

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. 8634
Order No. R-7972

APPLICATION OF ARCO OIL AND
GAS COMPANY FOR POOL EXTENSION,
RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on June 19, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 5th day of July, 1985, 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) The applicant, ARCO Oil and Gas Company, seeks an order extending the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the following additional lands in Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico:

Sections 13 and 14: All
Section 19: S/2 and NW/4
Section 20: S/2
Section 21: S/2 and E/2 NE/4
Sections 22 through 30: All
Section 33: All
Section 34: N/2
Section 35: N/2
Section 36: N/2

(3) At the time of the hearing the applicant requested and received approval to delete all of said Sections 24 and 25 and the N/2 of said Section 36 from consideration of this application.

(4) The applicant is the owner of certain oil and gas interests within the proposed extension area.

(5) Dugan Production Corporation and a representative of Jerome P. McHugh, both interest owners in the proposed extension area, appeared at the hearing and objected to extending the West Lindrith Gallup-Dakota Oil Pool, which is developed on 160-acre spacing units, to within the area to the east that includes acreage which is controlled by the Gavilan-Mancos Oil Pool Special Rules and Regulations which provide for 320-acre spacing units.

(6) There are no wells within the proposed extension area that penetrate the Gallup and Dakota formations and the geological evidence presented at the hearing is based on well data from wells in the surrounding area.

(7) The geological evidence presently available indicates that the Gallup and Dakota formations are present in the proposed extension area.

(8) The geological evidence indicates also that the western portion of the extension area where the offsetting well control is extensive could be adequately drained and developed on 160-acre spacing and proration units and should, therefore, be placed in the West Lindrith Gallup-Dakota Oil Pool.

(9) Within the eastern portion of the proposed extension area where well control is somewhat limited, the evidence presently available is insufficient upon which to make a determination that wells in the eastern portion of the proposed extension area are indeed a part of the West Lindrith Gallup-Dakota Oil Pool and could be adequately drained and developed on 160-acre spacing and proration units.

(10) The applicant proposes to drill two wells in the western portion of the extension area, one in the NE/4 of Section 22 and the other in the SW/4 of Section 27, for the purpose of further evaluating the Gallup and Dakota formations.

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(11) Based upon the foregoing findings relative to the eastern portion of the proposed extension, the following described lands in Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, should also be deleted from consideration leaving an adequate buffer zone of two miles between the Gavilan-Mancos and West Lindrith Gallup-Dakota Oil Pools:

Sections 13 and 14: All
Section 23: All
Section 26: All
Section 35: N/2

(12) The proposed extension area includes an 80-acre parcel of land, the E/2 NE/4 of said Section 21, which is bounded to the west by the Ojito Gallup-Dakota Oil Pool developed on 40-acre spacing units.

(13) To assure continuity of well spacing in the NE/4 of said Section 21 the E/2 NE/4 of said Section 21 should also be deleted from consideration to the extension area.

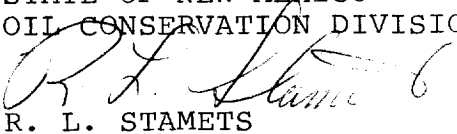
IT IS THEREFORE ORDERED THAT:

(1) Effective August 1, 1985, the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended by the inclusion therein of the following described lands:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 19: S/2 and NW/4
Section 20: S/2
Section 21: S/2
Section 22: All
Sections 27 through 30: All
Section 33: All
Section 34: N/2

(2) 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

R. L. STAMETS
Director

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