoco Production Company	Jicarilla Apache Tribal 35	#2
E-2-24N-5W		
AOE 588 MCF/D SICP 2090# in 11 Days		

Arco Oil & Gas Company	Arco Hill 23	#1
E-23-25N-3W		
Pumping 44 BO/D		

(aa)

That the South Los Pinos-Fruitland/Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 32 NORTH, RANGE 7 WEST, NE1PM

Section 28: SE/4

Section 33: NW/4

BASSED ON:

Northwest Pipeline Corporation
M-28-32N-7W
AOF 4610 NCF/D

San Juan 32-7 Unit #83

(bb)

That the Lybrook-Gallup Oil Pool in Rio Arriba and ^{Sandoval}~~San Juan~~ Counties, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 1: SE/4 NW/4, S/2 NE/4, E/2 SW/4, SE/4

Section 12: S/2, NE/4, E/2 NW/4, SW/4 NW/4

Section 25: S/2 SE/4

Section 36: N/2 NE/4

BASED ON:

Jack A. Cole

I-1-23N-7W

Flowing 10 BO/D

Marcus A #10

Dugan Production Corp.

B-36-23N-7W

Swabbing 80 BO/D

Kenny #1

(cc)

That the Many Rocks-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 32 NORTH, RANGE 17 WEST, NMPM
Section 26: NE/4 SW/4

BASED ON:

Baystar Petroleum Company
K-26-32N-17W
Pumping 1 BO/D

Navajo P #19

(dd)

That the North Many Rocks-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, hereby extended to include:

TOWNSHIP 32 NORTH, RANGE 17 WEST, NMPM
Section 21: SW/4 NW/4, NW/4 SW/4

BASED ON:

James P. Woosley
L-21-32N-17W
AOF 280 MCF/D

Navajo #18

(cc)

That the Hageesi-Gallup Oil Pool in San Juan County, New Mexico,
as heretofore classified, defined and described, is hereby
extended to include:

TOWNSHIP 23 NORTH, RANGE 8 WEST, NMPM
Section 16: SE/4

BASED ON:

Graham Royalty Limited
I-16-23N-8W
Pumping 57 BO/D

State of New Mexico 16 #43

(ff)

That the Northeast Ojito Gallup-Dakota Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Section 31: ALL

BASED ON:

Merrion Oil & Gas Corporation
H-31-26N-2W
Flowing 18 BO/D

Bootstrap Com #1

(22)

That the Otero-Chacra Pool in Rio Arriba and San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 4: SW/4

Section 9: NW/4

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 11: E/2

BASED ON:

Southland Royalty Company

F-9-27N-9W

AOF 1836 MCF/D SICP 978# in 7 Days

Whitley #7E

Southland Royalty Company

O-11-28N-11W

AOF 2087 MCF/D SICP 823#

Browning Stewart #4

(hh)

That the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM

Section 21: SE/4

Section 22: W/2 SW/4

Section 27: NW/4 NW/4

Section 28: N/2 NE/4, SW/4 NE/4, SE/4 NW/4

BASED ON:

Mobil Producing Tx & NM Inc. Jicarilla Apache Tribal Otero #4
D-27-24N-5W
Pumping 32 BO/D

Mobil Producing Tx & NM Inc. Jicarilla Apache Tribal Otero #2
G-28-24N-5W
Pumping 9 BO/D

(11)

That the Potwin-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 17: NE/4

BASED ON:

Dugan Production Corporation
A-17-24N-8W
AO# 169 MO#D SICP 510# in 7 Days

Bowers #1

(JJ)

That the Totah-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Section 16: S/2 SW/4

Section 17: S/2 NE/4

BASD ON:

Amoco Production Company
E-16-28N-12W
AOF 3087

Gallegos Canyon Unit #214E

(kk)

That the Twin Mounds-Fruitland Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM
Section 32: NE1/4

BASED ON:

Dugan Production Corporation
H-32-30N-14W
AOF 105 MCF/D SICP 170# in 7 Days

Bi-Knobs #1

(11)

That the Wild Horse-Gallup Pool in Rio Arriba County, New Mexico, as heretofore classified, defined and described, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM

Section 5: SW\4

Section 6: ALL

Section 7: N/2

BASED ON:

