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. 9095 Order No. R-8444

APPLICATION OF CURTIS J. LITTLE FOR THE PROMULGATION OF SPECIAL POOL RULES FOR THE OJITO GALLUP-DAKOTA OIL POOL OR, IN THE ALTERNATIVE, ABOLISH THE OJITO GALLUP-DAKOTA OIL POOL AND EXTEND THE WEST LINDRITH GALLUP-DAKOTA OIL POOL, RIO ARRIBA AND SANDOVAL COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

This cause came on for hearing at 8:15 a.m. on April 8, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this <u>13th</u> day of May, 1987, 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) The applicant, Curtis J. Little, seeks the promulgation of special rules for the Ojito Gallup-Dakota Oil Pool located in Rio Arriba County, New Mexico, including a provision for 160-acre spacing and proration units, or in the alternative, to abolish the Ojito Gallup-Dakota Oil Pool and to concomitantly expand the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the horizontal extent of the abolished pool plus the E/2 NE/4 of Section 21, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

(3) The Ojito Gallup-Dakota Oil Pool is currently governed by the general statewide rules and regulations, including a provision for 40-acre oil spacing and proration units.

-2-Case No. 9095 Order No. R-8444

(4) The West Lindrith Gallup-Dakota Oil Pool located in Rio Arriba and Sandoval Counties, New Mexico, is currently governed by special rules and regulations promulgated by Division Order No. R-4314, dated May 31, 1972, including a provision for 160-acre spacing and proration units.

(5) The applicant failed to provide sufficient geological and engineering evidence to indicate that any of the existing wells within the subject area could effectively and efficiently drain more than 40 acres or to indicate that the two pools shared a common reservoir.

(6) This application should therefore be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application of Curtis J. Little for the promulgation of special rules for the Ojito Gallup-Dakota Oil Pool located in Rio Arriba County, New Mexico, including a provision for 160-acre spacing and proration units, or in the alternative, to abolish said Ojito Gallup-Dakota Oil Pool and to concomitantly expand the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool located in Rio Arriba and Sandoval Counties, New Mexico, to include the horizontal extent of the abolished pool plus the E/2 NE/4 of Section 21, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, is hereby denied.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO, OIL CONSERVATION DIVISION WILLIAM J. LEMAY Director

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