

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. 11272  
Order No. R-10357

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 April 20, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 1st day of May, 1995, 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 Rio Arriba County, New Mexico, for the production of oil from the Mancos formation, said pool to bear the designation of Dike Rock-Mancos Oil Pool. Said Dike Rock-Mancos Oil Pool was discovered by the Enre Corporation Leavry Canyon 18 I Well No. 1 located in Unit I of Section 18, Township 27 North, Range 2 West, NMPM. It was completed in the Mancos formation on September 12, 1994. The top of the perforations is at 6,878 feet.

(3) There is need for the dismissal of the proposed creation of the Ensenada-Gallup Oil Pool in Rio Arriba County, New Mexico, pending further study.

(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 Greek-Gallup Oil Pool. Said Greek-Gallup Oil Pool was discovered by the Dugan Production Corporation Pole's Paradise Well No. 2 located in Unit K of Section 9, Township 30 North, Range 14 West, NMPM. It was completed in the Gallup formation on August 8, 1991. The top of the perforations is at 4,927 feet.

(5) There is need for certain extensions to the BS Mesa-Gallup Pool, the Otero-Chacra Pool, the West Puerto Chiquito-Mancos Oil Pool, and the Tapacito-Pictured Cliffs Pool, all in Rio Arriba County, New Mexico, and the Ballard-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, and the Bisti-Chacra Pool, the Cha Cha-Gallup Oil Pool, the Fulcher Kutz-Pictured Cliffs Pool, and the West Kutz-Pictured Cliffs Pool, all in San Juan County, New Mexico, and the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, and the Rusty-Chacra Pool in Sandoval County, New Mexico.

(6) The effective date of this order and all creations and extensions included herein should be June 1, 1995.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Rio Arriba County, New Mexico, classified as an oil pool for Mancos production is hereby created and designated as the Dike Rock-Mnncos Oil Pool, consisting of the following described area:

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM  
Section 18: NE/4 SE/4

(b) The proposed creation of the Ensenada-Gallup Oil Pool in Rio Arriba County, New Mexico, is hereby dismissed.

(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 Greek-Gallup Oil Pool, consisting of the following described area:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM  
Section 9: NW/4 SW/4

(d) 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: SW/4

(e) The Ballard-Pictured Cliffs 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 6 WEST, NMPM  
Section 7: SW/4  
Section 18: W/2

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

TOWNSHIP 22 NORTH, RANGE 9 WEST, NMPM  
Section 1: N/2 and SW/4

TOWNSHIP 23 NORTH, RANGE 9 WEST, NMPM  
Section 36: SW/4

(g) 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 26 NORTH, RANGE 6 WEST, NMPM  
Section 19: N/2  
Section 20: SW/4  
Section 29: W/2  
Section 32: All

(h) The Cha Cha-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 14 WEST, NMPM  
Section 23: N/2 SW/4

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

Case No. 11272  
Order No. R-10357  
-4-

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM  
Section 27: SE/4  
Section 35: SE/4

(j) 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 27 NORTH, RANGE 11 WEST, NMPM  
Section 11: SE/4  
Section 14: NE/4

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM  
Section 20: E/2  
Section 21: W/2

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM  
Section 12: NE/4

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

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM  
Section 13: SW/4  
Section 24: W/2  
Section 25: NW/4

(l) The West Puerto Chiquito-Mancos Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM  
Sections 1 and 2: All

(m) The Rusty-Chacra Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 11272  
Order No. R-10357  
-5-

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM  
Section 5: SW/4  
Section 6: S/2 and NE/4  
Section 7: NE/4  
Sections 8 and 9: All  
Section 15: N/2 and SW/4  
Section 16: All  
Section 17: N/2  
Section 21: NW/4  
Section 22: NW/4

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

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM  
Section 19: SE/4

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM  
Section 15: SW/4  
Section 22: S/2 and NW/4  
Section 23: S/2  
Section 26: N/2  
Section 27: N/2

IT IS FURTHER ORDERED THAT

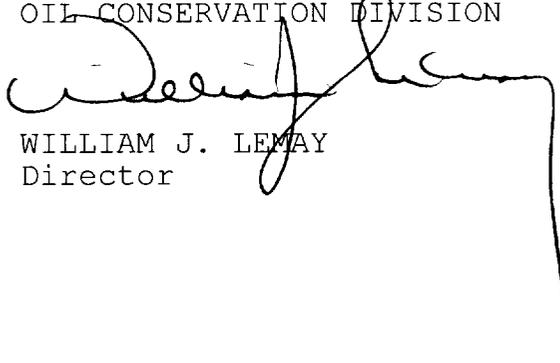
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective 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 June 1, 1995.

Case No. 11272  
Order No. R-10357  
-6-

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the name.

WILLIAM J. LEMAY  
Director

S E A L

fd/