Columbus Energy Corporation
M-5-26N-3W
AOF 1111 MCF/D SICP 1454#

Jicarilla Apache Tribal C #6E

Columbus Energy Corporation
F-6-26N-3W
AOF 1091 MCF/D SICP 1476#

Jicarilla Apache Tribal C #1E

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9112
Order No. R-8417

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN
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 March 18, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of March, 1987, 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 McKinley County, New Mexico, for the production of oil from the Hospah formation, said pool to bear the designation of Nose Rock-Hospah Oil Pool. Said Nose Rock-Hospah Oil Pool was discovered by the Black Oil, Inc. NMALCO Gurley Well No. 1 located in Unit P of Section 9, Township 20 North, Range 12 West, NMPM. It was completed in the Hospah formation on May 15, 1986. The top of the perforations is at 2,180 feet.

(3) There is need for the creation of a new pool in McKinley County, New Mexico, for the production of oil from the Mesaverde formation, said pool to bear the designation of Pot Mesa-Mesaverde Oil Pool. Said Pot Mesa-Mesaverde Oil Pool was discovered by the Merrion Oil & Gas Corporation Pot Mesa Well No. 1 located in Unit B of Section 10, Township 20 North, Range 6 West, NMPM. It was completed in the Mesaverde formation on May 22, 1985. The top of the perforations is at 2,312 feet.

(4) There is need for certain extensions to the Albino-Pictured Cliffs Pool, the Aztec-Pictured Cliffs Pool, the Beautiful Mountain-Mississippian Pool, the Bisti-Farmington Pool, the Bisti-Lower Gallup Oil Pool, the Bloomfield-Farmington Oil Pool, the Dufers Point Gallup-Dakota Oil Pool, the Flora Vista-Fruitland Pool, the Flora Vista-Gallup Pool, the Gallegos-Gallup Associated Pool, the West Kutz-Fruitland Pool, the Kutz-Gallup Oil Pool, the South Los Pinos Fruitland-Pictured Cliffs Pool, the Many Rocks-Gallup Oil Pool, the North Many Rocks-Gallup Oil Pool, the Nageezi-Gallup Oil Pool, the Potwin-Pictured Cliffs Pool, the Totah-Gallup Oil Pool, and the Twin Mounds Fruitland-Pictured Cliffs Pool, all in San Juan County, New Mexico, the Blanco-Pictured Cliffs Pool, the Escrito-Gallup Associated Pool, and the Otero-Chacra Pool, all in Rio Arriba and San Juan Counties, New Mexico, the South Blanco-Tocito Oil Pool, the Devils Fork-Gallup Associated Pool, the Gavilan Greenhorn-Graneros-Dakota Oil Pool, the Gavilan-Mancos Oil Pool, the Gavilan-Pictured Cliffs Pool, the Gobernador-Pictured Cliffs Pool, the Northeast Ojito Gallup-Dakota Oil Pool, the Otero-Gallup Oil Pool, and the Wild Horse-Gallup Pool, all in Rio Arriba County, New Mexico, the Blue Mesa-Mesaverde Oil Pool and the Chaco Wash-Mesaverde Oil Pool, both in McKinley County, New Mexico, the South Lindrith Gallup-Dakota Oil Pool, the West Lindrith Gallup-Dakota Oil Pool, and the Lybrook-Gallup Oil Pool, all in Rio Arriba and Sandoval Counties, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in McKinley County, New Mexico, classified as an oil pool for Hospah production, is hereby created and designated as the Nose Rock-Hospah Oil Pool, consisting of the following described area:

TOWNSHIP 20 NORTH, RANGE 12 WEST, NMPM
Section 9: SE/4 SE/4

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

TOWNSHIP 20 NORTH, RANGE 6 WEST, NMPM
Section 2: SW/4 SE/4 and S/2 SW/4
Section 3: S/2 SE/4 and SE/4 SW/4
Section 10: NW/4 NE/4 and NE/4 NW/4

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

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM
Section 10: SE/4

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

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM
Section 36: N/2 and SW/4

(e) The Beautiful Mountain-Mississippian Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 19 WEST, NMPM
Section 5: SW/4

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

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 33: NW/4

(g) 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 9 WEST, NMPM
Section 30: S/2 NW/4 and SW/4
Section 31: N/2 NW/4

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 29: W/2
Section 32: N/2 NW/4

