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ATTORNEYS AT LAW

218 MONTEZUMA

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SANTA FE, NEW MEXICO 87504-2068

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FAX (505) 982-8623

CLARENCE E. HINKLE (1901-1985)
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ROY C. SNODGRASS, JR. (1914-1987)

OF COUNSEL
O. M. CALHOUN*
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WASHINGTON, D.C.
SPECIAL COUNSEL
ALAN J. STATMAN*

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(505) 768-1500
FAX (505) 768-1529

April 27, 1993

*NOT LICENSED IN NEW MEXICO

Michael E. Stogner
Oil Conservation Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87503

Re: Application for Administrative Approval of
Unorthodox Oil Well Locations, San Juan
County, New Mexico

Dear Mr. Stogner:

Condor Oil Corporation hereby applies for administrative approval of eighteen unorthodox oil well locations pursuant to Division Rule 104(F)(1). The wells are being drilled to complete an efficient production and injection pattern for a waterflood (secondary recovery) project.

The unorthodox locations are described as follows, and are all located within Township 30 North, Range 16 West, N.M.P.M., in San Juan County:

- (a) 2630'FNL & 1310'FEL (SE $\frac{1}{4}$ NE $\frac{1}{4}$) Sec. 10; ✓
- (b) 1340'FSL & 10'FWL (NW $\frac{1}{4}$ SW $\frac{1}{4}$) Sec. 11; ✓
- (c) 1340'FSL & 1350'FEL (NW $\frac{1}{4}$ SE $\frac{1}{4}$) Sec. 10; ✓
- (d) 1310'FNL & 1310'FEL (NE $\frac{1}{4}$ NE $\frac{1}{4}$) Sec. 10; ✓
- (e) 2630'FNL & 50'FWL (SW $\frac{1}{4}$ NW $\frac{1}{4}$) Sec. 11; ✓
- (f) 1310'FNL & 10'FEL (NE $\frac{1}{4}$ NE $\frac{1}{4}$) Sec. 10; ✓

JGB5\93814.c

Michael E. Stogner
Page Two
April 27, 1993

- (g) 1310'FNL & 2310'FEL (NW $\frac{1}{4}$ NE $\frac{1}{4}$) Sec. 10;✓
- (h) 330'FNL & 2310'FEL (NW $\frac{1}{4}$ NE $\frac{1}{4}$) Sec. 10;✓
- (i) 330'FNL & 1310'FEL (NE $\frac{1}{4}$ NE $\frac{1}{4}$) Sec. 10;✓
- (j) 10'FNL & 1310'FWL (NW $\frac{1}{4}$ NW $\frac{1}{4}$) Sec. 14;✓
- (k) 1330'FSL & 1310'FWL (NW $\frac{1}{4}$ SW $\frac{1}{4}$) Sec. 11;✓
- (l) 10'FNL & 10'FEL (NE $\frac{1}{4}$ NE $\frac{1}{4}$) Sec. 15;✓
- (m) 2630'FNL & 2310'FEL (SW $\frac{1}{4}$ NE $\frac{1}{4}$) Sec. 10;✓
- (n) 2630'FSL & 1310'FWL (NW $\frac{1}{4}$ SW $\frac{1}{4}$) Sec. 11;✓
- (o) 1310'FSL & 2010'FEL (SW $\frac{1}{4}$ SE $\frac{1}{4}$) Sec. 10;✓
- (p) 1500'FNL & 2300'FEL (SW $\frac{1}{4}$ NE $\frac{1}{4}$) Sec. 14;✓
- (q) 1310'FSL & 2310'FWL (SE $\frac{1}{4}$ SW $\frac{1}{4}$) Sec. 11;✓ and
- (r) 1310'FNL & 1330'FWL (NE $\frac{1}{4}$ NW $\frac{1}{4}$) Sec. 14.✓

The proposed wells are located within the Northeast Hogback Unit, approved by Order No. R-1494, and the first expansion of the unit approved by the Division by letter dated March 27, 1961. The Horseshoe-Gallup Pool within the unit area is subject to the Northeast Hogback Waterflood Project, approved by Order No. R-6172 (copy attached).

Attached is a land plat which outlines in blue the project area (as defined in Order No. R-2026), which is also the Gallup Participating Area for the unit (See the attached Revised Ownership Schedule, which was submitted to the Division by Clinton Oil Company by letter dated March 18, 1971). The plat also identifies in yellow the proration units which contain injection wells, and identifies the proposed wells with a red dot.

Offsetting operators or lessees have been notified of this application by certified mail. The return receipts will be forwarded to you when we receive them.

Michael E. Stogner
Page Three
April 27, 1993

An original and two copies of this application are being submitted.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



James Bruce

Attorneys for Condor Oil
Corporation

JB:frs
Attachment

VIA HAND DELIVERY

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

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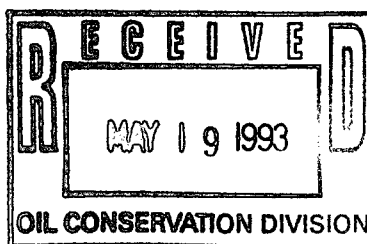
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DARLA M. SILVA

*NOT LICENSED IN NEW MEXICO

May 19, 1993

Via Hand Delivery

Michael E. Stogner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501



Re: Application of Condor Oil Corporation for Administrative Approval of 18 Unorthodox Oil Well Locations, Northeast Hogback Waterflood Project Area, San Juan County, New Mexico

Dear Mr. Stogner:

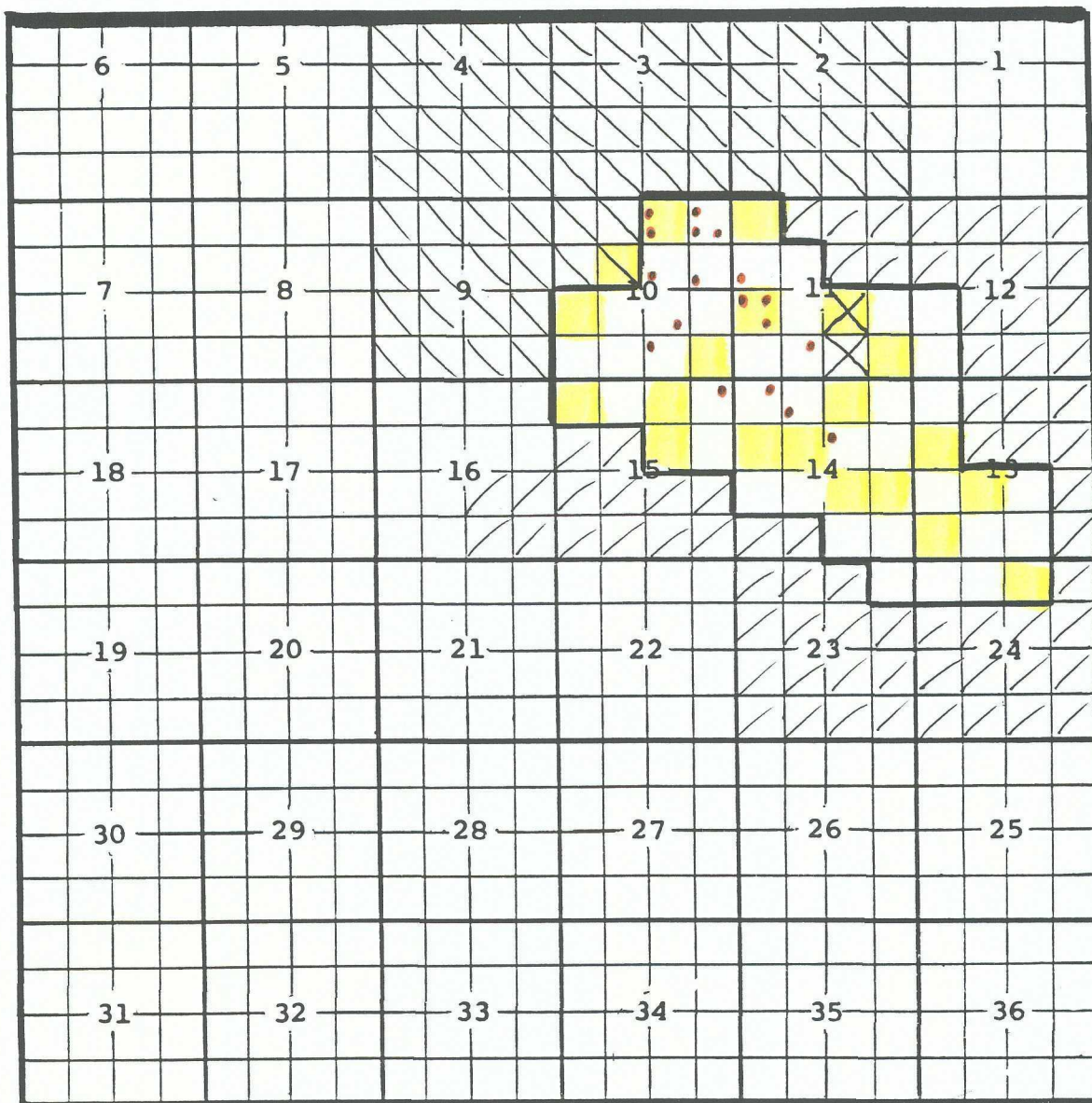
Regarding your letter of May 12, please be advised that Condor still wishes to pursue administrative approval; the application for hearing was filed only in the event of an objection by an offset operator. Therefore, enclosed as you requested is a plat identifying offset operators, together with an affidavit regarding notice. Notice was mailed to the offsets on April 28, 1993, so the 20 day objection period has elapsed. Please contact me if you need anything further on this matter.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY

James Bruce
James Bruce

JB/bc
Enclosure



☒ Units with injection wells in Northeast Hogback Waterflood Project per Order No. R-6172.

