Pendragon - J. K. Edwards & Assoc.
Pictured Cliffs Gas rights

Whiting / Maralex -
Basin - Fruitland Coal Gas rights

Whiting wells:

Gallegos Federal	6-2	W/2 Sec 6
	7-1	W/2 Sec 7
	1-1	E/2 Sec 1
	1-2	W/2 Sec 1
	12-1	N/2 Sec 12

Drilled prior to 1992 - Basin Fruitland Coal Gas wells

Pendragon wells:

Chaco No. 1	-	NW/4 Sec 18
No. 2R	-	SW/4 Sec 7
No. 4		NW/4 Sec 7
No. 5		SE/4 Sec 1
Chaco Utd No. 1J		SW/4 Sec 1
Utd No. 2J		NE/4 Sec 1

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. 6068
Order No. R-5596

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION FOR AN ORDER
CREATING AND EXTENDING CERTAIN POOLS IN
SAN JUAN, RIO ARRIBA, AND SANDOVAL COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 12, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 27th day of December, 1977, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That there is need for the creation of a new gas pool in San Juan County, New Mexico, for the production of gas from the Fruitland formation, said pool to bear the designation of Conner-Fruitland Pool. Said Conner-Fruitland Pool was discovered by the Odessa Natural Corporation Little Federal Well No. 1 located in Unit K of Section 1, Township 30 North, Range 14 West, NMPM. It was completed in the Fruitland formation on December 16, 1976. The top of the perforations is at 1171 feet.

(3) That there is need for the creation of a new gas pool in San Juan County, New Mexico, for the production of gas from the Pictured Cliffs formation, said pool to bear the designation of South Gallegos-Pictured Cliffs Pool. Said South Gallegos-Pictured Cliffs Pool was discovered by the Jerome P. McHugh Nassau Well No. 5 located in Unit A of Section 36, Township 27 North, Range 12 West, NMPM. It was completed in the Pictured Cliffs formation on April 28, 1973. The top of the perforations is at 1528 feet.

(4) That there is need for the extension of the vertical limits of the Ojo-Pictured Cliffs Pool and the WAW-Pictured Cliffs Pool both in San Juan County, New Mexico, to include the Fruitland formation, and for the horizontal extension of both of said pools; for extension of the Ballard-Pictured Cliffs Pool and the Chacon-Dakota Pool, both in Rio Arriba and Sandoval Counties; the Blanco-Mesaverde Pool and the Blanco-Pictured Cliffs Pool, both in Rio Arriba and San Juan Counties; the South Blanco Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties; the Choza Mesa-Pictured Cliffs Pool and the West Lindrith Gallup-Dakota Oil Pool, both in Rio Arriba County; the Dufers Point Gallup-Dakota Oil Pool, South Gallegos-Fruitland Pool, Nipp-Pictured Cliffs Pool, and Potwin-Pictured Cliffs Pool, all in San Juan County; and the Media-Gallup Oil Pool and the Rusty-Chacra Pool, both in Sandoval County.

IT IS THEREFORE ORDERED:

(a) That a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, is hereby created and designated as the Conner-Fruitland Pool, comprising the following described area:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM
Section 1: W/2
Section 12: W/2

(b) That a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production, is hereby created and designated as the South Gallegos-Pictured Cliffs Pool, comprising the following described area:

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 36: All

(c) That the vertical limits of the Ojo-Pictured Cliffs Pool, as heretofore classified, defined, and described, are hereby extended to include the Fruitland formation and said pool is hereby redesignated the Ojo Fruitland-Pictured Cliffs Pool. Said Ojo Fruitland-Pictured Cliffs Pool is hereby extended to include therein:

TOWNSHIP 28 NORTH, RANGE 15 WEST, NMPM
Section 25: NW/4
Section 26: W/2
Section 35: NW/4 and SE/4
Section 36: S/2

(d) That the vertical limits of the WAW-Pictured Cliffs Pool, as heretofore classified, defined, and described, are hereby extended to include the Fruitland formation and said pool is hereby redesignated the WAW-Fruitland-Pictured Cliffs Pool. Said WAW-Fruitland-Pictured Cliffs Pool is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 4: NW/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 31: S/2

(e) That the Ballard Pictured Cliffs Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 16: NW/4

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM
Section 33: NE/4

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM
Section 2: SE/4

(f) That the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Sections 18 and 19: All

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 1: All
Section 2: E/2
Sections 10 thru 15: All

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Sections 35 and 36: All

(g) That 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 8 WEST, NMPM
Section 14: SE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 22: NE/4

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM
Section 19: S/2

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM
Section 22: N/2
Section 24: S/2
Section 25: All
Section 36: N/2

(h) That the South Blanco-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Section 1: N/2
Section 2: NE/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 36: S/2

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 25: SE/4

(i) That the Chacon-Dakota Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 4: SE/4
Section 5: All
Section 8: E/2
Section 9: All
Section 13: W/2
Section 14: All
Section 15: N/2
Section 16: N/2 and SW/4
Section 20: NE/4
Section 21: All
Section 22: S/2 and NW/4
Section 27: E/2
Section 34: NE/4

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 32: W/2

(j) That the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 28 NORTH, RANGE 3 WEST, NMPM
Sections 5 and 6: All

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM
Section 22: NE/4
Section 23: E/2
Section 25: W/2
Section 26: N/2
Section 27: NE/4

(k) That the Dufers Point Gallup-Dakota Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 3: SE/4

(l) That the South Gallegos-Fruitland Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 1: E/2 and NW/4

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 36: All

(m) That the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 29: W/2
Section 31: NE/4
Section 32: NW/4

(n) That the Media-Gallup Oil Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 NORTH, RANGE 3 WEST, NMPM
Section 22: SE/4 NE/4 and NE/4 SE/4
Section 23: NW/4 SW/4

(o) That the Nipp-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 10: N/2
Section 11: SE/4
Section 14: NE/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 7: NW/4
Section 20: SW/4
Section 29: N/2

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 1: E/2 and NW/4
Section 2: NE/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 36: SE/4

(p) That the Potwin-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 6: SE/4
Section 7: E/2
Section 8: S/2
Section 9: S/2
Section 16: NW/4

(q) That the Rusty-Chacra Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM
Section 22: S/2

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtu 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 Commission. 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 Commission within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations and extensions included herein shall be January 1, 1978.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

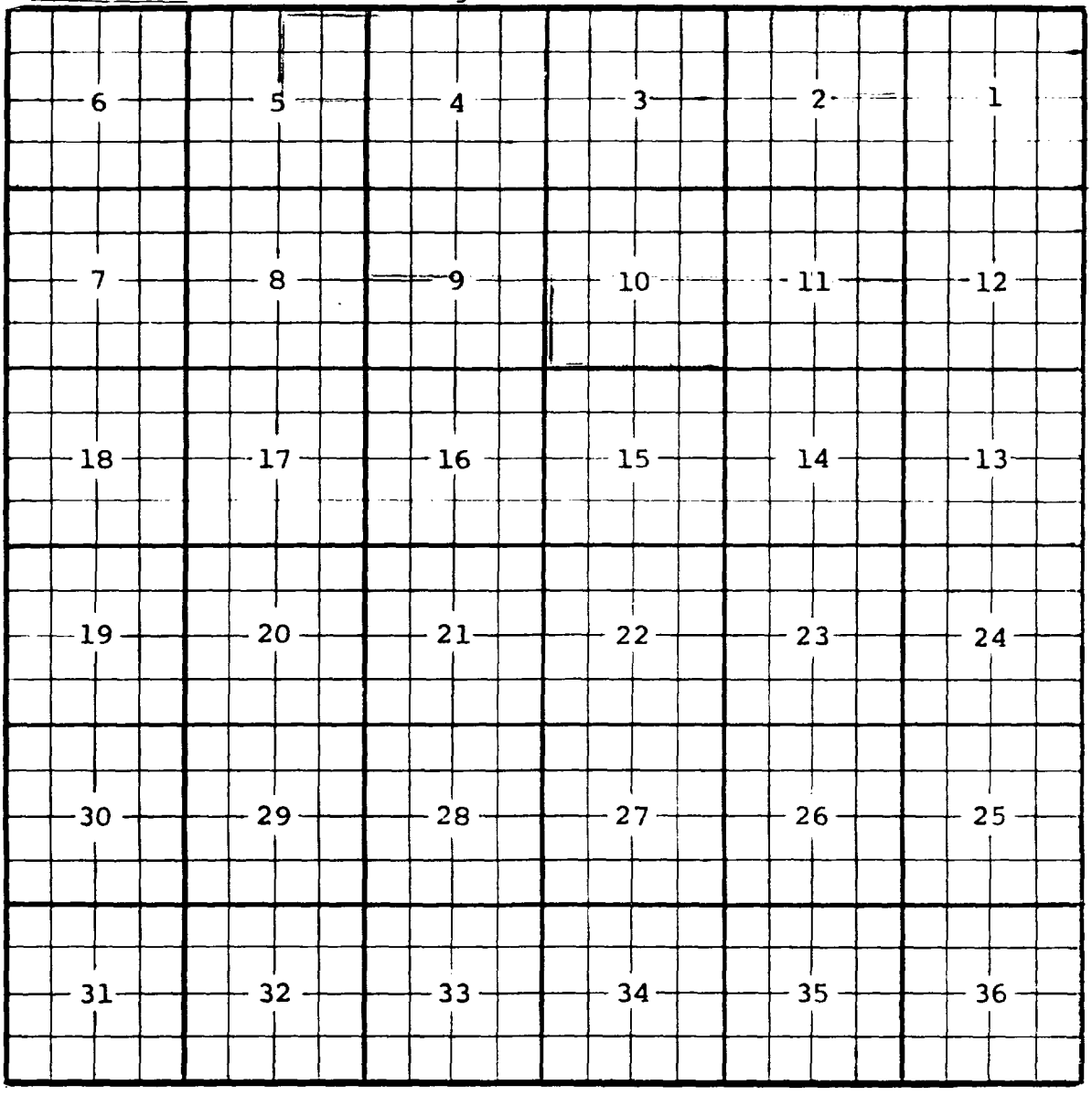
EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E A L
jr/

County San Juan Pool WAW Fruitland SAND Pictured Cliffs

TOWNSHIP 25 North Range 12 West NMPM



Ext: W/2 Sec 2, All Sec 3, N/2 Sec 10, W/2 & SE/4 Sec 11, NE/4 Sec 14 (R-5779, 8-1-78)

Ext: NE/4 Sec 2, All Sec 4, SE/4 Sec 5 (R-5843, 12-1-78)

Ext: N/2 Sec. 9 (R-6056, 8-1-79) Ext: NE/4 Sec. 5 (R-7046, 8-6-82)

Ext: S/2 Sec. 10 (R-8273, 8-6-86) REDESIGNATED (R-8769, 10/17/88)

County San Juan Pool WAW Fruitland SAND Pictured Cliffs

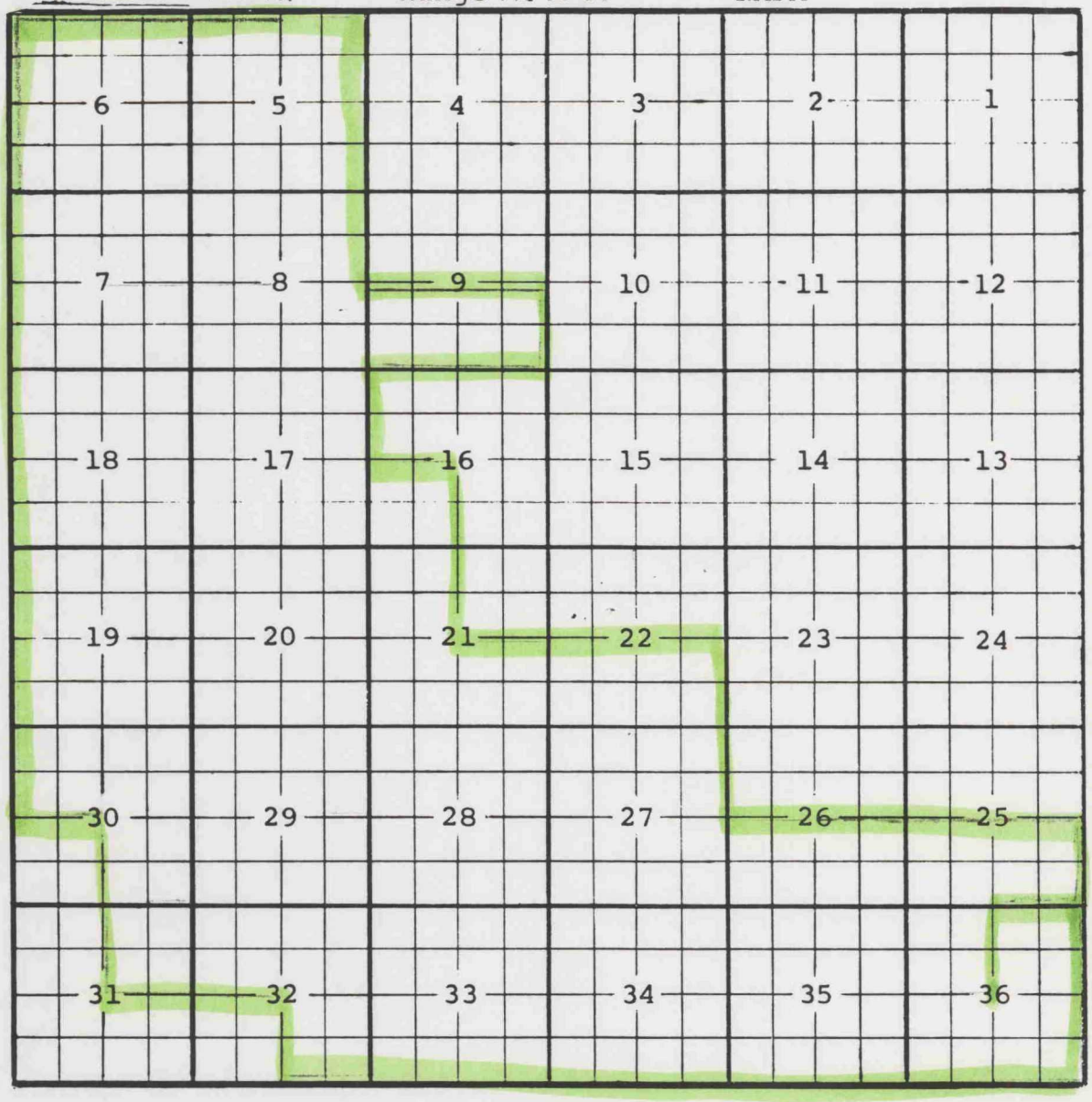
TOWNSHIP 26 North Range 11 West NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Ext: SW/4 Sec. 31 (R-8022, 8-22-85) REDESIGNATED (R-8769 10/17/88)

County San Juan Pool WAW Fruitland SAWD Pictured Cliffs

TOWNSHIP 26 North Range 12 West NMPM



Ext: E/2 Sec 5, W/2 & SE/4 Sec 7, E/2 & SW/4 Sec 8, SW/4 Sec 16, All Secs 17 & 18, - - NE/4 Sec 19, All Sec 20, W/2 & SE/4 Sec 21, S/2 Sec 22, SW/4 Sec 26, - - All Secs 27 & 28, N/2 Sec 29, All Secs 33, 34 & 35 (R-5779, 8-1-78)

