

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. 9349
Order No. R-8640

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CONTRACTING AND EXTENDING CERTAIN
EXISTING POOLS IN 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 March 30, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of April, 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 Devil's Fork-Gallup Associated Pool in Rio Arriba County, New Mexico, because the area to be deleted has never produced from the Gallup formation.

(3) A request was made for the contraction of the Rio Puerco-Mancos Oil Pool in Sandoval County, New Mexico, by the deletion of the NW/4 of Section 25 and the N/2 of Section 26, both in Township 21 North, Range 4 West, NMPM.

(4) Pursuant to the testimony presented in this case and upon review of the Oil Conservation Division records, the Dugan Production Corporation Husky Federal Well No. 2 located 990 feet from the North and West lines (Unit D) of said Section 25 has been producing from the Rio Puerco-Mancos Oil Pool since December 29, 1983, and as of December 31, 1987, has a cumulative production from said pool of 3379 MCF

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of gas and 1609 barrels of oil.

(5) By Division Order No. R-8180, dated March 14, 1986, said Section 25 was included in the pool boundary by virtue of the production from the above-described well.

(6) There was insufficient geological evidence presented at the hearing to establish a reason to delete the NW/4 of said Section 25 from the Rio Puerco-Mancos Oil Pool boundary and this portion of the request should be denied.

(7) Since the N/2 of said Section 26 has never produced from this pool, there is sufficient need to contract this area from the Rio Puerco-Mancos Oil Pool.

(8) There is a need for certain extensions to the Alamito-Gallup Oil Pool in Sandoval County, New Mexico, and the South Bisti-Gallup Oil Pool and the Totah-Gallup Oil Pool, both in San Juan County, New Mexico, and the Blanco-Mesaverde Pool and the Blanco-Pictured Cliffs Pool, both in Rio Arriba and San Juan Counties, New Mexico, and the Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, and the Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico.

(9) The effective date of this order and all contractions and extensions included herein should be April 1, 1988.

IT IS THEREFORE ORDERED THAT:

(a) The Devil's Fork-Gallup Associated 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 7 WEST, NMPM

Section 23: S/2

Section 24: S/2

(b) The Rio Puerco-Mancos Oil Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM

Section 26: N/2

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

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 32: S/2 N/2

(d) 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 24 NORTH, RANGE 10 WEST, NMPM
Section 31: SE/4
Section 32: SW/4

(e) The Blanco-Mesaverde 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 11 WEST, NMPM
Section 22: S/2
Section 27: All

(f) 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 31 NORTH, RANGE 9 WEST, NMPM
Section 19: NE/4
Section 20: W/2

(g) 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 2: W/2 NE/4 and E/2 NW/4

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM
Section 31: S/2 SW/4, NE/4 SW/4, and
SW/4 SE/4

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

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 22: SW/4 and SW/4 SE/4

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(h) 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 3 WEST, NMPM
Section 23: SW/4
Section 27: NE/4

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

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM
Section 32: E/2 NE/4

IT IS FURTHER ORDERED THAT:

(1) The portion of this application seeking the contraction of the Rio Puerco-Mancos Oil Pool in Sandoval County, New Mexico, by the deletion therefrom of the NW/4 of Section 25, Township 21 North, Range 4 West, NMPM, is hereby denied.

(2) Pursuant to Section 70-2-18, NMSA 1978, 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 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 said 60-day period shall subject the well to cancellation of allowable.

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

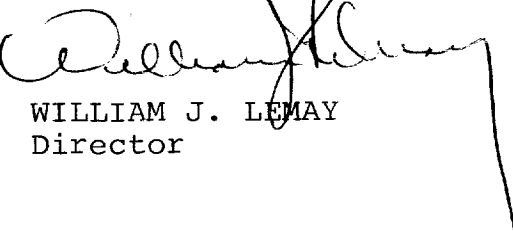
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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name and title.

WILLIAM J. LEMAY
Director

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