

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. 11300
Order No. R-10378

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN
POOLS IN 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 June 1, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 2nd day of June, 1995, 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 Gallup formation, said pool to bear the designation of Companero-Gallup Pool. Said Companero-Gallup Pool was discovered by the Meridian Oil Inc. Jicarilla 95 Well No. 11 located in Unit P of Section 26, Township 27 North, Range 3 West, NMPM. It was completed in the Gallup formation on December 9, 1994. The top of the perforations is at 4,523 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 Gallup formation, said pool to bear the designation of Gamblers Mesa-Gallup Oil Pool. Said Gamblers Mesa-Gallup Oil Pool was discovered by the Dugan Production Corporation Monte Carlo Well No. 2 located in Unit M of Section 24, Township 30

North, Range 15 West, NMPM. It was completed in the Gallup formation on October 1, 1990. The top of the perforations is at 4,523 feet.

(4) There is need for the creation of a new pool in San Juan County, New Mexico, for the production of gas from the Farmington formation, said pool to bear the designation of North Kutz-Farmington Pool. Said North Kutz-Farmington Pool was discovered by the Beartooth Oil and Gas Company Elledge Federal 34 Well No. 11 located in Unit D of Section 34, Township 29 North, Range 11 West, NMPM. It was completed in the Farmington formation on April 4, 1981. The top of the perforations is at 1,060 feet.

(5) 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 designation of Pierre Mesa-Mesaverde Oil Pool. Said Pierre Mesa-Mesaverde Oil Pool was discovered by the Dugan Production Corporation Pierre Well No. 2 located in Unit J of Section 23, Township 23 North, Range 11 West, NMPM. It was completed in the Mesaverde formation on March 11, 1994. The top of the perforations is at 1,339 feet.

(6) There is need for certain extensions to the Ballard-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, and the Simpson-Gallup Oil Pool in San Juan County, New Mexico, and the Tapacito-Pictured Cliffs Pool 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 Gallup production is hereby created and designated as the Companero-Gallup Pool, consisting of the following described area:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM
Section 26: SE/4

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

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM
Section 24: SW/4 SW/4

(c) A new pool in San Juan County, New Mexico, classified as a gas pool for Farmington production is hereby

Case No. 11300
Order No. R-10378
-3-

created and designated as the North Kutz-Farmington Pool,
consisting of the following described area:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 34: NW/4

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

TOWNSHIP 23 NORTH, RANGE 11 WEST, NMPM
Section 23: NW/4 SE/4

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

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 12: S/2
Section 13: NE/4

(f) The Simpson-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 26: NW/4

(g) The Tapacito-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 3 WEST, NMPM
Section 1: NW/4

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
Section 26: S/2
Section 27: SE/4
Section 34: NE/4
Section 35: N/2 and SE/4
Section 36: W/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

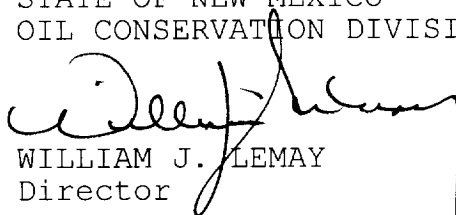
Case No. 11300
Order No. R-10378
-4-

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 July 1, 1995.

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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