☒ Project area per Order No. R-2026, and Gallup Participating Area. Operated by Condor Oil Corp.

☒ Infill wells.

☐ Operated by Vantage Point Operating Co.

☒ Operated by High Plains Petroleum Corp.

☒ Operated by Condor Oil Corp.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

May 12, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

**Condor Oil Corporation
c/o Hinkle, Cox, Eaton, Coffield & Hensley
Attn: James Bruce
P. O. Box 2068
Santa Fe, New Mexico 87504-2068**

**RE: Administrative Application for 18 Unorthodox
Oil Well Locations; Northeast Hogback
Waterflood Project Area; Horseshoe-Gallup Oil
Pool; San Juan County, New Mexico.**

Dear Mr. Bruce:

It has come to my attention that the subject administrative application has also been docketed for hearing before a Division Examiner scheduled for May 20, 1993 as Case No. 10732.

Does the applicant still wish to pursue with the subject administrative filing? If so please provide the return receipts of notification to off-set operators as stated on page two of said application. Also, please submit a plat that indicates who and where this off-setting operators are located with respect to the waterflood area.

Should you have any questions concerning this matter, please contact me at (505) 827-5811.

Sincerely,

Michael E. Stogner
Chief Hearing Examiner/Engineer

cc: Oil Conservation Division - Aztec
U. S. BLM - Farmington, NM
Case File 10732

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CONDOR OIL CORPORATION FOR
ADMINISTRATIVE APPROVAL OF EIGHTEEN
UNORTHODOX OIL WELL LOCATIONS, SAN
JUAN COUNTY, NEW MEXICO.

AFFIDAVIT REGARDING NOTICE

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

James Bruce, being duly sworn upon his oath, deposes and
states:

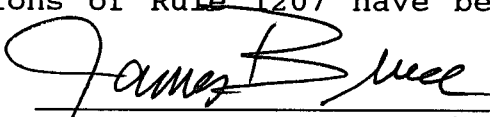
1. I am over the age of 18 and have personal knowledge of
the matters stated herein.

2. I am the attorney for Applicant herein.

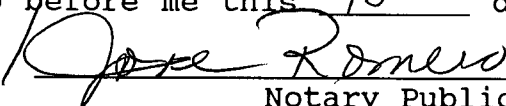
3. Applicant has conducted a good faith, diligent effort to
find the names and correct addresses of persons entitled to receive
notice of the Application herein.

4. Notice of the Application was provided to said persons at
their correct addresses by mailing them, by certified mail, a copy
of the Application. Copies of the notice letters and return
receipts are attached hereto.

5. The notice provisions of Rule 1207 have been complied
with.


JAMES BRUCE

Subscribed and sworn to before me this 18th day of May,
1993, by James Bruce.


Notary Public

My commission expires:

8-15-95

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April 28, 1993

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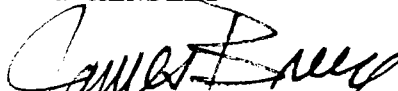
Convest Energy Corporation
Vantage Point Operating Company
Suite 700
2401 Fountain View Drive
Houston, Texas 77057

Gentlemen:

Condor Oil Corporation has applied to the New Mexico Oil Conservation Division for administrative approval for eighteen unorthodox oil well locations within the Northeast Hogback Unit, as described in the enclosed application. Records indicate you are an offset operator. In the event an objection is received, and approval is not granted administratively (without hearing), this matter will be heard at 8:15 a.m. on Thursday, May 20, 1993 at the Division's office at 310 Old Santa Fe Trail, Santa Fe, New Mexico.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

Attorneys for Applicant

JB:frs

VIA CERTIFIED MAIL NO. P 133 700 783
RETURN RECEIPT REQUESTED

JGB5\93818.c

P 133 700 783



Receipt for Certified Mail

No Insurance Coverage Provided
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PS Form 3800, June 1991

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Vantage Point Operating	
Co. Suite 700	
2401 Fountain View Drive	
Houston, TX 77057	
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Certified Fee	XXX 1.00
Special Delivery Fee	
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Return Receipt Showing to Whom & Date Delivered	XXX 1.00
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2.29
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SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
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- Consult postmaster for fee.

3. Article Addressed to:

Convest Energy Corp.
Vantage Point Operating
Company
Suite 700
2401 Fountain View Drive
Houston, TX 77057

4a. Article Number

P 133 700 783

4b. Service Type

- ☐ Registered ☐ Insured
☒ Certified ☐ COD
☐ Express Mail ☐ Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1991 ☆ U.S.G.P.O. : 1992-307-530

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April 28, 1993

*NOT LICENSED IN NEW MEXICO

High Plains Petroleum Corporation
3860 Carlock Drive
Boulder, Colorado 80303

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James Bruce

Attorneys for Applicant

JB:frs

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P 133 700 782



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Sent to	
High Plains Petroleum	
Corporation	
3860 Carlock Drive	
P.O., State and ZIP Code	
Boulder, CO 80303	
Postage	XXX \$ 1.44
Certified Fee	XXX 1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	XXX 1.00
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 3.44
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PS Form 3800, June 1991

JUNE THRU DECEMBER 1992
MARKET DEMAND PERCENTAGE FACTOR: 100%

ORDER NO. A-261
SCHEDULE NO. 57 VOLUME 3
AZTEC DISTRICT

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

OIL PRORATION SCHEDULE

VOLUME 3 OF THE PRORATION SCHEDULE COVERS ALL PRODUCING OIL
WELLS IN DIVISION DISTRICT 3 WHICH COMPRISES MCKINLEY,
RIO ARRIBA, SAN JUAN, AND SANDOVAL COUNTIES, NEW MEXICO

GAS-OIL RATIO TEST SCHEDULE FOR 1992
ON LAST PAGE

SPECIAL POOL RULES REQUIRE TESTING AT SPECIFIC TIMES FOR EACH POOL

INDEX

PRORATION ORDER
EXPLANATION OF SYMBOLS

TRANSPORTER ABBREVIATION CODES
PRORATION SCHEDULE

IMMEDIATELY NOTIFY DISTRICT SUPERVISOR OF ANY ERRORS
AZTEC DISTRICT OFFICE, 1000 RIO BRAZOS ROAD, AZTEC, NEW MEXICO 87410
TELEPHONE (505) 334-6178

[illegible]

(HORSESHOE-GALLUP (PRESSURE MAINTENANCE
PROJECT NO. 4) POOL - Cont'd.)

that the injection well shall be assigned a top unit allowable, that the allowable for the project shall be the sum of the allowables of the producing well and the injection well, that the allowable for the injection well may be transferred to the producing well, and that the allowable for the project shall not exceed two times top unit allowable for the Horseshoe-Gallup Oil Pool.

(6) That the subject application should be approved and that the project should be designated as the Horseshoe-Gallup Pressure Maintenance Project No. 4.

(7) That the project area for said project should be defined as the SW/4 of Section 33, Township 32 North, Range 17 West, NMPM.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool, to be designated the Horseshoe-Gallup Pressure Maintenance Project No. 4, comprising the SW/4 of Section 33, Township 32 North, Range 17 West, NMPM, San Juan County, New Mexico, by the injection of water into the Gallup formation through the Navajo "M" Well No. 2, located 1980 feet from the South line and 1980 feet from the West line of said Section 33.

(2) That the injection well shall be assigned a top unit allowable; that the allowable for the project shall be the sum of the allowables of the producing well and the injection well; and that the allowables for the injection well may be transferred to the producing well.