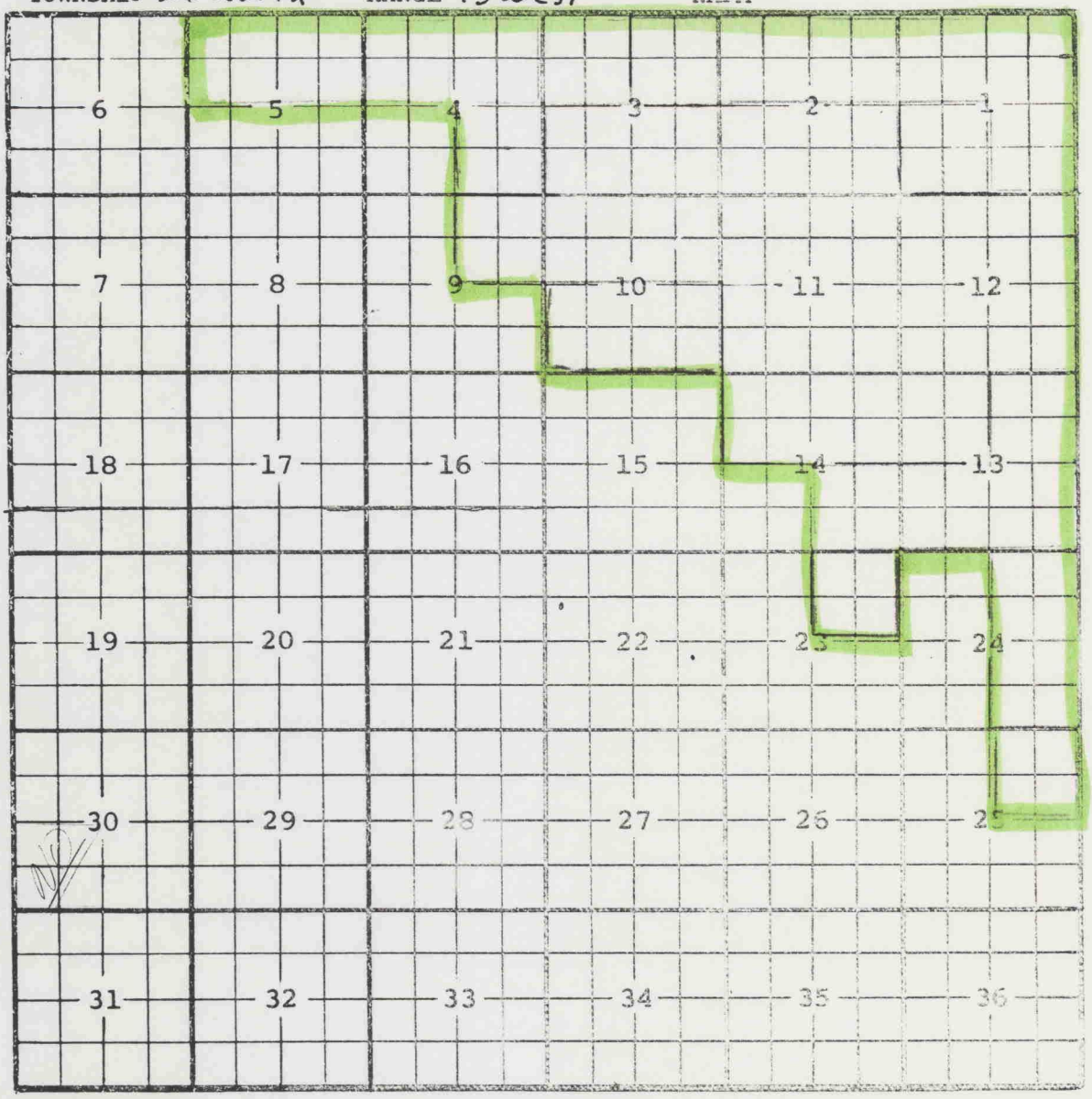
Ext: SE/4 Sec. 32 (R-6056 8-1-79) Ext: S/2 Sec. 29, E/2 Sec. 30, N/2 Sec. 32 (R-6180, 11-1-79) Ext: S/2 AND NW/4 Sec. 19, NW/4 Sec. 30, NE/4 Sec. 31, NW/4 Sec. 36 (R-6327, 5-1-80) Ext: S/2 sec 25, SE/4 sec 26 (R-6886, 1-22-82)

Ext: S/2 Sec. 9 (R-7046, 8-6-82) Ext: S/2 and NE/4 Sec. 36 (R-8022, 8-22-85)

REDESIGNATED (R-8769, 10/17/88) Ext: W/2 Sec. 5, All Sec. 6, NE/4 Sec. 7, NW/4 Sec 8 (R-10761, 2-10-97)

COUNTY San Juan POOL Waw - ~~Pictured Cliffs~~ Fruitland SAME Pictured Cliffs

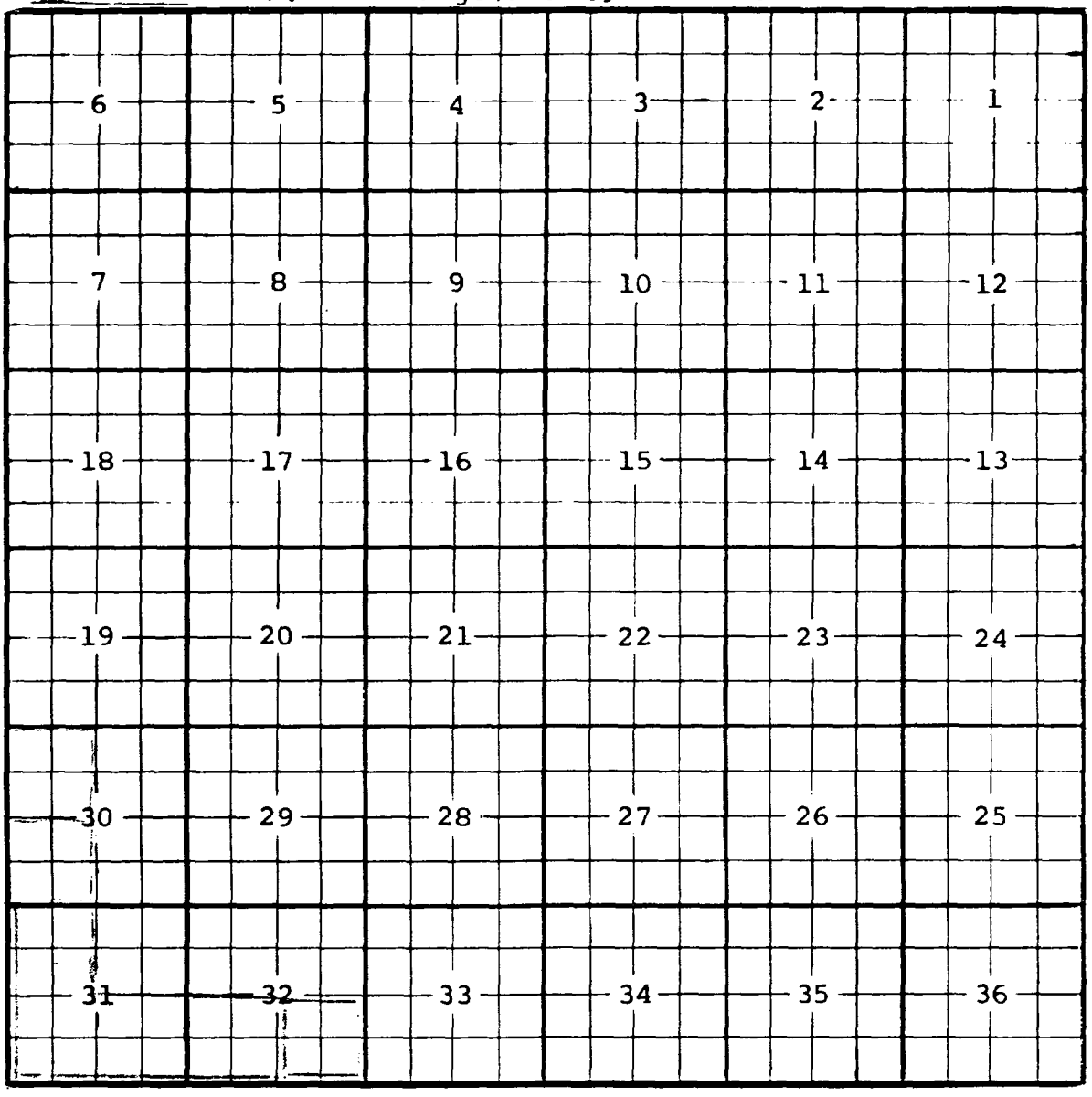
TOWNSHIP 26 North RANGE 13 West NMPM



Ext: NW/4 Sec 4 (R-5339, 2-1-77) Ext: NW/4 Sec 4 and vertical limits extended to include Fruitland formation. Pool redesignated the WAW - Fruitland - Pictured Cliffs Pool. (R-5596, 1-1-78) Ext: NW/4 Sec 3, N/2 Sec 5 (R-5772, 7-1-78) Ext: N/2 & SE/4 Sec 1, - NE/4 Secs 2 & 4, E/2 Sec 12 (R-5779, 8-1-78) Ext: SW/4 Sec. 1 NW/4 Sec. 2, NE/4 Sec. 3 (R-6056, 8-1-79) Ext: E/2 & SW/4 Sec. 13, SE/4 Sec. 14 (R-6180, 11-1-79) Ext: S/2 Sec. 2, S/2 Sec. 3, NE/4 Sec. 9, N/2 Sec. 10, All Sec. 11, W/2 Sec. 12 NW/4 Sec. 13, N/2 Sec. 14, E/2 Sec. 24 (R-6327, 5-1-80) SE/4 sec 4, S/2 sec 10 (R-6886, 1-22-82) Ext: NE/4 Sec. 25 (R-7046, 8-6-82) Ext: NE/4 Sec. 23 (R-7495, 4-5-84) REDESIGNATED (R-8769 10/17/88)

County San Juan Pool WAW Fruitland SAND Pictured Cliffs

TOWNSHIP 27 North Range 12 West NMPM



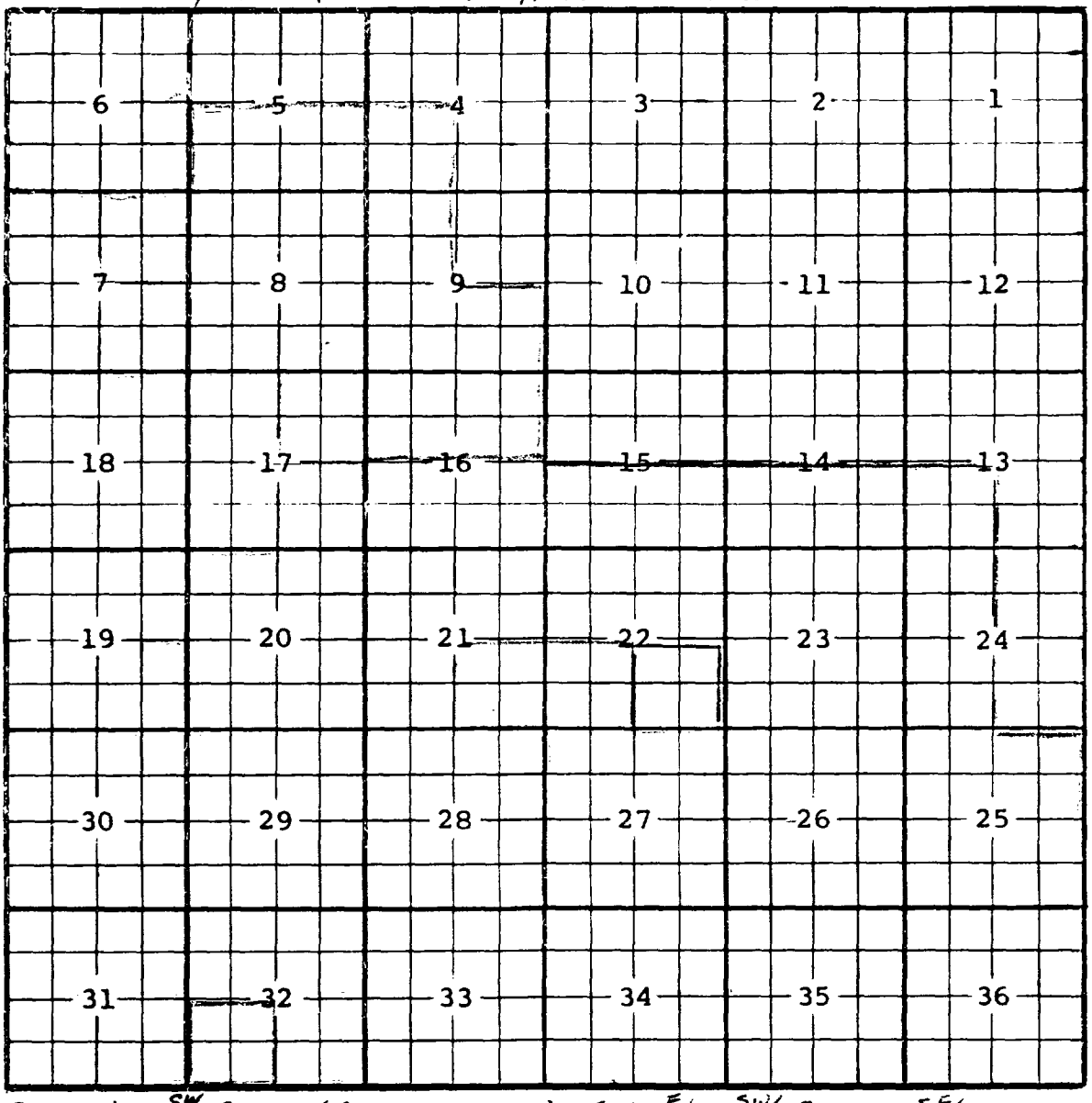
Ext: SW/4 Sec 30 (R-5779, 8-1-78) Ext: NW/4 Sec. 30, (R-6886, 1-22-82)

Ext: SE/4 Sec. 32 (R-7495, 4-5-84) REDESIGNATED (R-8769, 10/17/88)

Ext: S/2 and NW/4 Sec. 31, SW/4 Sec. 32 (R-10761, 2-10-92)

COUNTY San Juan POOL Waw - Pictured Cliffs

TOWNSHIP 27 North RANGE 13 West NMPM



Description: SW/4 Sec 32 (R-4260, 3-1-72) Ext: E/2 & SW/4 Sec 29, SE/4 Sec 30, - NE/4 Sec 31, N/2 Sec 32 (R-5129, 1-1-76) Ext: SE/4 Sec 27, NW/4 Sec 29, - NE/4 Sec 30, NW/4 Sec 31, All Sec 33, SW/4 & N/2 Sec 34 (R-5334, 2-1-77) Ext: SW/4 Sec 26 (R-5470, 7-1-77). Ext: S/2 Sec 31 and vertical limits extended to include Fruitland Formation, Pool redesignated WAW - Fruitland - Pictured Cliffs Pool. (R-5596, 1-1-78) Ext: S/2 Sec 19, W/2 Sec 20, NE/4 Sec 27, SE/4 Sec 32 (R-5772, 7-1-78) Ext: W/2 Sec 18, N/2 Sec 19, SE/4 Sec 25, NW/4 Sec 27, W/2 Sec 30, SE/4 Sec 34, - - All Secs 35 & 36 (R-5779, 8-1-78) Ext: SW/4 Sec 27 (R-5843, 12-1-78) Ext: E/2 Sec. 18 (R-6180 11-1-79) Ext: W/2 & SE/4 Sec. 7, W/2 & SE/4 Sec. 17, E/2 Sec. 20, W/2 Sec. 21, All Sec. 28 (R-6327, 5-1-80) Ext: SW/4 sec 4 S/2 sec 5, NE/4 sec 7, All Sec 8, W/2 & SE/4 sec 9, N/2 sec 16, NE/4 sec 17 (R-6886, 1-22-82) Ext: SE/4 Sec 21, SW/4 Sec. 22 (R-7277, 5-5-83) Ext: SE/4 Sec. 22 (R-7495, 4-5-84) REDESIGNATED (R-8768 10/1/85

1988

9420
9421 Basin Fruitland

Pick btw
PC/B Fruitland

1991

Transcript: 9420
9421 Reopened

GRI research
Ernie Busch chaired committee

Exs. 48-53 2/9/98

Plates 1-3 (48-50)
Cross-sections

Plate 4 51
5

Tops
Structure
Isopach
Coal
Isopach

Scott

2/5/98

B.(2)

→ Correlative rights / waste

Outstanding Allegations → Dismissed

Hartman → Continuing jurisd

Q. What pending b4 court ?

GHK (Fed)

Q. Dont

5/26/98 → Motion for Prelim Injunction
" to Enjoin D's from proceeding before OD
Motion to Compel

Judge Endman

2 judges

11996

[redacted]

Hall Q. Corrective Mts. ? waste ?

Why can't we order to stop producing ?

