Entered November 14, 19>9

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. 6639 Order No. R-6180

APPLICATION OF THE OIL CONSERVATION DIVISION ON ITS OWN MOTION FOR AN ORDER CREATING AND EXTENDING 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 August 22, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>14th</u> 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 there is need for the creation of a new oil pool in McKinley County, New Mexico, for the production of oil from the Mesaverde formation, said pool to bear the designation of Star-Mesaverde Oil Pool. Said Star-Mesaverde Oil Pool was discovered by the WTR Oil Company State Well No. 1 located in Unit D of Section 16, Township 19 North, Range 6 West, NMPM. It was completed in the Mesaverde formation on April 26, 1974. The top of the perforations is at 2174 feet.

(3) That there is need for the creation of a new gas pool in San Juan County, New Mexico, for the production of gas from the Farmington formation, said pool to bear the designation of Bisti-Farmington Pool. Said Bisti-Farmington Pool was discovered by the Dome Petroleum Corporation Hanlad Federal Well No. 1 located in Unit F of Section 31, Township 26 North, Range 12 West, NMPM. It was completed in the Farmington formation on September 10, 1977. The top of the perforations is at 660 feet. -2-Case No. 6639 Order No. R-6180

(4) That there is need for the creation of a new gas pool in San Juan County, New Mexico, for the production of gas from the Fruitland formation, said pool to bear the designation of Farmer-Fruitland Pool. Said Farmer-Fruitland Pool was discovered by the Manana Gas, Inc. Bobbie Herrera Well No. 1 located in Unit K of Section 4, Township 30 North, Range 11 West, NMPM. It was completed in the Fruitland formation on February 14, 1979. The top of the perforations is at 1950 feet.

(5) That there is need for the creation of a new oil pool in San Juan County, New Mexico, for the production of oil from the Pennsylvanian formation, said pool to bear the designation of Big Gap-Pennsylvanian Oil Pool. Said Big Gap-Pennsylvanian Oil Pool was discovered by the Bass Enterprises Production Company Navajo 20 Well No. 1 located in Unit O of Section 20, Township 27 North, Range 19 West, NMPM. It was completed in the Pennsylvanian formation on December 19, 1978. The top of the perforations is at 5589 feet.

(6) That there is need for certain extensions to the Aztec-Fruitland Pool, the Aztec-Pictured Cliffs Pool, the Bisti-Lower Gallup Pool, the Blanco-Pictured Cliffs Pool, the Bloomfield-Farmington Oil Pool, the Harper Hill Fruitland-Pictured Cliffs Pool, the Harris Mesa-Chacra Pool, the Kutz-Fruitland Pool, the West Kutz-Pictured Cliffs Pool, the La Plata-Gallup Oil Pool, the Straight Canyon-Dakota Pool, the WAW Fruitland-Pictured Cliffs Pool, all in San Juan County, New Mexico, and the Blanco Mesaverde Pool, the Escrito-Gallup Associated Pool, the Otero-Chacra Pool, all in Rio Arriba and San Juan Counties, New Mexico, and the South Blanco-Pictured Cliffs Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, and the West Lindrith Gallup-Dakota Oil Pool, the East Blanco-Pictured Cliffs Pool, the Choza Mesa-Pictured Cliffs Pool, the Wild Horse-Gallup Pool, all in Rio Arriba County, New Mexico, and the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, and the Rusty-Chacra Pool in Sandoval County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in McKinley County, New Mexico, classified as an oil pool for Mesaverde production, is hereby created and designated as the Star-Mesaverde Oil Pool, comprising the following described area:

> TOWNSHIP 19 NORTH, RANGE 6 WEST, NMPM Section 16: NW/4

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(b) That a new pool in San Juan County, New Mexico, classified as a gas pool for Farmington production, is hereby created and designated as the Bisti-Farmington Pool, comprising the following described area:

> TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM N/2 and SE/4 Section 4: N/2 Section 5: N/2Section 6: Section 9: NE/4 NW/4Section 10: TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM Section 19: SW/4 Section 20: W/2W/2 Section 31:

(c) That a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, is hereby created and designated as the Farmer-Fruitland Pool, comprising the following described area:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM Section 4: SW/4

(d) That a new pool in San Juan County, New Mexico, classified as an oil pool for Pennsylvanian production, is hereby created and designated as the Big Gap-Pennsylvanian Oil Pool, comprising the following described area:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM Section 20: SE/4

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

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM Section 29: NE/4

(f) That the Aztec-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 11 WEST, NMPM Section 35: E/2

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(g) That the Bisti-Lower Gallup Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 26 NORTH, RANGE 14 WEST, NMPM Section 9: E/2 SE/4 Section 10: SW/4 Section 15: N/2 NE/4

(h) 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 25 NORTH, RANGE 3 WEST, NMPM Section 4: N/2 TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM Section 30: All (Partial Section) Section 31: All (Partial Section) TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM

Section 16: W/2 Section 20: E/2 Section 21: NW/4

(i) 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 4: NW/4 Section 5: NE/4TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM Section 28: SW/4 NW/4 Section 33: TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM Section 7: All (Partial Section) Section 8: Section 11: E/2 E/2 Section 12: All (Partial Section) Section 13: NW/4Section 14: N/2 Section 18: N/2

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(j) That 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 29 NORTH, RANGE 4 WEST, NMPM Section 8: NE/4 Section 9: W/2

(k) That the South Blanco-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 24 NORTH, RANGE 2 WEST, NMPM Section 18: E/2 TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM Section 36: SE/4 TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM Section 19: SE/4 Section 30: All Section 31: All Section 32: All

(1) That the Bloomfield-Farmington Oil 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 25: N/2

(m) That the Chacon-Dakota Associated Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 22 NORTH, RANGE 3 WEST, NMPM Section 3: S/2 Section 10: W/2

> TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM Section 25: SW/4 Section 26: SE/4

> TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM Section 31: S/2 Section 34: SW/4

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(n) That 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 29 NORTH, RANGE 4 WEST, NMPM Section 15: SE/4 Section 22: NE/4

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

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM Section 26: SW/4

(p) That the Harper Hill Fruitland-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 14 WEST, NMPM Section 2: SE/4

> TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM Section 35: N/2 and SE/4

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

> TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM Section 5: NE/4

> TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM Section 32: E/2

(r) 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 32: NE/4

(s) That the West 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 26: SW/4

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(t) That the La Plata-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 32 NORTH, RANGE 13 WEST, NMPM Section 32: N/2 and SW/4

(u) That 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 24 NORTH, RANGE 3 WEST, NMPM Section 6: S/2 (Partial Section) Section 18: All (Partial Section)

> TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM Section 5: N/2 Section 6: N/2 Section 24: SE/4 Section 25: NE/4

(v) That 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 26 NORTH, RANGE 7 WEST, NMPM Section 3: All Section 4: All Section 10: N/2 and SE/4

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

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM Section 20: SE/4 Section 21: E/2 and SW/4

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

> TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM Section 14: SE/4

(y) That the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein: -8-Case No. 6639 Order No. R-6180

> TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM Section 29: S/2 Section 30: E/2 Section 32: N/2 TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM Section 13: E/2 and SW/4 Section 14: SE/4 TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM Section 18: E/2

(z) That the Wild Horse-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 16: S/2

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 70-2-18, NMSA 1978 Comp., 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 nonstandard 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 creations and extensions included herein shall be November 1, 1979.

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

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

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