PROVIDED HOWEVER, That the allowable for the project shall not exceed two times the top unit allowable for the Horseshoe-Gallup Oil Pool.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

BISTI-LOWER GALLUP POOL
CHA CHA-GALLUP POOL
HORSESHOE-GALLUP POOL
LONE PINE-DAKOTA "D" POOL
MANY ROCKS-GALLUP POOL
(Certain Pressure Maintenance Projects Reclassified)
San Juan and McKinley Counties, New Mexico

Order No. R-6172, Rescinding Various Orders Authorizing Pressure Maintenance Projects and Reclassifying Certain Pressure Maintenance Projects as Secondary Recovery Projects in the Bisti-Lower Gallup, Cha Cha-Gallup, Horseshoe-Gallup, Lone Pine-Dakota "D", and Many Rocks-Gallup Pools, San Juan and McKinley Counties, New Mexico, November 2, 1979.

In the Matter of the Hearing Called by the Oil Conservation Division on its Own Motion to Consider the Reclassification of Certain Pressure Maintenance Projects in San Juan and McKinley Counties, New Mexico, as Secondary Recovery Projects.

CASE NO. 6093
Order No. R-6172

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on November 30, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 1979, 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 Oil Conservation Division heretofore authorized the following Northwest New Mexico pressure maintenance projects in the named pools by the designated order:

PROJECT	POOL	ORDER NO.
Atlantic Horse-shoe Gallup	Horseshoe-Gallup	R-2210
Dugan Central Cha Cha Unit	Cha Cha-Gallup	R-2305
Energy Reserves Horseshoe Gallup No. 3	Horseshoe-Gallup	R-1876
Energy Reserves NE Hogback	Horseshoe-Gallup	R-2026
Eng. & Prod. Serv. Horseshoe Gallup No. 2	Horseshoe-Gallup	R-1745
Eng. & Prod. Serv. Many Rocks Gallup No. 1	Many Rocks-Gallup	R-2541
Getty Many Rocks Gallup No. 3	Many Rocks-Gallup	R-2664

(BISTI-LOWER GALLUP, CHA CHA-GALLUP, HORSESHOE-GALLUP, LONE PINE-DAKOTA "D", AND MANY ROCKS-GALLUP (CERTAIN PRESSURE MAINTENANCE PROJECTS RECLASSIFIED) POOLS - Cont'd.)

PROJECT	POOL	ORDER NO.
Shell Carson	Bisti-	R-2065
Bisti	Gallup	
Suburban NW	Cha Cha-	R-2154
Cha Cha	Gallup	
Tenneco Lone	Lone Pine-	R-4263
Pine DK	Dakota "D"	
"D"		
Woosley Many	Many Rocks-	R-2700
Rocks Gallup	Gallup	
No. 4		

(3) That each of the above-named pressure maintenance projects has declined to the point where it can no longer be correctly classified as a "pressure maintenance" project but can be correctly classified as a "secondary recovery" project.

(4) That due to certain recent changes in the rules governing reports, the reporting of injection and production is less complicated and time-consuming to operators of secondary recovery projects than is the similar reporting for pressure maintenance projects.

(5) That the processing of data relating to secondary recovery projects by the Oil Conservation Division of the New Mexico Energy and Minerals Department for the purpose of maintaining production records is less time-consuming than is the processing of similar data for pressure maintenance projects.

(6) That the reclassification of the pressure maintenance projects named in Finding No. (2) above as secondary recovery projects will result in a saving of time and effort by both the operators of the projects and by the Division in reporting and processing data relating to the projects, thereby preventing waste, and that said reclassification will not impair correlative rights.

(7) That even though some of the subject projects may not at this time be active projects, or even though some of the originally authorized injection wells may no longer be on active injection, the reclassification of said projects can most easily be carried out by rescinding the orders authorizing said projects as pressure maintenance projects and reauthorizing said projects as secondary recovery projects, subject to any particular rules previously promulgated for said projects which would still be applicable.

(8) That portions of Order No. R-2210, as amended by R-2210-A and R-2719, which authorized the Atlantic Refining Company Horseshoe Gallup Unit Pressure Maintenance Project should be rescinded and approval given for the Atlantic Horseshoe Gallup Waterflood Project.

(9) That Order No. R-2305 which authorized the Dugan Central Cha Cha Unit Pressure Maintenance Project should be rescinded and approval given for the Dugan Central Cha Cha Unit Waterflood Project.

(10) That Order No. R-1876 which authorized the Energy Reserves Group Horseshoe Gallup Pressure Maintenance Project No. 3 should be rescinded and approval given to the Energy Reserves Group Horseshoe Gallup Waterflood Project No. 3.

(11) That Order No. R-2026 which authorized the Energy Reserves Group Northeast Hogback Pressure Maintenance Project should be rescinded and approval given to the Energy Reserves Group Northeast Hogback Waterflood Project.

(12) That Order No. R-1745 which authorized the Engineering and Production Service Horseshoe Gallup Pressure Maintenance Project No. 2 should be rescinded and approval given to the Engineering and Production Service Horseshoe Gallup Waterflood Project No. 2.

(13) That Order No. R-2541 which authorized the Engineering and Production Service Many Rocks Gallup Pressure Maintenance Project No. 1 should be rescinded and approval given for the Engineering and Production Service Many Rocks Gallup Waterflood Project No. 1.

(14) That Order No. R-2664 which authorized the Getty Many Rocks Gallup Pressure Maintenance Project No. 3 should be rescinded and approval given to the Getty Many Rocks Gallup Waterflood Project No. 3.

(15) That Order No. R-2065 which authorized the Shell Carson Bisti Lower Gallup Pressure Maintenance Project should be rescinded and approval given to the Shell Carson Bisti Lower Gallup Waterflood Project.

(16) That Order No. R-2154 which authorized the Suburban Propane Northwest Cha Cha Pressure Maintenance Project should be rescinded and approval given to the Suburban Propane Northwest Cha Cha Waterflood Project.

(17) That Order No. R-4263 which authorized the Tenneco Lone Pine Dakota "D" Pressure Maintenance Project should be rescinded and approval given to the Tenneco Lone Pine Dakota "D" Waterflood Project.

(18) That Order No. R-2700 which authorized the James P. Woosley Many Rocks Gallup Pressure Maintenance Project No. 4 should be rescinded and approval given to the Woosley Many Rocks Gallup Waterflood Project No. 4.

IT IS THEREFORE ORDERED:

(1) That Order No. (8) of Division Order No. R-2210 and Order No. (2) of Division Order No. R-2210-A, and Division Orders Nos. R-2719, R-2305, R-1876, R-2026, R-1745, R-2541, R-2664, R-2065, R-2154, R-4263, and R-2700 are hereby rescinded.

(2) That the Atlantic Refining Company is hereby authorized to operate the Atlantic Horseshoe Gallup Waterflood Project, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. The Division Director is authorized to approve such additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Horseshoe-Gallup Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the Division, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

(1) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.

(2) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.

(3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

(BISTI-LOWER GALLUP, CHA CHA-GALLUP, HORSESHOE-GALLUP, LONE PINE-DAKOTA "D", AND MANY ROCKS-GALLUP (CERTAIN PRESSURE MAINTENANCE PROJECTS RECLASSIFIED) POOLS - Cont'd.)

The Division Director may approve the proposed project and promulgate special rules therefor if, within 20 days after receiving the application, no objection to the proposal is received. The Division Director may grant immediate approval, provided waivers of objection are received from all offset operators.

Expansion of the project area may be approved by the Division Director administratively when good cause is shown therefor.

