

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2761
Order No. R-2462
NOMENCLATURE

APPLICATION OF COMPASS EXPLORATION, INC.,
FOR THE CREATION OF A GALLUP GAS POOL,
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 20, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 5th day of April, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Compass Exploration, Inc., seeks an order deleting sections 1, 2, and 3, Township 26 North, Range 7 West, NMPM, from the South Blanco-Tocito Pool and redesignating portions of said acreage to comprise a new Gallup gas pool in Sections 3 and 4, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(3) That by Order No. R-2265, entered by the Commission on June 15, 1962, the South Blanco-Tocito Oil Pool was extended to include the following-described acreage:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 1: S/2
Section 2: S/2
Section 3: S/2

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and that by Order No. R-2428 entered by the Commission on February 21, 1963, the South Blanco-Tocito Pool was further extended by the addition of all of Section 4, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.

(4) That all wells completed in the Gallup formation in Sections 3 and 4, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, are completed in and producing from a common source of supply that is not a part of the South Blanco-Tocito Oil Pool.

(5) That Sections 1, 2, 3, and 4, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, should not be included within the horizontal limits of the South Blanco-Tocito Oil Pool, and that Order No. R-2265 should be amended by deleting Paragraph (d) therefrom and Order No. R-2428 should be amended by deleting Paragraph (i) therefrom.

(6) That a new Gallup gas pool should be created comprising the following-described area:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 3: 3/2
Section 4: All

(7) That in view of the history of the Gallup formation there is a reasonable probability that gas production from the Gallup formation in Sections 3 and 4, Township 26 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, is originating from a gas cap overlying an undesignated Gallup oil pool; that withdrawals from the gas pool created by this order should therefore be restricted in order to prevent undue dissipation of gas which may be the drive mechanism for an oil pool and in order to assure the protection of correlative rights.

(8) That this case should be reopened upon further development of the Gallup formation in this area in order to determine whether the pool should remain classified as a gas pool or be reclassified as an oil pool.

IT IS THEREFORE ORDERED:

(1) That Order No. R-2265 is hereby amended by deleting Paragraph (d) therefrom and Order No. R-2428 is hereby amended by deleting Paragraph (i) therefrom.

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

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Section 3: S/2
Section 4: All

(3) That the daily gas production from a 160-acre spacing unit in the Largo-Gallup Gas Pool shall not exceed 500 MCF of gas per day.

(4) That this case shall be reopened upon further development of the Gallup formation in this area in order to determine whether the pool should remain classified as a gas pool or be reclassified as an oil pool.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

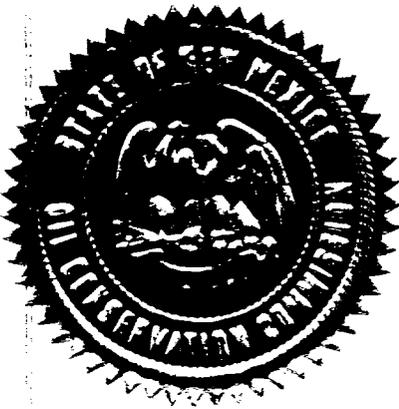
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary



esr/