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

IN THE MATTER OF APPLICATION OF THE OIL CONSERVATION DIVISION UPON ITS OWN MOTION FOR AN ORDER ABOLISHING AND EXTEDNING CERTAIN POOLS IN MICKENLY, SANDOVAL, AND SAN JUAN COUNTY, NEW MEXICO.

NOMENCLATURE CASE NO. 21283 ORDER NO. R-21400

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on July 9, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Due public notice has been given, and the Division has jurisdiction of the case and the subject matter.
- 2. Katherine Pickford, a geologist in the Oil Conservation Division ("OCD"), testified in support of certain modifications of the West Eagle Mesa-Entrada Oil Pool, Arena Blanca Entrada Southeast Oil Pool, Leggs Entrada Oil Pool, Ojo Encino Entrada Oil Pool, Papers Wash Entrada Oil Pool, and the Ute Dome Morrison Gas Pool located in San Juan, Sandoval, and McKinley Counties.
- 3. No other party entered an apperance or opposed this application.
- 4. The West Eagle Mesa-Entrada Oil Pool, should be abolished because no wells have been drilled in the pool, and the Arena Blanca Entrada Southeast Oil Pool located in Sandoval County should be extended to incorporate the abolished acreage.
- 5. The Arena Blanca Entrada Southeast Oil Pool, Leggs Entrada Oil Pool, Ojo Encino Entrada Oil Pool, Papers Wash Entrada Oil Pool, and the Ute Dome Morrison Gas Pool should be extended to include additional acreage.

CONCLUSIONS OF LAW

- 6. OCD satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

ORDER

8. The West Eagle Mesa-Entrada Oil Pool is hereby abolished.

9. The Arena Blanca Entrada Southeast Oil Pool (Pool Code 96899) is hereby extended to include the following acreage:

TOWNSHIP 19 NORTH, RANGE 4 WEST, NMPM Section 9: NW/4

10. The Leggs Entrada Oil Pool (Pool Code 37880) is hereby extended to include the following acreage:

TOWNSHIP 21 NORTH, RANGE 10 WEST, NMPM Section 10: S/2 S/2

11. The Ojo Encino Oil Pool (Pool Code 48030) is hereby extended to include the following acreage:

TOWNSHIP 20 NORTH, RANGE 5 WEST, NMPM Section 21: W/2 E/2

Section 21: W/2 L/2 Section 28: E/2 E/2 & NW/4 NE/4 Section 31: N/2 NE/4 Section 32: N/2 N/2 Section 33: N/2 N/2

12. The Papers Wash Entrada Oil Pool (Pool Code 49580) is hereby extended to include the following acreage:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM

Section 21: SE/4 SE/4 Section 22: W/2 E/2 & S/2 SW/4

13. The Ute Dome Morrison Gas Pool (Pool Code 97039) is hereby extended to include the following acreage:

TOWNSHIP 20 NORTH, RANGE 5 WEST, NMPM Section 2: SE/4

Section 10: NE/4 Section 11: NW/4

14. Pursuant to Section 70-2-18, NMSA 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have sixty (60) days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that well or to obtain a nonstandard unit approved by the OCD. Pending such filing or approval, 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. An operator's

failure to file Form C-102 or to obtain OCD's approval of a nonstandard unit as specified above shall subject the well to cancellation of its allowable.

- 15. This Order shall be effective on the date of signature by the OCD Director.
- 16. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION



Date: 7/27/2020