Entered January 13, 1983

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. 7752 Order No. R-7185

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 16, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>13th</u> day of January, 1983, 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 Rio Arriba County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation of Gavilan-Gallup Oil Pool. Said Gavilan-Gallup Oil Pool was discovered by the Northwest Exploration Company Gavilan Well No. 1 located in Unit A of Section 26, Township 25 North, Range 2 West, NMPM. It was completed in the Gallup formation on March 21, 1982. The top of the perforations is at 6821 feet.

(3) That there is need for the proposed abolishment of the Bloomfield-Chacra Pool in San Juan County, New Mexico, to be dismissed.

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(4) That there is need for the proposed abolishment of the Harris Mesa-Chacra Pool in San Juan County, New Mexico, to be <u>dismissed</u>.

(5) That there is need for the proposed abolishment of the Largo-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to be <u>dismissed</u>.

(6) That there is need for the proposed extension of the Otero-Chacra Pool in Rio Arriba County, New Mexico, to be <u>dismissed</u>.

(7) That there is need for certain extensions to the Aztec-Fruitland Pool, the Bisti-Lower Gallup Oil Pool, the Blanco-Fruitland Pool, the Dufers Point Gallup-Dakota Oil Pool, the Flora Vista-Gallup Pool, the Fulcher Kutz-Pictured Cliffs Pool, the Kutz-Fruitland Pool, the West Kutz-Pictured Cliffs Pool, and the Ojo Fruitland-Pictured Cliffs Pool, all in San Juan County, New Mexico, and the Ballard-Pictured Cliffs Pool and the South Blanco-Pictured Cliffs Pool, both in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, and the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, and the Chacon-Dakota Associated Pool and the Lybrook-Gallup Oil Pool, both in Rio Arriba and Sandoval Counties, New Mexico, and the Devils Fork-Gallup Associated Pool, the Escrito-Gallup Associated Pool, the Gavilan-Pictured Cliffs Pool, the Gobernador-Pictured Cliffs Pool, the Gonzales-Mesaverde Pool, the South Lindrith Gallup-Dakota Oil Pool, the West Lindrith Gallup-Dakota Oil Pool, the Otero-Gallup Oil Pool, and the Tapacito-Pictured Cliffs Pool, all in Rio Arriba County, New Mexico, and the Rusty-Chacra Pool and the San Ysidro-Mancos Oil Pool, both in Sandoval County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM Section 26: NE/4

(b) That the proposed abolishment of the Bloomfield-Chacra Pool in San Juan County, New Mexico, is hereby <u>dismissed</u>. -3-Case No. 7752 Order No. R-7185

(c) That the proposed abolishment of the Harris Mesa-Chacra Pool in San Juan County, New Mexico, is hereby <u>dismissed</u>.

(d) That the proposed abolishment of the Largo-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, is hereby <u>dismissed</u>.

(e) That the proposed extension of the Otero-Chacra Pool in Rio Arriba County, New Mexico, is hereby <u>dismissed</u>.

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

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM Section 8: E/2

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM Section 10: E/2

(g) That 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 5: N/2 and SW/4

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM Section 21: SE/4 Section 27: NE/4

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM Section 15: SW/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM Section 20: SW/4

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

> TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM Section 18: NW/4

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM Section 13: NW/4 Section 14: S/2 NE/4 -4-Case No. 7752 Order No. R-7185

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

> TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM Section 11: SW/4 Section 14: NW/4

(j) 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 26 NORTH, RANGE 5 WEST, NMPM Section 34: E/2

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM Section 21: S/2 Section 25: W/2

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM Section 7: All

TOWNSHIP 32 NORTH, RANGE 13 WEST, NMPM Section 34: N/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 3 WEST, NMPM Section 2: S/2

> TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM Section 34: SW/4

> TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM Section 17: SW/4 Section 18: All

(1) 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 23 NORTH, RANGE 3 WEST, NMPM Section 36: SE/4

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(m) That the Devils Fork-Gallup Associated Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM Section 15: E/2 NE/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM Section 11: W/2 NE/4 Section 12: NE/4 and N/2 SE/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM Section 21: SE/4 Section 22: SW/4 Section 27: W/2 Section 28: NE/4 Section 34: NW/4

(n) That 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 24 NORTH, RANGE 8 WEST, NMPM Section 3: N/2 SW/4 Section 4: N/2 SE/4 TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM Section 7: N/2 Section 33: NE/4

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

> TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM Section 8: SW/4 Section 17: NW/4 Section 34: NE/4

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

> TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM Section 1: SE/4

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(q) 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 28 NORTH, RANGE 11 WEST, NMPM Section 35: All

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

> TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM Section 16: NE/4

(s) That the Gobernador-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 5 WEST, NMPM Section 31: NW/4

(t) That the Gonzales-Mesaverde Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM Section 3: S/2

(u) 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 10 WEST, NMPM Section 26: NW/4 Section 27: NE/4

(v) That 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 32: SE/4

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

> TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM Section 3: SE/4, E/2 NE/4, and SW/4 NE/4

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(x) 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 5: All

> TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM Section 12: S/2

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM Section 32: SW/4

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM Section 15: W/2

(y) 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 6 WEST, NMPM Section 29: NW/4 NW/4

> TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM Section 3: E/2

> TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM Section 35: NE/4 SE/4

(z) That the Ojo Fruitland-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 15 WEST, NMPM Section 35: SW/4

(aa) That the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM Section 9: SE/4 Section 10: SW/4 SW/4 Section 22: NW/4 NW/4 TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM Section 27: SE/4

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

TOWNSHIP 21 NORTH, RANGE 7 WEST, NMPM Section 1: NE/4

(cc) That the San Ysidro-Mancos Oil Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 21 NORTH, RANGE 3 WEST, NMPM Section 28: NW/4 NW/4 Section 29: N/2 NE/4, NW/4, and N/2 SW/4

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

> TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM Section 34: SE/4 Section 35: SW/4

IT IS FURTHER ORDERED:

(1) That 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 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 January 1, 1983.

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

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

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