(3) That Dugan Production Company is hereby authorized to operate the Dugan Central Cha Cha Unit Waterflood Project, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection in the Central Cha Cha Unit Project shall be through the following-described wells in Section 31, Township 29 North, Range 13 West, NMPM:

Callow "B" Well No. 1, Unit K
Callow "B" Well No. 2, Unit I

(4) That Energy Reserves Group is hereby authorized to operate the Energy Reserves Group Horseshoe Gallup Waterflood Project No. 3, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection in the Horseshoe Gallup Waterflood Project No. 3 shall be through the following described well in Section 5, Township 31 North, Range 17 West, NMPM:

Navajo Well No. 4-5, Unit M

(5) That Energy Reserves Group is hereby authorized to operate the Energy Reserves Group Northeast Hogback Waterflood Project, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Northeast Hogback Waterflood Project shall be through the following described wells in Township 30 North, Range 16 West, NMPM:

Northeast Hogback Unit Well No. 4, Unit J, Section 14
Northeast Hogback Unit Well No. 6, Unit B, Section 15
Northeast Hogback Unit Well No. 10, Unit E, Section 14
Northeast Hogback Unit Well No. 11, Unit F, Section 14
Northeast Hogback Unit Well No. 13, Unit E, Section 13
Northeast Hogback Unit Well No. 14, Unit I, Section 14
Northeast Hogback Unit Well No. 16, Unit K, Section 13
Northeast Hogback Unit Well No. 17, Unit M, Section 13
Northeast Hogback Unit Well No. 20, Unit B, Section 24
Northeast Hogback Unit Well No. 21, Unit D, Section 15
Northeast Hogback Unit Well No. 22, Unit G, Section 15
Northeast Hogback Unit Well No. 23, Unit B, Section 10
Northeast Hogback Unit Well No. 25, Unit D, Section 11
Northeast Hogback Unit Well No. 29, Unit F, Section 10
Northeast Hogback Unit Well 30, Unit L, Section 10
Northeast Hogback Unit Well No. 32, Unit L, Section 11
Northeast Hogback Unit Well No. 37, Unit P, Section 10
Williams Well No. 2, Unit P, Section 11
Williams Well No. 3, Unit J, Section 11
Federal Well No. 3, Unit B, Section 14

(6) Engineering and Production Service, Inc., is hereby authorized to operate the Engineering and Production Service Horseshoe-Gallup Waterflood Project No. 2, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Engineering and Production Service Horseshoe Gallup Waterflood Project No. 2 shall be through the following described wells in Township 31 North, Range 17 West, NMPM:

Navajo "F" Well No. 1, Unit D, Section 4
Navajo "F" Well No. 3, Unit L, Section 4
Navajo "F" Well No. 8, Unit E, Section 10
Navajo "F" Well No. 9, Unit K, Section 10
Navajo "F" Well No. 11, Unit I, Section 10
Navajo "F" Well No. 14, Unit M, Section 10
Navajo "F" Well No. 15, Unit J, Section 9
Navajo "F" Well No. 17, Unit G, Section 10
Navajo "F" Well No. 18, Unit C, Section 10
Navajo "F" Well No. 21, Unit D, Section 10
Navajo "F" Well No. 22, Unit H, Section 9
Navajo "F" Well No. 23, Unit B, Section 9
Navajo "F" Well No. 24, Unit P, Section 4
Navajo "F" Well No. 25, Unit N, Section 4
Navajo "F" Well No. 27, Unit J, Section 4
Navajo "F" Well No. 28, Unit F, Section 4
Navajo "F" Well No. 31, Unit N, Section 3
Navajo "F" Well No. 32, Unit L, Section 3
Navajo "F" Well No. 33, Unit D, Section 9
Navajo "F" Well No. 34, Unit F, Section 9
Navajo "F" Well No. 36, Unit A, Section 10
Navajo "F" Well No. 38, Unit H, Section 4
Navajo "F" Well No. 40, Unit P, Section 9
Navajo "F" Well No. 43, Unit O, Section 3
Navajo "F" Well No. 44, Unit O, Section 10
Navajo "G" Well No. 3, Unit K, Section 11
Navajo "G" Well No. 4, Unit M, Section 11
Navajo "G" Well No. 5, Unit O, Section 11
Navajo "G" Well No. 6, Unit E, Section 11

(7) That Engineering and Production Services, Inc., is hereby authorized to operate the Engineering and Production Service Many Rocks Gallup Waterflood Project No. 1, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Engineering and Production Service Many Rocks Gallup Waterflood Project shall be through the following described wells in Township 31 North, Range 17 West, NMPM:

Injection Well, Unit F, Section 1
Injection Well, Unit J, Section 1
Injection Well, Unit L, Section 1
Injection Well, Unit N, Section 1
Injection Well, Unit H, Section 2
Injection Well, Unit B, Section 12

(8) That Getty Oil Company is hereby authorized to operate the Getty Many Rocks Gallup Waterflood Project No. 3, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Getty Many Rocks Gallup Waterflood Project No. 3 shall be through the following described well in Section 35, Township 32 North, Range 17 West, NMPM:

Navajo "P" Well No. 6, Unit P

(BISTI-LOWER GALLUP, CHA CHA-GALLUP, HORSESHOE-GALLUP, LONE PINE-DAKOTA "D", AND MANY ROCKS-GALLUP (CERTAIN PRESSURE MAINTENANCE PROJECTS RECLASSIFIED) POOLS - Cont'd.)

(9) That Shell Oil Company is hereby authorized to operate the Shell Carson Bisti Lower Gallup Waterflood Project, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Shell Carson Bisti Lower Gallup Waterflood Project shall be through the following described wells:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM

Section 7: No. 24-7;
 Section 17: Nos. 1, 23-17, 24-17, 31-17, 43-17;
 Section 18: Nos. 21-18, 22-18, 23-18, 24-18;
 Section 19: Nos. 21-19, 22-19;
 Section 20: Nos. 11-20, 23-20, 32-20, 41-20;
 Section 30: No. 11-30;

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 10: No. 31-10;
 Section 11: Nos. 22-11, 23-11, 24-11;
 Section 12: No. 13-12;
 Section 13: Nos. 21-13, 22-13, 23-13, 24-13;
 Section 14: Nos. 21-14, 22-14, 23-14, 24-14;
 Section 15: No. 14-15;
 Section 23: No. 21-23;
 Section 24: Nos. 21-24, 23-24, 32-24;

In addition, Mudge 6 Lease Wells No. 12-16A and 14-16A, located in the SW/4 NW/4 and SW/4 SW/4 respectively, of Section 16, Township 25 North, Range 11 West, NMPM, are hereby approved for conversion to water injection, to form a water barrier between the Carson Unit Area and the acreage to the east thereof.

(10) That Suburban Propane Gas Company is hereby authorized to operate the Suburban Propane Northwest Cha Cha Waterflood Project, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Suburban Propane Northwest Cha Cha Gallup Waterflood Project shall be through the following described wells in Township 29 North, Range 14 West, NMPM:

Navajo "B" Well No. 3, Unit K, Section 21
 Navajo "E" Well No. 2, Unit I, Section 21
 Ojo Amarillo Well No. 2, Unit C, Section 27
 Navajo L Well No. 1, Unit E, Section 26
 Navajo L Well No. 4, Unit O, Section 26
 Navajo L Well No. 5, Unit E, Section 36

(11) That Tenneco Oil Company is hereby authorized to operate the Tenneco Lone Pine Dakota "D" Waterflood Project, Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico, in accordance with the following:

A. Injection into the Tenneco Lone Pine Dakota "D" Waterflood Project shall be through the following described wells:

Well	Unit	Section	Township	Range
SFPRR No. 12	I	7	17N	8W
Lone Pine No. 1	D	19	17N	8W
Hospah No. 44	P	12	17N	9W
SFPRR No. 6	H	13	17N	9W
SFPRR No. 10	B	13	17N	9W

(12) That James P. Woosley is hereby authorized to operator the Woosley Many Rocks Gallup Waterflood Project No. 4, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Woosley Many Rocks Gallup Waterflood Project No. 4 shall be through the following described wells in Township 32 North, Range 17 West, NMPM:

Injection Well, Unit D, Section 27
 Injection Well, Unit O, Section 27
 Injection Well, Unit I, Section 28

(13) That each of the above-described waterflood projects shall be operated in accordance with Rules 701, 702, and 703 of the Division Rules and Regulations.

(14) That monthly reports concerning said waterflood projects shall be filed in accordance with Rule 1115 of the Division Rules and Regulations.

