

Case No.

1329

Application, Transcript,
Small Exhibits, Etc.

CASE 1329 Northwestern N. Mexico
manicure case calling for order to
create a new pool and extend vertical &
horizontal limits of existing pools in San
Juan & Rio Arriba Co., New Mexico.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico

October 17, 1957

TRANSCRIPT OF HEARING

Case 1329

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico

October 17, 1957

IN THE MATTER OF:

CASE 1329

Northwestern New Mexico nomenclature case calling for an order creating a new pool and extending the vertical and horizontal limits of existing pools in San Juan and Rio Arriba Counties, New Mexico.

(a) Create a new oil pool for Gallup production, designated as the Horseshoe-Gallup Oil Pool, and described as:

TOWNSHIP 30 NORTH, RANGE 16 WEST

Section 3: W/2 W/2

Section 4: E/2 and SE/4 NW/4

Section 9: W/2 NE/4, NE/4 NE/4, E/2 SW/4
and NW/4 SE/4

(b) Extend the vertical limits of the Otero-Graneros Pool to include the Dakota formation and change the name of said pool accordingly to the Otero Graneros-Dakota Pool.

(c) Extend the horizontal limits of the Otero Graneros-Dakota Pool to include:

TOWNSHIP 25 NORTH, RANGE 5 WEST

Section 26: SW/4

Section 27: S/2

(d) Extend the Aztec-Pictured Cliffs Pool to include:

TOWNSHIP 28 NORTH, RANGE 9 WEST

All of Sections 23 & 27

(e) Extend the Tapacito-Pictured Cliffs Pool to include:

TOWNSHIP 25 NORTH, RANGE 3 WEST

Section 10: N/2

Section 11: W/2

DEARNLEY, MEIER & ASSOCIATES
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3-6691 5-9546

TOWNSHIP 26 NORTH, RANGE 3 WEST

Section 28: E/2

TOWNSHIP 27 NORTH, RANGE 5 WEST

Section 26: S/2

(f) Extend the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 24 NORTH, RANGE 2 WEST

Section 20: All

Section 21: S/2

TOWNSHIP 25 NORTH, RANGE 3 WEST

All of Sections 28 & 29

Section 32: N/2

Section 33: N/2

TOWNSHIP 25 NORTH, RANGE 5 WEST

Section 34: N/2

TOWNSHIP 28 NORTH, RANGE 9 WEST

Section 26: All

Section 34: N/2

(g) Extend the Otero-Chacra Pool to include:

TOWNSHIP 25 NORTH, RANGE 5 WEST

Section 18: All

Section 34: N/2

(h) Extend the Bisti-Lower Gallup Oil Pool to include:

TOWNSHIP 25 NORTH, RANGE 11 WEST

Section 24: SW/4

TOWNSHIP 26 NORTH, RANGE 13 WEST

Section 20: SE/4

(i) Extend the Verde-Lower Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 15 WEST

Section 31: NE/4

BEFORE: Honorable Edwin L. Mechem

Mr. Murray Morgan

Mr. A. L. Porter

TRANSCRIPT OF HEARING

MR. PORTER: The next case on the docket is Case 1329.

MR. COOLEY: Case 1329: Northwestern New Mexico nomenclature case calling for an order creating a new pool and extending the vertical and horizontal limits of existing pools in San Juan and Rio Arriba Counties, New Mexico.

(Witness sworn.)

ELVIS A. UTZ

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. COOLEY:

Q State your full name and position, please.

A Elvis A. Utz, Engineer, New Mexico Oil Conservation Commission.

Q Mr. Utz, in your official capacity as Engineer for the Oil Conservation Commission of New Mexico, have you had an opportunity to make a study of the creation and extension of certain gas pools and oil pools in San Juan and Rio Arriba Counties, New Mexico?

A Yes, I have.

Q Mr. Utz, do you have any recommendation concerning the creation of a new oil pool for Gallup production in Township 30 North, Range 16 West?

A Yes, I have. I recommend that a new pool be created

to be known as the Horseshoe-Gallup Oil Pool as advertised, on the basis of fourteen wells capable of producing from that area. The discovery well was the Arizona Exploration Company No. 1 Horseshoe Canyon B in unit D, Section 3, 30 North, 16 West, which was completed for initial potential of 120 barrels per day, and perforation from 1610 to 1654,

Q What would be the vertical limits of the proposed Gallup-Horseshoe Oil Pool?