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 20: E/2
Section 21: NW/4 and N/2 SW/4
Section 26: NE/4
Section 29: N/2 NE/4

Case No. 9112
Order No. R-8417

(h) The Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Section 7: NW/4

Section 33: SW/4

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM

Section 12: NE/4

(i) The South Blanco-Tocito Oil 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 3: NW/4

Section 4: NE/4

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

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 13: SE/4

Section 24: NE/4 and N/2 SE/4

(k) The Blue Mesa-Mesaverde 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 11: N/2 SE/4

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

TOWNSHIP 20 NORTH, RANGE 9 WEST, NMPM

Section 28: SE/4 NE/4

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

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 31: All

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM

Section 36: SE/4

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

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM

Section 5: SW/4

Section 8: NE/4

TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM

Section 2: NE/4

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

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM

Section 14: NW/4 NE/4 and NE/4 NW/4

(p) The Flora Vista-Fruitland Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 16: E/2

Section 21: NE/4

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

TOWNSHIP 30 NORTH, RANGE 13 WEST, NMPM

Section 4: N/2

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

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM

Section 21: SW/4

Section 28: NW/4

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

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM

Section 2: All

Section 11: All

Section 14: All

Section 15: E/2

(t) 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 4: All
Section 5: E/2
Section 10: E/2
Sections 13 and 14: All

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM

Section 7: All
Section 8: W/2
Sections 15 and 16: All
Section 17: E/2
Section 18: All
Section 32: E/2

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

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM

Section 5: SE/4

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

TOWNSHIP 29 NORTH, RANGE 5 WEST, NMPM

Section 2: NW/4
Section 3: NE/4

(w) The West Kutz-Fruitland 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 19: N/2

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

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM

Section 1: SW/4
Section 2: SE/4
Section 11: NE/4
Section 12: NW/4

Case No. 9112
Order No. R-8417

(y) The South 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 23 NORTH, RANGE 5 WEST, NMPM
Section 35: NE/4
Section 36: NW/4

(z) 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 22 NORTH, RANGE 2 WEST, NMPM
SECTION 6: NW/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 18: NW/4
Section 35: All
Section 36: S/2 and NW/4

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 23: NW/4

(aa) The South Los Pinos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM
Section 28: SW/4
Section 33: NW/4

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

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 1: S/2 NE/4, SE/4 NW/4,
E/2 SW/4, and SE/4
Section 12: S/2, NE/4, E/2 NW/4, and
SW/4 NW/4
Section 25: S/2 SE/4
Section 36: N/2 NE/4

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

TOWNSHIP 32 NORTH, RANGE 17 WEST, NMPM
Section 26: NE/4 SW/4

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

TOWNSHIP 32 NORTH, RANGE 17 WEST, NMPM
Section 21: SW/4 NW/4 and NW/4 SW/4

(ee) The Nageezi-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 8 WEST, NMPM
Section 16: SE/4

(ff) The Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Section 31: All

(gg) 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 27 NORTH, RANGE 9 WEST, NMPM
Section 4: SW/4
Section 9: NW/4

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

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

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Section 21: SE/4
Section 22: W/2 SW/4
Section 27: NW/4 NW/4
Section 28: N/2 NE/4, SW/4 NE/4, and
SE/4 NW/4

-9-

Case No. 9112

Order No. R-8417

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

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 17: NE/4

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

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM
Section 16: S/2 NW/4
Section 17: S/2 NE/4

(kk) The Twin Mounds Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM
Section 32: NE/4

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

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
Section 5: SW/4
Section 6: All
Section 7: N/2

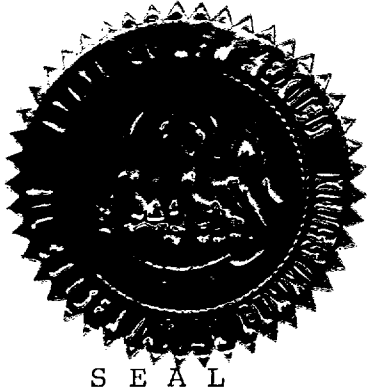
IT IS FURTHER ORDERED THAT:

(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.

-10-
Case No. 9112
Order No. R-8417

(2) The effective date of this order and all creations and extensions included herein shall be April 1, 1987.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "William J. Lemay", with a long, sweeping tail extending to the right.

WILLIAM J. LEMAY
Director

fd/