

Entered January 11, 1982
JRK

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7395
Order No. R-6875

APPLICATION OF CURTIS J. LITTLE
FOR DESIGNATION OF A TIGHT
FORMATION, RIO ARriba COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 21, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 11th day of January, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Curtis J. Little, requests that the Division in accordance with Section 107 of the Natural Gas Policy Act, and 18 C.F.R. §271.703 recommend to the Federal Energy Regulatory Commission that the Pictured Cliffs formation underlying the following lands situated in Rio Arriba County, New Mexico, hereinafter referred to as the Pictured Cliffs formation, be designated as tight formations in said Federal Energy Regulatory Commission's regulations:

AREA A

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
Sections 21 through 23: All
Sections 26 and 27: All
Section 28: NE/4
Sections 34 and 35: All
Section 36: W/2

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AREA B

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM

Section 4: All
Section 5: E/2
Section 8: NE/4
Section 9: N/2
Section 10: N/2

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 31: All

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM

Section 17: S/2
Section 18: All
Section 19: N/2 and SE/4
Section 20: All
Section 21: S/2
Section 22: S/2
Section 25: SW/4
Section 26: S/2
Sections 27 and 28: All
Sections 33 through 36: All

Containing a total of 14,400 acres, more or less.

(3) That the proposed Largo Canyon Tight Gas Area is divided into two non-contiguous tracts being hereinbefore described as Area A and Area B.

(4) That certain acreage between Areas A and B has been excluded from this application at the request of the operator of that acreage.

(5) That the Pictured Cliffs formation underlies all of the above described lands; that the formation is a marine, clay-filled, siltstone, about 70 feet thick; such formation is found at an average depth of 2387 feet below the surface of the areas set out in Finding No. (2) above.

(6) That the type section for the Pictured Cliffs formation for the proposed tight formation designations is found at a depth of from approximately 2156 feet to 2231 feet on the induction electrical log from the Curtis J. Little Grevey No. 1 Well, located in Unit G of Section 19, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

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(7) That the Pictured Cliffs formation underlying the above-described lands has been penetrated by a number of wells, but the areas proposed for tight formation designation are largely undeveloped exploratory areas.

(8) That the technical evidence presented in this case demonstrated that the predominant percentage of wells which may be completed in the Pictured Cliffs formation within the proposed tight formation areas may reasonably be presumed to exhibit permeability, gas productivity, or crude oil productivity not in excess of the following parameters:

- (a) average in situ gas permeability throughout the pay section of 0.1 millidarcy; and
- (b) stabilized production rates, without stimulation, against atmospheric pressure, as found in the table set out in 18 C.F.R. §271.703(c)(2)(B) of the regulations; and
- (c) production of more than five barrels of crude oil per day.

(9) That within the proposed areas there is a recognized aquifer being the Ojo Alamo, found at an average depth of 1640 feet or approximately 750 feet above the Pictured Cliffs formation.

(10) That existing State of New Mexico and Federal Regulations relating to casing and cementing of wells will assure that development of the Pictured Cliffs formation will not adversely affect said aquifers.

(11) That the Pictured Cliffs formation within the proposed areas should be recommended to the Federal Energy Regulatory Commission for designation as a tight formation.

IT IS THEREFORE ORDERED:

(1) That it be and hereby is recommended to the Federal Energy Regulatory Commission pursuant to Section 107 of the Natural Gas Policy Act of 1978, and 18 C.F.R. §271.703 of the regulations that the Pictured Cliffs formation underlying the following described lands in Rio Arriba County, New Mexico, be designated as a tight formation:

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AREA A

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Sections 21 through 23: All
Sections 26 and 27: All
Section 28: NE/4
Sections 34 and 35: All
Section 36: W/2

AREA B

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM

Section 4: All
Section 5: E/2
Section 8: NE/4
Section 9: N/2
Section 10: N/2

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 31: All

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM

Section 17: S/2
Section 18: All
Section 19: N/2 and SE/4
Section 20: All
Section 21: S/2
Section 22: S/2
Section 25: SW/4
Section 26: S/2
Sections 27 and 28: All
Sections 33 through 36: All

Containing a total of 14,400 acres, more or less.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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