

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. 12095
Order No. R-11115

THE APPLICATION OF THE OIL CONSERVATION
DIVISION 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 case came on for hearing at 8:15 a.m. on December 3, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of January, 1999, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(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, bearing the designation of Cereza Canyon-Gallup Pool. The Cereza Canyon-Gallup Pool was discovered by the Burlington Resources Oil & Gas Company San Juan 27-5 Unit Well No. 138E located in Unit O of Section 19, Township 27 North, Range 5 West, NMPM, which was completed in the Gallup formation on April 20, 1998. The top of the perforations is at 6,750 feet.

(3) 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, bearing the designation of Munoz Canyon-Gallup Pool. The Munoz Canyon-Gallup Pool was discovered by the Burlington Resources Oil & Gas Company San Juan 28-5 Unit Well No. 54E located in Unit

C of Section 20, Township 28 North, Range 5 West, NMPM, which was completed in the Gallup formation on May 12, 1998. The top of the perforations is at 6,912 feet.

(4) There is need for certain extensions to the Angels Peak-Gallup Associated Pool, the Crouch Mesa-Mesaverde Pool, and the South Los Pinos-Fruitland Sand-Pictured Cliffs Pool, all in San Juan County, New Mexico; the South Blanco-Pictured Cliffs Pool and the Lybrook-Gallup Pool, both in Rio Arriba, Sandoval, and San Juan Counties, New Mexico; the Cabresto Canyon-Ojo Alamo Pool in Rio Arriba County, New Mexico; the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico; and the South San Luis-Mesaverde Oil Pool in Sandoval County, New Mexico.

(5) The effective date of this order and all creations and extensions included herein should be January 1, 1999.

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 Cereza Canyon-Gallup Pool, consisting of the following described area:

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM
Section 19: SE/4

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

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM
Section 20: NW/4

(c) The Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM
Section 15: NE/4

(d) The South Blanco-Pictured Cliffs Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, is hereby extended to include:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
Section 36: All

(e) The Cabresto Canyon-Ojo Alamo Pool in Rio Arriba County, New Mexico, is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

Section 4: SW/4
Section 5: S/2
Sections 7 and 8: All
Section 9: W/2
Sections 16 and 17: All
Section 18: NW/4 and S/2
Sections 19 through 21: All
Section 22: W/2
Section 27: W/2
Sections 28 and 29: All
Section 32: N/2

(f) The Crouch Mesa-Mesaverde Pool in San Juan County, New Mexico, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 8: NW/4

(g) The South Los Pinos-Fruitland Sand-Pictured Cliffs Pool in San Juan County, New Mexico, is hereby extended to include:

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM

Section 22: SW/4
Section 27: W/2
Section 28: SE/4
Section 34: NW/4

(h) The Lybrook-Gallup Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM

Section 31: S/2 NW/4 and NE/4 NW/4

(i) The Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 26: SE/4

(j) The South San Luis-Mesaverde Oil Pool in Sandoval County, New Mexico, is hereby extended to include:

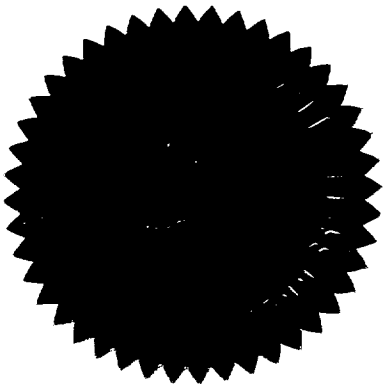
TOWNSHIP 18 NORTH, RANGE 3 WEST, NMPM
Section 28: SW/4 SE/4

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that 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 that 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, 1999.

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



S E A L

fd/

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

LORI WROTENBERY
Director