

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. 11390
Order No. R-10464

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 September 21, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 25th day of September, 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 San Juan County, New Mexico, for the production of gas from the Pictured Cliffs formation, said pool to bear the designation of Escavado-Pictured Cliffs Pool. Said Escavado-Pictured Cliffs Pool was discovered by the Dugan Production Corporation Hendrix Well No. 2 located in Unit B of Section 7, Township 22 North, Range 8 West, NMPM. It was completed in the Pictured Cliffs formation on October 24, 1994. The top of the perforations is at 873 feet.

(3) There is need for certain extensions to the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, and the Ensenada-Gallup Pool and the Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, and the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, and the Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval, 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 Pictured Cliffs production is hereby created and designated as the Escavado-Pictured Cliffs Pool, consisting of the following described area:

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM
Section 7: NE/4

(b) 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:

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM
Sections 10 through 12: All

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Sections 33 and 34: All

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM
Section 21: All
Section 28: All
Section 33: All

(c) The Ensenada-Gallup 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 33: NE/4
Section 34: W/2

(d) 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: NW/4

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 15: All

(e) 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 2 WEST, NMPM
Section 18: S/2

(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:

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TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 3: S/2 NW/4 and NW/4 NW/4
Section 4: N/2

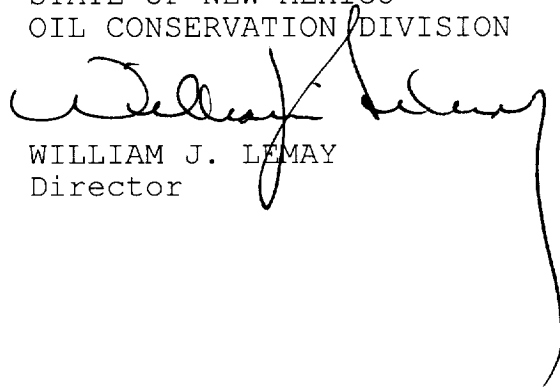
IT IS FURTHER ORDERED THAT:

(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 October 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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