

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. 11977
Order No. R-10990

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 14, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 20th day of May, 1998, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised,

FINDS THAT:

- (1) Due public notice having been given, the Division has jurisdiction of this cause and its subject matter.
- (2) There is need for the creation of a new pool in Rio Arriba County, New Mexico, for the production of gas from the Ojo Alamo formation, said pool to bear the designation of Cabresto Canyon-Ojo Alamo Pool. Said Cabresto Canyon-Ojo Alamo Pool was discovered by the Robert J. Bayless Jicarilla 459 Well No. 3 located in Unit G of Section 18, Township 30 North, Range 3 West, NMPM. It was completed in the Ojo Alamo formation on April 5, 1989. The top of the perforations is at 3,124 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 Gallup formation, said pool to bear the designation of Ice Canyon-Gallup Pool. Said Ice Canyon-Gallup Pool was discovered by the Caulkins Oil Company Breech Well No. 377 located in Unit M of Section 23, Township

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26 North, Range 7 West, NMPM. It was completed in the Gallup formation on December 31, 1997. The top of the perforations is at 6,455 feet.

(4) There is need for certain extensions to the Barker Dome-Desert Creek Pool, the Fulcher Kutz-Pictured Cliffs Pool, and the Gallegos-Fruitland Sand Pool, all in San Juan County, New Mexico; the Blanco-Pictured Cliffs Pool and the Otero-Chacra Pool, both in Rio Arriba and San Juan Counties, New Mexico; and the South Blanco-Tocito Oil Pool, the Carracas-Pictured Cliffs Pool, and the Gavilan-Pictured Cliffs Pool, all in Rio Arriba County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Rio Arriba County, New Mexico, classified as a gas pool for Ojo Alamo production is hereby created and designated as the Cabresto Canyon-Ojo Alamo Pool, consisting of the following described area:

TOWNSHIP 30 NORTH. RANGE 3 WEST. NMPM
Section 18: NE/4

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

TOWNSHIP 26 NORTH. RANGE 7 WEST. NMPM
Section 23: SW/4

(c) The Barker Dome-Desert Creek Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 32 NORTH. RANGE 14 WEST. NMPM
Section 31: All

(d) 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:

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TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM

Section 4: E/2
Section 9: E/2
Section 10: S/2
Section 15: All
Section 16: E/2
Section 21: E/2
Section 22: All
Section 27: All
Section 28: E/2
Section 33: E/2
Section 34: All

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 21: NE/4

(e) The South Blanco-Tocito Oil Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 2: SW/4
Section 3: SE/4
Section 10: NE/4

(f) The Carracas-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 32 NORTH, RANGE 4 WEST, NMPM

Section 27: NE/4

(g) 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 30 NORTH, RANGE 12 WEST, NMPM

Section 7: S/2
Section 18: All

TOWNSHIP 30 NORTH, RANGE 13 WEST, NMPM

Section 34: SE/4
Section 35: S/2
Section 36: S/2

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(h) The Gallegos-Fruitland Sand Pool in San Juan County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM

Section 14: S/2

(i) The Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM

Section 2: S/2

Section 3: SE/4

(j) The Otero-Chacra 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 5 WEST, NMPM

Section 2: N/2 and SE/4

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM

Section 14: S/2

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 5: SW/4

Section 6: S/2

Sections 7 and 8: All

Section 17: NW/4

Section 18: N/2

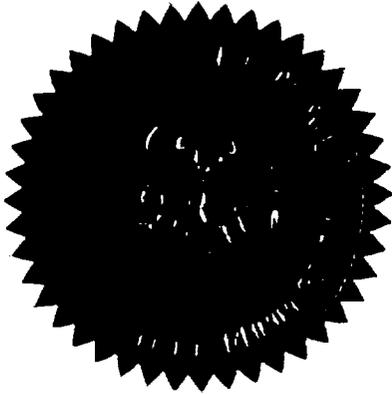
IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA 1978, 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 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 said 60-day period shall subject the well to cancellation of allowable.

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(2) The effective date of this order and all creations and extensions included herein shall be June 1, 1998.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director