Gene

Q. Why filed w/OCD ?

Q. ~~Attend~~ meetings w/ Aztec Dist. Office ?

Q. Cannot award damages / decide ownership.

~~Can stop cross-flow~~

- ~~Prelim injunction as to what ?~~
- ~~Order issued~~

Q. Don't you think we [redacted] have interest in stopping.

Request

* ~~Request for order preventing us.~~

Q. ~~What pending DA~~

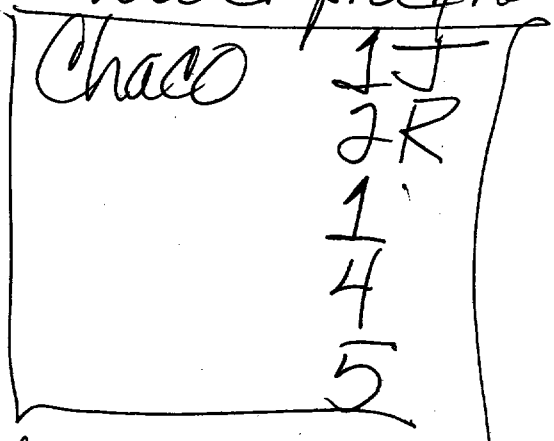
Q. ~~Technical in nature ?~~

Gregg * Injunction (before fact)

*

(1) Chaco 2R well file

(2) [redacted] Water flood/hauling



(3) Communication btw Pendragon and Hauling
BJ → Tracer

* Let Judge rule on whether

* Fracing

We

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. 9421
Order No. R-8769

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION FOR AN ORDER CONTRACTING THE VERTICAL LIMITS AND REDESIGNATING CERTAIN POOLS IN SAN JUAN AND RIO ARRIBA COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:30 a.m. on July 6, 1988, at Farmington, New Mexico, before Examiner David R. Catanach.

NOW, on this 17th day of October, 1988, 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) Division Case Nos. 9421 and 9420 were consolidated at the time of the hearing for the purpose of testimony.

(3) By Order No. R-8768, entered in companion Case No. 9420, the Division has created and defined the Basin-Fruitland Coal Gas Pool with vertical limits comprising all coal seams within the equivalent of the stratigraphic interval from a depth of approximately 2450 feet to 2880 feet as shown on the Gamma Ray/Bulk Density Log from Amoco Production Company's Schneider Gas Com "B" Well No. 1 located 1110 feet from the South line and 1185 feet from the West line of Section 28, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.

(4) The proposed contraction of the vertical limits of the Mt. Nebo-Fruitland Pool in San Juan County, New Mexico, should be dismissed inasmuch as Division Order No. R-7588-B approved said contraction.

(5) There is need for the contraction of the vertical limits and the redesignation of the Aztec-Fruitland Pool, the North Aztec-Fruitland Pool, the Blanco-Fruitland Pool, the Conner-Fruitland Pool, the Crouch Mesa-Fruitland Pool, the Farmer-Fruitland Pool, the Flora Vista-Fruitland Pool, the Gallegos-Fruitland Pool, the South Gallegos Fruitland-Pictured Cliffs Pool, the Glades-Fruitland Pool, the Harper Hill Fruitland-Pictured Cliffs Pool, the Jasis Canyon-Fruitland Pool, the Kutz-Fruitland Pool, the West Kutz-Fruitland Pool, the North Los Pinos-Fruitland Pool, the South Los Pinos Fruitland-Pictured Cliffs Pool, the Ojo Fruitland-Pictured Cliffs Pool, the Pinon-Fruitland Pool, the North Pinon-Fruitland Pool, the Pump Mesa-Fruitland Pool, the Sedro Canyon-Fruitland Pool, the Twin Mounds Fruitland-Pictured Cliffs Pool, and the WAW Fruitland-Pictured Cliffs Pool, all in San Juan County, New Mexico, and the Cottonwood-Fruitland Pool and the La Jara-Fruitland Pool, both in Rio Arriba County, New Mexico, to include only the sandstone intervals.

IT IS THEREFORE ORDERED THAT:

(a) The vertical limits of the Aztec-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Aztec-Fruitland Sand Pool.

(b) The vertical limits of the North Aztec-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the North Aztec-Fruitland Sand Pool.

(c) The vertical limits of the Blanco-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Blanco-Fruitland Sand Pool.

(d) The vertical limits of the Conner-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Conner-Fruitland Sand Pool.

(e) The vertical limits of the Cottonwood-Fruitland Pool in Rio Arriba County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Cottonwood-Fruitland Sand Pool.

(f) The vertical limits of the Crouch Mesa-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Crouch Mesa-Fruitland Sand Pool.

(g) The vertical limits of the Farmer-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Farmer-Fruitland Sand Pool.

(h) The vertical limits of the Flora Vista-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Flora Vista-Fruitland Sand Pool.

(i) The vertical limits of the Gallegos-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Gallegos-Fruitland Sand Pool.

(j) The vertical limits of the South Gallegos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the South Gallegos Fruitland Sand-Pictured Cliffs Pool.

(k) The vertical limits of the Glades-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Glades-Fruitland Sand Pool.

(l) The vertical limits of the Harper Hill Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Harper Hill Fruitland Sand-Pictured Cliffs Pool.

(m) The vertical limits of the Jasis Canyon-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Jasis Canyon-Fruitland Sand Pool.

(n) The vertical limits of the Kutz-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Kutz-Fruitland Sand Pool.

(o) The vertical limits of the West Kutz-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the West Kutz-Fruitland Sand Pool.

(p) The vertical limits of the La Jara-Fruitland Pool in Rio Arriba County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the La Jara-Fruitland Sand Pool.

(q) The vertical limits of the North Los Pinos-Fruitland Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the North Los Pinos-Fruitland Sand Pool.

(r) The vertical limits of the South Los Pinos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the South Los Pinos Fruitland Sand-Pictured Cliffs Pool.

(s) The proposed contraction of the vertical limits of the Mt. Nebo-Fruitland Pool in San Juan County, New Mexico, is hereby dismissed.

(t) The vertical limits of the Ojo Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, are hereby contracted to include only the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Ojo Fruitland Sand-Pictured Cliffs Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

fd/

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

CASE NO. 9421
ORDER NO. R-8769-A

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION FOR AN ORDER CONTRACTING THE VERTICAL LIMITS AND REDESIGNATING CERTAIN POOLS IN SAN JUAN AND RIO ARRIBA COUNTIES, NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-8769 dated October 17, 1988, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Decretory Paragraph (j) on page 3 of said Order No. R-8769 be and the same is hereby amended to read as follows:

"(j) The vertical limits of the South Gallegos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, are hereby contracted to include only the Pictured Cliffs formation and the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the South Gallegos Fruitland Sand-Pictured Cliffs Pool."

(2) Decretory Paragraph (l) on page 3 of said Order No. R-8769 be and the same is hereby amended to read as follows:

"(l) The vertical limits of the Harper Hill Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, are hereby contracted to include only the Pictured Cliffs formation and the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Harper Hill Fruitland Sand-Pictured Cliffs Pool."

(3) Decretory Paragraph (r) on page 4 of said Order No. R-8769 be and the same is hereby amended to read as follows:

"(r) The vertical limits of the South Los Pinos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, are hereby contracted to include only the Pictured Cliffs formation and the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the South Los Pinos Fruitland Sand-Pictured Cliffs Pool."

(4) Decretory Paragraph (t) on page 4 of said Order No. R-8769 be and the same is hereby amended to read as follows:

"(t) The vertical limits of the Ojo Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, are hereby contracted to include only the Pictured Cliffs formation and the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Ojo Fruitland Sand-Pictured Cliffs Pool."

(5) Decretory Paragraph (y) on page 5 of said Order No. R-8769 be and the same is hereby amended to read as follows:

"(y) The vertical limits of the Twin Mounds Fruitland- Pictured Cliffs Pool in San Juan County, New Mexico, are hereby contracted to include only the Pictured Cliffs formation and the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the Twin Mounds Fruitland Sand-Pictured Cliffs Pool."

(6) Decretory Paragraph (z) on page 5 of said Order No. R-8769 be and the same is hereby amended to read as follows:

"(z) The vertical limits of the WAW Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, are hereby contracted to include only the Pictured Cliffs formation and the sandstone interval of the Fruitland formation and said pool is hereby redesignated as the WAW Fruitland Sand-Pictured Cliffs Pool."

(7) The corrections set forth in this order be entered nunc pro tunc as of October 17, 1988.

(8) DONE at Santa Fe, New Mexico, on this 11th day of April, 1989.

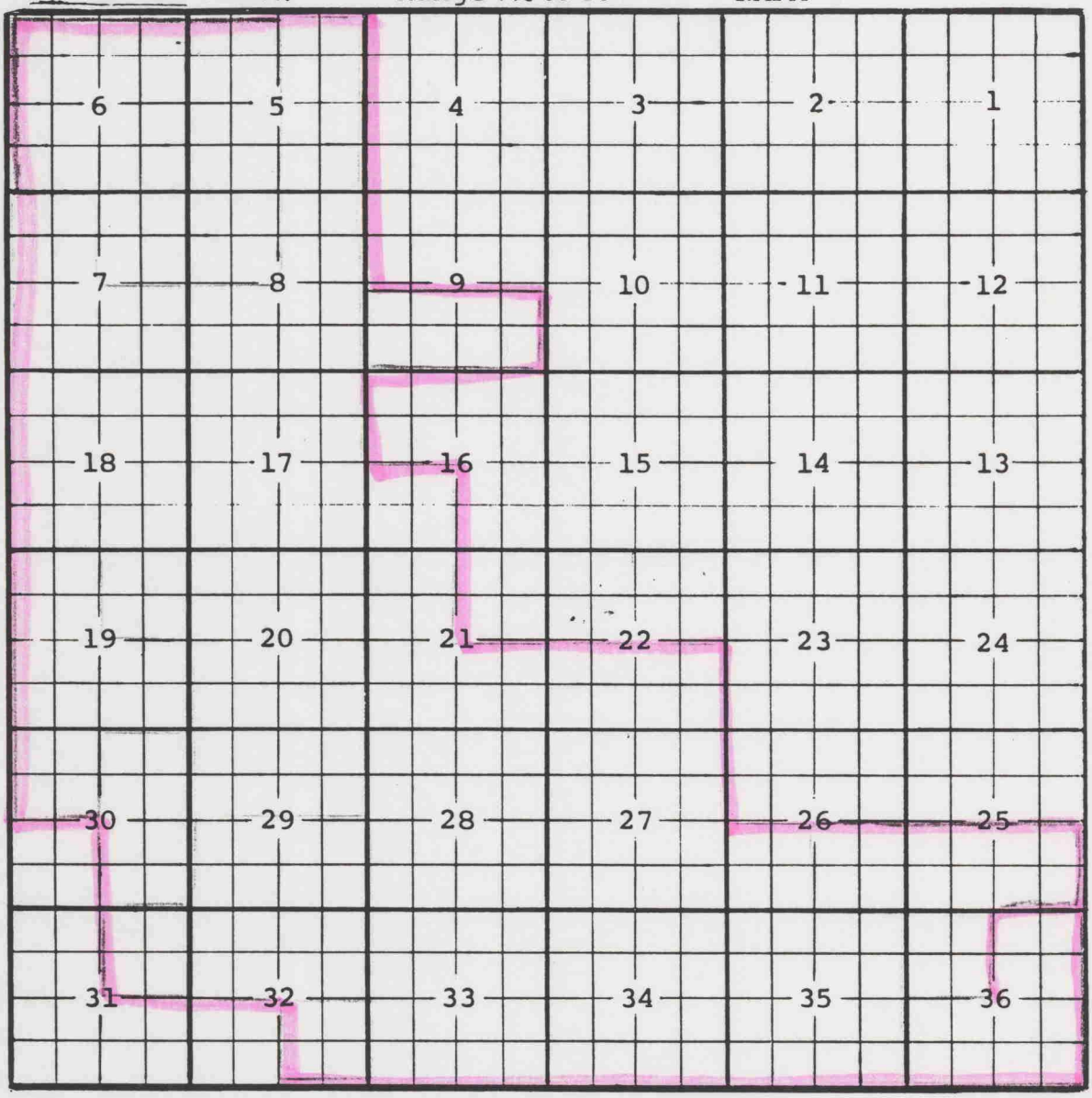
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

County San Juan Pool WAW Fruitland SAND Pictured Cliffs

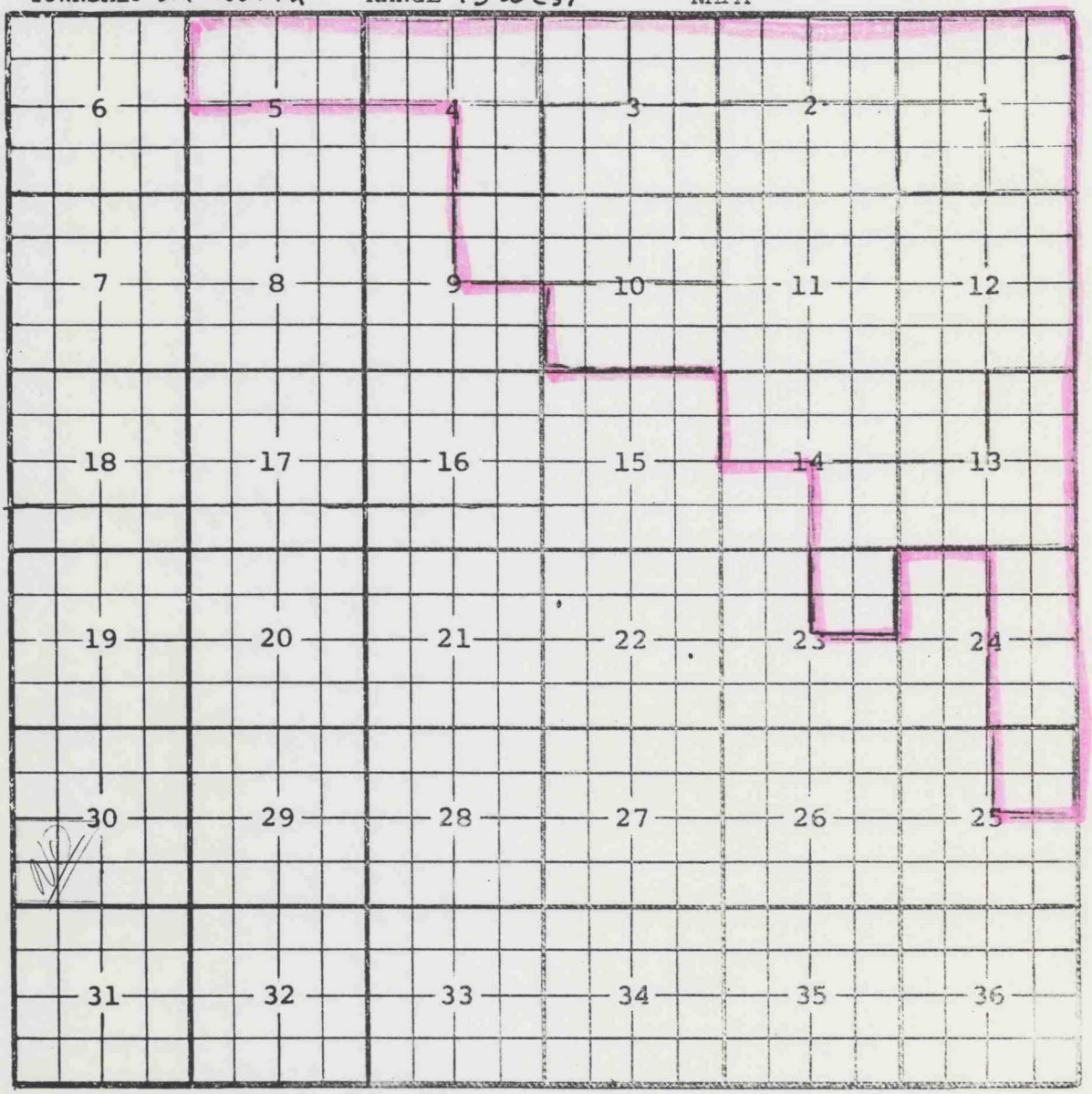
TOWNSHIP 26 North Range 12 West NMPM



Ext: E/2 Sec 5, W/2 & SE/4 Sec 7, E/2 & SW/4 Sec 8, SW/4 Sec 16, All Secs 17 & 18, - - NE/4 Sec 19, All Sec 20, W/2 & SE/4 Sec 21, S/2 Sec 22, SW/4 Sec 26, - - All Secs 27 & 28, N/2 Sec 29, All Secs 33, 34 & 35 (R-5779, 8-1-78) Ext: SE/4 Sec. 32 (R-6056, 8-1-79) Ext: S/2 Sec. 29, E/2 Sec. 30, N/2 Sec. 32 (R-6180, 11-1-79) Ext: S/2 AND NW/4 Sec. 19, NW/4 Sec. 30, NE/4 Sec. 31, NW/4 Sec. 36 (R-6327, 5-1-80) Ext: S/2 sec 25, SE/4 sec 26 (R-6886, 1-22-82) Ext: S/2 Sec. 9 (R-7046, 8-6-82) Ext: S/2 and NE/4 Sec. 36 (R-8022, 8-22-85) REDESIGNATED (R-8769, 10/17/88) Ext: W/2 Sec. 5, All Sec. 6, NE/4 Sec. 7, NW/4 Sec 8 (R-10761, 2-10-97)