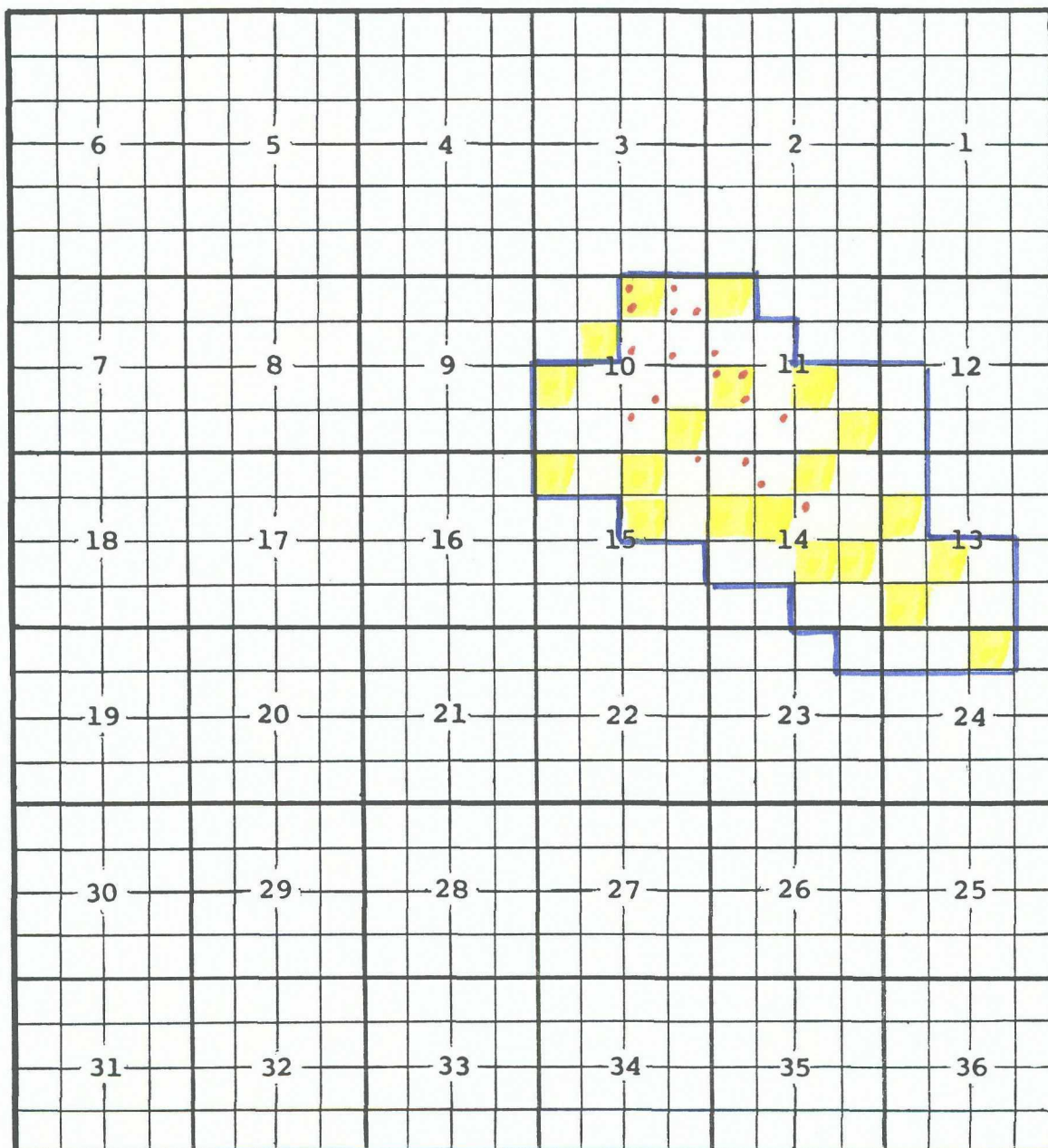
(15) That the injection wells herein authorized for each of the subject projects as well as such additional wells which have been previously authorized for pressure maintenance injection are hereby approved for injection purposes until further order of the Division.


(16) 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.

COUNTY SAN JUAN POOL HORSESHOE-GALLUP OIL POOL

TOWNSHIP 30 NORTH RANGE 16 WEST NMPM



 Units with injection wells in Northeast Hogback Waterflood Project per Order No. R-6172.

 Project area per Order No. R-2026, and Gallup Participating Area.

 Infill wells.

REVISED OWNERSHIP SCHEDULE
THE GALLUP PARTICIPATING AREA
NORTHEAST HOGBACK UNIT
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE DECEMBER 18, 1969

Tract No.	Description of Land	Serial No. and Date of Lease	Basic Royalty Owner % of 8/8	Owner of Record	Overrides & Production Payments %	Working Owner % of Lease	Acres	Percent Participation
6	NW/4 Sec. 14-30N-16W	NM-04407 7-1-52	USA 12.50	Amoco Production Company	5.00	Clinton Oil Company	100 160.00	7.708614
7	N/2 SW/4 and SE/4 Sec. 14-30N-16W	NM-04407-A 7-1-52	USA 12.50	Amoco Production	4.00	Clinton Oil Company	100 240.00	11.562922
7	N/2 NW/4 Sec. 24-30N-16W	NM-04407-A 7-1-52	USA 12.50	Amoco Production	4.00	Clinton Oil Company	100 80.00	3.854307
11	Lot 1, SW/4 NE/4, NE/4 NW/4, NW/4 NE/4 Sec. 15-30N-16W	NM-04443 1-1-52	USA 12.50	Amoco Production	5.00	Clinton Oil Company	100 158.56	7.639237
13	NE/4 NE/4 Sec. 23-30N-16W	NM-04443-B 1-1-52	USA 12.50	Amoco Production	5.00	Clinton Oil Company	100 40.00	1.927154
13	NW/4 NE/4 Sec. 24-30N-16W	NM-04443-B 1-1-52	USA 12.50	Amoco Production	5.00	Clinton Oil Company	100 40.00	1.927154
15	W/2 NE/4 Sec. 14-30N-16W	NM-04444	USA 12.50	J. R. Abraham	3.00	J. R. Abraham	100 80.00	3.854307
16	S/2 SW/4 Sec. 13-30N-16W	NM-05859 8-1-51	USA 12.50	Amoco Production	3.00	Clinton Oil Company	100 80.00	3.854307
17	E/2 NE/4 Sec. 15-30N-16W	NM-06686 3-1-55	USA 12.50	Amoco Production	5.00	Clinton Oil Company	100 80.00	3.854307

OWNERSHIP SCHEDULE

Tract No.	Description of Land	Serial No. and Date of Lease	Basic Royalty		Owner of Record	Overrides & Production Payments %	Working Interest		Acres	Percent Participation
			Owner	% of 8/8			Owner	% of Lease		
18	NW/4 SW/4 Sec. 12-30N-16W	SF-081298 10-1-51	USA	12.50	El Paso Natural Gas Products Co.	4.00	El Paso Natural Gas Products Co. Colorado Oil & Gas Corporation	50 50	(40.00)	0.00000
19	NW/4 SE/4 Sec. 13-30N-16W	SF-081298-A 10-1-51	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	40.00	1.927154
20	SW/4 NE/4, NE/4 SE/4 Sec. 11-30N-16W	SF-081299 10-1-51	USA	12.50	El Paso Natural Gas Products Co.	4.00	El Paso Natural Gas Products Co. Colorado Oil & Gas Corporation	50 50	(80.00)	0.00000
20	SW/4 SW/4 Sec. 12-30N-16W	SF-081299 10-1-51	USA	12.50	El Paso Natural Gas Products Co.	4.00	El Paso Natural Gas Products Co. Colorado Oil & Gas Corporation	50 50	(40.00)	0.00000
21-A	SW/4 SE/4 Sec. 13-30N-16W	SF-081299-A 10-1-51	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	40.00	1.927154
21-B	SW/4 NW/4, N/2 SW/4 Sec. 13-30N-16W	SF-081299-A 10-1-51	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	120.00	5.781461
21-C	NW/4 NW/4 Sec. 13 E/2 NE/4 Sec. 14 30N-16W	SF-081299-A 10-1-51	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	120.00	5.781461
35	NE/4 Sec. 10-30N-16W	NM-077281 7-1-52	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	160.00	7.708614
35	Lots 3 & 4, E/2 SW/4 Sec. 10-30N-16W	NM-077281 7-1-52	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	157.04	7.566005
36	NW/4, N/2 SW/4, SW/4 SW/4 Sec. 11-30N-16W	NM-077282 1-1-52	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	280.00	13.490075

OWNERSHIP SCHEDULE

<u>Tract No.</u>	<u>Description of Land</u>	<u>Serial No. and Date of Lease</u>	<u>Basic Royalty Owner % of 8/8</u>	<u>Owner of Record</u>	<u>Overrides & Production Payments %</u>	<u>Working Interest Owner % of Lease</u>	<u>Acres</u>	<u>Percent Participation</u>
37	SE/4 SW/4 Sec. 11-30N-16W	NM-077283 1-1-52	USA 12.50	Amoco Production	5.00	Clinton Oil Company 100	40.00	1.927154
38	S/2 SE/4 Sec. 10-30N-16W	NM-077284 3-1-55	USA 12.50	Amoco Production	5.00	Clinton Oil Company 100	80.00	3.854307
39	N/2 SE/4 Sec. 10-30N-16W	NM-04444 4-1-52	USA 12.50	J. R. Abraham	3.00	J. R. Abraham 100	80.00	3.854307

Acreage in () is not committed to Unit

RECAPITULATION

<u>Type of Acreage</u>	<u>Committed Acres</u>	<u>Uncommitted Acres</u>	<u>Total Acres</u>
Federal	2075.60	160.00	2235.60

(HORSESHOE-GALLUP (PRESSURE MAINTENANCE
PROJECT NO. 4) POOL - Cont'd.)

that the injection well shall be assigned a top unit allowable, that the allowable for the project shall be the sum of the allowables of the producing well and the injection well, that the allowable for the injection well may be transferred to the producing well, and that the allowable for the project shall not exceed two times top unit allowable for the Horseshoe-Gallup Oil Pool.