A The vertical limits would be as advertised. It would be the Gallup formation.

Q Mr. Utz, do you have any recommendations concerning the extension of the vertical limits of the Otero-Graneros Pool?

A Yes, sir, I do. I recommend that the vertical limits of the Otero-Graneros Gas Pool be extended to include the Dakota formation and the name accordingly be changed to the Otero Graneros-Dakota Gas Pool. I recommend that the horizontal limits of the pool be extended as advertised on the basis of five wells completed and capable of producing from this pool.

Q Do you have any recommendations concerning the extension of the Aztec-Pictured Cliffs Gas Pool?

A Yes, I do. I recommend that the Aztec-Pictured Cliffs Gas Pool be extended as advertised on the basis of one well completed and capable of producing from this pool.

Q Do you have any recommendations concerning the extension

Tapacito-Pictured Cliffs Pool?

A I likewise recommend on the basis of three wells completed in this pool.

Q What are your recommendations with regard to the extension of the South Blanco-Pictured Cliffs Pool?

A I recommend that the South Blanco-Pictured Cliffs Pool be extended as advertised on the basis of eleven wells capable of producing from this pool.

Q Have you any recommendations concerning the extension of the Otero-Chacra Pool?

A I recommend that the Otero-Chacra pool be extended as advertised on the basis of three wells capable of producing from this pool.

Q What are your recommendations concerning the extension of the Bisti-Lower Gallup Oil Pool?

A I recommend that the Bisti-Lower Gallup be extended as advertised on the basis of two wells completed and capable of producing from this pool.

Q Do you have any recommendations concerning the extension of the Verde-Lower Gallup Oil Pool?

A I recommend that the Verde-Lower Gallup Oil Pool be extended as advertised on the basis of one well completed and capable of producing from this pool.

Q Mr. Utz, does this conclude your recommendations in this case?

A Yes, this concludes my recommendations in this case.

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Q Have you prepared an Exhibit to substantiate your recommendations?

A Yes.

Q How is the exhibit identified?

A Exhibit No. 1, Case 1329

MR. COOLEY: I offer Exhibit No. 1 in 1329.

MR. PORTER: Without objection the exhibit will be admitted.

Any questions of the witness? The witness may be excused. We will take the case under advisement, and the hearing is adjourned.

C E R T I F I C A T E

STATE OF NEW MEXICO)
: SS
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 22th day of October, 1957.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1959.

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

NOMENCLATURE RECOMMENDATIONS FOR OCTOBER 1957 HEARING

Aztec Pictured Cliffs

Exhibit # 1
Case # 1324

Township 28N, Range 9W, San Juan County
Section 23, All
Section 27, All

based on:

El Paso Natural Gas #2 Storey "C"
688/S; 864/E, Section 27-28N-9W
AOF 1800, MCF; SICP 736#/8 days

Tapicito Pictured Cliffs

Township 25 N, Range 3 W, Rio Arriba County
Section 10, N/2
Section 11, W/2

Township 26 N, Range 3W, Rio Arriba County
Section 28, E/2

Township 27N, Range 5W, Rio Arriba County
Section 26, S/2

based on:

Clark & Cowden #11-2 Federal
1650/S; 1650/W; Section 11-25N-3W
AOF 21,222 MCF; SIC P 1048#/7 days

Northwest Production Corp. #7-28 "E"
990/N; 1650/E, Section 28-26N-3W
AOF 2943 MCF; SICP 909#/8 days

El Paso Natural Gas #27, SJU 27-5
990/S; 890/W, Section 26-27N-5W
AOF 42,983 MCF; SICP 1079 #/33 Days

South Blanco Pictured Cliffs

Township 24N, Range 2W, Rio Arriba County
Section 20, All
Section 21, S/2

Township 25N, Range 3W, Rio Arriba County
Section 28, All
Section 29, All
Section 32, N/2
Section 33, N/2

~~Township 25N, Range 4W, Rio Arriba County~~
~~Section 5, All~~
~~Section 6, All~~
~~Section 7, N/2~~
~~Section 8, N/2~~

