

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. 11672
Order No. R-10719

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CONTRACTING AND 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 December 5, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12 day of December, 1996, 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 contraction of the Red Mountain-Mesaverde Oil Pool in McKinley County, New Mexico, by the deletion of certain acreage in order to correct nomenclature.

(3) There is need for certain extensions to the Adobe-Chacra Pool, the Carracas-Pictured Cliffs Pool, the Devils Fork-Mesaverde Oil Pool, and the Ensenada-Gallup Pool, all in Rio Arriba County, New Mexico, the Blanco-Mesaverde Pool, the Blanco-Pictured Cliffs Pool, and the Otero-Chacra Pool, all in Rio Arriba and San Juan Counties, New Mexico, the Flora Vista-Gallup Pool and the Fulcher Kutz-Pictured Cliffs Pool, both in San

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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) The Red Mountain-Mesaverde Oil Pool in McKinley County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 NORTH, RANGE 9 WEST, NMPM
Section 29: SW/4

(b) The Adobe-Chacra Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM
Section 14: N/2 and SE/4

(c) 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 26 NORTH, RANGE 6 WEST, NMPM
Section 19: S/2

(d) 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 29 NORTH, RANGE 7 WEST, NMPM
Section 21: W/2
Section 28: W/2
Section 33: W/2

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM
Section 13: SW/4
Section 14: SE/4
Section 23: E/2
Section 24: W/2
Section 25: NW/4
Section 26: NE/4

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

TOWNSHIP 32 NORTH, RANGE 4 WEST, NMPM

Section 22: E/2
Section 23: SW/4
Section 26: E/2
Section 35: NE/4

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

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 1: E/2 SE/4

(g) 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 34: NE/4

(h) 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: SE/4
Section 9: E/2

(i) 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 29 NORTH, RANGE 13 WEST, NMPM

Section 3: NW/4

(j) 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 24 NORTH, RANGE 7 WEST, NMPM

Section 35: NW/4 NE/4

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(k) 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 25 NORTH, RANGE 5 WEST, NMPM

Section 13: NW/4

Section 14: NE/4

Section 23: SE/4

Section 24: W/2

Section 25: S/2 and NW/4

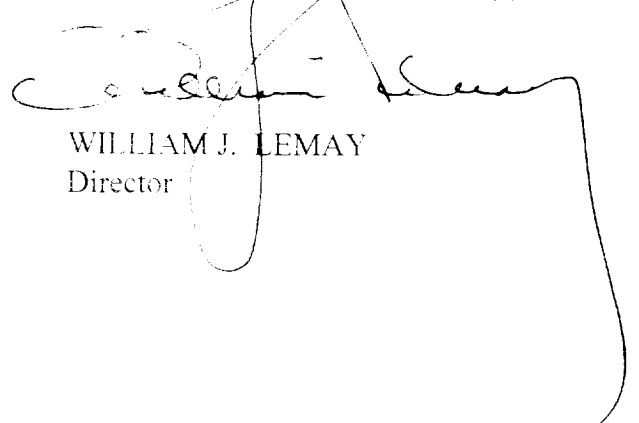
IT IS FURTHER ORDERED THAT:

(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 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 contractions and extensions included herein shall be January 1, 1997.

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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