

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. 7619  
Order No. R-7034

APPLICATION OF MERRION OIL & GAS  
CORP. FOR POOL CREATION AND SPECIAL  
POOL RULES, RIO ARRIBA COUNTY,  
NEW MEXICO.

*See Also Order No. R-7034A  
R-7034-B*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 7, 1982,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of July, 1982, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS:

(1) That due public notice having been given as required  
by law, the Division has jurisdiction of this cause and the  
subject matter thereof.

(2) That the applicant, Merrion Oil and Gas Corp., seeks  
the creation of a new Gallup Pool to comprise Sections 3, 4, 8,  
9, 10, 14, and 15, Township 23 North, Range 6 West, and the  
promulgation of special rules therefor including 160-acre  
spacing for oil and gas, Rio Arriba County, New Mexico.

(3) That the applicant is the operator of several wells  
within the proposed new Gallup pool.

(4) That the evidence presented established that the  
proposed pool is an oil pool.

(5) That the proposed Gallup oil pool was discovered by  
the Southern Union Exploration Company Yarborough Well No. 1  
located in Unit J of Section 3, Township 23 North, Range 6 West,  
originally completed in the Gallup formation January 11, 1958,  
through perforations from 5540 to 5585.

(6) That all of the Gallup oil wells within the proposed  
pool and within most of the Gallup oil pools in the general area

CASE NUMBER \_\_\_\_\_

EXHIBIT 2

TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE  
COUNSELORS-GALLUP OIL POOL

RULE 1. Each well completed or recompleted in the Counselors-Gallup Oil Pool or in the Gallup formation within one mile thereof and not nearer to or within the limits of another designated Gallup oil pool shall be spaced, drilled, operated and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 160 acres more or less substantially in the form of a square which is a quarter section being a legal subdivision of the United States' Public Land Surveys.

RULE 3. The Director of the Division may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit consisting of less than 160 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States' Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no operator has entered an objection to the formation of the non-standard unit within 30 days after the Director has received the application.

RULE 4. Each well shall be located no nearer than 660 feet to the outer boundary of the proration unit nor nearer than 330 feet to any governmental quarter-quarter section line nor nearer than 1320 feet to the nearest well drilling to or capable of producing from the same pool.

RULE 5. The Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Director has received the application.

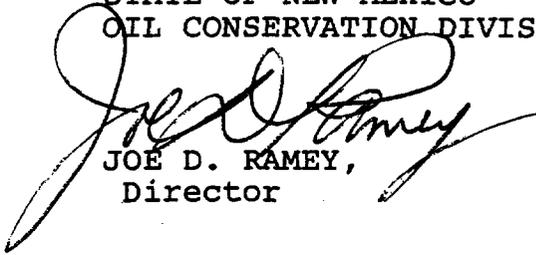
Case No. 7619  
Order No. R-7034

(4) That the effective date of this order and the pool creation and special rules contained herein shall be August 1, 1982.

(5) That 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



JOE D. RAMEY,  
Director

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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. 8153  
Order No. R-7034-A

APPLICATION OF MERRION OIL AND  
GAS CORPORATION FOR THE EXTENSION  
OF VERTICAL LIMITS, RIO ARRIBA  
COUNTY, NEW MEXICO.

*See Also Order No. R-7034*

*R-7034-A*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of April, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Merrion Oil and Gas Corporation, seeks the extension of the vertical limits of the Counselors Gallup Oil Pool to include the Dakota formation in Township 23 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, and for the redesignation of this pool as the Counselors Gallup-Dakota Oil Pool.

(3) That by Order No. R-7034 dated July 28, 1982, the Division created the Counselors-Gallup Oil Pool in Rio Arriba County, New Mexico.

(4) That said order further established temporary special rules for said pool including provisions for 160-acre oil spacing units.

(5) That said order also provided that the matter of the special pool rules would be reopened at an examiner hearing during August, 1985, at which time the operators in said pool

Case No. 8153  
Order No. R-7034-A

non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 160 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable.

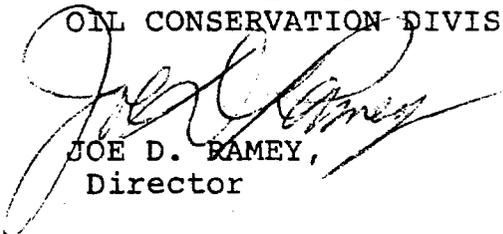
(2) That this case shall be reopened at an examiner hearing during the month of August, 1985, at which time the operators in the Counselors Gallup-Dakota Oil Pool may appear and show cause why said pool should not be developed on less than 160-acre spacing with a depth bracket allowable in accordance with the statewide rules.

(3) That the effective date of this order and the extension of the pool vertical limits contained herein shall be May 1, 1984.

(4) That 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



JOE D. RAMEY,  
Director

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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. 7619  
CASE NO. 8153  
Order No. R-7034-B

IN THE MATTER OF CASES NOS. 7619 AND  
8153 BEING REOPENED ON THE MOTION OF  
THE OIL CONSERVATION DIVISION PURSUANT  
TO THE PROVISIONS OF ORDERS NOS. R-7034  
AND R-7034-A, SAN JUAN COUNTY, NEW MEXICO.

*See Also Order Nos.*

*R-7034*

*R-7034-A*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on August 14, 1985, and at 8:00 a.m. on October 9, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 16th day of January, 1986, 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 Division, by its Order No. R-7034 entered July 28, 1982, in Case No. 7619, created the Counselors-Gallup Oil Pool, San Juan County, New Mexico, and promulgated temporary Special Pool Rules therefor, including a provision for 160-acre spacing and proration units.

(3) The Division, by its Order No. R-7034-A entered April 20, 1984, in Case No. 8153, extended the vertical limits of said Counselors-Gallup Oil Pool to include the Dakota formation and redesignated said pool the Counselors Gallup-Dakota Oil Pool.

(4) Pursuant to the provisions of said Orders Nos. R-7034 and R-7034-A, these cases were reopened to permit operators in

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Case No. 7619

Case No. 8153

Order No. R-7034-B

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



R. L. STAMETS,  
Director

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