COUNTY San Juan POOL Waw - ~~Pictured Cliffs~~ Fruitland & Pictured Cliffs

TOWNSHIP 26 North RANGE 13 West NMPM



Ext: NW/4 Sec 4 (R-5339, 2-1-77) Ext: NW/4 Sec 4 and vertical limits extended to include Fruitland formation. Pool redesignated the WAW - Fruitland - Pictured Cliffs Pool. (R-5596, 1-1-78) Ext: NW/4 Sec 3, N/2 Sec 5 (R-5772, 7-1-78) Ext: N/2 & SE/4 Sec 1, - NE/4 Secs 2 & 4, E/2 Sec 12 (R-5779, 8-1-78) Ext: SW/4 Sec. 1 NW/4 Sec. 2, NE/4 Sec. 3 (R-6056, 8-1-79) Ext: E/2 & SW/4 Sec. 13 SE/4 Sec. 14 (R-6180, 11-1-79) Ext: S/2 Sec. 2, S/2 Sec. 3, NE/4 Sec. 9, N/2 Sec. 10, All Sec. 11, W/2 Sec. 12 NW/4 Sec. 13, N/2 Sec. 14, E/2 Sec. 24 (R-6327, 5-1-80) SE/4 sec 4, S/2 sec 10 (R-6886, 1-22-82) Ext: NE/4 Sec. 25 (R-7046, 8-6-82) Ext: NE/4 Sec. 23 (R-7495, 4-5-84) REDESIGNATED (R-8769, 10/17/88

WELL S T R		JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC 1993 PROD	MP	ACCUM
4A1127N12W	GAS	2621	3002	3208	2532	2692	2782	3021	2568	2648	3004	3055	3414		34347	66060
	WAT	62	56	62	56	62	60	62	58	58	62	60	62		720	1484
32G 127N12W	GAS					2787			2139	4294	6872	6982	7857		30931	30931
42M1227N12W	GAS								7220	15739	18481	18179	19444		79063	79063
LEASE TOTAL	GAS	6489	7113	7567	6781	9712	7009	7504	15537	26588	32161	31955	34768		193186	272270
	WAT	62	56	62	56	62	60	62	58	58	62	60	62		720	1530
MKL																
R 2N 526N 7W	GAS	6457	5450	5376	4884	5430	3298	5036	3898	4841	4827	4831	5382		61910	120060
MKL 6																
42N 626N 7W	GAS							6460	4532	4632	4513	4046	5029		29212	29212
MKL 7																
42N 726N 7W	GAS							1812	1550	1542	1533	1501	1852		9790	9790
MUDGE A																
9A 627N11W	GAS	12300	11372	11477	9728	9602	9354	10210	8388	7851	8406	8087	7535		114310	259555
10A 727N11W	GAS	11150	12476	12387	10703	9966	10914	11499	9807	10266	11030	11355	13172		134705	237567
	WAT	155	140	155	145	155	150	155	145	145	155	145	155		1800	3440
12E 627N11W	GAS					1179			1270	3602	5829	5399	6061		23340	23340
	WAT					180			300	580	620	600	620		2900	2900
72L 727N11W	GAS	5247	5909	6010	5878	5938	6085	6221	5299	5403	6205	6117	6555		70865	122573
	WAT	310	280	310	300	310	300	310	290	290	310	300	310		3620	6900
181B1827N11W	GAS	LAST PROD. DATE 10/92												S		139
LEASE TOTAL	GAS	28697	29757	29874	26309	26665	26333	27930	24764	27122	31470	30958	33321		343220	643174
	WAT	465	420	465	445	645	430	465	735	1015	1085	1045	1085		8320	13240
[illegible]																
1A2927N11W	GAS	1111	1120	1400	808	927	1294	1220	1305	1452	1393	883	770		13683	32104
COMPANY TOTAL	GAS	45601	46730	47875	42279	45369	42614	56746	56035	71183	84577	82019	89395		710423	1191535
	WAT	1185	1076	1209	1161	1011	750	727	1001	1305	1395	1305	1387		13512	24870
MANANA GAS INCORPORATED					**********											
BOBBIE HERRERA																
1K 430N11W	GAS	995	958	968	793	938	605	533	1001	1099	1123	1024	1192		11229	227880
	WAT															10
LAUREN KELLY																
1F2729N11W	GAS	1173	971	1158	893	1216	1177	912	1187	1233	1158	1187	1129		13394	34685
	WAT			65					80						145	305
COMPANY TOTAL	GAS	2168	1929	2126	1686	2154	1782	1445	2188	2332	2281	2211	2321		24623	262565
	WAT			65					80						145	315
MARALEX RESOURCES INC.					**********											
GRIMMALL 30-11-18																
2A1830N11W	GAS					6174		1208	2322				10239		19943	19943
	WAT					1183		256	744				1999		4180	6180
GALLEGOS FEDERAL 26-11-17																
1A1726N11W	GAS												529		529	529
	WAT												1506		1506	1506
1H 926N13W	GAS													S		
2K1726N11W	GAS												612		612	612
	WAT												1234		1234	1234
LEASE TOTAL	GAS												1141		1141	1141
	WAT												2740		2740	2740
GALLEGOS FEDERAL 26-13-25																
1H2526N13W	GAS												3441		3441	3441
	WAT												403		403	403
GALLEGOS FEDERAL 26-13-12																
1H1226N13W	GAS													S		
GALLEGOS FED 26-13-1																
1B 126N13W	GAS												769		769	769
	WAT												3238		3238	3238
2M 126N13W	GAS							1595	1347	1517		890	1184		6533	6533
	WAT							1441	16	532		3041	1784		6814	6814
LEASE TOTAL	GAS							1595	1347	1517		890	1953		7302	7302
	WAT							1441	16	532		3041	5022		10052	10052
GALLEGOS FED. 26-12-19																
1A1926N12W	GAS								699	3309		4262	4874		13144	13144
	WAT									199		1681	1508		3388	3388
GALLEGOS FEDERAL 26-13-3																
2M 326N13W	GAS												681		681	681
GALLEGOS FEDERAL 26-13-10																
1A1026N13W	GAS												18		18	18
2N1026N13W	GAS											602	375		977	977
LEASE TOTAL	GAS											602	393		995	995
GALLEGOS FEDERAL 26-13-11																
1M1126N13W	GAS												913		913	913
	WAT												1634		1634	1634
GALLEGOS FED 26-12-31																
1A3126N12W	GAS							7590	7868	9053		8551	9770		42832	42832
	WAT							130		2		54	60		246	246
GALLEGOS FEDERAL 26-12-7																
1K 726N12W	GAS												3762		3762	3762
	WAT												2995		2995	2995
GALLEGOS FEDERAL 26-13-14																
1M1426N13W	GAS												1389		1389	1389
GALLEGOS FEDERAL 26-12-6																
2N 626N12W	GAS												2541		2541	2541
	WAT												5259		5259	5259
GALLEGOS FEDERAL 26-13-24																
2M2426N13W	GAS												1913		1913	1913
GRAHAM B WN FEDERAL																
9K 327N 8W	GAS	3913	2954	3643	3623	4008	3575	3886	3122	3389		4365	3509		39987	114116
10G1027N 8W	GAS	3598	2948	3093	3018	2969	2774	2069	2569	3463		4448	3293		36242	122508
11N 427N 8W	GAS	3101	4251	4109	4132	4093	3366	3088	2861	3661		4113	4250		41025	122552
	WAT															10
LEASE TOTAL	GAS	10612	10153	10845	10773	11070	9715	9063	8552	12513		12926	11052		117254	359176
	WAT															10
GRAHAM C WN FEDERAL COM																
10C 927N 8W	GAS	2341	2298	2411	2217	2153	2470	2370	1384	2171		2026	2238		24079	61447
MARRON WN FEDERAL																
9L2527N 8W	GAS									13					13	180
10M2627N 8W	GAS				44	120	187	222	322	88		201	119		1303	13075
LEASE TOTAL	GAS				44	120	187	222	322	101		201	119		1316	13255
MARRON WN FEDERAL																
8G2327N 8W	GAS	3831	3489	3701	3332	3258	3254	2609	3202	3707		4045	3074		37502	111675
MARRON WN FEDERAL COM																
9H2727N 8W	GAS	13						22	21	37		4			97	3906
	WAT															2
OXNARD																
4G2227N 8W	GAS	809	760	532	18		16		23	16		4	51		2229	12422
	WAT															100
OXNARD WN FEDERAL																
10C1527N 8W	GAS	4158	3656	4442	3668	4214	2796	2126	2765	2897		1780	3038		35540	79213
	WAT															98
11K1627N 8W	GAS	1745	1840	1730	1588	1823	1631	1723	1506	1743		1773	2106		19208	54972
12B1127N 8W	GAS	1939	1449	1208	902	1299	1390	1478	1404	1315		1039	965		14388	36624
12B1128N 8W	GAS	ZONE ABANDONED														15845
	WAT															2338
LEASE TOTAL	GAS	7842	6945	7380	6158	7336	5817	5327	5675	5955		4592	6109		69136	186634
	WAT															2436
SCOTT																
1K1830N11W	GAS	3620	3533	3942	4365	6231	6135	4665	4676	6009		6022	6998		56196	109477
	WAT	711	1030	1030	796	1185	1106	823	1654	1277		1052	1307		11971	31422
SHIOTANI																
3H 729N12W	GAS					1688	3782	3100	3276	1587		8597	9924		31954	31954
	WAT					674	632		631	84		1154	912		4087	4087
8K3230N12W	GAS													S		
8K3230N12W	GAS												1412		1412	1412
	WAT												1586		1586	1586
LEASE TOTAL	GAS					1688	3782	3100	3276	1587		8597	11336		33366	33366
	WAT					674	632		631	84		1154	2498		5673	5673
COMPANY TOTAL	GAS	29068	27198	28811	26887	38030	31376	37751	39367	45975		52722	83967		441152	991355
	WAT	711	1030	1030	796	3042	1738	2648	3045	2094		6982	25425		48541	70540
MARATHON OIL COMPANY					**********											
BOLACK																
1K 427N11W	GAS	15709	14050	13712	12434	8961	7921	6703	7470	6543	9513	8942	9390		121348	426198
	WAT	403	364	403	390	403	390	351	403	390	403	390	403		4693	13110
BOLACK 4																
2G 427N11W	GAS					26416	24908	22161	25938	25442	23987	22894	23770		195516	195516
	WAT					4340	4200	4200	4340	4200	4340	4200	4340		34160	34160
BOLACK "9"																
1L 927N11W	GAS	1048	939	1068	1049	990	1097	1074	1232	1323	1013	931	1007		12771	78633
	WAT	310	280	310	240	310	300	310	310	300	310	300	310		3590	10250
2B 927N11W	GAS	1269	1798	1754	1985	1702	1379	6	31	23	31	526	1048		11552	47943
LEASE TOTAL	GAS	2317	2737	2822	3034	2692	2476	1080	1263	1346	1044	1457	2055		24323	126578
	WAT	310	280	310	240	310	300	310	310	300	310	300	310		3590	10250
BOLACK 15																
1K1527N11W	GAS	16756	14531	16377	15463	16022	15205	13572	15616	14481	14952	14412	13977		181364	579322
	WAT	558	504	558	540	558	540	504	558	540	558	540	558		6516	16506
BOLACK 16																
2A1627N11W	GAS	17034	15529	16790	15779	16239	15878	16333	16289	15683	15797	15037	15097		191485	562562
	WAT	620	560	620	600	620	600	620	620	600	620	600	620		7300	18880
BOLACK "21"																
2B2127N11W	GAS					365	225	4328	7105	6980	7953	8045	8425		43426	43426
EVENSON 19																
1A1927N10W	GAS	11856	9911	10900	8835	8514	6138	7235	5210	4674	5090	4901	10566		93830	428437

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. 6068
Order No. R-5596

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION FOR AN ORDER
CREATING AND EXTENDING CERTAIN POOLS IN
SAN JUAN, RIO ARRIBA, AND SANDOVAL COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 12, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 27th day of December, 1977, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That there is need for the creation of a new gas pool in San Juan County, New Mexico, for the production of gas from the Fruitland formation, said pool to bear the designation of Conner-Fruitland Pool. Said Conner-Fruitland Pool was discovered by the Odessa Natural Corporation Little Federal Well No. 1 located in Unit K of Section 1, Township 30 North, Range 14 West, NMPM. It was completed in the Fruitland formation on December 16, 1976. The top of the perforations is at 1171 feet.

(3) That there is need for the creation of a new gas pool in San Juan County, New Mexico, for the production of gas from the Pictured Cliffs formation, said pool to bear the designation of South Gallegos-Pictured Cliffs Pool. Said South Gallegos-Pictured Cliffs Pool was discovered by the Jerome P. McHugh Nassau Well No. 5 located in Unit A of Section 36, Township 27 North, Range 12 West, NMPM. It was completed in the Pictured Cliffs formation on April 28, 1973. The top of the perforations is at 1528 feet.

(4) That there is need for the extension of the vertical limits of the Ojo-Pictured Cliffs Pool and the WAW-Pictured Cliffs Pool both in San Juan County, New Mexico, to include the Fruitland formation, and for the horizontal extension of both of said pools; for extension of the Ballard-Pictured Cliffs Pool and the Chacon-Dakota Pool, both in Rio Arriba and Sandoval Counties; the Blanco-Mesaverde Pool and the Blanco-Pictured Cliffs Pool, both in Rio Arriba and San Juan Counties; the South Blanco Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties; the Choza Mesa-Pictured Cliffs Pool and the West Lindrith Gallup-Dakota Oil Pool, both in Rio Arriba County; the Dufers Point Gallup-Dakota Oil Pool, South Gallegos-Fruitland Pool, Nipp-Pictured Cliffs Pool, and Potwin-Pictured Cliffs Pool, all in San Juan County; and the Media-Gallup Oil Pool and the Rusty-Chacra Pool, both in Sandoval County.