Township 25N, Range 5W, Rio Arriba County
Section 34, N/2

Township 28N, Range 9W, San Juan County
Section 26, All
Section 34, N/2

based on:

El Paso Natural Gas #1 Lindrith
1800/S; 1650/E; Section 20-24N-2W
IP 3132 MCF; SICP 905#/8 days

Magnolia Petroleum #3 Ingwerson "B"
1650/S; 990/E; Section 21-24N-2W
IP 60 MCF; SICP 400 #/ days

El Paso Natural Gas #7 Lindrith Unit
1650/S; 1090/W; Section 21-24N-2W
AOF 1052 MCF; SICP 933#/8 days

Hugh McMillan #3 Hall
1650/N; 990/W; Section 28-25N-3W
IP 1385 MCF; SICP 990#

R. E. Jackson #1 Jackson-Hall
1650/N; 990/E; Section 28-25N-3W
IP 718 MCF; SICP 1074#/7 days

Hugh McMillan #2 Hall
890/S; 890/E; Section 28-25N-3W
IP 1893 MCF; SICP 1060#/8 days

Skelly Oil #15 Jicarilla "C"
1650/N; 1650/E; Section 34-25N-5W
IP 2930 MCF; SICP 864#

Northwest Production #4-29 "C"
1850/S; 1000/W; Section 29-26N-4W
AOF 5445 MCF; SICP 1014#

Northwest Production #8-30 "C"
1650/N; 1850/E; Section 30-26N-4W
AOF 5590 MCF; SICP 1055 #

Northwest Production #9-30 "C"
1650/S; 1190/W; Section 30-26N-4W
AOF 4354 MCF; SICP 1051#

Northwest Production #10-31 "C"
990/N; 1460/E; Section 31-26-4W
AOF 5978 MCF

Otero Chacra

Township 25N, Range 5W (*Rio Arriba Co.*)
Section ~~25~~ & 18, All
Section ~~27~~, ~~28~~, ~~29~~
Section 34, N/2

based on:

Amerada Petroleum #3 Jicarilla "F"
990/N; 990/W; Section 18-25N-5W
IP 853 MCF; SITP 960#/ days

Amerada Petroleum #4 Jicarilla "F"
1650/S; 1650/E; Section 18-25N-5W
IP 1220 MCF; SITP 975#

Skelly Oil Co. #15 Jicarilla "C"
1650/N; 1650/E; Section 34-25N-5W
AOF 1764 MCF; SITP 933#

Bisti Lower Gallup Oil Pool

Township 25N, Range 11W (San Juan Co.)
Section 24, SW/4

Township 26N, Range 13W (San Juan Co.)
Section 20, SE/4

based on:

Gulf Oil Corporation #3 Carson-Fed.
715/S; 840/W, Section 24-25N-11W
IP 480 BOPD

Skelly Oil Company #2 A. L. Duff
660/S; 660/E, Section 20-26N-13W
IP 720 BOPD

Verde Lower Gallup Oil Pool

Township 31N, Range 15W (San Juan Co.)
Section 31, NE/4

based on:

Tennessee Gas Transmission #8 Ute "B"
1980/N; 660/E, Section 31-31N-15W
IP 12 BOPD

The vertical limits of the Otero-Graneros Gas Pool be extended to include the Dakota formation and that the name of the Otero-Graneros Gas Pool be changed accordingly to the Otero-Graneros Dakota Gas Pool.

The horizontal limits of the new pool should be extended to include:

Township 25N, Range 5W (Rio Arriba Co.)
Section 26, SW/4
Section 27, S/2

All wells in this Pool to date are:

Pan-American #9 Jicarilla Contract 148
1145/S; 1650/W, Section 15-25N-5W
IP 1350 MCFPD; SICP 2444#
Perfs. 7220-7264, 7408-7508

Skelly Oil Co. #1 Jicarilla "C"
1650/S; 990/E, Section 22-25N-5W
IP 9500 MCFPD; SITP 2500#/6 days
Perfs. 7110-7132

Amerada #3 Jicarilla Apache "A"
N-23-25N-5W
IP 330 MCF, 88 BOPD
Perfs. 7132-76

Skelly Oil Co. #6 Jicarilla "C"
J-27-25N-5W
IP 1569/MCF, 60 Bbls. distillate PD.
Perfs. 7022-48; 7184-7200

Skelly Oil Co. #14 Jicarilla "C"
A-27-25N-5W
IP 2300 MCF, 28 bbls. distillate PD
Perfs. 7024-58.

