

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. 9292
Order No. R-8585

THE APPLICATION OF THE OIL CONSERVATION
DIVISION ON 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 January 6, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of January, 1988, 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 Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, in order that the deleted acreage may be placed in the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico.

(3) There is need for the dismissal of the proposed extension to the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico.

(4) There is need for certain extensions to the Aztec-Pictured Cliffs Pool, the South Bisti-Gallup Oil Pool, the Bisti-Lower Gallup Oil Pool, and the Fulcher Kutz-Pictured Cliffs Pool, all in San Juan County, New Mexico, and the Blanco-Pictured Cliffs Pool and the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, and the

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Devil's Fork-Gallup Associated Pool, the Northeast Ojito Gallup-Dakota Oil Pool, and the Wildhorse-Gallup Pool, all in Rio Arriba County, New Mexico, and the West Lindrith Gallup-Dakota Oil Pool and the Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, and the Nose Rock-Hospah Oil Pool in McKinley County, New Mexico, and the Otero-Sanastee Oil Pool and the Rio Puerco-Mancos Oil Pool, both in Sandoval County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) The Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 15: SW/4
Section 16: SE/4
Section 22: N/2 and SW/4
Section 25: SE/4 SE/4
Section 26: S/2
Section 35: N/2
Section 36: N/2

(b) The Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM

Section 6: N/2 and SW/4

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 1: NE/4

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM

Section 31: SW/4

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM

Section 36: SE/4

(c) The South Bisti-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 10 WEST, NMPM

Section 5: N/2
Section 6: NE/4

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM

Section 32: W/2 SE/4

(d) The Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 30: S/2, NE/4, and S/2 NW/4
Section 31: N/2 N/2

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 25: SW/4
Section 26: SW/4

(e) 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 30 NORTH, RANGE 9 WEST, NMPM
Section 11: SE/4

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 19: S/2
Section 29: S/2 and NW/4
Section 30: All
Section 31: NW/4

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Section 25: S/2 and NE/4
Section 36: N/2

(f) The Devil's Fork-Gallup Associated Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
Section 19: S/2
Section 30: N/2

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM
Section 23: S/2
Section 24: S/2

(g) 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 11 WEST, NMPM
Section 17: SE/4

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(h) The proposed extension to the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, is hereby dismissed.

(i) The West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 4: E/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 15: W/2
Section 16: All
Sections 21 and 22: All
Section 23: S/2
Section 24: S/2
Sections 25 and 26: All
Section 27: NE/4
Section 35: N/2
Section 36: N/2

(j) The Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 1: NW/4 NE/4 and N/2 NW/4
Section 2: E/2 NE/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 35: E/2 SE/4

(k) The Nose Rock-Hospah Oil Pool in McKinley County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 NORTH, RANGE 12 WEST, NMPM
Section 9: SW/4 SE/4
Section 10: SW/4 SW/4
Section 16: NW/4 NE/4

(l) The Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Section 30: All

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(m) 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 28 NORTH, RANGE 10 WEST, NMPM

Section 7: W/2
Section 17: W/2
Section 18: All

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 10: W/2
Section 12: E/2
Section 13: E/2
Section 24: NE/4

(n) The Otero-Sanastee Oil Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 NORTH, RANGE 4 WEST, NMPM

Section 9: NW/4

(o) The Rio Puerco-Mancos Oil Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM

Section 27: S/2
Section 28: S/2

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

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM

Section 17: S/2
Section 18: S/2

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, 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

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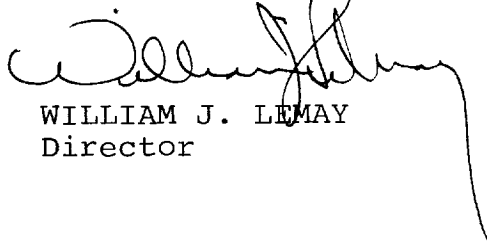
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same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division shall subject the well to cancellation of allowable.

(2) The effective date of this order and all contractions and extensions included herein shall be February 1, 1988.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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