IT IS THEREFORE ORDERED:

(a) That a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, is hereby created and designated as the Conner-Fruitland Pool, comprising the following described area:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM
Section 1: W/2
Section 12: W/2

(b) That a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production, is hereby created and designated as the South Gallegos-Pictured Cliffs Pool, comprising the following described area:

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 36: All

(c) That the vertical limits of the Ojo-Pictured Cliffs Pool, as heretofore classified, defined, and described, are hereby extended to include the Fruitland formation and said pool is hereby redesignated the Ojo Fruitland-Pictured Cliffs Pool. Said Ojo Fruitland-Pictured Cliffs Pool is hereby extended to include therein:

TOWNSHIP 28 NORTH, RANGE 15 WEST, NMPM
Section 25: NW/4
Section 26: W/2
Section 35: NW/4 and SE/4
Section 36: S/2

(d) That the vertical limits of the WAW-Pictured Cliffs Pool, as heretofore classified, defined, and described, are hereby extended to include the Fruitland formation and said pool is hereby redesignated the WAW-Fruitland-Pictured Cliffs Pool. Said WAW-Fruitland-Pictured Cliffs Pool is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 4: NW/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 31: S/2

(e) That the Ballard Pictured Cliffs Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 16: NW/4

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM
Section 33: NE/4

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM
Section 2: SE/4

(f) That the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Sections 18 and 19: All

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 1: All
Section 2: E/2
Sections 10 thru 15: All

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Sections 35 and 36: All

(g) That 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 8 WEST, NMPM
Section 14: SE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 22: NE/4

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM
Section 19: S/2

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM
Section 22: N/2
Section 24: S/2
Section 25: All
Section 36: N/2

(h) That the South Blanco-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Section 1: N/2
Section 2: NE/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 36: S/2

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 25: SE/4

(i) That the Chacon-Dakota Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM
Section 4: SE/4
Section 5: All
Section 8: E/2
Section 9: All
Section 13: W/2
Section 14: All
Section 15: N/2
Section 16: N/2 and SW/4
Section 20: NE/4
Section 21: All
Section 22: S/2 and NW/4
Section 27: E/2
Section 34: NE/4

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM
Section 32: W/2

(j) That the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 28 NORTH, RANGE 3 WEST, NMPM
Sections 5 and 6: All

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM
Section 22: NE/4
Section 23: E/2
Section 25: W/2
Section 26: N/2
Section 27: NE/4

(k) That the Dufers Point Gallup-Dakota Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 3: SE/4

(l) That the South Gallegos-Fruitland Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 1: E/2 and NW/4

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM
Section 36: All

(m) That the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 29: W/2
Section 31: NE/4
Section 32: NW/4

(n) That the Media-Gallup Oil Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 NORTH, RANGE 3 WEST, NMPM
Section 22: SE/4 NE/4 and NE/4 SE/4
Section 23: NW/4 SW/4

(o) That the Nipp-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 10: N/2
Section 11: SE/4
Section 14: NE/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 7: NW/4
Section 20: SW/4
Section 29: N/2

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 1: E/2 and NW/4
Section 2: NE/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 36: SE/4

(p) That the Potwin-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 6: SE/4
Section 7: E/2
Section 8: S/2
Section 9: S/2
Section 16: NW/4

(q) That the Rusty-Chacra Pool in Sandoval County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM
Section 22: S/2

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, 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 Commission. 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 Commission within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations and extensions included herein shall be January 1, 1978.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E A L
jr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 4667
Order No. R-4260

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
CREATING AND EXTENDING CERTAIN
POOLS IN McKINLEY, RIO ARRIBA,
SANDOVAL, AND SAN JUAN COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 16, 1972, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 22nd day of February, 1972, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 there is need for the creation of a new pool in San Juan County, New Mexico, for the production of oil from the Pennsylvanian formation, said pool to bear the designation of Buena Suerte-Pennsylvanian Oil Pool. Said Buena Suerte-Pennsylvanian Oil Pool was discovered by the Tenneco Oil Company Pah Well No. 1, located in Unit L of Section 3, Township 25 North, Range 11 West, NMPM. It was completed in the Pennsylvanian formation on July 28, 1971. The top of the perforations is at 10,956 feet.

(3) That there is need for the creation of a new pool in Sandoval County, New Mexico, for the production of oil from the Dakota formation, said pool to bear the designation of Five Lakes-Dakota Oil Pool. Said Five Lakes-Dakota Oil Pool was discovered by the Refiners Petroleum Corporation Cuba Union Well No. 1, located in Unit A of Section 25, Township 22 North, Range 3 West, NMPM. It was completed in the Dakota formation on October 8, 1970. The top of the perforations is at 6,878 feet.

(4) That there is need for the creation of a new pool in San Juan County, New Mexico, for the production of gas from the Fruitland formation, said pool to bear the designation of South Gallegos-Fruitland Pool. Said South Gallegos-Fruitland Pool was discovered by the Skelly Oil Company Navajo G Well No. 1, located in Unit K of Section 12, Township 26 North, Range 12 West, NMPM. It was completed in the Fruitland formation on May 27, 1968. The top of the perforations is at 1,100 feet.

(5) That there is need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of oil from the Gallup-Dakota formation, said pool to bear the designation of West Lindrith Gallup-Dakota Oil Pool.

(6) That there is need for the creation of a new pool in Sandoval County, New Mexico, for the production of oil from the Mesaverde formation, said pool to bear the designation of Parlay-Mesaverde Oil Pool. Said Parley-Mesaverde Oil Pool was discovered by the Tesoro Petroleum Corporation Parlay Well No. 1, located in Unit H of Section 29, Township 22 North, Range 3 West, NMPM. It was completed in the Mesaverde formation on October 4, 1971. The top of the perforations is at 4,340 feet.

(7) That there is need for the creation of a new pool in San Juan County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation of Rattlesnake-Gallup Oil Pool. Said Rattlesnake-Gallup Oil Pool was discovered by the Eastern Petroleum Company Navajo Well No. 23, located in Unit G of Section 2, Township 29 North, Range 19 West, NMPM. It was completed in the Gallup formation on July 19, 1966. The casing shoe is at 195 feet.

(8) That the proposed creation of a new pool in Sections 17 and 20, Township 21 North, Range 8 West, NMPM, San Juan County, New Mexico, for the production of oil from the Dakota formation should be dismissed.

(9) That there is need for the creation of a new pool in San Juan County, New Mexico, for the production of gas from the Pennsylvanian formation, said pool to bear the designation of North Tocito Dome-Pennsylvanian Pool. Said North Tocito Dome-Pennsylvanian Pool was discovered by the Campbell, Kiel, & Rothwell Navajo Tocito Well No. 1, located in Unit G of Section 9, Township 26 North, Range 18 West, NMPM. It was completed in the Pennsylvanian formation on December 2, 1967. The top of the perforations is at 6,322 feet.

(10) That there is need for the creation of a new pool in San Juan County, New Mexico, for the production of gas from the Pictured Cliffs formation, said pool to bear the designation of Waw-PicturedCliffs Pool. Said Waw-Pictured Cliffs Pool was discovered by the Dugan Production Corporation Waw Well No. 1, located in Unit L of Section 32, Township 27 North, Range 13 West, NMPM. It was completed in the Pictured Cliffs formation on June 20, 1970. The top of the perforations is at 1,325 feet.

(11) That there is need for certain extensions to the Lone Pine-Dakota Oil Pool in McKinley County, New Mexico, the BS Mesa-Gallup Pool, the Choza Mesa-Pictured Cliffs Pool, the Otero-Chacra Pool, the Otero-Gallup Oil Pool and the Wild Horse-Gallup Pool in Rio Arriba County, New Mexico, the Angels Peak-Gallup Oil Pool, the Aztec-Pictured Cliffs Pool, the Blanco-Pictured Cliffs Pool, the Fulcher Kutz-Pictured Cliffs Pool, the Gallegos-Gallup Oil Pool, the Hogback-Dakota Oil Pool, the Kutz-Fruitland Pool, the Pinion-Fruitland Pool and the Slick Rock-Dakota Oil Pool in San Juan County, New Mexico, the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, and the Ballard-Pictured cliffs, the South Blanco-Pictured Cliffs and the Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in San Juan County, New Mexico, classified as an oil pool for Pennsylvanian production, is hereby created and designated as the Buena Suerte-Pennsylvanian Oil Pool, consisting of the following-described area:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 3: SW/4

(b) That a new pool in Sandoval County, New Mexico, classified as an oil pool for Dakota production, is hereby created and designated as the Five Lakes-Dakota Oil Pool, consisting of the following-described area:

TOWNSHIP 22 NORTH, RANGE 3 WEST, NMPM
Section 24: SE/4 SW/4
Section 25: N/2
Section 26: NE/4 NE/4

(c) That a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland production, is hereby created and designated as the South Gallegos-Fruitland Pool, consisting of the following-described area:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM
Section 11: S/2 and NW/4
Section 12: All

(d) That a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Gallup-Dakota production, is hereby created and designated as the West Lindrith Gallup-Dakota Oil Pool, consisting of the following-described area:

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 15: SE/4
Section 20: SE/4
Section 21: S/2 and NE/4
Section 22: All
Section 27: All
Section 28: All
Section 29: E/2
Section 32: E/2
Section 33: All
Section 34: All

(e) That a new pool in Sandoval County, New Mexico, classified as an oil pool for Mesaverde production, is hereby created and designated as the Parlay-Mesaverde Oil Pool, consisting of the following-described area:

TOWNSHIP 22 NORTH, RANGE 3 WEST, NMPM
Section 29: N/2

(f) That a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production, is hereby created and designated as the Rattlesnake-Gallup Oil Pool, consisting of the following-described area:

TOWNSHIP 29 NORTH, RANGE 19 WEST, NMPM
Section 2: NE/4

(g) That the proposed creation of a new pool in San Juan County, New Mexico, classified as an oil pool for Dakota production and designated as the Snake Eyes-Dakota Oil Pool, consisting of the following-described area:

TOWNSHIP 21 NORTH, RANGE 8 WEST, NMPM
Section 17: SW/4 SE/4
Section 20: N/2 and SW/4

is hereby dismissed.

(h) That a new pool in San Juan County, New Mexico, classified as a gas pool for Pennsylvanian production, is hereby created and designated as the North Tocito Dome-Pennsylvanian Pool, consisting of the following-described area:

TOWNSHIP 26 NORTH, RANGE 18 WEST, NMPM
Section 9: E/2
Section 10: SW/4

(i) That a new pool in San Juan County, New Mexico, classified as a gas pool for Pictured Cliffs production, is hereby created and designated as the Waw-Pictured Cliffs Pool, consisting of the following-described area:

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM
Section 32: SW/4

(j) That the Angels Peak-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM
Section 17: E/2

(k) That the Aztec-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 9 WEST, NMPM
Section 31: SW/4

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM
Section 27: N/2
Section 28: N/2 and SE/4

(l) That the Ballard-Pictured Cliffs Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 NORTH, RANGE 2 WEST, NMPM
Section 6: SW/4

TOWNSHIP 22 NORTH, RANGE 3 WEST, NMPM
Section 2: NE/4

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM
Section 24: SE/4

(m) That the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 13: All
Section 24: W/2

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM
Section 3: All
Section 10: All

(n) That the Blanco-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM
Section 1: W/2

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM
Section 25: NW/4

(o) That the South Blanco-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 2 WEST, NMPM
Section 16: SW/4
Section 17: SE/4
Section 20: N/2
Section 21: All
Section 28: NW/4

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 2: W/2
Section 3: All
Section 4: All

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 35: SW/4

(p) That the BS Mesa-Gallup Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 3: N/2
Section 9: NE/4
Section 10: NW/4

(q) That the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM
Section 30: S/2

(r) That the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 6: NE/4

(s) That the Gallegos-Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and

described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 11 WEST, NMPM
Section 24: S/2

(t) That the Hogback-Dakota Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 29 NORTH, RANGE 16 WEST, NMPM
Section 7: SW/4 SW/4
Section 18: NW/4 NW/4

(u) That the Kutz-Fruitland 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 24: NW/4
Section 25: N/2

(v) That the Lone Pine-Dakota Oil Pool in McKinley County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM
Section 7: S/2
Section 8: E/2 NW/4, N/2 SW/4 and SE/4 SW/4
Section 17: NE/4 NW/4
Section 18: E/2 SE/4

TOWNSHIP 17 NORTH, RANGE 9 WEST, NMPM
Section 12: E/2 SE/4
Section 13: NE/4 NW/4
Section 24: E/2 NW/4

(w) That the Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM
Section 7: SW/4 and SE/4 NW/4
Section 18: W/2
Section 19: All
Section 20: SW/4
Section 30: W/2
Section 31: NW/4

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM
Section 3: SW/4
Section 4: E/2 SE/4
Section 5: All
Section 13: All
Section 14: SE/4 and E/2 NE/4
Section 22: NE/4 and NE/4 SE/4
Section 23: N/2
Section 24: NW/4 and NW/4 SW/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 29: SW/4
Section 32: W/2

(x) That the Otero-Chacra Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM
Section 31: NW/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 3: W/2
Section 10: N/2
Section 11: NW/4
Section 35: N/2
Section 36: N/2

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM
Section 1: All
Section 3: N/2

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 34: W/2

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM
Section 18: SW/4
Section 19: W/2 and SE/4
Section 20: SW/4
Section 26: SW/4
Section 28: All
Section 29: W/2
Section 30: All
Section 31: N/2

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 12: W/2
Section 13: N/2 and SE/4

(y) That the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM
Section 3: W/2
Section 4: All
Section 5: SE/4, S/2 NE/4 and NE/4 NE/4
Section 9: N/2 and E/2 SW/4
Section 10: NW/4, SW/4 NE/4, and NW/4 SW/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 33: SE/4

(z) That the Pinion-Fruitland 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 19: W/2

(aa) That the Slick Rock-Dakota Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM
Section 31: W/2 SW/4 and SW/4 NW/4

TOWNSHIP 30 NORTH, RANGE 17 WEST, NMPM
Section 36: NE/4 NE/4

(bb) That the Wild Horse-Gallup Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
Section 19: SW/4

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 12: SW/4
Section 13: NW/4
Section 24: NW/4

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, 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 Commission. 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 Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations and extensions included herein shall be March 1, 1972.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

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

S E A L

dr/

MA 1-13-99 RC 1/20/99

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

Due 1-8-99 LW 2-3-99

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 11996
Order No. R- 11133

APPLICATION OF PENDRAGON ENERGY PARTNERS, INC. AND J. K. EDWARDS ASSOCIATES, INC. TO CONFIRM PRODUCTION FROM THE APPROPRIATE COMMON SOURCE OF SUPPLY, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 28-30, 1998, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of January, 1999, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicants, Pendragon Energy Partners, Inc., and J. K. Edwards Associates, Inc. (collectively "Pendragon"), pursuant to Rule (3) of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as set forth in Division Order No. R-8768, as amended, seek an order confirming that the following described wells, completed within the vertical limits of the WAW Fruitland Sand-Pictured Cliffs Gas Pool or the Basin-Fruitland Coal Gas Pool, are producing from the appropriate common source of supply and providing further relief as the Division deems necessary:

WAW Fruitland Sand-Pictured Cliffs Gas Pool Producing Wells

OPERATOR	WELL NAME & API NUMBER	WELL LOCATION
Pendragon Energy Partners, Inc.	Chaco No. 1 (API No. 30-045-22309)	1846' FNL & 1806' FWL, Unit F, Section 18, T-26N, R-12W
Pendragon Energy Partners, Inc.	Chaco No. 2R (API No. 30-045-23691)	1850' FSL & 1850' FWL, Unit K, Section 7, T-26N, R-12W
Pendragon Energy Partners, Inc.	Chaco No. 4 (API No. 30-045-22410)	790' FNL & 790' FWL, Unit D, Section 7, T-26N, R-12W
Pendragon Energy Partners, Inc.	Chaco No. 5 (API No. 30-045-22411)	790' FSL & 790' FEL, Unit P, Section 1, T-26N, R-13W
Pendragon Energy Partners, Inc.	Chaco Limited No. 1J (API No. 30-045-25134)	1850' FSL & 1750' FWL, Unit K, Section 1, T-26N, R-13W
Pendragon Energy Partners, Inc.	Chaco Limited No. 2J (API No. 30-045-23593)	790' FNL & 1850' FEL, Unit B, Section 1, T-26N, R-13W

Basin-Fruitland Coal Gas Pool Producing Wells

OPERATOR	WELL NAME & API NUMBER	WELL LOCATION
Whiting Petroleum Corp.	Gallegos Fed 26-12-6 No. 2 (API No. 30-045-28898)	886' FSL & 1457' FWL, Unit N, Section 6, T-26N, R-12W
Whiting Petroleum Corp.	Gallegos Fed. 26-12-7 No. 1 (API No. 30-045-28899)	2482' FSL & 1413' FWL, Unit K, Section 7, T-26N, R-12W
Whiting Petroleum Corp.	Gallegos Fed. 26-13-1 No. 1 (API No. 30-045-28881)	828' FNL & 1674' FEL, Unit B, Section 1, T-26N, R-13W
Whiting Petroleum Corp.	Gallegos Fed. 26-13-1 No. 2 (API No. 30-045-28882)	1275' FSL & 1823' FWL, Unit N, Section 1, T-26N, R-13W
Whiting Petroleum Corp.	Gallegos Fed. 26-13-12 No. 1 (API No. 30-045-28903)	1719' FNL & 1021' FEL, Unit H, Section 12, T-26N, R-13W

(3) Whiting Petroleum Corporation and Maralex Resources, Inc., (collectively "Whiting"), interest owners within the Gallegos Federal 26-12-6 No. 2, 26-12-7 No. 1, 26-13-1 No. 1, 26-13-1 No. 2 and 26-13-12 No. 1, appeared at the hearing in opposition to the application and to present evidence and testimony to support ~~its~~ their position that the Pendragon Chaco wells, described in Finding No. (2) above, are producing:

a) from a sandstone interval located within the Fruitland formation; and

b) coal gas from the Basin-Fruitland Coal Gas Pool due to the establishment of communication between the Basin-Fruitland Coal and WAW Fruitland Sand-Pictured Cliffs Gas Pool within the Pendragon Chaco wellbores.