(6) That the subject application should be approved and that the project should be designated as the Horseshoe-Gallup Pressure Maintenance Project No. 4.

(7) That the project area for said project should be defined as the SW/4 of Section 33, Township 32 North, Range 17 West, NMPM.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool, to be designated the Horseshoe-Gallup Pressure Maintenance Project No. 4, comprising the SW/4 of Section 33, Township 32 North, Range 17 West, NMPM, San Juan County, New Mexico, by the injection of water into the Gallup formation through the Navajo "M" Well No. 2, located 1980 feet from the South line and 1980 feet from the West line of said Section 33.

(2) That the injection well shall be assigned a top unit allowable; that the allowable for the project shall be the sum of the allowables of the producing well and the injection well; and that the allowables for the injection well may be transferred to the producing well.

PROVIDED HOWEVER, That the allowable for the project shall not exceed two times the top unit allowable for the Horseshoe-Gallup Oil Pool.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

BISTI-LOWER GALLUP POOL
CHA CHA-GALLUP POOL
HORSESHOE-GALLUP POOL
LONE PINE-DAKOTA "D" POOL
MANY ROCKS-GALLUP POOL
(Certain Pressure Maintenance Projects Reclassified)
San Juan and McKinley Counties, New Mexico

Order No. R-6172, Rescinding Various Orders Authorizing Pressure Maintenance Projects and Reclassifying Certain Pressure Maintenance Projects as Secondary Recovery Projects in the Bisti-Lower Gallup, Cha Cha-Gallup, Horseshoe-Gallup, Lone Pine-Dakota "D", and Many Rocks-Gallup Pools, San Juan and McKinley Counties, New Mexico, November 2, 1979.

In the Matter of the Hearing Called by the Oil Conservation Division on its Own Motion to Consider the Reclassification of Certain Pressure Maintenance Projects in San Juan and McKinley Counties, New Mexico, as Secondary Recovery Projects.

CASE NO. 6093
Order No. R-6172

ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 9 a.m. on November 30, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 1979, 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 Oil Conservation Division heretofore authorized the following Northwest New Mexico pressure maintenance projects in the named pools by the designated order:

PROJECT	POOL	ORDER NO.
Atlantic Horse-shoe Gallup	Horseshoe-Gallup	R-2210
Dugan Central Cha Cha Unit	Cha Cha-Gallup	R-2305
Energy Reserves Horseshoe Gallup No. 3	Horseshoe-Gallup	R-1876
Energy Reserves NE Hogback	Horseshoe-Gallup	R-2026
Eng. & Prod. Serv. Horseshoe Gallup No. 2	Horseshoe-Gallup	R-1745
Eng. & Prod. Serv. Many Rocks Gallup No. 1	Many Rocks-Gallup	R-2541
Getty Many Rocks Gallup No. 3	Many Rocks-Gallup	R-2664

REVISED OWNERSHIP SCHEDULE
THE GALLUP PARTICIPATING AREA
NORTHEAST HOGBACK UNIT
SAN JUAN COUNTY, NEW MEXICO
EFFECTIVE DECEMBER 18, 1969

Tract No.	Description of Land	Serial No. and Date of Lease	Basic Royalty		Owner of Record	Overrides & Production Payments %	Working Interest		Acres	Percent Participation
			Owner	% of 8/8			Owner	% of Lease		
6	NW/4 Sec. 14-30N-16W	NM-04407 7-1-52	USA	12.50	Amoco Production Company	5.00	Clinton Oil Company	100	160.00	7.708614
7	N/2 SW/4 and SE/4 Sec. 14-30N-16W	NM-04407-A 7-1-52	USA	12.50	Amoco Production	4.00	Clinton Oil Company	100	240.00	11.562922
7	N/2 NW/4 Sec. 24-30N-16W	NM-04407-A 7-1-52	USA	12.50	Amoco Production	4.00	Clinton Oil Company	100	80.00	3.854307
11	Lot 1, SW/4 NE/4, NE/4 NW/4, NW/4 NE/4 Sec. 15-30N-16W	NM-04443 1-1-52	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	158.56	7.639237
13	NE/4 NE/4 Sec. 23-30N-16W	NM-04443-B 1-1-52	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	40.00	1.927154
13	NW/4 NE/4 Sec. 24-30N-16W	NM-04443-B 1-1-52	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	40.00	1.927154
15	W/2 NE/4 Sec. 14-30N-16W	NM-04444	USA	12.50	J. R. Abraham	3.00	J. R. Abraham	100	80.00	3.854307
16	S/2 SW/4 Sec. 13-30N-16W	NM-05859 8-1-51	USA	12.50	Amoco Production	3.00	Clinton Oil Company	100	80.00	3.854307
17	E/2 NE/4 Sec. 15-30N-16W	NM-06686 3-1-55	USA	12.50	Amoco Production	5.00	Clinton Oil Company	100	80.00	3.854307

OWNERSHIP SCHEDULE

Tract No.	Description of Land	Serial No. and Date of Lease	Basic Royalty		Owner of Record	Overrides & Production Payments %		Working Interest		Acres	Percent Participation
			Owner	% of 8/8		Owner	%	Owner	% of Lease		
18	NW/4 SW/4 Sec. 12-30N-16W	SF-081298 10-1-51	USA	12.50	El Paso Natural Gas Products Co.	4.00		El Paso Natural Gas Products Co. Colorado Oil & Gas Corporation	50 50	(40.00)	0.00000
19	NW/4 SE/4 Sec. 13-30N-16W	SF-081298-A 10-1-51	USA	12.50	Amoco Production	5.00		Clinton Oil Company	100	40.00	1.927154
20	SW/4 NE/4, NE/4 SE/4 Sec. 11-30N-16W	SF-081299 10-1-51	USA	12.50	El Paso Natural Gas Products Co.	4.00		El Paso Natural Gas Products Co. Colorado Oil & Gas Corporation	50 50	(80.00)	0.00000
20	SW/4 SW/4 Sec. 12-30N-16W	SF-081299 10-1-51	USA	12.50	El Paso Natural Gas Products Co.	4.00		El Paso Natural Gas Products Co. Colorado Oil & Gas Corporation	50 50	(40.00)	0.00000
21-A	SW/4 SE/4 Sec. 13-30N-16W	SF-081299-A 10-1-51	USA	12.50	Amoco Production	5.00		Clinton Oil Company	100	40.00	1.927154
21-B	SW/4 NW/4, N/2 SW/4 Sec. 13-30N-16W	SF-081299-A 10-1-51	USA	12.50	Amoco Production	5.00		Clinton Oil Company	100	120.00	5.781461
21-C	NW/4 NW/4 Sec. 13 E/2 NE/4 Sec. 14 30N-16W	SF-081299-A 10-1-51	USA	12.50	Amoco Production	5.00		Clinton Oil Company	100	120.00	5.781461
35	NE/4 Sec. 10-30N-16W	NM-077281 7-1-52	USA	12.50	Amoco Production	5.00		Clinton Oil Company	100	160.00	7.708614
35	Lots 3 & 4, E/2 SW/4 Sec. 10-30N-16W	NM-077281 7-1-52	USA	12.50	Amoco Production	5.00		Clinton Oil Company	100	157.04	7.566005
36	NW/4, N/2 SW/4, SW/4 SW/4 Sec. 11-30N-16W	NM-077282 1-1-52	USA	12.50	Amoco Production	5.00		Clinton Oil Company	100	280.00	13.490075

OWNERSHIP SCHEDULE

Page 3

<u>Tract No.</u>	<u>Description of Land</u>	<u>Serial No. and Date of Lease</u>	<u>Basic Royalty Owner % of 8/8</u>	<u>Owner of Record</u>	<u>Overrides & Production Payments %</u>	<u>Working Interest Owner % of Lease</u>	<u>Acres</u>	<u>Percent Participation</u>
37	SE/4 SW/4 Sec. 11-30N-16W	NM-077283 1-1-52	USA 12.50	Amoco Production	5.00	Clinton Oil Company 100	40.00	1.927154
38	S/2 SE/4 Sec. 10-30N-16W	NM-077284 3-1-55	USA 12.50	Amoco Production	5.00	Clinton Oil Company 100	80.00	3.854307
39	N/2 SE/4 Sec. 10-30N-16W	NM-04444 4-1-52	USA 12.50	J. R. Abraham	3.00	J. R. Abraham 100	80.00	3.854307

Acreage in () is not committed to Unit

RECAPITULATION

<u>Type of Acreage</u>	<u>Committed Acres</u>	<u>Uncommitted Acres</u>	<u>Total Acres</u>
Federal	2075.60	160.00	2235.60

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 1769
Order No. R-1494

THE APPLICATION OF PAN AMERICAN
PETROLEUM CORPORATION FOR APPROVAL
OF THE NORTHEAST HOGBACK UNIT
AGREEMENT EMBRACING 10,572 ACRES,
MORE OR LESS, LOCATED IN TOWNSHIP
30 NORTH, RANGE 16 WEST, NMPM,
SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 30, 1959 at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 19th day of October, 1959, the Commission, a quorum being present, having considered the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

1. That this order shall be known as the NORTHEAST HOGBACK UNIT AGREEMENT ORDER.

2. (a) That the project herein referred to shall be known as the NORTHEAST HOGBACK Unit Agreement and shall hereinafter be referred to as the "Project."

