

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. 13791
Order No. R-12645

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING, ABOLISHING
AND EXTENDING CERTAIN POOLS IN MCKINLEY,
SANDOVAL, RIO ARRIBA AND SAN JUAN
COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 28, 2006, at Santa Fe, New Mexico before Examiner David R. Catanach.

NOW, on this 10th day of October, 2006, 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) There is need for the creation of a new pool in Sandoval County, New Mexico for the production of oil from the Mancos formation, bearing the designation of Eagle Springs-Mancos Oil Pool (**Pool Code 97029**). The Eagle Springs-Mancos Oil Pool was discovered by the Penwell Energy Company Eagle Springs 8 Federal Well No. 2M (**API No. 30-043-20950**) located in Unit B of Section 8, Township 19 North, Range 4 West, NMPM, which was completed in the Mancos formation on March 23, 2001. The top of the perforations is at 3,206 feet.

(3) There is need for the creation of a new pool in Rio Arriba County, New Mexico for the production of gas from the Mesaverde formation, bearing the designation of Laguna Colorado-Mesaverde Pool (**Pool Code 97072**). The Laguna Colorado-Mesaverde Pool was discovered by the Schmidt Production Company Laguna Colorado 2

Well No. 6 (**API No. 30-039-24199**) located in Unit F of Section 2, Township 23 North, Range 1 West, NMPM, which was completed in the Mesaverde formation on December 16, 2000. The top of the perforations is at 4,685 feet.

(4) 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, bearing the designation of Witty Springs-Pictured Cliffs Pool (**Pool Code 96872**). The Witty Springs-Pictured Cliffs Pool was discovered by the Dugan Production Company Wit's End Well No. 6 (**API No. 30-045-31010**) located in Unit P of Section 2, Township 23 North, Range 10 West, NMPM, which was completed in the Pictured Cliffs formation on June 11, 2002. The top of the perforations is at 1,142 feet.

(5) There is need for the abolishment of the Conner-Fruitland Sand Pool (**Pool Code 75030**) in San Juan County, New Mexico in order to correct pool nomenclature. The abolished acreage will be placed in the Harper Hill-Fruitland Sand-Pictured Cliffs Pool (**Pool Code 78160**).

(6) There is need for extensions to the Aztec-Pictured Cliffs Pool, the Bisti-Chacra Pool, the Bisti-Lower Gallup Oil Pool, the Fulcher Kutz-Pictured Cliffs Pool, the South Gallegos-Fruitland Sand-Pictured Cliffs Pool, the Gallegos-Gallup Associated Pool, the Harper Hill-Fruitland Sand-Pictured Cliffs Pool, the Horseshoe-Gallup Oil Pool, the West Kutz-Pictured Cliffs Pool, the South Los Pinos-Fruitland Sand-Pictured Cliffs Pool, the Pinon-Fruitland Sand Pool, the North Pinon-Fruitland Sand Pool, the Twin Mounds-Fruitland Sand-Pictured Cliffs Pool, the Ute Dome-Dakota Pool, the WAW-Fruitland Sand-Pictured Cliffs Pool and the White Wash-Mancos-Dakota Oil Pool, all in San Juan County, New Mexico; the Blanco-Mesaverde Pool, the East Blanco-Pictured Cliffs Pool, the South Blanco-Pictured Cliffs Pool, the South Blanco-Tocito Oil Pool, the Burro Canyon-Tertiary Pool, the Cabresto Canyon-Tertiary Pool, the Gallo Canyon-Gallup-Dakota Oil Pool, the Gavilan-Chacra Pool, the Gavilan-Mancos Oil Pool, the La Jara-Pictured Cliffs Pool, the La Jara Canyon-Tertiary Pool, and the Otero-Chacra Pool, all in Rio Arriba County, New Mexico; the Blanco-Pictured Cliffs Pool and the Rosa-Pictured Cliffs Pool, both in Rio Arriba and San Juan Counties; the Chaco Wash-Mesaverde Oil Pool and the Hospah-Dakota Oil Pool, both in McKinley County; and the Rusty-Chacra Pool in San Juan and Sandoval Counties, New Mexico.