(4) Merrion Oil & Gas Corporation, an interested party, appeared and presented a statement at the conclusion of proceedings.

(5) All ~~of the~~ eleven wells ~~which~~ that are the subject of this application are located within an area (hereinafter referred to as the "subject area") ~~which~~ that comprises:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 6: W/2
Section 7: W/2
Section 18: NW/4

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM,

Section 1: All
Section 12: N/2

(6) The "subject area" is located within the horizontal boundaries of the Basin-Fruitland Coal Gas Pool ~~which was~~ created by Division Order No. R-8768 dated October 17, 1988. The vertical limits of this pool, as defined by Ordering Paragraph No. (1) of Order No. R-8768, are as follows:

> "all **coal seams** within the equivalent of the stratigraphic interval from a depth of approximately 2,450 feet to 2,880 feet as shown on the Gamma Ray/Bulk Density log from Amoco Production Company's Schneider Gas Com "B" Well No. 1 located 1110 feet from the South line and 1185 feet from the West line of Section 28, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico".

(7) Order No. R-8768 further established Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool including provisions for standard 320-acre gas spacing and proration units with wells to be located no closer than 790 feet from the outer boundary of the proration unit nor closer than 130 feet from any quarter section line nor closer than 10 feet from any quarter-quarter section line or subdivision inner boundary. In addition, wells are to be located in the NE/4 or SW/4 of a single governmental section.

(8) The "subject area" is also located within the horizontal boundaries of the WAW Fruitland Sand-Pictured Cliffs Gas Pool. The vertical limits of this pool comprise all of the Pictured Cliffs formation (Order No. R-4260 dated February 22, 1972) and all the **sandstone** intervals of the Fruitland formation (Order No. R-8769 dated October 17, 1988). The WAW Fruitland Sand-Pictured Cliffs Gas Pool is currently governed by Rule No. 104.C. ~~of the Division General Rules and Regulations~~ which requires standard 160-acre gas spacing and proration units

with wells to be located no closer than 790 feet from the outer boundary of the spacing unit nor closer than 130 feet from any quarter-quarter section line or subdivision inner boundary.

(9) The evidence and testimony presented by both parties in this case is generally in agreement that Pendragon and Whiting received assignments of oil and gas leases in all or portions of the "subject area" from common grantors, Robert Bayless (Bayless) and Merrion Oil and Gas Corporation (Merrion) during the period from 1992-94. The assignments of rights to Whiting are as follows:

> "Operating rights from the surface of the earth to the base of the Fruitland (Coal gas) Formation subject to the terms and provisions of that certain Farmout Agreement, dated December 7, 1992 by and between Merrion Oil & Gas et al., Robert L. Bayless, Pitco Production Company, and Maralex Resources, Inc."

(10) The assignment of rights to Pendragon are as follows:

> "Leases and lands from the base of the Fruitland Coal formation to the base of the Pictured Cliffs formation."

(11) A brief history of the Pendragon wells, obtained from Division records, ~~is described~~ as follows:

a) the Chaco Well No. 1 was drilled by Merrion and Bayless in February, 1977 to test the Pictured Cliffs formation. The well was perforated and completed in the Pictured Cliffs formation from a depth of 1,113' to 1,139'. The well initially tested in this interval at a rate of approximately 342 MCFGD, 0 BOPD and 0 BWPD. In January, 1995, J. K. Edwards & Associates, Inc. (Edwards) became operator of the well. In January, 1995, the well was fracture stimulated in the perforated interval. In January, 1996, Pendragon became operator of the well;

b) the Chaco Well No. 2R was drilled by Merrion and Bayless in October, 1979 to test the Pictured Cliffs formation. The well was perforated and completed in the Pictured Cliffs formation from a depth of 1,132' to 1,142'. The well initially tested in this interval at a rate of approximately 150 MCFGD, 0 BOPD and 0 BWPD. In January, 1995, Edwards became operator of the well. In January, 1995, the well was fracture stimulated in the perforated interval. In January, 1996, Pendragon became operator of the well;

c) the Chaco Well No. 4 was drilled by Merrion and Bayless in April, 1977 to test the Pictured Cliffs formation. The well was perforated and completed in the Pictured Cliffs formation from a depth of 1,163' to 1,189'. The well was initially tested in this interval at a rate of approximately 480 MCFGD, 0 BOPD, and 0 BWPD. In January, 1995, Edwards became operator of the well. In January, 1995, the well was acidized with 500 gallons 7 ½ percent HCl. In May, 1995, the well was re-perforated in the interval from 1,163' to 1,189' and fracture stimulated in this interval. In January, 1996, Pendragon became operator of the well;

d) the Chaco Well No. 5 was drilled by Merrion and Bayless in April, 1977 to test the Pictured Cliffs formation. The well was perforated and completed in the

Pictured Cliffs formation from a depth of 1,165' to 1,192'. The well initially tested in this interval at a rate of approximately 1029 MCFGD, 0 BOPD and 0 BWPD. In May, 1979 the well was fracture stimulated in this interval. In January, 1995, Edwards became operator of the well. In January, 1995, the well was re-perforated in the interval from 1,165' to 1,192 feet and was fracture stimulated in this interval. In January, 1996, Pendragon became operator of the well;

e) the Chaco Limited Well No. 1J was drilled by Merrion and Bayless in April, 1982 to test the Pictured Cliffs formation. The well was perforated and completed in the Pictured Cliffs formation from a depth of 1,200' to 1,209'. The well initially tested in this interval at a rate of approximately 10 MCFGD, 0 BOPD and a trace of water. In January, 1995, Edwards became operator of the well. In January, 1995, the well was acidized with 500 gallons 7 ½ percent HCl. In January, 1996, Pendragon became operator of the well; and

f) the Chaco Limited Well No. 2J was drilled by Merrion and Bayless in September, 1979 to test the Pictured Cliffs formation. The well was perforated and completed in the Pictured Cliffs formation from a depth of 1,186' to 1,202'. The well initially tested in this interval at a rate of approximately 208 MCFGD, 0 BOPD and 4 BWPD. In October, 1979, the well was fracture stimulated in this interval. In January, 1995, Edwards became operator of the well. In January, 1995, the well was acidized with 500 gallons 7 ½ percent HCl. In January, 1996, Pendragon became operator of the well.

(12) A brief history of the Whiting wells, obtained from Division records, is described as follows:

a) the Gallegos Federal 26-12-6 No. 2 was drilled by Maralex in December, 1992 to test the Basin-Fruitland Coal Gas Pool. The well was perforated and completed in the Fruitland Coal from a depth of 1,138' to 1,157'. The well was subsequently fracture stimulated in this interval. In September, 1995, Whiting became operator of the well;

b) the Gallegos Federal 26-12-7 No. 1 was drilled by Maralex in December, 1992 to test the Basin-Fruitland Coal Gas Pool. The well was perforated and completed in the Fruitland Coal from a depth of 1,131' to 1,150'. The well was subsequently fracture stimulated in this interval. In September, 1995, Whiting became operator of the well;

c) the Gallegos Federal 26-13-1 No. 1 was drilled by Maralex in December, 1992 to test the Basin-Fruitland Coal Gas Pool. The well was perforated and completed in the Fruitland Coal from a depth of 1,158' to 1,177'. The well was subsequently fracture stimulated in this interval. In September, 1995, Whiting became operator of the well;

d) the Gallegos Federal 26-13-1 No. 2 was drilled by Maralex in December, 1992 to test the Basin-Fruitland Coal Gas Pool. The well was perforated and completed in the Fruitland Coal from a depth of 1,047' to 1,208'. The well was subsequently fracture stimulated in this interval. In September, 1995, Whiting

became operator of the well; and,

e) the Gallegos Federal 26-13-12 No. 1 was drilled by Maralex in December, 1992 to test the Basin-Fruitland Coal Gas Pool. The well was perforated and completed in the Fruitland Coal from a depth of 1,178' to 1,197'. The well was subsequently fracture stimulated in this interval. In September, 1995, Whiting became operator of the well.

Fruitland Sand vs. Pictured Cliffs Sand Geologic Issue

(13) In its Chaco Wells No. 1, 4, 5 and its Chaco Limited Well No. 2J, Pendragon is producing from two separate sandstone intervals, hereinafter referred to as the "Upper Sandstone" and "Lower Sandstone" intervals. In its Chaco Well No. 2R and Chaco Limited Well No. 1J, Pendragon is producing only from the "Lower Sandstone" interval, all described as follows. It is the position of Pendragon that the top of the Pictured Cliffs formation occurs in this area at or above the top of the "Upper Sandstone" interval.

Well Name & Number	"Upper Sandstone" Perforations	"Lower Sandstone" Perforations
Chaco Well No. 1	1,113'-1,119'	1,134'-1,139'
Chaco Well No. 4	1,163-1,166'	1,173'-1,189'
Chaco Well No. 5	1,165'-1,169'	1,174'-1,192'
Chaco Limited Well No. 2J	1,186'-1,188'	1,200'-1,202'
Chaco Well No. 2R	None	1,132'-1,142'
Chaco Limited Well No. 1J	None	1,200'-1,209'

(14) Whiting agrees that the "Lower Sandstone" interval is within the Pictured Cliffs formation; however, it contends that the top of the Pictured Cliffs formation occurs in this area at the top of the "Lower Sandstone" interval.

(15) Pendragon presented the following geologic evidence and testimony to support its pick for the top of the Pictured Cliffs formation. ~~This evidence and testimony shows that~~:

a) the perforations in its Chaco wells were made by Pendragon's predecessors in interest, Merrion and Bayless, and were reported to the Division and to the Bureau of Land Management (BLM) on the appropriate well completion forms. All forms filed by Merrion and Bayless indicate that all perforations in the Chaco wells are within the Pictured Cliffs formation. Casing collar survey logs performed in May and June, 1998 establish that none of the Chaco wells were perforated in or re-perforated in the Fruitland Coal formation;

Sounds like a finding

b) the discovery well for the WAW Fruitland Sand-Pictured Cliffs Gas Pool was the WAW Well No. 1, located in Unit L of Section 32, Township 27 North, Range 13 West, NMPM, which was completed on June 20, 1970 by Dugan Production Corporation (Dugan). Dugan picked the top of the Pictured Cliffs formation at a depth of 1,317 feet, which is above the "Upper Sandstone" interval;

c) the discovery well for the Nipp-Pictured Cliffs Gas Pool, located directly southeast of the WAW Fruitland Sand-Pictured Cliffs Gas Pool, was the Chaco

Plant Well No. 1, located in Unit O of Section 17, Township 26 North, Range 12 West, NMPM, which was completed in April, 1975 by Dugan. Dugan picked the top of the Pictured Cliffs formation at a depth of 1,132 feet, which is above the "Upper Sandstone" interval;

d) the term "stratigraphic equivalent" as used to define the vertical limits of the Basin-Fruitland Coal Gas Pool essentially means "the same kind of rock material". The primary distinguishing characteristic of the Pictured Cliffs sandstone is its creation in a marine depositional environment. Conversely, the Fruitland Coal and the Fruitland Sandstone were deposited in a non-marine depositional environment;

e) ~~its isopach map of~~ the "Upper Sandstone" interval ~~shows the occurrence of that sandstone~~ along the shoreline trending from a northwest to southeast direction in a barrier bar marine littoral environment. The "Upper Sandstone" interval appears as a classic shoreline or chenier-type sand grading from 0 to approximately 13 feet thick toward the northeast where it coalesces into the "Lower Sandstone" or main body of the Pictured Cliffs formation as the sand trends from the shoreline environment on the southwest toward the center of the San Juan Basin to the northeast. The "Upper Sandstone" interval is also continuous in character and correlates over a large area covering portions of four townships;

f) the core analysis for the Lansdale Federal Well No. 1, located in Unit B of Section 7, Township 26 North, Range 12 West, NMPM, ~~establishes that~~ the grain size and sorting throughout the "Upper Sandstone" ~~interval are uniform~~, which is consistent with a marine depositional environment. The core analysis further indicate that ~~the physical description of~~ the sand appearing in the "Upper Sandstone" and "Lower Sandstone" intervals ~~are~~ grey, fine-grained, with little variation in clay content, consistent with a marine sand that has been laterally transported to the point ~~where the energy available sorts the sand~~ into uniform size. ~~Sand~~ sorting characteristics of this sort are not consistent with a fluvial deposit with graded bedding ~~and~~ coarsening downward;

g) the Fruitland sands are deposited along a trend from the southwest to the northeast on a channelized basis and those sands thin towards the northeast to the edge of the Pictured Cliffs sandstone body. The Fruitland sands are consistently recognized as non-marine (continental) deposits such as fluvial channels, deltaic-distributary channels and other landward deposits. The Fruitland formation is the non-marine facies consisting of inter-bedded sandstone, mudstone and coal beds deposited landward of the marine facies of the Pictured Cliffs sandstone; and

h) approximately thirty-four (34) wells in this area have been perforated in the "Upper Sandstone" interval in conjunction with other perforated sandstone intervals within the Pictured Cliffs formation. These perforations, which were reported to the Division and to the BLM as being Pictured Cliffs completions, are consistent with the picks for the top of the Pictured Cliffs formation from the WAW Well No. 1 and the Chaco Plant Well No. 1, the discovery wells for the WAW Fruitland Sand-Pictured Cliffs and Nipp-Pictured Cliffs Gas Pools,

respectively. This evidence establishes that its picks for the top of the Pictured Cliffs formation in its Chaco wells are consistent with those of other operators in this area.

(16) Whiting presented extensive geologic evidence and testimony to support its pick for the top of the Pictured Cliffs formation. ~~This evidence and testimony shows that:~~

a) there are two continuous coal seams within the lower portion of the Fruitland formation in this area. The upper coal seam, characterized by Whiting as the "B" Coal, is approximately 20 feet thick throughout the subject area. The lower coal seam, characterized by Whiting as the "Basal" Coal, varies from 2 to 4 feet thick and overlies the more massive Pictured Cliffs marine sandstone ("Lower Sandstone" interval);

b) the "Upper Sandstone" interval, which is between 2 to 7 feet thick in this area and is located between the "B" Coal and the "Basal" Coal, is a Fruitland sand within the lower portion of the Fruitland formation;

c) its depositional model, as determined from mapping the various sands in the Fruitland and Pictured Cliffs formations, suggests that the "Upper Sandstone" interval was formed by inland river deposits which filled the area in-between abandoned beach ridges. This type of depositional model suggests that the "Upper Sandstone" interval was deposited in a non-marine environment;

d) a marine environment does not provide the conditions necessary for the development of coal. Coal formation and deposition is representative of an inland environment;

e) due to bioturbation in a lagoonal (marine) depositional environment, the "Upper Sandstone" interval should not exhibit high permeability reservoir type sand; and

f) ~~various~~ geologic literature suggests that the top of the Pictured Cliffs formation is usually placed at the top of the massive sandstone below the lower-most coal of the Fruitland formation. ~~Its~~ interpretation of the top of the Pictured Cliffs formation is consistent with such geologic literature.