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Case No. 1769
Order No. R-1494

(b) That the Plan by which the project shall be operated shall be embraced in the form of a unit agreement for the development and operation of the NORTHEAST HOGBACK Unit Area, referred to in the Petitioner's petition and filed with said petition, and such plan shall be known as the NORTHEAST HOGBACK Unit Agreement Plan.

3. That the NORTHEAST HOGBACK Unit Agreement Plan shall be, and hereby is, approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing in any manner any right, duties, or obligations which are now, or may hereafter, be vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said NORTHEAST HOGBACK Unit Agreement, or relative to the production of oil and gas therefrom.

4. (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 30 NORTH, RANGE 16 WEST

Section 11:	E/2
Section 12:	All
Section 13:	All
Section 14:	All
Section 15:	All
Section 16:	Lots 3, 4, E/2 SW/4, SE/4
Section 21:	Lots 1 to 16 inclusive
Section 22:	All
Section 23:	All
Section 24:	All
Section 25:	All
Section 26:	All
Section 27:	All
Section 28:	Lots 1 to 16 inclusive
Section 33:	Lots 1 to 7 inclusive, E/2 NW/4, NE/4, N/2 SE/4, NE/4 SW/4
Section 34:	All
Section 35:	All
Section 36:	All

containing 10,571.86 acres more or less.

(b) The unit area may be enlarged or contracted as provided in said Plan. Provided, however, that administrative approval for expansion of the unit area must also be obtained from the Secretary-Director of the Oil Conservation Commission of New Mexico.

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Case No. 1769
Order No. R-1494

5. That the unit operator shall file with the Commission an executed original or executed counterpart of the NORTHEAST HOGBACK Unit Agreement within 30 days after the effective date thereof.

6. That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to such agreement or counterpart thereof, or by ratifying the same. The unit operator shall file with the Commission within 30 days an original of any such counterpart or ratification.

7. That this Order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey and the Commissioner of Public Lands for the State of New Mexico and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2317
Order No. R-2026

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR A PRESSURE MAINTENANCE
PROJECT IN THE HORSESHOE-GALLUP OIL
POOL, SAN JUAN COUNTY, NEW MEXICO, AND
FOR SPECIAL RULES GOVERNING THE OPERA-
TION OF SAID PROJECT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 28, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of July, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Pan American Petroleum Corporation, proposes to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool in Township 30 North, Range 16 West, San Juan County, New Mexico, by the injection of water into the Gallup formation through 20 wells initially, all of which wells are within the proposed project area.

(3) That the proposed pressure maintenance project, to be known as the Northeast Hogback Pressure Maintenance Project, includes lands formerly designated by Order No. R-1494 as part of the Northeast Hogback Unit.

(4) That the applicant proposes that the Special Rules and Regulations to be established for the Northeast Hogback Pressure Maintenance Project be identical with the rules established by Order No. R-1699 for The Atlantic Refining Company Horseshoe-Gallup Pressure Maintenance Project.

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CASE No. 2317

Order No. R-2026

(5) That such identical rules should be established in order to prevent conflict in the event the two projects eventually merge.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, by the injection of water into the Gallup formation through the following-described wells in Township 30 North, Range 16 West:

PAN AMERICAN PETROLEUM CORPORATION

Northeast Hogback Unit Well No. 4, Unit J, Section 14
Northeast Hogback Unit Well No. 6, Unit B, Section 15
Northeast Hogback Unit Well No. 10, Unit E, Section 14
Northeast Hogback Unit Well No. 11, Unit F, Section 14
Northeast Hogback Unit Well No. 13, Unit E, Section 13
Northeast Hogback Unit Well No. 14, Unit I, Section 14
Northeast Hogback Unit Well No. 16, Unit K, Section 13
Northeast Hogback Unit Well No. 17, Unit M, Section 13
Northeast Hogback Unit Well No. 20, Unit B, Section 24
Northeast Hogback Unit Well No. 21, Unit D, Section 15
Northeast Hogback Unit Well No. 22, Unit G, Section 15
Northeast Hogback Unit Well No. 23, Unit B, Section 10
Northeast Hogback Unit Well No. 25, Unit D, Section 11
Northeast Hogback Unit Well No. 29, Unit F, Section 11
Northeast Hogback Unit Well No. 30, Unit L, Section 10
Northeast Hogback Unit Well No. 32, Unit L, Section 11
Northeast Hogback Unit Well No. 37, Unit P, Section 10

EL PASO NATURAL GAS PRODUCTS COMPANY

Williams Well No. 2, Unit P, Section 11
Williams Well No. 3, Unit J, Section 11

ABRAHAM

Federal Well No. 3, Unit B, Section 14

(2) That Special Rules and Regulations governing the operation of the Northeast Hogback Pressure Maintenance Project, San Juan County, New Mexico, are hereby promulgated, as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
NORTHEAST HOGBACK PRESSURE MAINTENANCE PROJECT

RULE 1. The project area of the Northeast Hogback Pressure Maintenance Project, hereinafter referred to as the Project, shall

comprise the following-described acreage in San Juan County, New Mexico:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM

Section 10: E/2 and SW/4
Section 11: SW/4 NE/4, W/2 and the SE/4
Section 12: W/2 SW/4
Section 13: SW/4, W/2 NW/4 and the W/2 SE/4
Section 14: N/2, N/2 SW/4 and the SE/4
Section 15: NE/4 and the N/2 NW/4
Section 23: NE/4 NE/4
Section 24: NW/4 NE/4 and the N/2 NW/4

RULE 2. The allowable for the Project shall be the sum of the allowables of the several wells within the project area, including those wells which are shut-in, curtailed, or used as injection wells. Allowables for all wells shall be determined in a manner hereinafter prescribed.

RULE 3. Allowables for injection wells may be transferred to producing wells within the project area, as may the allowables for producing wells which, in the interest of more efficient operation of the Project, are shut-in or curtailed because of high gas-oil ratio or are shut-in for any of the following reasons: pressure regulation, control of pattern or sweep efficiencies, or to observe changes in pressures or changes in characteristics of reservoir liquids or progress of sweep.

RULE 4. The allowable assigned to any well which is shut-in or which is curtailed in accordance with the provisions of Rule 3, which allowable is to be transferred to any well or wells in the project area for production, shall in no event be greater than its ability to produce during the test prescribed by Rule 6, below, or greater than the current top unit allowable for the pool during the month of transfer, whichever is less.

RULE 5. The allowable assigned to any injection well on a 40-acre proration unit shall be top unit allowable for the Horse-shoe-Gallup Oil Pool.

RULE 6. The allowable assigned to any well which is shut-in or curtailed in accordance with Rule 3, shall be determined by a 24-hour test at a stabilized rate of production, which shall be the final 24-hour period of a 72-hour test throughout which the well should be produced in the same manner and at a constant rate. The daily tolerance limitation set forth in Commission Rule 502 I (a) and the limiting gas-oil ratio (2,000 to 1) for the Horseshoe-Gallup Oil Pool shall be waived during such tests. The project operator shall notify all operators offsetting the well, as well as the Commission, of the exact time such tests are to be conducted. Tests may be witnessed by representatives of the offsetting operators and the Commission, if they so desire.

RULE 7. The allowable assigned to each producing well in the Project shall be equal to the well's ability to produce or to top unit allowable for the Horseshoe-Gallup Oil Pool, whichever is less, provided that any producing well in the project area which directly or diagonally offsets a well outside the project area producing from the same common source of supply shall not produce in excess of two times top unit allowable for the pool. Each producing well shall be subject to the limiting gas-oil ratio (2,000 to 1) for the Horseshoe-Gallup Oil Pool, except that any well or wells within the project area producing with a gas-oil ratio in excess of 2,000 cubic feet of gas per barrel of oil may be produced on a "net" gas-oil ratio basis, which net gas-oil ratio shall be determined by applying credit for daily average gas injected, if any, into the Horseshoe-Gallup Oil Pool within the project area to such high gas-oil ratio well. The daily adjusted oil allowable for any well receiving gas injection credit shall be determined in accordance with the following formula:

$$A_{adj} = TUA \times F_a \times \frac{P_g - I_g}{P_o}$$

where:

A_{adj} = the well's daily adjusted allowable

TUA = top unit allowable for the pool

F_a = the well's acreage factor

P_g = average daily volume of gas produced by the well during the preceding month, cubic feet

I_g = the well's allocated share of the daily average gas injected during the preceding month, cubic feet

P_o = average daily volume of oil produced by the well during the preceding month, barrels

In no event shall the amount of injected gas being credited to a well be such as to cause the net gas-oil ratio, $\frac{P_g - I_g}{P_o}$, to be less than 2,000 cubic feet of gas per barrel of oil produced.

