

Entered May 30, 1972
R.S.P.

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. 4725
Order No. R-4311

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
CREATING, EXTENDING, AND
CONTRACTING 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 May 17, 1972, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of May, 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 oil pool in San Juan County, New Mexico, for the production of oil from the Farmington formation, said pool to bear the designation of Alamo-Farmington Oil Pool. Said Alamo-Farmington Oil Pool was discovered by the El Paso Natural Gas Company Riddle Well No. 4, located in Unit M of Section 4, Township 30 North, Range 9 West, NMPM. It was completed in the Farmington formation on November 9, 1967. The top of the perforations is at 2,274 feet.

(3) That there is need for the creation of a new oil pool in San Juan County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation of Amarillo-Gallup Oil Pool. Said Amarillo-Gallup Oil Pool was discovered by the Dugan Production Corporation Douthit Well No. 1, located in Unit P of Section 33, Township 28 North, Range 13 West, NMPM. It was completed in the Gallup formation on March 26, 1958. The top of the perforations is at 5,388 feet.

(4) 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 Blanco-Fruitland Pool. Said Blanco-Fruitland Pool was discovered by the Tenneco Oil Company Florance Well No. 101, located in Unit O of Section 29, Township 30 North, Range 8 West, NMPM. It was completed in the Fruitland formation on March 1, 1968. The top of the perforations is at 2,580 feet.

(5) That there is need for the creation of a new oil pool in San Juan County, New Mexico, for the production of oil from the Paradox formation, said pool to bear the designation of Cone-Paradox Oil Pool. Said Cone-Paradox Oil Pool was discovered by the Thomas A. Dugan Ricky Well No. 1, located in Unit P of Section 22, Township 31 North, Range 18 West, NMPM. It was completed in the Paradox formation on April 30, 1964. The top of the perforations is at 6,843 feet.

(6) 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 Mesaverde formation, said pool to bear the designation of Crouch Mesa-Mesaverde Pool. Said Crouch Mesa-Mesaverde Pool was discovered by the Pubco Petroleum Corporation Federal Well No. 6, located in Unit B of Section 6, Township 29 North, Range 11 West, NMPM. It was completed in the Mesaverde formation on May 7, 1961. The top of the perforations is at 3,697 feet.

(7) That there is need for the creation of a new oil pool in San Juan County, New Mexico, for the production of oil from the Mesaverde formation, said pool to bear the designation of Cuervo-Mesaverde Oil Pool. Said Cuervo-Mesaverde Oil Pool was discovered by the Dugan Production Corporation Sapp Well No. 1, located in Unit A of Section 28, Township 24 North, Range 8 West, NMPM. It was completed in the Mesaverde formation on November 17, 1956. The top of the perforations is at 4,115 feet.

(8) That there is need for the creation of a new oil pool in Rio Arriba County, New Mexico, for the production of oil from the Mesaverde formation, said pool to bear the designation of Devils Fork-Mesaverde Oil Pool. Said Devils Fork-Mesaverde Oil Pool was discovered by the J. Gregory Merrion NCRA State Well No. 3, located in Unit L of Section 16, Township 24 North, Range 6 West, NMPM. It was completed in the Mesaverde formation on July 8, 1969. The top of the perforations is at 4,541 feet.

(9) That there is need for the creation of a new oil pool in San Juan County, New Mexico, for the production of oil from the Dakota formation, said pool to bear the designation of Dufers Point-Dakota Oil Pool. Said Dufers Point-Dakota Oil Pool was discovered by the J. Gregory Merrion & R. L. Bayless Stevenson Well No. 1, located in Unit G of Section 17, Township 25 North, Range 8 West, NMPM. It was completed in the Dakota formation on September 13, 1959. The top of the perforations is at 6,354 feet.

(10) That the proposed creation of a new pool in Sections 1, 2, and 12, Township 24 North, Range 8 West and Section 35, Township 25 North, Range 8 West, NMPM, San Juan County, New Mexico, for the production of oil from the Dakota formation should be dismissed.

(11) 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 Gallup formation, said pool to bear the designation of Flora Vista-Gallup Pool. Said Flora Vista-Gallup Pool was discovered by the Consolidated Oil and Gas Company, Incorporated Clayton Well No. 1, located in Unit N of Section 2, Township 30 North, Range 12 West, NMPM. It was completed in the Gallup formation on October 30, 1961. The top of the perforations is at 5,954 feet.

(12) That there is need for the creation of a new gas pool in Rio Arriba County, New Mexico, for the production of gas from the Mesaverde formation, said pool to bear the designation of Gonzales Mesa-Mesaverde Pool. Said Gonzales Mesa-Mesaverde Pool was discovered by the Continental Oil Company AXI Apache J Well No. 18, located in Unit A of Section 8, Township 25 North, Range 5 West, NMPM. It was completed in the Mesaverde formation on November 4, 1971. The top of the perforations is at 4,607 feet.

