

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. 11171
Order No. R-10290

THE APPLICATION OF THE OIL CONSERVATION
DIVISION ON 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 December 15, 1994, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 22nd day of December, 1994, 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 Rio Arriba County, New Mexico, for the production of gas from the Pictured Cliffs formation, said pool to bear the designation of Bancos-Pictured Cliffs Pool. Said Bancos-Pictured Cliffs Pool was discovered by the Schalk Development Company Schalk 62 Well No. 3 located in Unit P of Section 33, Township 32 North, Range 5 West, NMPM. It was completed in the Pictured Cliffs formation on June 23, 1994. The top of the perforations is at 3,088 feet.

(3) There is need for the creation of a new pool in Rio Arriba County, New

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Mexico, for the production of gas from the Chacra formation, said pool to bear the designation of Gavilan-Chacra Pool. Said Gavilan-Chacra Pool was discovered by the Southland Royalty Company Ojito Well No. 1 located in Unit M of Section 16, Township 26 North, Range 2 West, NMPM. It was completed in the Chacra formation on August 6, 1991. The top of the perforations is at 4,695 feet.

(4) There is need for certain extensions to the Bisti-Chacra Pool and the Fulcher Kutz-Pictured Cliffs Pool, both in San Juan County, New Mexico, and the Blanco-Mesaverde Pool and the Blanco-Pictured Cliffs Pool, both in Rio Arriba and San Juan Counties, New Mexico, and the Gavilan-Pictured Cliffs Pool and the Rosa-Pictured Cliffs Pool, both in Rio Arriba County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Rio Arriba County, New Mexico, classified as a gas pool for Pictured Cliffs production is hereby created and designated as the Bancos-Pictured Cliffs Pool, consisting of the following described area:

TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPM
Section 33: SE/4

(b) A new pool in Rio Arriba County, New Mexico, classified as a gas pool for Chacra production is hereby created and designated as the Gavilan-Chacra Pool, consisting of the following described area:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Section 16: SW/4

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

TOWNSHIP 22 NORTH, RANGE 9 WEST, NMPM
Section 1: SE/4

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

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TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
Sections 2 and 3: All

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 20: SE/4
Section 29: E/2

(e) 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 6: All

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Section 1: All
Section 2: NE/4

TOWNSHIP 32 NORTH, RANGE 9 WEST, NMPM
Section 31: S/2

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM
Section 24: E/2
Section 25: S/2 and NE/4
Section 26: S/2
Sections 35 and 36: All

(f) 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 27 NORTH, RANGE 11 WEST, NMPM
Section 2: NE/4

(g) 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 3 WEST, NMPM
Section 13: All
Section 24: N/2

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

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

Section 15: SW/4

Section 21: N/2

Section 22: S/2 and NW/4

Section 23: SW/4

Section 26: All

Section 35: NE/4

Section 36: N/2

IT IS FURTHER ORDERED THAT:

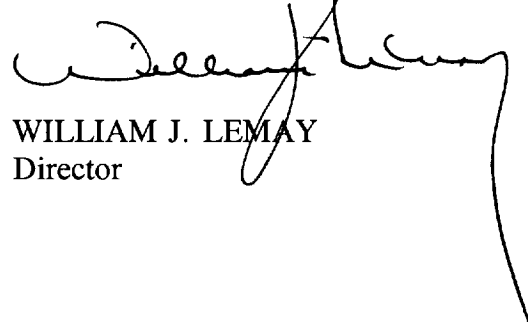
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective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

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY
Director

S E A L

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