(17) Upon consideration of the geologic evidence and testimony presented by both parties in this case the ***Division finds that***:

a) the Pictured Cliffs formation was deposited in a marine environment. The Fruitland formation was deposited in a non-marine or inland terrestrial environment (i.e. fluvial channels, deltaic distributary channels, etc.). Both parties are generally in agreement that these criteria should be used in differentiating between the two formations in this area;

b) mapping of the "Upper Sandstone" interval shows a fairly uniform, fairly continuous "sheet" type sand body that appears to trend along a shoreline in a northwest to southeast direction. In contrast, the Fruitland formation is

characterized by northeast to southwest trending fluvial and lower coastal-plain deposits;

c) the only available core analysis data (obtained from the Lansdale Federal Well No. 1) shows a similar physical description of the sands within the "Upper Sandstone" and "Lower Sandstone" intervals, and shows uniform grain size and sorting within the "Upper Sandstone" interval, which is indicative of a marine depositional environment;

d) the "Upper Sandstone" interval coalesces into the "Lower Sandstone" or main body of the Pictured Cliffs formation as the sand trends from the shoreline environment ~~in~~ to the southwest toward the center of the San Juan Basin to the northeast which may be indicative of the same depositional environment;

e) the "Upper Sandstone" interval has been consistently picked by various other operators throughout the developmental history of this area to be contained within the Pictured Cliffs formation. Various regulatory agencies including the Aztec District Office ~~of the Division~~ and the ~~Bureau of Land Management~~ have recognized and concurred with these operator's picks;

f) there is sufficient geologic evidence and testimony to adequately explain the development of the small coal seam below the "Upper Sandstone" interval as occurring in a marine depositional environment; and

g) there is insufficient geologic evidence to support Whiting's depositional model which indicates the "Upper Sandstone" interval to be part of the Fruitland formation.

(18) There is sufficient geologic evidence to establish that the "Upper Sandstone" interval is located within the Pictured Cliffs formation, WAW Fruitland Sand-Pictured Cliffs Gas Pool.

(19) Pendragon's Chaco Wells No. 1, 2R, 4, 5 and Chaco Limited Wells No. 1J and 2J are ~~producing, insofar as the~~ perforated ~~intervals within the wellbore are concerned~~ within the appropriate common source of supply, being the WAW Fruitland Sand-Pictured Cliffs Gas Pool.

Issues Concerning Possible Communication Between the Fruitland Coal and Pictured Cliffs Formations within the Chaco Wells

(20) Whiting contends that through the process of acidizing and/or fracture stimulation, Pendragon has established communication between the Basin-Fruitland Coal and WAW Fruitland Sand-Pictured Cliffs Gas Pools within the Chaco Wells No. 1, 2R, 4, 5 and the Chaco Limited Wells No. 1J and 2J. Whiting further contends that as a result of this communication, Pendragon is producing significant amounts of coal gas reserves through its Chaco wells. In support of its position, Whiting presented extensive geologic and engineering data.

(21) Pendragon contends that the acidizing and/or fracture stimulation conducted on its Chaco wells did not establish communication between the Basin-Fruitland Coal and WAW Fruitland Sand-Pictured Cliffs Gas Pools, and that the gas reserves currently being produced from its Chaco wells originate from the Pictured Cliffs formation.

Pressure and Production Data

(22) The pressure history of the Pendragon Chaco wells is summarized as follows:

Well No.	Pre-Treatment Wellhead Shut-in Pressure/Date	Treatment Date and Type	Post-Treatment Wellhead Shut-in Pressure/Date
Chaco No. 1	137 psi (7/83)	1/95 Frac'd	170 psi (2/95)
Chaco No. 2R	110 psi (7/83)	1/95 Frac'd	104 psi (3/95)
Chaco No. 4	97 psi (7/83)	5/95 Frac'd	153 psi (5/95)
Chaco No. 5	121 psi (6/80)	4/95 Frac'd	151 psi (5/95)
Chaco Ltd. 1J	87 psi (6/84)	1/95 Acidized	158 psi (1/95)
Chaco Ltd. 2J	157 psi (8/80)	1/95 Acidized	188 psi (3/95)

(23) The production history of the Pendragon Chaco wells is summarized as follows:

Well No.	Initial Production (Original Completion)	Pre-Acidization or Fracture Stimulation Production	Post-Acidization or Fracture Stimulation Production	Current Production
Chaco No. 1	80 MCF/D	0 MCF/D	250 MCF/D	165 MCF/D
Chaco No. 2R	70 MCF/D	0-15 MCF/D	90 MCF/D	120 MCF/D
Chaco No. 4	200 MCF/D	0 MCF/D	425 MCF/D	200 MCF/D
Chaco No. 5	190 MCF/D	0 MCF/D	370 MCF/D	210 MCF/D
Chaco Ltd. 1J	11 MCF/D	0-10 MCF/D	0-10 MCF/D	0-10 MCF/D
Chaco Ltd. 2J	30 MCF/D	0-10 MCF/D	0-10 MCF/D	0-10 MCF/D

(24) Cumulative gas production from the Pendragon Chaco wells is summarized as follows:

Well No.	Cumulative Production Drill Date-Pre-Acidization or Fracture Stimulation	Cumulative Production Drill Date-May 31, 1998	Difference (Post-Acidization or Fracture Stim.)
Chaco No. 1	102.8 MMCFG	377.8 MMCFG	275.0 MMCFG
Chaco No. 2R	49.3 MMCFG	99.2 MMCFG	50.0 MMCFG
Chaco No. 4	201.8 MMCFG	591.0 MMCFG	389.2 MMCFG
Chaco No. 5	144.8 MMCFG	507.8 MMCFG	363.0 MMCFG
Chaco Ltd. 1J	13.9 MMCFG	N/A	N/A
Chaco Ltd. 2J	37.8 MMCFG	N/A	N/A

(25) The production history of the Gallegos Federal wells is summarized as follows:

Well No.	Date of Initial Production	Initial Production Rate	Current Production Rate
26-12-6 No. 2	12/93	85 MCF/D	733 MCF/D
26-12-7 No. 1	12/93	124 MCF/D	700 MCF/D

26-13-1 No. 1	12/93	26 MCF/D	383 MCF/D
26-13-1 No. 2	7/93	51 MCF/D	150 MCF/D
26-13-12 No. 1	1/94	195 MCF/D	350 MCF/D

(26) With regards to pressure, production and gas reserve data, Pendragon presented engineering and geologic data ~~which indicates that~~:

a) in 1977, initial reservoir pressure in the Pictured Cliffs formation ranged between 230-250 psi in ~~this~~ area. As production continued into the 1980's, the rate of pressure decline in the Chaco wells, regardless of the volumes of gas produced, was generally the same indicating pressure communication over a large area. As the Chaco wells reached low rates of production during the early to mid 1980's the reservoir pressure was in the range of 90-130 psi. There is very little pressure data available from these wells during the period from 1983 to 1995;

b) in 1995, pressure readings taken from the Chaco Limited Wells No. 1J and 2J (which were not fracture stimulated) and from the Chaco Well No. 4 prior to fracture stimulation indicate that pressures had substantially increased since 1983-84 and ranged from 140 psi to 190 psi. This pressure data indicates that the reservoir pressure in the Pictured Cliffs formation was increasing in its Chaco wells prior to the conductance of fracture stimulations;

c) pressure data for the Chaco Wells No. 4 and 5 reflects that in 1995, these wells were producing at less than 1 percent of their producing rates in 1979 and pressures were equivalent to reservoir pressures in 1979. Such evidence indicates the existence of reservoir or skin damage;

d) there is a lower Pictured Cliffs sandstone interval (identified by the applicant as the "third bench") which is located approximately 14 feet below where ~~it~~ the lower Chaco wells are currently perforated. Although the water saturation in this zone is relatively high (67%-78%), this lower zone may be in pressure and production communication and may be acting as a gas recharge source for the main body of the Pictured Cliffs sandstone interval. There is also evidence ~~which~~ indicating that a well located in the SW/4 SW/4 of Section 11, Township 26 North, Range 13 West, produced exclusively from the "third bench" of the Pictured Cliffs with cumulative production of approximately 93 MMCF of gas;

e) volumetric reserve estimates of original gas-in-place (OGIP) for the main body and "third bench" of the Pictured Cliffs sandstone interval in ~~the~~ Chaco Wells No. 1, 4, and 5 (based on 160-acre drainage) are summarized as follows:

Well No.	OGIP (MMCF) Perforated Interval	OGIP (MMCF) "Third Bench"	Total (MMCF)
Chaco No. 1	442	236	678
Chaco No. 4	410	380	790
Chaco No. 5	395	228	623

f) remaining gas reserve calculations, based upon decline curve analysis of production subsequent to acizidation and/or fracture stimulation are summarized as follows:

Well No.	Remaining Reserves (MMCF) (As of July 1, 1998)	Drainage Area (Perforated Interval)
Chaco No. 1	178.0	236-acres
Chaco No. 2R	94.0	N/A
Chaco No. 4	219.0	384-acres
Chaco No. 5	219.0	351-acres
Chaco Ltd. 1J	0.0	N/A
Chaco Ltd. 2J	0.0	N/A

g) both volumetric and decline curve analysis indicate that sufficient gas reserves exist in the Pictured Cliffs formation to account for the production from the Chaco wells;

h) the production history of the Chaco wells compared to the pressure data accumulated prior to the acidization and/or fracture stimulations on those wells indicate the reservoir in the immediate vicinity of the wellbores had experienced skin damage or other forms of reservoir damage. As a result, production from the Pictured Cliffs had significantly declined prior to the acidization and/or fracture stimulations;

i) a drop in production for the Pendragon and Whiting wells ~~which~~ that occurred in August, 1995 corresponds to and was a result of frequent shut-ins of the El Paso Chaco Plant. This month was also preceded and followed by long periods of unusually high line pressure which may have also contributed to a drop in production in Whiting's wells; and

j) production plots for the Whiting wells shows gas and water production typical for a Fruitland Coal well. The gas and water decline curves for the Whiting wells show no inflections indicating any interference from the Pendragon Chaco wells.

(27) With regards to pressure, production and gas reserve data, Whiting presented the following geologic and engineering evidence and testimony ~~which indicates that~~:

a) the acidization and/or fracture stimulations performed by Pendragon on the Chaco wells resulted in significant pressure increases in these wells. The significant pressure increase achieved in these wells was markedly higher than the natural pressure increase experienced in the wells prior to the acidization and/or fracture treatments, and demonstrates that communication between the Pictured Cliffs and Fruitland Coal was established as a result of the treatments;

b) Pendragon introduced evidence at the hearing that pressures in the Chaco Well No. 5 had risen prior to any acidization or fracture stimulation on that well. Well file data indicates, however, that a casing leak occurred in that well prior to

i) typically, Pictured Cliffs producing wells do not exhibit significant water producing rates. The Chaco wells have produced significant volumes of water since the acidization and/or fracture stimulations were conducted. Such high water producing rates are consistent with production originating from the Fruitland Coal;

j) Pendragon failed to report water production from the Chaco wells prior to February, 1998. Prior to that time, water production data from the Chaco wells is sparse. Pendragon disposed of produced water from its Chaco wells in unlined earthen pits in an area of sandy soils. The result of such disposal is that significant amounts of produced water were disposed of through evaporation and absorption into the soil, thus making it impossible to precisely quantify the volumes of water produced from the Chaco wells since the water production was not recorded by the pumpers or contract operator;

k) water/gas producing ratios for the Chaco wells are generally higher than those for the Whiting wells during the same periods; and

l) since the Chaco wells were shut-in by Order of the Santa Fe County District Court on June 30, 1998, pressure readings on the Chaco wells have confirmed communication with the Fruitland Coal. ~~Its evidence demonstrates that~~ the shut-in pressure readings on the Chaco wells have fluctuated, such fluctuations coinciding with periods when the Whiting wells were shut-in due to pipeline and plant restrictions and when the Whiting wells went back on production. If there were no communication between the Pictured Cliffs and Fruitland Coal, the Chaco wells should exhibit a stable pressure once static pressure has been achieved.

(28) Upon consideration of the pressure data presented by both parties in this case the ***Division finds that***:

a) there is no pressure data available for the Chaco Well No. 4 and the Chaco Limited Wells No. 1J and 2J during the period from 1983-84 to January, 1995; consequently, it cannot be demonstrated that the pressure increases experienced in these wells occurred **prior** to their acid stimulations which were performed in January, 1995;

b) subsequent to acidization and/or fracture stimulation, the Chaco Wells No. 1, 4, 5, and the Chaco Limited Well No. 2J experienced increases in shut-in wellhead pressure. These pressure increases appear to have occurred as a **result** of the stimulation;

c) there is no pressure data available for any of the Chaco wells during the period from 1983-84 to 1995. The reservoir pressure in the Pictured Cliffs formation during the early to mid 1980's, at which time the Chaco wells were producing at low marginal rates, was approximately 90-130 psi;

d) there is not sufficient evidence to establish that the Chaco wells experienced "skin damage" resulting in premature production decline in the Pictured Cliffs

formation;

e) given the state of depletion within the Pictured Cliffs producing interval (perforated interval), any pressure recharge ~~which~~ that occurred within the Chaco wells during or subsequent to acidization and/or fracture stimulation originated from a source outside this interval;

f) during late 1994, the Fruitland Coal pressure within the Gallegos Federal wells ranged from approximately 175 to 225 psi. This data indicates that at the time the Chaco wells were acidized and/or fracture stimulated, there existed sufficient pressure within the Fruitland Coal formation to act as a recharge source for the Chaco wells;

g) Pendragon presented no data with regards to the pressure within the "third bench" of the Pictured Cliffs formation; and

h) on June 30, 1998, the Chaco wells were ordered shut-in by the Santa Fe District Court. Recorded wellhead pressures taken on the Chaco wells during the period from June 30-July 13, 1998 (13-day shut-in) showed the pressures to be stable within these wells. On July 14 for a 2-day period, and again on July 23 for a 2 1/2-day period, the Chaco Gas Plant was shut-in and as a result, production from the Gallegos Federal wells was severely curtailed during these shut-in periods. The data indicates that each of the Chaco wells generally exhibited an increase in shut-in pressure at the times the Gallegos Federal ~~wells~~ wells' production was curtailed, and generally exhibited a decrease in shut-in pressure at the times normal production from the Gallegos Federal wells resumed.

~~Conclusion:~~ (29) ***The pressure data generally indicate pressure communication between the Pictured Cliffs and Fruitland Coal formations within the Pendragon Chaco wells.***

~~(29)~~ Upon consideration of the production and gas reserve data presented by both parties in this case the ***Division finds that***:

a) Prior to the acidizations and/or fracture stimulations, the Chaco wells produced at rates ranging from 0-15 MCF gas per day. Post stimulation production from the Chaco Wells No. 1, 2R, 4 and 5 ranged from 90-425 MCF gas per day. Post stimulation production from the Chaco Wells No. 1, 4, and 5 significantly exceeded initial production from these wells at virgin reservoir conditions;

b) the Pictured Cliffs reservoir within the Chaco wells, which exhibited pressure and production decline typical of a sandstone reservoir, appears to have been depleted prior to the acidization and/or fracture stimulations which occurred in 1995;

c) stimulation efforts (acidization) performed on the Chaco Limited Wells No. 1J and 2J did not alter these ~~wells'~~ rates of production. These wells continue to produce at low marginal rates; wells'

d) the significant post stimulation increases in producing rates obtained in the

Chaco Wells No. 1, 2R, 4 and 5 cannot solely be attributable to overcoming "skin damage" in the wells. In addition, given the state of depletion within the Pictured Cliffs producing interval, the significant gas reserves being produced from the Chaco Wells No. 1, 2R, 4 and 5 do not likely originate from this interval;

e) Pendragon presented no evidence to demonstrate that there is pressure and/or production communication between the Pictured Cliffs producing interval and the "third bench" of the Pictured Cliffs formation;

f) typically, Pictured Cliffs completions produce very small amounts of water. Fruitland Coal completions are characterized by substantial water production until such time as the reservoir is de-watered;

g) although there is very limited water production data for the Chaco wells prior to February, 1998, testimony by Maralex indicates that as early as August, 1996, it witnessed substantial amounts of water contained within earthen pits at the Chaco well locations. There is further evidence ~~which~~ indicates that the Chaco Well No. 1 continues to produce significant amounts of water (640 barrels in March, 1998, 640 barrels in April, 1998);

h) during 1998, water/gas ratios in the Chaco Wells No. 1, 2R and 4 were at least as high, and in some cases substantially higher than those in the closest offsetting Gallegos Federal wells;

i) combined production data for the five Gallegos Federal wells shows that during 1994, the wells exhibited a fairly constant rate of production incline, which is characteristic of Fruitland Coal gas production. An effect on the Gallegos Federal well's production is evident commencing during the 2nd quarter of 1995, at which time the rate of production incline for the wells decreased;

j) cumulative gas production from the Chaco Wells No. 4 and 5 (591 MMCFG and 508 MMCFG, respectively) has exceeded Pendragon's original gas-in-place volumetric reserve estimates (based upon 160-acre drainage) for the Pictured Cliffs ~~producing~~ interval (410 MMCFG and 395 MMCFG, respectively);

k) there is no evidence to demonstrate pressure and production communication between the Pictured Cliffs producing interval and the "third bench" of the Pictured Cliffs formation within the Chaco wells; consequently, gas reserves contained within the "third bench" of the Pictured Cliffs formation should not be included in any production/gas reserve analysis;

l) Pendragon's decline curve and material balance gas reserve calculations are based upon post-stimulation production data from the Chaco wells. This data may not accurately reflect gas reserves in the Pictured Cliffs formation due to the possible establishment of communication with the Fruitland Coal formation during stimulation;

m) Whiting's original gas-in-place reserve calculations for the Chaco wells ~~were determined~~ were made utilizing "PROMAT", a reservoir simulation program ~~which utilized~~ and

historic production data from the Chaco wells prior to acidization and/or fracture stimulation.

