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. 8953 Order No. R-8273

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 23 and August 6, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this <u>6th</u> day of August, 1986, 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 contraction of the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, in order to place the deleted acreage in the West Lindrith Gallup-Dakota Oil Pool.

(3) There is need for certain extensions to the Angels Peak-Gallup Associated Pool, the Bisti-Lower Gallup Oil Pool, the South Bisti-Gallup Oil Pool, the Blanco-Fruitland Pool, and the WAW Fruitland-Pictured Cliffs Pool, all in San Juan County, New Mexico, and the Blanco-Mesaverde Pool and the Otero-Chacra Pool, both 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 Counselors Gallup-Dakota Oil Pool, the South Lindrith Gallup-Dakota Oil Pool, the West Lindrith Gallup-Dakota Oil Pool, and the Lybrook-Gallup Oil Pool, all in Rio Arriba and Sandoval Counties, New Mexico, and the Rusty-Chacra Pool in Sandoval County, New Mexico. -2-Case No. 8953 Order No. R-8273

(4) The effective date of this order and all contractions and extensions included herein should be August 1, 1986.

IT IS THEREFORE ORDERED THAT:

(a) The Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

> TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM Section 23: NW/4

(b) The Angels Peak-Gallup Associated 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 28: NE/4 and N/2 NW/4

(c) 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 25 NORTH, RANGE 12 WEST, NMPM Section 7: SW/4 Section 18: NW/4 Section 26: NW/4 Section 27: N/2 NW/4 TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM Section 21: SE/4 Section 22: SW/4

(d) 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 4: S/2 and NW/4 Section 9: N/2 Section 10: NW/4 TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM Section 36: E/2 E/2

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

> TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM Section 4: NE/4 Section 9: NE/4 Section 10: NW/4 Section 27: NW/4 Section 28: N/2 Section 29: NE/4 TOWNSHIP 31 NORTH, RANGE 8 WEST, NMPM Section 28: SE/4 Section 33: E/2

(f) 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 26: E/2

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM Section 15: W/2 Section 16: All Section 21: N/2 Section 22: N/2

(g) 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 25 NORTH, RANGE 6 WEST, NMPM Section 7: SW/4 Section 26: NW/4 Section 27: N/2

(h) The Counselors Gallup-Dakota 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 5: N/2 Section 6: E/2 Section 17: NW/4

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(i) The South Lindrith Gallup-Dakota 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 4 WEST, NMPM SW/4 Section 1: Section 17: E/2 Section 20: NE/4

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

> TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM NE/4 Section 9:

> TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM Section 25: W/2

> TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM Section 23: NW/4

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

> TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM Section 6: W/2 W/2 Section 6: Section 7: W/2 NW/4 and N/2 SE/4 TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM Section 1: NE/4 NE/4 E/2, S/2 SW/4, and NE/4 SW/4 Section 24: Section 25: N/2 TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM Section 21: N/2 and SE/4 Section 28: NE/4

The Otero-Chacra Pool in Rio Arriba and San Juan (1) Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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> TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM Section 21: NE/4 Section 22: W/2 Section 24: SE/4 TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM Section 21: SW/4 Section 28: NW/4

(m) 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 6 WEST, NMPM Section 1: W/2 Section 12: E/2

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM Section 28: NW/4

(n) The WAW Fruitland-Pictured Cliffs 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 10: S/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 the said 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all contractions and extensions included herein shall be August 1, 1986. -6-Case No. 8953 Order No. R-8273

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION l > lam Í R. L. STAMETS Director

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