Creation of a new pool for oil production from the Gallup formation known as the Horseshoe Gallup Oil Pool to include the following lands:

Township 30N, Range 16W (San Juan Co.)

Section 3, W/2 W/2

Section 4, NE/4; SE/4 NW/4; SE/4

Section 9, W/2 NE/4; NE/4 NE/4; E/2 SW/4; NW/4 SE/4

based on:

Arizona Explorations, Inc. #1 Horseshoe Canyon "B"

D-3-30N-16W

IP 120 BOPD

Perfs. 1610-54

Arizona Explorations #2 Horseshoe Canyon

E-3-30N-16W

IP 120 BOPD

Open hole 1476-85

Tom Bolack #2 Bolack

L-3-30N-16W

IP 1440 BOPD

Open hole 1421-63

Tom Bolack #4 Bolack

M-3-30N-16W

IP 2334 BOPD

Perfs. 1320-69

El Dorado Refining #1 Horseshoe Canyon

A-4-30N-16W

IP 123 BOPD

Perfs. 1605-1746

El Dorado Refining #2 Horseshoe Canyon

B-4-30N-16W

123 BOPD

Perfs. 1162-1306

Tom Bolack #5 Bolack

F-4-30N-16W

IP 1728 BOPD

Perfs. 1090-1230

Tom Bolack #1 Bolack

G-4-30N-16W

IP 3140 BOPD

Perfs. 1162-1318

Arizona Explorations #3 Horseshoe Canyon

H-4-30N-16W

IP 50 BOPD

Perfs. 1300-40

Arizona Explorations #1 Horseshoe Canyon

I-4-30N-16W

IP 75 BOPD

Tom Bolack #3 Bolack

J-4-30N-16W

IP 2896 BOPD

Perfs. 1130-1285

El Dorado Refining #1 Horseshoe Canyon "B"

A-9-30N-16W

130 BOPD

Perfs. 1504-1654

Arizona Explorations #1 Petro-Atlas Bolack
J-9-30N-16W
IP 28 BOPD
Perfs. 1114-95

Arizona Explorations #1 Wagenseller
N-9-30N-16W
IP 55 BOPD
Perfs. 1020-54

DOCKET: REGULAR HEARING OCTOBER 17, 1957

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

- ALLOWABLE: (1) Consideration of the oil allowable for November, 1957.
- (2) Consideration of the allowable production of gas for November, 1957, from the six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from the six prorated pools in San Juan and Rio Arriba Counties, New Mexico, for November, 1957.

NEW CASES

- CASE 1273: In the matter of the hearing called by the Oil Conservation Commission to permit Magnolia Petroleum Company to appear and show cause why it should not be required to purchase 100% of the oil authorized to be produced from the wells from which it purchases in the State of New Mexico.
- CASE 1299: In the matter of the hearing ordered by Paragraph (2) of Order R-1037-A to permit Gulf Oil Corporation to appear and show cause why it should not be required to purchase 100% of the oil authorized to be produced from the wells from which it purchases in the State of New Mexico.
- CASE 1323: Application of the Oil Conservation Commission upon its own motion for an order revising Rule 803 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order revising Rule 803 of the Commission Rules and Regulations concerning the authorization of liquid hydrocarbon production from gas wells and to eliminate the necessity of individually listing each of said wells on the oil proration schedule.
- CASE 1324: Application of Graridge Corporation for an order authorizing capacity production for its pilot water flood project in the Caprock-Queen Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing capacity production of all its wells in its pilot water flood project authorized by Order R-972 in Section 31, Township 12 South, Range 32 East, Caprock-Queen Pool, Lea County, New Mexico.
- CASE 1325: Application of Amerada Petroleum Corporation for an order amending Order R-991 insofar as said order pertains to the Bagley-Upper Pennsylvanian Gas Pool in Lea County, New Mexico, to extend the horizontal limits of said pool, and to provide for standard drilling units of 320 acres. Applicant, in the above-styled cause, seeks an order extending the Bagley-Upper Pennsylvanian Gas Pool to include the W/2 SW/4 of Section 2; N/2, SE/4 and N/2 SW/4 of Section 3; N/2 and N/2 SE/4 of Section 4, all in Township 12 South, Range 33 East; the S/2 and S/2 N/2 of Section 33; S/2 and S/2 N/2 of Section 34, all in Township 11 South, Range 33 East, Lea County, New Mexico. Applicant further requests the establishment of 320-acre spacing and drilling units in the Bagley-Upper Pennsylvanian Gas Pool and

such other rules and regulations as the Commission may deem necessary for the purposes herein stated.

