

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. 9443  
Order No. R-8713

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER CREATING AND EXTENDING CERTAIN  
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 August 3, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of August, 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 creation of a new pool in San Juan County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation of Baca-Gallup Oil Pool. Said Baca-Gallup Oil Pool was discovered by the Union Texas Petroleum Corporation Newsom A Well No. 20 located in Unit J of Section 4, Township 26 North, Range 8 West, NMPM. It was completed in the Gallup formation on September 9, 1983. The top of the perforations is at 6,222 feet.

(3) There is need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of gas from the Gallup formation, said pool to bear the designation of Cedro-Gallup Pool. Said Cedro-Gallup Pool was discovered by the Northwest Pipeline Company Rosa Unit Well No. 109 located in Unit M of Section 9, Township 31 North, Range 5

-2-

Case No. 9443  
Order No. R-8713

West, NMPM. It was completed in the Gallup formation on January 2, 1985. The top of the perforations is at 7,216 feet.

(4) There is need for the creation of a new pool in San Juan County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation of Potter-Gallup Oil Pool. Said Potter-Gallup Oil Pool was discovered by the Union Texas Petroleum Corporation State 16 Well No. 1 located in Unit E of Section 16, Township 28 North, Range 9 West, NMPM. It was completed in the Gallup formation on May 28, 1983. The top of the perforations is at 5,732 feet.

(5) There is need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of gas from the Gallup formation, said pool to bear the designation of Willow-Gallup Pool. Said Willow-Gallup Pool was discovered by the Northwest Pipeline Corporation Rosa Unit Well No. 87 located in Unit H of Section 28, Township 31 North, Range 4 West, NMPM. It was completed in the Gallup formation on February 23, 1982. The top of the perforations is at 7,509 feet.

(5) There is need for certain extensions to the Angels Peak-Gallup Associated Pool, the Big Gap-Organ Rock Pool, the South Bisti-Gallup Oil Pool, the Bisti-Lower Gallup Oil Pool, the Blanco-Fruitland Pool, the Gallegos-Fruitland Pool, the Laguna Seca-Gallup Pool, and the Sedro Canyon-Fruitland Pool, all in San Juan County, New Mexico, and the Blanco-Mesaverde Pool, the Blanco-Pictured Cliffs Pool, and the Escrito-Gallup Associated Pool, all in Rio Arriba and San Juan Counties, New Mexico, and the East Blanco-Pictured Cliffs Pool and the Largo-Gallup Gas Pool, both in Rio Arriba County, New Mexico, and the Lybrook-Gallup Oil Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production is hereby created and designated as the Baca-Gallup Oil Pool, consisting of the following described area:

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM  
Section 3: SW/4 SW/4  
Section 4: NW/4 SE/4 and S/2 S/2  
Section 5: SE/4 SE/4  
Section 9: NE/4 and E/2 NW/4  
Section 10: W/2 NW/4 and NW/4 SW/4

-3-

Case No. 9443

Order No. R-8713

(b) A new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production is hereby created and designated as the Cedro-Gallup Pool, consisting of the following described area:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Section 4: SW/4

Section 9: W/2

(c) A new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production is hereby created and designated as the Potter-Gallup Oil Pool, consisting of the following described area:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 16: SW/4 NE/4, S/2 NW/4,  
W/2 SE/4, and SW/4

(d) A new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production is hereby created and designated as the Willow-Gallup Pool, consisting of the following described area:

TOWNSHIP 31 NORTH, RANGE 4 WEST, NMPM

Section 10: E/2

Section 11: All

Section 12: W/2

Section 14: All

Section 22: E/2

Section 23: All

Section 24: W/2

Section 27: N/2

Section 28: NE/4

(e) The Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM

Section 4: NW/4

Section 5: N/2

(f) The Big Gap-Organ Rock Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM

Section 29: S/2

-4-

Case No. 9443  
Order No. R-8713

(g) 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: E/2 SW/4

(h) 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 12 WEST, NMPM  
Section 25: SE/4  
Section 36: N/2 NE/4

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

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM  
Section 9: NE/4

(j) 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 17: E/2

(k) 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 20: SE/4  
Section 29: NE/4

(l) The East Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 30 NORTH, RANGE 2 WEST, NMPM  
Section 7: All  
Section 18: All

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM  
Sections 7 through 32: All

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM

Section 10: SE/4  
Section 11: SW/4  
Section 12: S/2  
Section 13: All  
Section 14: W/2  
Section 15: E/2  
Section 24: All

(m) The Escrito-Gallup Associated Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 36: NE/4

(n) The Gallegos-Fruitland Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM

Section 23: NW/4

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

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Section 19: SE/4  
Section 20: S/2  
Section 21: S/2  
Section 22: SW/4  
Section 27: W/2  
Sections 28 and 29: All  
Section 30: NE/4  
Section 32: NE/4  
Section 33: NW/4

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

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM

Section 2: W/2

-6-

Case No. 9443  
Order No. R-8713

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

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

(r) The Sedro Canyon-Fruitland Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM  
Section 23: SW/4

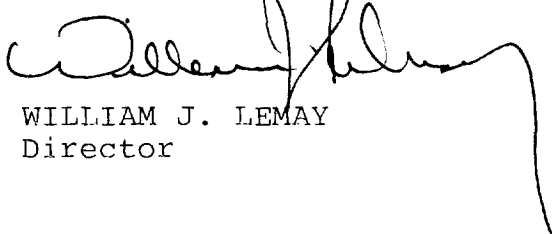
IT IS FURTHER ORDERED THAT:

(1) 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.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L  
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