Entered august 1, 19:18

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 6282 Order No. R-5779

THE APPLICATION OF THE OIL CONSERVATION DIVISION ON ITS OWN MOTION FOR AN ORDER ABOLISHING, CONTRACTING, EXTENDING AND REDEFINING CERTAIN POOLS IN MCKINLEY, RIO ARRIBA, SANDOVAL, AND SAN JUAN COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 19, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>lst</u> day of August, 1978, the Division Director being present and 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 there is a need for the abolishment of the Ojito-Gallup Oil Pool in Rio Arriba County, New Mexico, and all acreage to go to the newly expanded Ojito Gallup-Dakota Oil Pool.

(3) That there is a need for the abolishment of the Nipp-Pictured Cliffs Pool in San Juan County, New Mexico, and all acreage to go to the newly expanded WAW Fruitland-Pictured Cliffs Pool.

(4) That there is need to extend the vertical limits of the Ojito-Dakota Oil Pool in Ric Arriba County, New Mexico, to include the Gallup formation, to redefine said pool as the Ojito Gallup-Dakota Oil Pool and to extend the horizontal limits thereof.

(5) That there is need to extend the vertical limits of the WAW-Fruitland Pool in San Juan County, New Mexico, to include the Pictured Cliffs formation, to redefine said pool as the WAW

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Fruitland-Pictured Cliffs Pool and to extend the horizontal limits thereof.

(6) That there is need to contract the South Gallegos-Fruitland Pool in San Juan County, New Mexico.

(7) That there is need for the extension of the South Hospah-Lower Sand Oil Pool, the South Hospah-Upper Sand Oil Pool, and the Papers Wash-Entrada Oil Pool, all in McKinley County, the Ballard-Pictured Cliffs Pool and the South Blanco-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, the BS Mesa-Gallup Pool in Rio Arriba County, the Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, and the Blanco-Pictured Cliffs Pool, the Bloomfield-Chacra Pool, the Dufers Point Gallup-Dakota Oil Pool, the Fulcher Kutz-Pictured Cliffs Pool, the Kutz-Fruitland Pool, the South Los Pinos Fruitland-Pictured Cliffs Pool, and the Ute Dome-Dakota Pool, in San Juan County, all in New Mexico.

(8) That the proposed extensions to the Chacon Dakota Associated Pool in Rio Arrika and Sandoval Counties, New Mexico, and the Rusty-Chacra Pool should be dismissed.

IT IS THEREFORE ORDERED:

(a) That the Ojito-Gallup Oil Pool in Rio Arriba County, New Mexico, consisting of the following described area:

> TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM Section 17: SW/4

is hereby abolished.

(b) That the Nipp-Pictured Cliffs Pool in San Juan County, New Mexico, consisting of the following described area:

> TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM Section 2: N/2 and SW/4 Sections 3 and 4: A11 Section 5: SE/4Section 10: M/2 Section 11: S/2 and NW/4Section 14: ME/4TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM Section 5: E/2 S/2 and NW/4Section 7: S/2 and NE/4Section 8:

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> Section 16: SW/4 Sections 17, 18, and 20: All Section 21: S/2 and NW/4 Section 22: S/2 Section 27: W/2 Section 28: All Section 29: N/2 Sections 33, 34, and 35: All TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM Section 1: N/2 and SE/4 Section 2: NE/4 Section 12: E/2 TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM Section 36: S/2

is hereby abolished.

(c) That the South Gallegos-Fruitland Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by deleting:

TOWNSHIP			RANGE	12	WEST,	NMPM
Section	8:	N/2				
Section	9:	N/2				
Section	10:	N/2				

(d) That 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 23 NORTH, RANGE 3 WEST, NMPM Section 7: S/2 Section 8: SW/4

(e) That 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 29 NORTH, RANGE 4 WEST, NMPM Section 5: SW/4

(^f) That the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM Section 9: SE/4

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TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM Section 22: NW/4

(g) That the South Blanco-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 28 NORTH, RANGE 8 WEST, NMPM Section 10: All

(h) That the Bloomfield-Chacra Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 29 NOFTH, RANGE 11 WEST, NMPM Section 9: SW/4

(i) That 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 4 WEST, NMPM Section 3: SE/4

(j) That the Dufers Point Gallup-Dakota 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 18: W/2

TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM Section 12: W/2 Section 13: NE/4

(k) That 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 29 NORTH, RANGE 11 WEST, NMPM Section 5: SW/4

(1) That the South Hospah-Lower Sand Oil Pool in McKinley County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM Section 6: NW/4 SE/4 TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM Section 12: NW/4 NW/4

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(m) That the South Hospah-Upper Sand Oil Pool in McKinley County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM Section 5: W/2 SW/4 Section 6: S/2 SE/4 Section 7: N/2 NE/4 Section 8: NW/4 NW/4

> TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM Section 12: NW/4 NW/4

(n) That the Kutz-Fruitland 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 33: NW/4

(o) That the South Los Pinos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM Section 2: NE/4 Section 10: NE/4

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

> TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM Section 8: NW/4

(q) That the Ojito-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 17: NW/4

and the vertical limits of said Ojito-Dakota Oil Pool are hereby extended to include therein the Gallup formation and said pool is redefined as the Ojito Gallup-Dakota Oil Pool.

(r) That the Papers Wash-Entrada Oil Pool in McKinley County, New Mexico, as heretofore classified, defined, and -6-Case No. 6282 Order No. R-5779

described, is hereby extended to include therein:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM Section 15: SE/4 SW/4 Section 16: NE/4 SE/4 Section 22: NE/4 NW/4

(s) That the Ute Dome-Dakota Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM Section 24: S/2

(t) That the WAW-Fruitland 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 2: W/2 Section 3: A11 N/2 Section 10: Section 11: Section 14: W/2 and SE/4 NE/4TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM Section 5: E72 W/2 and SE/4 E/2 and SW/4 Section 7: Section 8: $S^{V}/4$ Section 16: Sections 17 and 18: All Section 19: N:E/4 Section 20: Section 21: A11 W/2 and SE/4Section 22: s/2 Section 26: SW/4Sections 27 and 28: A11 Section 29: N/2 Sections 33, 34 and 35: All TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM Section 1: N/2 and SE/4NE/4 Section 2: Section 4: Section 12: NE/4 Е**, 2** TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM Section 30: SW/4

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TOWNSHIP 27		RANGE	13	WEST,	NMPM
Section 18:	W/2				
Section 19:	N/2				
Section 25:	SE/4				
Section 27:	NW/4				
Section 30:	W/2				
Section 34:	SE/4				
Sections 35	and 36	: All			

and the vertical limits of said WAW-Fruitland Pool are hereby extended to include the Pictured Cliffs formation and said pool is redefined as the WAW Fruitland-Pictured Cliffs Pool.

(u) That the proposed expansions of the horizontal limits of the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, and the Rusty-Chacra Pool in Sandoval County, New Mexico, are hereby dismissed.

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953 Comp., contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions or redefinitions, 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 tc 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) That the effective date of this order and all abolishments, contractions, extensions, and redefinitions included herein shall be August 1, 1978.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION Kency JOE D. RAMEY Director

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