(13) 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 Chacra formation, said pool to bear the designation of Harris Mesa-Chacra Pool. Said Harris Mesa-Chacra Pool was discovered by the El Paso Natural Gas Company Lackey B Well No. 4, located in Unit A of Section 29, Township 28 North, Range 9 West, NMPM. It was completed in the Chacra formation on April 10, 1956. The top of the perforations is at 3,224 feet.

(14) 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 Huerfano-Pictured Cliffs Pool. Said Huerfano-Pictured Cliffs Pool was discovered by the El Paso Natural Gas Company Huerfano Unit NP Well No. 23 located in Unit I of Section 19, Township 26 North, Range 9 West, NMPM. It was completed in the Pictured Cliffs formation on September 4, 1953. The casing shoe is located at 1,969 feet.

(15) That there is need for the creation of a new oil pool in San Juan County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation of Jewett Valley-Gallup Oil Pool. Said Jewett Valley-Gallup Oil Pool was discovered by the Pettus & Associates Don Stock Well No. 1, located in Unit E of Section 3, Township 29 North, Range 16 West, NMPM. It was completed in the Gallup formation on April 30, 1962. The top of the perforations is at 3,519 feet.

(16) That there is need for the creation of a new gas pool in San Juan and Rio Arriba Counties, New Mexico, for the production of gas from the Chacra formation, said pool to bear the designation of Largo-Chacra Pool. Said Largo-Chacra Pool was discovered by the William C. Russell Marron Well No. 46 located in Unit K of Section 23, Township 27 North, Range 8 West, NMPM. It was completed in the Chacra formation on November 21, 1967. The top of the perforations is at 3,086 feet.

(17) That there is need for the creation of a new gas pool in Rio Arriba County, New Mexico, for the production of gas from the Gallup formation, said pool to bear the designation of Lindrith-Gallup Pool. Said Lindrith-Gallup Pool was discovered by the Frank Yockey Ingwerson Well No. 4, located in Unit O of Section 20, Township 24 North, Range 2 West, NMPM. It was completed in the Gallup formation on July 15, 1966. The top of the perforations is at 6,520 feet.

(18) That there is need for the creation of a new oil pool in San Juan County, New Mexico, for the production of oil from the Gallup formation, said pool to bear the designation of Meadows-Gallup Oil Pool. Said Meadows-Gallup Oil Pool was discovered by the Dugan Production Corporation Harry Well No. 1 located in Unit E of Section 33, Township 30 North, Range 15 West, NMPM. It was completed in the Gallup formation on September 30, 1961. The top of the perforations is at 4,060 feet.

(19) That there is need for the creation of a new oil pool in San Juan County, New Mexico, for the production of oil from the Mesaverde formation, said pool to bear the designation of Nenahnezad-Mesaverde Oil Pool. Said Nenahnezad-Mesaverde Oil Pool was discovered by the Atom, Inc., Navajo A Well No. 1, located in Unit L of Section 10, Township 29 North, Range 15 West, NMPM. It was completed in the Mesaverde formation on June 10, 1970. The top of the perforations is at 2,551 feet.

(20) That there is need for the creation of a new oil pool in Rio Arriba County, New Mexico, for the production of oil from the Dakota formation, said pool to bear the designation of Ojito-Dakota Oil Pool. Said Ojito-Dakota Oil Pool was discovered by the Skelly Oil Company Roberts Well No. 3, located in Unit O of Section 18, Township 25 North, Range 3 West, NMPM. It was completed in the Dakota formation on January 30, 1958. The top of the perforations is at 7,996 feet.

(21) 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 North Pinon-Fruitland Pool. Said North Pinon-Fruitland Pool was discovered by the Clinton Oil Company Gallegos Canyon Unit Com J Well No. 82, located in Unit M of Section 28, Township 29 North, Range 12 West, NMPM. It was completed in the Fruitland formation on March 23, 1967. The top of the perforations is at 950 feet.

(22) 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 Pump Mesa-Fruitland Pool. Said Pump Mesa-Fruitland Pool was discovered by the Aztec Oil & Gas Company Rattlesnake Canyon Well No. 1, located in Unit N of Section 32, Township 32 North, Range 8 West, NMPM. It was completed in the Fruitland formation on August 18, 1969. The top of the perforations is at 3,280 feet.

(23) 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 Twin Mounds-Pictured Cliffs Pool. Said Twin Mounds-Pictured Cliffs Pool was discovered by the Dugan Production Corporation Mayre Well No. 1, located in Unit P of Section 31, Township 30 North, Range 14 West, NMPM. It was completed in the Pictured Cliffs formation on May 26, 1968. The top of the perforations is at 776 feet.

(24) That there is need for the creation of a new oil pool in Rio Arriba County, New Mexico, for the production of oil from the Dakota formation, said pool to bear the designation of Wild Horse-Dakota Oil Pool. Said Wild Horse-Dakota Oil Pool was discovered by the Southern Union Production Company Jicarilla F Well No. 1, located in Unit L of Section 27, Township 26 North, Range 4 West, NMPM. It was completed in the Dakota formation on January 28, 1960. The top of the perforations is at 8,151 feet.

(25) That there is need for the contraction of the Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, by the deletion of certain acreage that is to be included in the Sleeper-Pictured Cliffs Oil Pool.