(7) The effective date of this order and all creations, abolishments and extensions included herein should be October 1, 2006.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Sandoval County, New Mexico classified as an oil pool for Mancos production is hereby created and designated as the Eagle Springs-Mancos Oil Pool (**Pool Code 97029**), consisting of the following described area:

TOWNSHIP 19 NORTH, RANGE 4 WEST, NMPM
Section 8: NW/4 NE/4

(b) A new pool in Rio Arriba County, New Mexico classified as a gas pool for Mesaverde production is hereby created and designated as the Laguna Colorado-Mesaverde Pool (**Pool Code 97072**), consisting of the following described area:

TOWNSHIP 23 NORTH, RANGE 1 WEST, NMPM

Section 2: NW/4

(c) 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 Witty Springs-Pictured Cliffs Pool (**Pool Code 96872**), consisting of the following described area:

TOWNSHIP 23 NORTH, RANGE 10 WEST, NMPM

Section 2: SE/4

Section 11: NE/4

Section 12: N/2

(d) The Conner-Fruitland Sand Pool (**Pool Code 75030**) in San Juan County, New Mexico, consisting of the following described area, is hereby abolished:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM

Section 1: W/2

Section 12: W/2

(e) The Harper Hill-Fruitland Sand-Pictured Cliffs Pool (**Pool Code 78160**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM

Section 3: SW/4

Section 10: S/2 and NW/4

Section 11: SE/4

Section 12: N/2

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM

Section 1: W/2

Section 2: All

Section 10: SW/4

Section 11: All

Section 12: W/2

Section 13: S/2 and NW/4

Section 14: S/2 and NE/4

Section 15: S/2

Section 17: N/2 and SE/4

Sections 22 through 26: All

Section 27: NE/4

Section 36: All

(f) The Aztec-Pictured Cliffs Pool (**Pool Code 71280**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 2: SW/4 and N/2

Sections 3 through 5: All

Section 23: E/2

Section 24: W/2

(g) The Bisti-Chacra Pool (**Pool Code 96166**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 22 NORTH, RANGE 9 WEST, NMPM

Section 13: SE/4

Section 24: N/2

(h) The Bisti-Lower Gallup Oil Pool (**Pool Code 5890**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM

Section 4: W/2

Section 9: NW/4

TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM

Section 28: SW/4

Section 33: W/2

(i) The Blanco-Mesaverde Pool (**Pool Code 72319**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 1: W/2

Section 2: NE/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM

Section 1: All

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM

Section 25: S/2

Section 28: All

Section 35: E/2 and SW/4

Section 36: W/2

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 25: All

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM

Sections 5 through 7: All

Sections 24 and 25: All

Section 36: All

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM

Sections 30 through 32: All

(j) The Blanco-Pictured Cliffs Pool (**Pool Code 72359**) in Rio Arriba and San Juan Counties, New Mexico is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM

Section 23: SW/4

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM

Section 3: NE/4

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM

Section 34: All

(k) The East Blanco-Pictured Cliffs Pool (**Pool Code 72400**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 2 WEST, NMPM

Section 4: E/2

Section 5: E/2

Section 8: E/2

Section 9: NE/4

TOWNSHIP 29 NORTH, RANGE 2 WEST, NMPM

Section 4: W/2

Sections 5 through 8: All

Section 9: W/2 and NE/4

Section 16: W/2

Section 17: All

Section 18: E/2

Section 19: E/2

Section 20: All

Section 21: W/2

Section 28: W/2 and SE/4

Section 29: All

Section 30: E/2

Section 31: NE/4

Sections 32 and 33: All

TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM

Section 1: All
Section 2: NE/4 and S/2
Section 3: SW/4
Section 4: S/2
Section 6: NE/4
Section 9: NW/4
Section 11: N/2
Section 12: All

(l) The South Blanco-Pictured Cliffs Pool (**Pool Code 72439**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM

Section 6: SW/4
Section 7: All
Section 18: N/2

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM

Section 1: SE/4
Section 12: NE/4

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM

Section 35: NW/4

TOWNSHIP 29 NORTH, RANGE 6 WEST, NMPM

Section 23: SW/4
Section 26: W/2
Section 27: S/2
Sections 28 and 29: All
Sections 33 and 34: All
Section 35: W/2

(m) The South Blanco-Tocito Oil Pool (**Pool Code 6460**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 2: NW/4
Section 3: NE/4

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM

Section 34: S/2

(n) The Burro Canyon-Tertiary Pool (**Pool Code 97035**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 2 WEST, NMPM

Section 4: NW/4

Section 5: N/2 and SE/4

TOWNSHIP 29 NORTH, RANGE 2 WEST, NMPM

Section 28: SE/4

Section 29: SW/4

Section 30: E/2

Section 31: E/2

Sections 32 and 33: All

(o) The Cabresto Canyon-Tertiary Pool (**Pool Code 97037**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM

Section 1: All

Section 3: SW/4

Section 5: N/2

Section 6: NE/4

Section 9: W/2

Section 12: All

Section 13: N/2

Section 14: NE/4

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

Section 3: SW/4

Section 4: SE/4

Section 6: NE/4 and truncated W/2

Section 15: All

Section 19: Truncated W/2

Section 24: SW/4

Section 25: W/2

Section 26: SE/4 and NW/4

Section 27: NE/4

Section 31: SE/4 and truncated W/2

Section 32: S/2

(p) The Chaco Wash-Mesaverde Oil Pool (**Pool Code 11290**) in McKinley County, New Mexico is hereby extended to include:

TOWNSHIP 20 NORTH, RANGE 9 WEST, NMPM

Section 22: S/2 SW/4

(q) The Fulcher Kutz-Pictured Cliffs Pool (**Pool Code 77200**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 27: W/2
Section 28: SE/4
Section 34: NW/4

TOWNSHIP 30 NORTH, RANGE 13 WEST, NMPM

Section 23: S/2
Section 26: NW/4
Section 33: SE/4
Section 34: SW/4

(r) The South Gallegos-Fruitland Sand-Pictured Cliffs Pool (**Pool Code 77310**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 11 WEST, NMPM

Section 18: SE/4
Section 19: N/2 and SE/4
Section 20: NW/4

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 10: SE/4

(s) The Gallegos-Gallup Associated Pool (**Pool Code 26980**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 11 WEST, NMPM

Section 4: SE/4

(t) The Gallo Canyon-Gallup-Dakota Oil Pool (**Pool Code 96369**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM

Section 5: NW/4 NE/4

(u) The Gavilan-Chacra Pool (**Pool Code 96307**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM

Section 17: S/2

(v) The Gavilan-Mancos Oil Pool (**Pool Code 27194**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM

Section 24: All

(w) The Horseshoe-Gallup Oil Pool (**Pool Code 32870**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM

Section 16: NE/4 NW/4

(x) The Hospah-Dakota Oil Pool (**Pool Code 33050**) in McKinley County, New Mexico is hereby extended to include:

TOWNSHIP 17 NORTH, RANGE 8 WEST, NMPM

Section 6: SE/4 SW/4

(y) The West Kutz-Pictured Cliffs Pool (**Pool Code 79680**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM

Section 22: SW/4

Section 25: SE/4

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 19: S/2

Section 20: SW/4

Section 29: E/2

Section 30: N/2

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM

Section 34: N/2

(z) The La Jara-Pictured Cliffs Pool (**Pool Code 96199**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM

Section 33: W/2

(aa) The La Jara Canyon-Tertiary Pool (**Pool Code 97036**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 2 WEST, NMPM

Section 4: SW/4

Section 5: S/2

Section 6: S/2

Section 8: All

Section 9: NW/4

Section 16: S/2
Section 17: W/2 and SE/4
Section 18: SE/4
Section 20: NW/4

(bb) The South Los Pinos-Fruitland Sand-Pictured Cliffs Pool (**Pool Code 80690**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM

Section 12: E/2
Section 13: All
Section 21: NE/4
Section 24: All
Section 25: E/2 and NW/4

(cc) The Otero-Chacra Pool (**Pool Code 82329**) in Rio Arriba County, New Mexico is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM

Section 6: All
Section 7: NE/4

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM

Section 1: NE/4
Section 2: NE/4

TOWNSHIP 25 NORTH, RANGE 4 WEST, NMPM

Section 31: SW/4

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 1: SW/4
Section 35: SE/4

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 2: All
Section 11: All
Section 34: SE/4

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 5: N/2

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM

Section 1: All

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM

Section 19: SE/4

Section 29: W/2
Section 30: E/2
Section 32: W/2

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM

Section 28: All
Section 29: N/2
Section 30: N/2 and SW/4
Section 33: N/2

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 25: E/2 and SW/4

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM

Section 29: W/2
Section 30: SE/4
Section 31: NE/4

TOWNSHIP 28 NORTH, RANGE 8 WEST, NMPM

Sections 7 through 9: All
Sections 13 through 24: All
Section 25: NE/4
Section 26: N/2 and SW/4
Sections 27 through 34: All
Section 35: W/2

