

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. 11537
Order No. R-10600

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN
POOLS IN RIO ARRIBA 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 May 16, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 17th day of May, 1996, 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 La Jara Canyon-Gallup Pool. Said La Jara Canyon-Gallup Pool was discovered by the Phillips Petroleum Company San Juan 30-5 Unit Well No. 91 located in Unit L of Section 25, Township 30 North, Range 5 West, NMPM. It was completed in the Gallup formation on November 4, 1983. The top of the perforations is at 7,030 feet.

(3) There is need for the creation of a new pool in San Juan County, New Mexico, for the production of gas from the Fruitland Sand formation, said pool to bear the

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designation of McDermott Wash-Fruitland Sand Pool. Said McDermott Wash-Fruitland Sand Pool was discovered by the Meridian Oil Inc. Hubbard Well No. 6 located in Unit N of Section 15, Township 32 North, Range 12 West, NMPM. It was completed in the Fruitland Sand formation on October 22, 1981. The top of the perforations is at 2,335 feet.

(4) There is need for certain extensions to the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, and the Devils Fork-Gallup Associated Pool in Rio Arriba County, 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 La Jara Canyon-Gallup Pool, consisting of the following described area:

TOWNSHIP 30 NORTH, RANGE 5 WEST, NMPM
Section 25: SW/4

(b) A new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland Sand production is hereby created and designated as the McDermott Wash-Fruitland Sand Pool, consisting of the following described area:

TOWNSHIP 32 NORTH, RANGE 12 WEST, NMPM
Section 15: SW/4

(c) 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 29 NORTH, RANGE 7 WEST, NMPM
Section 7: S/2
Section 8: S/2
Section 9: W/2
Section 16: W/2
Sections 17 through 20: All
Section 29: All
Section 30: N/2 and SE/4

(d) The Devils Fork-Gallup Associated Pool in Rio Arriba County, 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 18: All
Section 19: N/2

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM

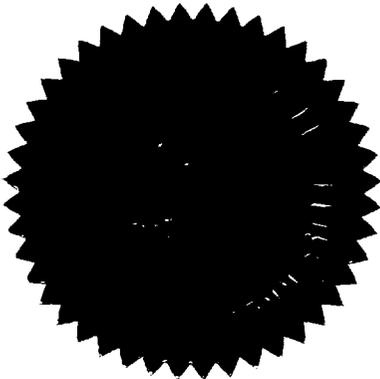
Section 13: All
Section 14: S/2
Sections 24 and 25: All
Section 36: N/2 and SW/4

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 June 1, 1996.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

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