(26) That there is need for the creation of a new oil pool in Rio Arriba County, New Mexico, for the production of oil from the Pictured Cliffs formation, said pool to bear the designation of Sleeper-Pictured Cliffs Oil Pool. Said Sleeper-Pictured Cliffs Oil Pool was discovered by the Amoco Production Company Jicarilla Apache A 118 Well No. 1, located in Unit A of Section 26, Township 26 North, Range 3 West, NMPM. It was completed in the Pictured Cliffs formation on February 1, 1958. The top of the perforations is at 3,888 feet.

(27) That there is need for a certain extension to the Tapacito-Gallup Associated Pool in Rio Arriba County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in San Juan County, New Mexico, classified as an oil pool for Farmington production, is hereby

created and designated as the Alamo-Farmington Oil Pool, consisting of the following-described area:

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 4: S/2
Section 9: NE/4
Section 10: W/2
Section 15: NW/4 and SW/4 NE/4

(b) 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 Amarillo-Gallup Oil Pool, consisting of the following-described area:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM
Section 33: SE/4 SE/4
Section 34: SW/4 and SE/4 NW/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 Blanco-Fruitland Pool, consisting of the following-described area:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM
Section 2: W/2
Section 3: N/2
Section 4: NE/4
Section 11: NW/4

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM
Section 29: S/2
Section 30: S/2

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 8: N/2 and SE/4
Section 9: S/2
Section 16: E/2
Section 21: E/2
Section 25: S/2
Section 26: S/2
Section 27: S/2
Section 28: E/2
Section 33: N/2 and SE/4
Section 34: All
Section 35: W/2

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

TOWNSHIP 31 NORTH, RANGE 18 WEST, NMPM
Section 22: SE/4

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

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM
Section 5: W/2
Section 6: N/2

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
Section 31: SW/4

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

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 28: NE/4

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

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM
Section 16: SW/4

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

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 17: E/2
Section 19: N/2 and SW/4
Section 20: N/2

(i) 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 Escrito-Dakota Oil Pool, consisting of the following-described area:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM
Section 1: W/2
Section 2: N/2
Section 12: W/2

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 35: SW/4

is hereby dismissed.

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

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM
Section 2: SW/4
Section 3: N/2 and SE/4
Section 4: N/2

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

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM
Section 5: W/2
Section 6: All
Section 7: NE/4
Section 8: All

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

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
Section 26: SW/4
Section 27: S/2
Section 28: S/2
Section 29: E/2

(m) 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 Huerfano-Pictured Cliffs Pool, consisting of the following-described area:

TOWNSHIP 25 NORTH, RANGE 10 WEST, NMPM
Section 1: NE/4

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM
Section 19: S/2

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM
Section 24: SE/4
Section 25: E/2
Section 36: E/2

(n) 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 Jewett Valley-Gallup Oil Pool, consisting of the following-described area:

(n) continued from Page 8

TOWNSHIP 29 NORTH, RANGE 16 WEST, NMPM
Section 3: W/2 and SE/4

(o) That a new pool in San Juan and Rio Arriba Counties, New Mexico, classified as a gas pool for Chacra production, is hereby created and designated as the Largo-Chacra Pool, consisting of the following-described area:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM
Section 19: S/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM
Section 23: S/2
Section 24: S/2
Section 26: W/2
Section 35: NW/4

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

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM
Section 20: All
Section 21: All
Section 28: All
Section 29: All

(q) 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 Meadows-Gallup Oil Pool, consisting of the following-described area:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM
Section 33: S/2 and SW/4 NW/4
Section 34: SW/4

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

TOWNSHIP 29 NORTH, RANGE 15 WEST, NMPM
Section 10: SW/4

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

(s) continued from Page 9

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 17: SW/4
Section 18: SE/4
Section 19: NE/4

(t) 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 North Pinon-Fruitland Pool, consisting of the following-described area:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 28: SW/4

(u) 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 Pump Mesa-Fruitland Pool, consisting of the following-described area:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM
Section 32: SW/4

(v) 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 Twin Mounds-Pictured Cliffs Pool, consisting of the following-described area:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM
Section 31: SE/4
Section 32: S/2
Section 33: S/2

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

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 26: NW/4 NW/4
Section 27: N/2 and NW/4 SW/4

(x) That the Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described is hereby contracted by the deletion of the following-described area:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
Section 23: SE/4

(y) That a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Pictured Cliffs production, is hereby created and designated as the Sleeper-Pictured Cliffs Oil Pool, consisting of the following-described area:

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(y) continued from Page 10

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM
Section 23: S/2
Section 26: NE/4

(z) That the Tapacito-Gallup Associated 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 19: S/2
Section 20: SW/4
Section 29: NW/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM
Section 24: S/2

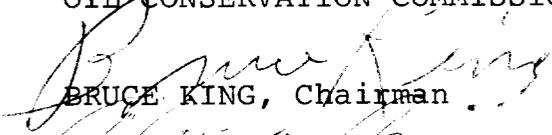
IT IS FURTHER ORDERED:

(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 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, extensions, and contractions included herein shall be June 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

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