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 7: SE/4
Sections 8 through 15: All
Section 22: N/2
Section 23: N/2
Sections 24 and 25: All
Section 36: All

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM

Section 27: SE/4

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 12: SW/4
Section 13: NW/4
Section 24: SE/4

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM

Section 27: SW/4
Section 28: S/2
Section 29: S/2

Section 30: S/2
Sections 31 through 33: All

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 13: All
Sections 20 through 25: All
Section 26: N/2
Section 27: N/2
Section 28: N/2
Section 29: N/2
Section 32: SE/4
Section 33: S/2
Section 34: S/2
Section 35: S/2
Section 36: All

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 2: All
Section 4: All
Section 6: All
Section 7: N/2 and SE/4
Section 8: W/2
Section 9: N/2
Section 11: N/2
Section 22: NE/4

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Sections 1 through 3: All
Section 4: E/2 and NW/4
Section 10: N/2
Section 11: N/2
Section 19: All
Section 30: S/2 and NW/4

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 11: SE/4
Section 12: S/2
Section 13: N/2
Section 14: S/2
Section 15: S/2
Section 16: S/2
Section 17: SE/4
Sections 22 through 25: All
Section 26: NE/4

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 27: SE/4
Section 34: E/2
Section 35: All

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM

Section 21: S/2
Sections 22 and 23: All
Section 24: W/2
Section 25: NW/4
Section 26: N/2
Sections 27 and 28: All
Sections 33 and 34: All

(dd) The Pinon-Fruitland Sand Pool (**Pool Code 82880**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 18: NE/4

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Section 13: SW/4
Section 23: SW/4
Section 24: SW/4
Section 25: NW/4

(ee) The North Pinon-Fruitland Sand Pool (**Pool Code 82920**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Section 14: S/2
Section 16: S/2
Section 17: SE/4

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 17: S/2
Section 20: E/2
Section 28: NW/4
Section 30: NW/4
Section 33: E/2

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 24: E/2
Section 25: NE/4

(ff) The Rosa-Pictured Cliffs Pool (**Pool Code 96175**) in Rio Arriba and San Juan Counties, New Mexico is hereby extended to include:

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

Section 7: SW/4
Section 8: NW/4
Section 17: SW/4
Section 18: All
Section 19: N/2 and SW/4
Section 20: NW/4
Section 27: N/2
Section 30: N/2 and SE/4

(gg) The Rusty-Chacra Pool (**Pool Code 84360**) in San Juan and Sandoval Counties, New Mexico is hereby extended to include:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM

Section 6: NW/4

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM

Section 1: NE/4
Section 35: W/2

TOWNSHIP 23 NORTH, RANGE 8 WEST, NMPM

Section 36: E/2

(hh) The Twin Mounds-Fruitland Sand-Pictured Cliffs Pool (**Pool Code 86620**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM

Section 4: All
Section 7: NE/4
Section 9: All
Section 15: N/2
Sections 16 and 17: All
Section 18: NE/4

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM

Section 18: NW/4 and S/2
Section 19: All
Section 20: SE/4 and N/2
Section 30: W/2

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM

Section 24: N/2

(ii) The Ute Dome-Dakota Pool (**Pool Code 86720**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM

Section 3: N/2

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Section 26: NE/4 and SW/4

Section 34: SE/4

(jj) The WAW-Fruitland Sand-Pictured Cliffs Pool (**Pool Code 87190**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 15: SW/4

Section 16: SE/4

Section 21: NE/4

Section 22: N/2

Section 23: All

Section 25: N/2

Section 26: N/2

(kk) The White Wash-Mancos-Dakota Oil Pool (**Pool Code 64290**) in San Juan County, New Mexico is hereby extended to include:

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM

Section 3: NE/4 NE/4

TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM

Section 20: SW/4 NE/4 and W/2 SE/4

Section 27: S/2 N/2 and E/2 SE/4

Section 28: S/2 N/2

Section 29: S/2 NE/4, NW/4 NE/4, N/2 SW/4 and NW/4 SE/4

Section 34: E/2 E/2

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that well or to obtain a non-standard unit approved by the Division. 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 Division within that 60-day period shall subject the well to cancellation of allowable.

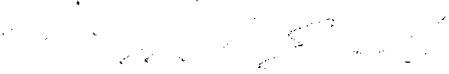
(2) The effective date of this order and all creations, abolishments and extensions included herein shall be October 1, 2006.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


MARK E. FESMIRE, P.E.
Director