STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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

> CASE NO. 9967 Order No. R-9201

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 13, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this <u>22nd</u> day of June, 1990, 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.

(1) There is need for the contraction of the Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico, because the acreage to be deleted has already been placed in the Counselors Gallup-Dakota Oil Pool.

(2) There is need for certain extensions to the Aztec-Fruitland Sand Pool, the South Bisti-Gallup Oil Pool, and the Hogback-Dakota Oil Pool, all in San Juan County, New Mexico, and the Blanco-Pictured Cliffs Pool and the Escrito-Gallup Associated Pool, both in Rio Arriba and San Juan Counties, New Mexico, and the South Blanco-Pictured Cliffs Pool and the Lybrook-Gallup Oil Pool,

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both in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, and the Counselors Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, and the Gavilan Greenhorn-Graneros-Dakota Oil Pool and the West Puerto Chiquito-Mancos Oil Pool, both in Rio Arriba County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM Section 7: N/2 SE/4

(b) The Aztec-Fruitland Sand 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 27: W/2 Section 28: SE/4

(c) 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 6: W/2 NW/4

> TOWNSHIP 23 NORTH, RANGE 11 WEST, NMPM Section 1: E/2 NE/4

(d) The Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM Section 8: W/2 Section 17: W/2 Section 18: E/2 -3-Case No. 9967 Order No. R-9201

(e) 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 25 NORTH, RANGE 3 WEST, NMPM Section 17: SW/4 Section 18: E/2 Section 19: NE/4 Section 20: N/2

(f) 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 16: W/2 and SE/4 Section 17: NE/4

(g) 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 6 WEST, NMPM Section 30: W/2 NE/4

(h) The Gavilan Greenhorn-Graneros-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 2 WEST, NMPM Section 15: W/2

(i) The Hogback-Dakota Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 29 NORTH, RANGE 16 WEST, NMPM Section 7: NE/4 SW/4

(j) The Lybrook-Gallup Oil Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended -4-Case No. 9967 Order No. R-9201

to include therein:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM Section 32: NW/4 NE/4

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM Section 8: S/2 SE/4 Section 17: NE/4 NE/4

(k) The West Puerto Chiquito-Mancos Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 1 WEST, NMPM Section 3: All

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 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 June 1, 1990.

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

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

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