

Entered July 19, 1982
JEP

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. 7607
Order No. R-7029

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR THE ABOLISHMENT OF THE
BLANCO-PICTURED CLIFFS POOL AND THE
EXPANSION OF THE SOUTH BLANCO-PICTURED
CLIFFS POOL IN RIO ARRIBA, SANDOVAL AND
SAN JUAN COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 9, 1982,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 19th day of July, 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, El Paso Natural Gas Company, seeks
the abolishment of the Blanco-Pictured Cliffs Pool and the
expansion of the horizontal limits of the South Blanco-Pictured
Cliffs Pool to include the abolished acreage in Rio Arriba,
Sandoval and San Juan Counties, New Mexico. Also to be
considered is the appropriate method for institution of gas
prorationing for wells effected by the change in pool
designation (consolidation).

(3) That said pools are joined by a common boundary eight
miles long.

(4) That geologically, the two pools are very similar and
indistinguishable along their common boundary.

(5) That the engineering evidence presented at the hearing
did not demonstrate any drainage across pool boundaries but in
fact tended to show that such drainage was not occurring.

-2-

Case No. 7607
Order No. R-7029

(6) That no evidence was presented to demonstrate that waste would occur if said pools were not consolidated.

(7) That evidence was presented attempting to demonstrate that consolidation of the pools was necessary to protect correlative rights but that such evidence was insufficient.

(8) That the evidence presented did show that the proposed pool consolidation would impose additional administrative burdens on operators in the Blanco-Pictured Cliffs Pool and the Division without discernible benefit.

(9) That as insufficient evidence was presented to demonstrate any prevention of waste, protection of correlative rights, or any other benefit which might accrue as a result of granting the application in this case, the application should be denied.

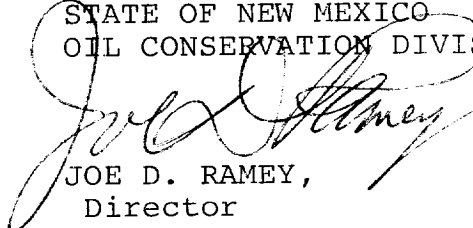
IT IS THEREFORE ORDERED:

(1) That the application of El Paso Natural Gas Company for abolishment of the Blanco-Pictured Cliffs Pool and the extension of the horizontal limits of the South Blanco-Pictured Cliffs Pool to include the abolished acreage, all in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, is hereby denied.

(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

S E A L