CASE 1326: Application of Southern California Production Corporation for an order promulgating special pool rules for the Teas Pool in the Potash-Oil Area in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Teas Pool in the Potash-Oil Area in Lea County, New Mexico, to provide a casing program for wells drilled in said pool in lieu of the Shallow-zone Casing Requirements set forth in Order R-111-A.

CASE 1327: Application of Texas Pacific Coal and Oil Company for an order immediately terminating gas prorationing in the Jalmat Gas Pool; or in the alternative, revising the Special Pool Rules for the Jalmat Gas Pool in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order immediately terminating gas prorationing in the Jalmat Gas Pool, or in the alternative, an order immediately cancelling all accumulated underproduction and redistributing such underproduction to overproduced wells in the Jalmat Gas Pool, and requiring gas purchasers to nominate a sufficient amount of gas from the pool to permit wells from which purchasers are able to take gas to have an allowable equal to their actual production, and upon this basis to thereafter balance the pool production at the end of each proration period, and establishing deliverability of gas wells as a factor in the proration formula for the pool, and establishing a maximum amount of gas which may be taken from any well in the pool during a specified period of time. Applicant further requests the Commission to issue such further order or orders as will bring the pool immediately into balance and maintain such balance without waste and without abuse of applicant's or others' correlative rights.

CASE 1328: Southeastern New Mexico nomenclature case calling for an order for the abolishment, deletion and extension of existing pools in Lea, Chaves, and Eddy Counties, New Mexico.

(a) Abolish the Premier Pool described as:

TOWNSHIP 17 SOUTH, RANGE 30 EAST

Section 22: S/2

Section 23: S/2 & SW/4 NW/4

Section 24: S/2

All of Sections 25, 26, 27, 28, 33, 34, 35 & 36

TOWNSHIP 17 SOUTH, RANGE 31 EAST

Section 19: S/2

Section 20: S/2

All of Sections 29 & 30

Section 31: N/2

- (b) Delete portions of the Square Lake Pool described as:

TOWNSHIP 17 SOUTH, RANGE 31 EAST

Section 3: NW/4
Section 4: N/2
Section 5: N/2
Section 6: N/2

- (c) Extend the Grayburg-Jackson Pool to include:

TOWNSHIP 17 SOUTH, RANGE 30 EAST

Section 22: S/2
Section 23: S/2
Section 24: S/2

All of Sections 25, 26, 27, 28, 33, 34, 35 & 36

TOWNSHIP 17 SOUTH, RANGE 31 EAST

Section 3: NW/4
Section 4: N/2
Section 5: N/2
Section 6: N/2
Section 19: S/2
Section 20: S/2
All of Sections 29 & 30
Section 31: N/2

- (d) Extend the East Anderson Ranch-Pennsylvanian Pool to include:

TOWNSHIP 16 SOUTH, RANGE 33 EAST

Section 3: Lots 15 & 16, S/2
Section 4: E/2 SE/4

- (e) Extend the Artesia Pool to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST

Section 26: NW/4

- (f) Extend the Atoka-Grayburg Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST

Section 12: S/2

TOWNSHIP 18 SOUTH, RANGE 27 EAST

Section 7: SW/4

- (g) Extend the Blinbry Gas Pool to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST

Section 16: SE/4

- (h) Extend the Caprock-Queen Pool to include:

TOWNSHIP 13 SOUTH, RANGE 32 EAST

Section 30: SE/4

TOWNSHIP 14 SOUTH, RANGE 31 EAST
Section 17: NE/4 SW/4

- (i) Extend the Caudill-Wolfcamp Pool to include:

TOWNSHIP 15 SOUTH, RANGE 36 EAST
Section 9: SE/4
Section 16: E/2

- (j) Extend the Cave Pool to include:

TOWNSHIP 16 SOUTH, RANGE 29 EAST
Section 31: S/2 S/2
Section 33: S/2 & NE/4

TOWNSHIP 17 SOUTH, RANGE 28 EAST
Section 1: NE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST
Section 6: N/2

- (k) Extend the Dayton-San Andres Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST
Section 27: SE/4 SE/4
Section 34: E/2 NE/4
Section 35: NW/4

- (l) Extend the Four Lakes-Pennsylvanian Pool to include:

TOWNSHIP 12 SOUTH, RANGE 34 EAST
Section 2: NW/4

- (m) Extend the Gladiola Pool to include:

TOWNSHIP 12 SOUTH, RANGE 37 EAST
Section 13: NE/4

- (n) Extend the Gladiola Wolfcamp Pool to include:

TOWNSHIP 12 SOUTH, RANGE 37 EAST
Section 27: E/2

- (o) Extend the Grayburg-Keely Pool to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST
Section 14: S/2 SW/4

- (p) Extend the Kirg-Devonian Pool to include:

TOWNSHIP 13 SOUTH, RANGE 37 EAST
Section 26: S/2 SE/4

- (q) Extend the North Mason-Delaware Pool to include:

TOWNSHIP 26 SOUTH, RANGE 32 EAST
Section 18: S/2

- (r) Extend the Square Lake Pool to include:

TOWNSHIP 16 SOUTH, RANGE 30 EAST
Section 29: NE/4

- (s) Extend the Teague-Grayburg Pool to include:

TOWNSHIP 23 SOUTH, RANGE 37 EAST
Section 21: SW/4

- (t) Extend the Young Pool to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST
Section 20: S/2 S/2

CASE 1329: Northwestern New Mexico nomenclature case calling for an order creating a new pool and extending the vertical and horizontal limits of existing pools in San Juan and Rio Arriba Counties, New Mexico.

- (a) Create a new oil pool for Gallup production, designated as the Horseshoe-Gallup Oil Pool, and described as:

TOWNSHIP 30 NORTH, RANGE 16 WEST
Section 3: W/2 W/2
Section 4: E/2 and SE/4 NW/4
Section 9: W/2 NE/4, NE/4 NE/4, E/2 SW/4
and NW/4 SE/4

- (b) Extend the vertical limits of the Otero-Graneros Pool to include the Dakota formation and change the name of said pool accordingly to the Otero Graneros-Dakota Pool.

- (c) Extend the horizontal limits of the Otero Graneros-Dakota Pool to include:

TOWNSHIP 25 NORTH, RANGE 5 WEST
Section 26: SW/4
Section 27: S/2

- (d) Extend the Aztec-Pictured Cliffs Pool to include:

TOWNSHIP 28 NORTH, RANGE 9 WEST
All of Sections 23 & 27

- (e) Extend the Tapacito-Pictured Cliffs Pool to include:

TOWNSHIP 25 NORTH, RANGE 3 WEST
Section 10: N/2
Section 11: W/2

TOWNSHIP 26 NORTH, RANGE 3 WEST
Section 28: E/2

TOWNSHIP 27 NORTH, RANGE 5 WEST
Section 26: S/2

(f) Extend the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 24 NORTH, RANGE 2 WEST
Section 20: All
Section 21: S/2

TOWNSHIP 25 NORTH, RANGE 3 WEST
All of Sections 28 & 29
Section 32: N/2
Section 33: N/2

TOWNSHIP 25 NORTH, RANGE 5 WEST
Section 34: N/2

TOWNSHIP 28 NORTH, RANGE 9 WEST
Section 26: All
Section 34: N/2

(g) Extend the Otero-Chacra Pool to include:

TOWNSHIP 25 NORTH, RANGE 5 WEST
Section 18: All
Section 34: N/2

(h) Extend the Bisti-Lower Gallup Oil Pool to include:

TOWNSHIP 25 NORTH, RANGE 11 WEST
Section 24: SW/4

TOWNSHIP 26 NORTH, RANGE 13 WEST
Section 20: SE/4

(i) Extend the Verde-Lower Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 15 WEST
Section 31: NE/4

CASE 1330: Application of Northwest Production Corporation for an order for the extension of the South Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the South Blanco-Pictured Cliffs Pool to include the following area:

TOWNSHIP 25 NORTH, RANGE 4 WEST
All of Sections 5 & 6
Section 7: E/2
All of Section 8

-7-

No. 31-57

TOWNSHIP 26 NORTH, RANGE 4 WEST
All of Sections 29, 30, 31 & 32

CONTINUED CASE

CASE 1292: Application of John H. Trigg for an order authorizing a pilot program for the injection of gas into the Caprock-Queen Pool, Chaves County, New Mexico, for purposes of pressure maintenance, and further, authorizing the transfer of allowables for the injection well to other wells on the same basic lease, and further, to exempt certain of his wells from gas-oil ratio penalties. Applicant, in the above-styled cause, seeks an order authorizing the injection of gas into the Caprock-Queen Pool through his Federal Trigg No. 10-9 Well located in the NW/4 SE/4 of Section 9, Township 14 South, Range 31 East, Chaves County, New Mexico. Applicant further requests that the allowables assigned to the injection well be transferred to another well or wells on the same basic lease, and further, that during the period of the pilot program all wells in Section 9, which are on the same lease as the injection well, be exempt from gas-oil ratio penalties.

ir/

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. 1329
Order No. R-1080

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 17, 1957, at Santa Fe, New Mexico, before the Oil Conserva-
tion Commission of New Mexico, hereinafter referred to as the
"Commission."

NOW, on this 29th day of October, 1957, the Commission,
a quorum being present, having considered the testimony presented
and the exhibits received, 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 sub-
ject 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
Gallup formation, said pool to bear the designation Horseshoe-
Gallup Oil Pool. Said Horseshoe-Gallup Oil Pool was discovered by
Arizona Explorations Incorporated Horseshoe Canyon "B" Well No. 1,
located in the NW/4 NW/4 Section 3, Township 30 North, Range 16 West,
NMPM. It was completed June 22, 1957. The top of the perforations
is at 1610 feet.

(3) That the vertical limits of the Otero-Graneros Pool
in Rio Arriba County, New Mexico, should be extended to include
the Dakota formation and the name of the pool accordingly changed
to the Otero Graneros-Dakota Pool.

(4) That there is need for certain extensions to the
Otero Graneros-Dakota Pool, the Tapacito-Pictured Cliffs Pool,
and to the Otero-Chacra Pool, all in Rio Arriba County, New Mexico,
to the Aztec-Pictured Cliffs Pool, the Bisti-Lower Gallup Oil Pool,
and to the Verde-Lower Gallup Oil Pool, all in San Juan County,
New Mexico, and to the South Blanco-Pictured Cliffs Pool in Rio
Arriba 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 Gallup production, be and the same is hereby created and designated as the Horseshoe-Gallup Oil Pool, consisting of the following described area:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM
Section 3: W/2 W/2
Section 4: E/2 and SE/4 NW/4
Section 9: W/2 NE/4, NE/4 NE/4, E/2 SW/4,
and NW/4 SE/4

(b) That the vertical limits of the Otero-Graneros Pool in Rio Arriba County, New Mexico, be and the same are hereby extended to include the Dakota formation and that the name of said pool be and the same is hereby changed to the Otero Graneros-Dakota Pool.

(c) That the Otero Graneros-Dakota Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 26: SW/4
Section 27: S/2

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

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
Sections 23 and 27: All

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

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 10: W/2
Section 11: W/2

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
Section 28: E/2

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM
Section 28: S/2

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

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM
Section 20: All
Section 21: S/2

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TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Sections 28 and 29: All
Section 32: N/2
Section 33: N/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 34: N/2

TOWNSHIP 28 NORTH, RANGE 2 WEST, NMPM
Section 28: All
Section 34: N/2

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

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 18: All
Section 34: N/2

(h) That the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, be and the same is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 24: SW/4

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 20: SE/4

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

TOWNSHIP 31 NORTH, RANGE 15 WEST, NMPM
Section 31: NE/4

IT IS FURTHER ORDERED:

That the effective date of this order and of all of the creations and extensions and name changes included herein shall be November 1, 1957.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

S. L. Mechem
EDWIN L. MECHEM, Chairman

M. E. Morgan
MURRAY E. MORGAN, Member

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



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