

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. 11312
Order No. R-10396

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING 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 June 15, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 19th day of June, 1995, 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 creation of a new pool in Rio Arriba County, New Mexico, for the production of gas from the Gallup formation, said pool to bear the designation of Ensenada-Gallup Pool. Said Ensenada-Gallup Pool was discovered by the Meridian Oil Inc. Klein Well No. 28E located in Unit C of Section 33, Township 26 North, Range 6 West, NMPM. It was completed in the Gallup formation on December 15, 1992. The top of the perforations is at 6,238 feet.

(3) There is need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of oil from the Graneros formation, said pool to bear the designation of Lybrook-Graneros Oil Pool. Said Lybrook-Graneros Oil Pool was discovered by the BCO, Inc. State H Well No. 4 located in Unit D of Section 2, Township 23 North, Range 7 West, NMPM. It was completed in the Graneros formation on August 19, 1981. The

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top of the perforations is at 6,272 feet.

(4) There is need for certain extensions to the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, and the Largo-Gallup Pool in Rio Arriba County, New Mexico, and the West Lindrith-Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production is hereby created and designated as the Ensenada-Gallup Pool, consisting of the following described area:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 33: NW/4

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

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 2: NW/4 NW/4

(c) 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 28 NORTH, RANGE 11 WEST, NMPM
Section 17: E/2

(d) The Largo-Gallup Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 3: N/2

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
Section 34: S/2

(e) The West 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 25 NORTH, RANGE 5 WEST, NMPM
Section 17: NE/4

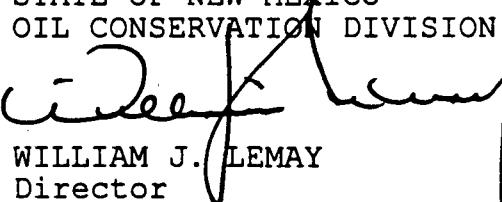
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IT IS FURTHER ORDERED THAT:

(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 creations and extensions included herein shall be July 1, 1995.

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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