RULE 8. Credit for daily average net water injected into the Horseshoe-Gallup Oil Pool through any injection well located within the project area may be converted to its gas equivalent and applied to any well producing with a gas-oil ratio in excess

of two thousand cubic feet of gas per barrel of oil. Total credit for net water injected in the project area shall be the gas equivalent volume of the daily average net water injected during a one-month period. The daily average gas equivalent of net water injected shall be computed in accordance with the following formula:

$$E_g = (V_w \text{ inj} - V_w \text{ prod}) \times 5.61 \times \frac{P_a}{15.025} \times \frac{520^\circ}{T_r} \times \frac{1}{Z}$$

where:

- E_g = Average daily gas equivalent of net water injected, cubic feet
- $V_w \text{ inj}$ = Average daily volume of water injected, barrels
- $V_w \text{ prod}$ = Average daily volume of water produced, barrels
- 5.61 = Cubic foot equivalent of one barrel of water
- P_a = Average reservoir pressure at mid-point of the pay-zones of Horseshoe-Gallup Oil Pool in project area, psig + 12.01, as determined from most recent survey
- 15.025 = Pressure base, psi
- 520° = Temperature base of 60°F expressed as absolute temperature
- T_r = Reservoir temperature of 87°F expressed as absolute temperature (547°R)
- Z = Compressibility factor from analysis of Horseshoe-Gallup gas at average reservoir pressure, P_a , interpolated from compressibility tabulation below:

Reservoir Pressure	Z	Reservoir Pressure	Z	Reservoir Pressure	Z
50	.9725	300	.8325	550	.6560
100	.9465	350	.8030	600	.6135
150	.9215	400	.7710	650	.5655
200	.8885	450	.7220	700	.5220
250	.8600	500	.6900	750	.4630
				800	.3935

RULE 9. Each month the project operator shall, within three days after the normal unit allowable for Northwest New Mexico has

been established, submit to the Commission a Pressure Maintenance Project Operator's Report, on a form prescribed by the Commission, outlining thereon the data required, and requesting allowables for each of the several wells in the Project as well as the total Project allowable. The aforesaid Pressure Maintenance Project Operator's Report shall be filed in lieu of Form C-120 for the Project.

RULE 10. The Commission shall, upon review of the report and after any adjustments deemed necessary, calculate the allowable for each well in the Project for the next succeeding month in accordance with these rules. The sum of the allowables so calculated shall be assigned to the Project and may be produced from the wells in the Project in any proportion except that no well in the Project which directly or diagonally offsets a well outside the Project producing from the same common source of supply shall produce in excess of two times top unit allowable for the Pool.

RULE 11. The conversion of producing wells to injection, the drilling of additional wells for injection, and expansion of the project area shall be accomplished only after approval of the same by the Secretary-Director of the Commission. To obtain such approval, the Project operator shall file proper application with the Commission, which application, if it seeks authorization to convert additional wells to injection or to drill additional injection wells shall include the following:

(1) A plat showing the location of proposed injection well, all wells within the project area, and offset operators, locating wells which offset the project area.

(2) A schematic drawing of the proposed injection well which fully describes the casing, tubing, perforated interval, and depth showing that the injection of gas or water will be confined to the Gallup formation.

(3) A letter stating that all offset operators to the proposed injection well have been furnished a complete copy of the application and the date of notification.

The Secretary-Director may approve the proposed injection well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant immediate approval, provided waivers of objection are received from all offset operators.

Expansion of the project area may be approved by the Secretary-Director of the Commission administratively when good cause is shown therefor.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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CASE No. 2317
Order No. R-2026

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secre

S E A L

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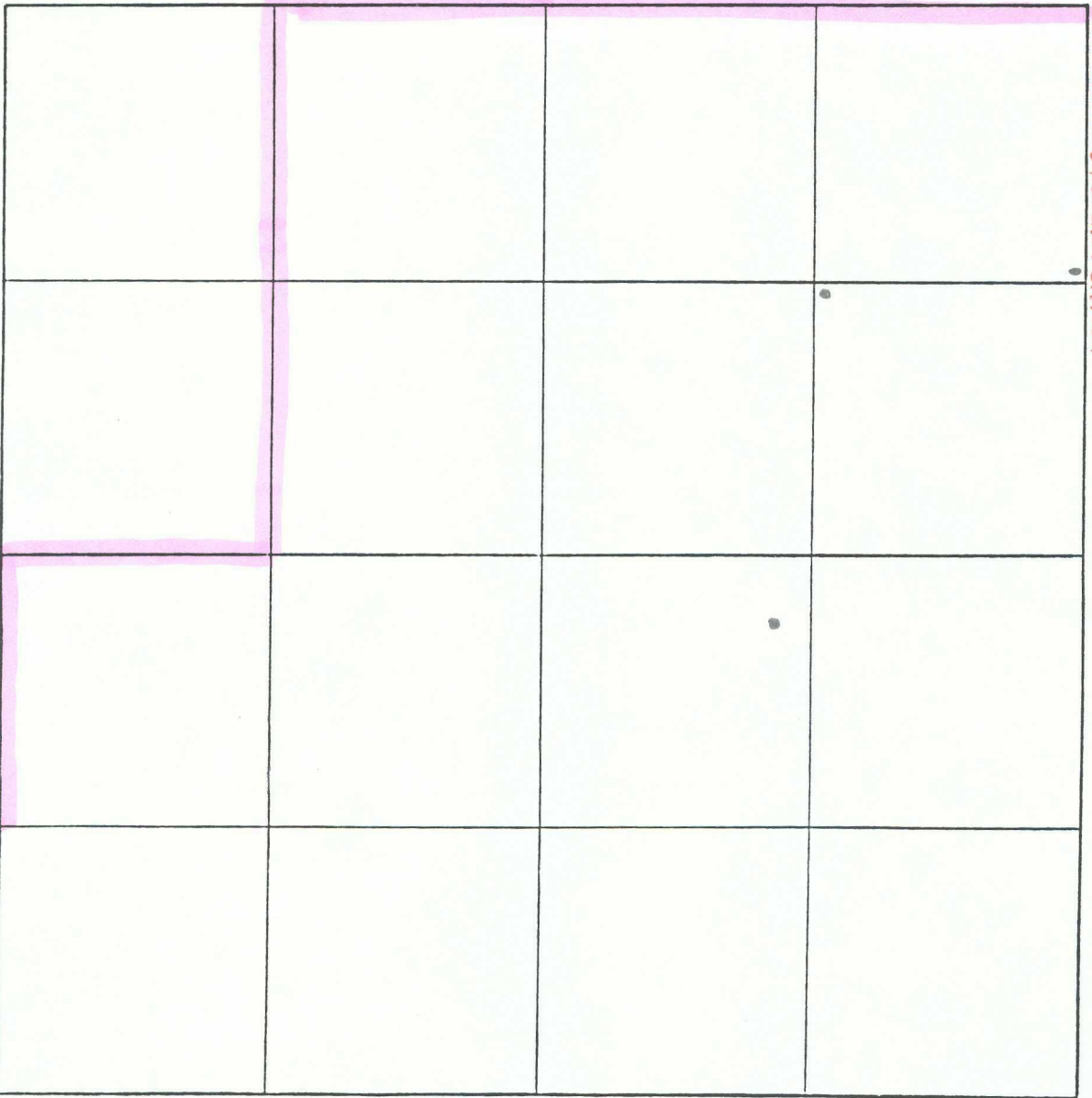
① 38.56			
② 38.54			
③ 38.54			
④ 38.52			

SECTION 15

TOWNSHIP 30 North

RANGE 16 West

Standard 640-acre Section



SECTION 14

TOWNSHIP 30 North

RANGE 16 West

SECTION 11

TOWNSHIP 3D North

RANGE 16 West

Standard 640-acre Section



① 38.42			
③ 38.46			
⑤ 38.50			
⑦ 38.54			

SECTION 10

TOWNSHIP 30 North

RANGE 16 West