

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. 11073
Order No. R-10178

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN
POOLS IN RIO ARRIBA, SAN JUAN, AND
SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 18, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 30th day of August, 1994, 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 gas from the Chacra formation, said pool to bear the designation of Bisti-Chacra Pool. Said Bisti-Chacra Pool was discovered by the Dugan Production Corporation Hendrix Well No. 1 located in Unit B of Section 7, Township 22 North, Range 8 West, NMPM. It was completed in the Chacra formation on May 11, 1993. The top of the perforations is at 1,249 feet.
- (3) There is need for the creation of a new pool in Rio Arriba County,

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New Mexico, for the production of gas from the Pictured Cliffs formation, said pool to bear the designation of Carracas-Pictured Cliffs Pool. Said Carracas-Pictured Cliffs Pool was discovered by the Nassau Resources Inc. Carracas Unit PC 26B Well No. 3 located in Unit C of Section 26, Township 32 North, Range 4 West, NMPM. It was completed in the Pictured Cliffs formation on September 24, 1993. The top of the perforations is at 3,629 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 Dakota formation, said pool to bear the designation of Gallegos-Dakota Oil Pool. Said Gallegos-Dakota Oil Pool was discovered by the Coleman Oil and Gas Company Navajo Smith Well No. 1 located in Unit G of Section 24, Township 26 North, Range 12 West, NMPM. It was completed in the Dakota formation on November 20, 1981. The top of the perforations is at 5,764 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 Pictured Cliffs formation, said pool to bear the designation of Oso-Pictured Cliffs Pool. Said Oso-Pictured Cliffs Pool was discovered by the Meridian Oil Inc. San Juan 28-5 Unit Well No. 228 located in Unit A of Section 24, Township 28 North, Range 5 West, NMPM. It was completed in the Oso-Pictured Cliffs formation on October 10, 1994. The top of the perforations is at 4,357 feet.

(6) There is need for certain extensions to the Alamito-Gallup Oil Pool, the Rio Puerco-Mancos Oil Pool, and the South San Luis-Mesaverde Oil Pool, all in Sandoval County, New Mexico, the BS Mesa-Gallup Pool, the East Blanco-Pictured Cliffs Pool, the South Blanco-Tocito Oil Pool, the Choza Mesa-Pictured Cliffs Pool, the Gavilan-Mancos Oil Pool, the Gobernador-Pictured Cliffs Pool, and the West Lindrith Gallup-Dakota Oil Pool, all in Rio Arriba County, New Mexico, the Ballard-Pictured Cliffs Pool and the Lybrook-Gallup Oil Pool, both in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, the Bisti-Lower Gallup Oil Pool, the South Bisti-Gallup Oil Pool, the Dufers Point Gallup-Dakota Oil Pool, the Fulcher Kutz-Pictured Cliffs Pool, the Horseshoe-Gallup Oil Pool, and the West Kutz-Pictured Cliffs Pool, all in San Juan County, New Mexico, the Blanco-Mesaverde Pool, the Blanco-Pictured Cliffs Pool, and the Otero-Chacra Pool, all in Rio Arriba and San Juan Counties, New Mexico.

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IT IS THEREFORE ORDERED THAT:

(a) A new pool in San Juan County, New Mexico, classified as a gas pool for Chacra production is hereby created and designated as the Bisti-Chacra Pool, consisting of the following described area:

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM
Section 7: NE/4

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

TOWNSHIP 32 NORTH, RANGE 4 WEST, NMPM
Section 26: NW/4

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

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 24: SW/4 NE/4

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

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM
Section 24: NE/4

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

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM
Section 2: NW/4

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TOWNSHIP 23 NORTH, RANGE 8 WEST, NMPM
Section 35: S/2 S/2
Section 36: S/2 SW/4

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

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 2: NE/4

(g) The Ballard-Pictured Cliffs Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 NORTH, RANGE 2 WEST, NMPM
Section 4: NW/4

TOWNSHIP 23 NORTH, RANGE 2 WEST, NMPM
Section 30: S/2

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 11: E/2
Section 12: NW/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
Section 17: All
Section 18: N/2 and SE/4
Section 20: NE/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:

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TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM

Section 17: S/2
Section 18: E/2
Section 19: E/2
Section 20: All
Section 21: W/2
Section 28: W/2
Section 29: E/2

(i) 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 6: W/2 SW/4

TOWNSHIP 23 NORTH, RANGE 11 WEST, NMPM

Section 1: SE/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 12 WEST, NMPM

Section 3: All

(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 29 NORTH, RANGE 7 WEST, NMPM

Section 31: NE/4
Section 32: All

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TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

Sections 1 through 3: All
Section 4: E/2
Section 10: N/2
Section 11: N/2
Section 12: All
Section 13: NE/4

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Section 33: SE/4
Section 34: S/2
Section 35: S/2
Section 36: S/2

(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 3 WEST, NMPM

Section 5: W/2

TOWNSHIP 31 NORTH, RANGE 3 WEST, NMPM

Section 32: SW/4

(m) The South Blanco-Tocito Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM

Section 32: N/2 SW/4

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

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM

Section 16: W/2
Section 17: S/2

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

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 6: N/2

(p) 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 27 NORTH, RANGE 10 WEST, NMPM
Section 35: S/2
Section 36: All

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 4: S/2
Section 5: S/2
Sections 8 and 9: All
Section 10: SW/4

(q) The Gavilan-Mancos 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
Sections 4 and 5: All

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

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM
Section 7: All

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM
Sections 11 and 12: All
Section 14: NE/4

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TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM
Section 31: SE/4 and W/2
Section 32: SW/4

TOWNSHIP 29 NORTH, RANGE 5 WEST, NMPM
Section 26: SE/4
Section 35: E/2
Section 36: All

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

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM
Section 17: W/2 SW/4
Section 19: E/2 NW/4 and E/2
Section 20: W/2

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

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM
Section 17: W/2
Section 19: All
Section 20: W/2
Section 29: NW/4
Section 30: N/2

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 22: NW/4

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

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 19: S/2

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

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 22: SW/4

(w) 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 27 NORTH, RANGE 8 WEST, NMPM
Section 1: SW/4
Section 2: SE/4
Section 17: SW/4
Section 18: S/2
Section 22: S/2
Section 27: N/2

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM
Section 2: SW/4
Section 3: S/2
Section 4: SE/4
Section 9: NE/4
Section 10: N/2
Section 11: NW/4
Section 24: E/2

(x) 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 2 WEST, NMPM
Section 35: W/2

(y) The South San Luis-Mesaverde Oil Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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TOWNSHIP 18 NORTH, RANGE 3 WEST, NMPM
Section 33: SE/4 NW/4

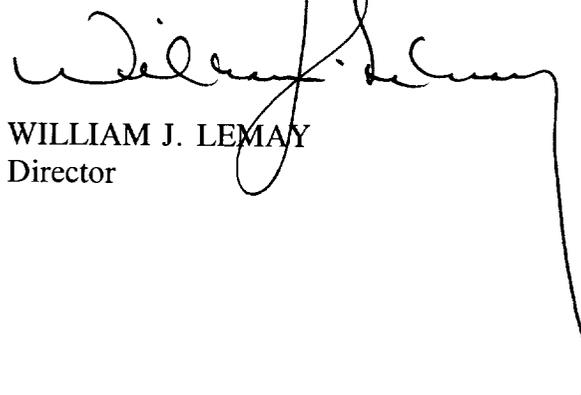
IT IS FURTHER ORDERED THAT;

(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, 1994.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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