Conclusions: ***The producing characteristics of the Chaco wells (i.e. high initial producing rates subsequent to stimulation, water production, water/gas ratios, etc.) are indicative of gas production originating from the Fruitland Coal formation rather than the Pictured Cliffs formation.***

The Pictured Cliffs formation was depleted by the Chaco wells prior to the stimulations performed on these wells in 1995.

There is no evidence to support Pendragon's contention that the "third bench" of the Pictured Cliffs formation is the source of production recharge within the Chaco wells.

There is some evidence indicates that production from the Gallegos Federal wells has been affected by production from the Chaco wells.

Whiting's method and resulting gas reserve calculations for the Chaco wells appears to more accurately depict the original gas-in-place reserves within the Pictured Cliffs formation than those presented by Pendragon.

BTU/Gas Analysis Data

(30) It is Pendragon's position that even though there is a difference in BTU content between Pictured Cliffs and Fruitland Coal gas, BTU content cannot be used as an indicator of communication between the zones for the following reasons:

a) variations in BTU content could be attributable to a number of factors, including variations in reservoir pressure draw-down rates and production over time affecting the production of various gas liquids; and,

b) phase change graphs demonstrate that phased transition from gas to liquids in a low permeability reservoir shows significant variations for methane, ethane, propane, butane and pentane. The production of these liquids and the resultant effect on gas BTU content was shown to be affected by a number of factors, including reservoir pressure and rates of production. As a result of these variable, dynamic forces, the various components move through the reservoir at different velocities, affecting the BTU content of the produced gas. As reservoir conditions are historically variable rather than static, the BTU content of the gas is continually affected.

(31) It is the position of Whiting that BTU content of gas can be utilized to demonstrate communication between the Pictured Cliffs and Fruitland Coal and presented engineering evidence and testimony that:

a) a sample of 40 wells located within Township 26 North, Ranges 12 and 13 West indicates that the BTU content of Pictured Cliffs gas is generally in the range of 1,050 to 1,150, while the BTU content of Fruitland Coal gas is generally around 1,000;

b) historical data indicates that the BTU content of the Chaco wells prior to acidization and/or fracture stimulation was consistent with Pictured Cliffs produced gas in this area;

c) the gas analysis of the Gallegos Federal wells generally indicates a gas composed of 97-99% methane. The gas analysis of the Chaco wells prior to acidization and/or fracture stimulation generally indicates a gas composed of 90-93% methane; and

d) following the acidization and/or fracture stimulations, the Chaco wells began producing gas with a BTU content and gas analysis consistent with Fruitland Coal seam gas. The evidence presented to the Division demonstrates that the BTU readings on the gas produced in the Gallegos Federal wells and the BTU readings on the gas produced from ~~Pendragon's~~ Chaco wells has become increasingly similar and consistent overtime, thus indicating that the Chaco wells are producing significant volumes of coal seam gas.

(32) Upon consideration of the BTU content and gas analysis (% methane) data presented by both parties in this case the ***Division finds that***:

a) there is no evidence to support Pendragon's contention that variations in BTU content in its Chaco wells are attributable to factors such as variations in reservoir pressure draw-down rates and production over time affecting the production of various gas liquids;

b) BTU content and gas analysis trends for the Gallegos Federal wells and the Chaco wells (prior to acidization and/or fracture stimulation) appear to be fairly consistent;

c) the BTU content decreased and the percentage of methane increased in the Chaco Wells No. 1, 4 and 5 subsequent to acidization and/or fracture stimulation; and

d) the current BTU content and gas analysis of the Chaco wells appears to be more characteristic of Fruitland Coal gas ~~rather~~ than Pictured Cliffs gas.

Conclusions: ***BTU content and gas analysis trends can be utilized as an indicator of communication between the Fruitland Coal and Pictured Cliffs formations.***

The BTU content and gas analysis data presented generally indicates communication between the Pictured Cliffs and Fruitland Coal formations within the Chaco wells.

Fracture Stimulation Data

(33) The evidence presented by the parties indicates that the foam fracture stimulations performed on the Chaco wells consisted of fluid volumes averaging 31,248 gallons at proppant weights averaging 38,421 pounds injected at treating rates ranging from between 22 to 34 barrels per minute. The evidence further indicates that the foam fracture stimulations performed on the Gallegos Federal wells consisted of fluid volumes averaging 41,030 gallons at proppant weights

averaging 72,656 pounds injected at treating rates between 45 to 60 barrels per minute.

(34) Pendragon presented the following engineering evidence and testimony in the area of fracture technology ~~which indicates that~~:

a) pressure and injection rate data derived from formation fracture treatments can be used to determine the vertical height growth and horizontal extension of fractures within the formation;

b) lithologic analysis from well logs may be used to design fracture stimulation treatments that remain contained within the target zone or formation. Moreover, changes in lithology and facies will predictably act as a barrier to fracture growth out of zone. Specifically, there is a distinct lithology change at the top of the Pictured Cliffs formation within the Chaco wells;

c) the fracture stimulations performed by Whiting were accomplished at significantly higher rates and higher volumes with fracture fluids of greater viscosity. By comparison, the fracture stimulations performed by Pendragon on its Chaco wells were accomplished at relatively low rates and low volumes;

d) Nolte Plots are an effective and reliable means of determining vertical height growth and extension of formation fractures;

e) the Nolte Plots for the Chaco wells show a slight incline in pressure over the time of the treatment, indicating restricted height growth and lateral extension of the fractures. In contrast, the Nolte Plots for the Gallegos Federal wells show negative slopes, indicating unrestricted, vertical growth and in one case, "run away" vertical fractures;

f) coal is an effective barrier to fracture growth because it is more elastic than the surrounding sandstones. The cleat systems within the coal body also allow for the pressure at the fracture tip to become diffuse, negating the ability of the tip and fluids to fracture into the coal itself;

g) the fracture treatments for the Chaco wells were designed specifically to utilize the thin coal and shale stringers as effective barriers to maintain containment of the fracture. Several examples of this type of fracture design and its effect were demonstrated for wells in the Raton Basin;

h) fracture simulators such as "FRACPRO", which was utilized by Whiting in this case, are generally recognized to exaggerate the height of actual fracture growth, thus making them a less reliable means for determining whether fractures remained confined within zone; and

i) the evidence and data presented are sufficient to support the conclusion that the fracture treatments on the Chaco wells did not escape out of zone and remained contained within the Pictured Cliffs formation. The evidence available is also insufficient to demonstrate that the fracture stimulations performed on the Whiting Gallegos Federal wells resulted in communication between the Pictured Cliffs and the Fruitland Coal.

(35) Whiting presented engineering evidence and testimony in the area of fracture technology ~~which indicates~~ that:

a) the net pressures depicted on the Nolte Plots presented by the applicant in this case were incorrectly calculated and, as a result, applicant's conclusions as to the extent of fracture height growth within the Chaco and Whiting wells cannot be relied upon as accurate;

b) utilizing "FRACPRO", a fracture simulation program, ~~it~~ has determined that the fracture stimulations performed on the Chaco Wells No. 1, 4 and 5 extended upward into the Fruitland Coal interval of the Basin-Fruitland Coal Gas Pool; and

c) as a result of Pendragon's fracture stimulations extending into the Fruitland Coal interval of the Basin-Fruitland Coal Gas Pool, coal gas is being produced from the Chaco wells in substantial quantities.

(36) Upon consideration of the fracture data presented by both parties in this case the ***Division finds that***:

a) the Nolte Plots presented by Pendragon do not appear to accurately reflect the net treating pressure and consequently these plots cannot be relied upon to ascertain whether the fracture stimulations performed on the Gallegos Federal wells resulted in fracturing of the Pictured Cliffs formation and whether the fracture stimulations performed on the Chaco wells ~~did not~~ result in fracturing of the Fruitland Coal formation;

b) the "FRACPRO" simulation data presented by Whiting indicates that the fracture stimulations performed on the Chaco Wells No. 1, 4, and 5 resulted in the fracturing of the Fruitland Coal formation;

c) no fracture simulation data was presented for the Chaco Well No. 2R;

d) no fracture simulation data was presented for the Gallegos Federal wells;

e) given the close proximity of the Pictured Cliffs formation to the Fruitland Coal formation, and given the parameters utilized by Whiting in the fracture treatment of its wells, it is ~~highly likely~~ that the fracture stimulations performed on the Gallegos Federal wells resulted in the fracturing of the Pictured Cliffs formation; and

f) neither Whiting nor Pendragon acted prudently to verify by means of additional testing ~~that~~ whether its fracture stimulations extended out of their respective producing horizons;

Conclusions: ***There is sufficient evidence to establish that the fracture stimulations performed on the Chaco Wells No. 1, 4 and 5 resulted in the fracturing of the Fruitland Coal formation within the Basin-Fruitland Coal Gas Pool.***

There is not sufficient evidence to establish that the fracture

stimulation performed on the Chaco Well No. 2R resulted in the fracturing of the Fruitland Coal formation within the Basin-Fruitland Coal Gas Pool.

There is not sufficient evidence to establish that the fracture stimulations performed on the Gallegos Federal wells resulted in the fracturing of the Pictured Cliffs formation within the WAW-Fruitland Sand Pictured Cliffs Gas Pool.

(37) The preponderance of evidence and testimony presented in this case demonstrates that the Pendragon Chaco Wells No. 1, 2R, 4 and 5 and the Chaco Limited Wells No. 1J and 2J have established communication with the Basin-Fruitland Coal Gas Pool by virtue of acidization and/or fracture stimulations performed on these wells.

(38) The communication established between the Basin-Fruitland Coal and WAW Fruitland Sand-Pictured Cliffs Gas Pools has resulted in significant volumes of coal gas being produced from Pendragon's Chaco Wells No. 1, 2R, 4 and 5. This communication appears not to have affected production from the Chaco Limited Wells No. 1J and 2J.

(39) The evidence and testimony presented in this case is not sufficient to demonstrate that the Whiting Gallegos Federal 26-12-6 No. 2, 26-12-7 No. 1, 26-13-1 No. 1, 26-13-1 No. 2 and 26-13-12 No. 17 have established communication with the WAW Fruitland Sand-Pictured Cliffs Gas Pool by virtue of fracture stimulations performed on these wells.

(40) The communication established between the Basin-Fruitland Coal and WAW Fruitland Sand-Pictured Cliffs Gas Pools within the Chaco wells has resulted in the violation of Whiting's correlative rights.

(41) As a solution to the pool communication within the Chaco wells, Whiting has proposed that the Division order Pendragon to plug and abandon the Chaco Wells No. 1, 2R, 4 and 5 and the Chaco Limited Wells No. 1J and 2J.

(42) Pendragon presented no proposed resolution in the event the Division determines that communication between the Basin-Fruitland Coal and WAW Fruitland Sand-Pictured Cliffs Gas Pools has been established within its Chaco wells.

(43) Pendragon should be given the opportunity to propose a method by which its Chaco wells may be produced exclusively from the WAW Fruitland Sand-Pictured Cliffs Gas Pool, or a method for producing its Chaco wells in their current state which is acceptable to the Division and to Whiting. These proposals should be evaluated at a forum which allows discussion and/or input from Whiting.

(44) Pending Division approval of a method by which Pendragon's Chaco wells may be produced exclusively from the WAW Fruitland Sand-Pictured Cliffs Gas Pool, or a method by which the wells may be produced in their current state which is acceptable to the Division and to Whiting, Pendragon should shut-in its Chaco Wells No. 1, 2R, 4 and 5 and Chaco Limited Wells No. 1J and 2J.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Pendragon Energy Partners, Inc., and J. K. Edwards Associates, Inc., it is determined that the following described wells are producing from the

WAW Fruitland Sand-Pictured Cliffs Gas Pool and from the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico:

OPERATOR	WELL NAME & API NUMBER	WELL LOCATION
Pendragon Energy Partners, Inc.	Chaco No. 1 (API No. 30-045-22309)	1846' FNL & 1806' FWL, Unit F, Section 18, T-26N, R-12W
Pendragon Energy Partners, Inc.	Chaco No. 2R (API No. 30-045-23691)	1850' FSL & 1850' FWL, Unit K, Section 7, T-26N, R-12W
Pendragon Energy Partners, Inc.	Chaco No. 4 (API No. 30-045-22410)	790' FNL & 790' FWL, Unit D, Section 7, T-26N, R-12W
Pendragon Energy Partners, Inc.	Chaco No. 5 (API No. 30-045-22411)	790' FSL & 790' FEL, Unit P, Section 1, T-26N, R-13W
Pendragon Energy Partners, Inc.	Chaco Limited No. 1J (API No. 30-045-25134)	1850' FSL & 1750' FWL, Unit K, Section 1, T-26N, R-13W
Pendragon Energy Partners, Inc.	Chaco Limited No. 2J (API No. 30-045-23593)	790' FNL & 1850' FEL, Unit B, Section 1, T-26N, R-13W

(2) It is further determined that the following described wells are producing singly from the Basin-Fruitland Coal Gas Pool:

OPERATOR	WELL NAME & API NUMBER	WELL LOCATION
Whiting Petroleum Corp.	Gallegos Fed 26-12-6 No. 2 (API No. 30-045-28898)	886' FSL & 1457' FWL, Unit N, Section 6, T-26N, R-12W
Whiting Petroleum Corp.	Gallegos Fed. 26-12-7 No. 1 (API No. 30-045-28899)	2482' FSL & 1413' FWL, Unit K, Section 7, T-26N, R-12W
Whiting Petroleum Corp.	Gallegos Fed. 26-13-1 No. 1 (API No. 30-045-28881)	828' FNL & 1674' FEL, Unit B, Section 1, T-26N, R-13W
Whiting Petroleum Corp.	Gallegos Fed. 26-13-1 No. 2 (API No. 30-045-28882)	1275' FSL & 1823' FWL, Unit N, Section 1, T-26N, R-13W
Whiting Petroleum Corp.	Gallegos Fed. 26-13-12 No. 1 (API No. 30-045-28903)	1719' FNL & 1021' FEL, Unit H, Section 12, T-26N, R-13W

(3) Pendragon is hereby ordered to shut-in its Chaco Wells No. 1, 2R, 4 and 5 and its Chaco Limited Wells No. 1J and 2J until such time as the Division approves a method by which its Chaco wells may be produced exclusively from the WAW Fruitland Sand- Pictured Cliffs Gas Pool, or a method for producing its Chaco wells in their current state ~~which~~ that is acceptable to Whiting.

(4) Jurisdiction is hereby 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

LORI WROTENBERY
Director