

MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 9228
Order No. R-8544

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER ABOLISHING AND EXTENDING CERTAIN
POOLS IN RIO ARriba AND SANDOVAL COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on October 15, 1987, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 19th day of November, 1987, 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,

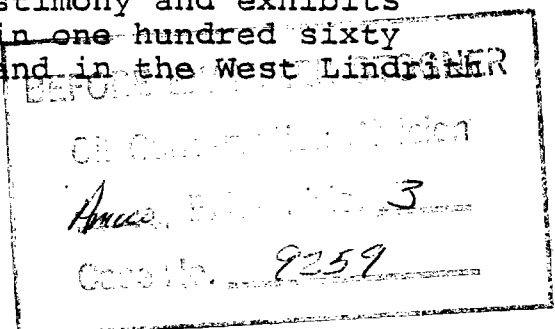
FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) Geologic and engineering testimony and exhibits show that the producing areas described as the Ojito Gallup-Dakota Oil Pool and the West Lindrith Gallup-Dakota Oil Pool are one common source of supply.

(3) The Ojito Gallup-Dakota Oil Pool is spaced at one well per forty (40) acres; however, with the exception of the E/2 NE/4 of Section 1, Township 25 North, Range 3 West, it has been developed on one well per one hundred sixty (160) acres. The West Lindrith Gallup-Dakota Oil Pool is spaced at one well per one hundred sixty (160) acres.

(4) Geological and engineering testimony and exhibits show that one well will efficiently drain ~~one hundred sixty~~ (160) acres in the Ojito Gallup-Dakota and in the West Lindrith



Gallup-Dakota Oil Pools, and that drilling and spacing units of one hundred sixty (160) acres will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

(5) Additional lands not now included in either oil pool but which geologic and engineering testimony and exhibits show will probably be productive from the same common source of supply are described as follows:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 11: All
Section 12: SW/4 and E/2
Sections 13 and 14: All
Section 23: SW/4 and E/2
Sections 24 through 26: All
Section 34: S/2
Sections 35 and 36: All

(6) Lands currently included in the Ojito Gallup-Dakota Oil Pool, the West Lindrith Gallup-Dakota Oil Pool, and those lands listed in Finding No. (5) above should all be included in the West Lindrith Gallup-Dakota Oil Pool.

(7) The drilling and spacing units should consist of approximately one hundred sixty (160) acres or one governmental quarter section or lots corresponding thereto, and these provisions will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(a) The Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, consisting of the following described area:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Sections 1 through 10: All
Section 12: NW/4
Sections 15 through 18: All
Section 19: NE/4
Section 20: N/2
Section 21: NW/4 and W/2 NE/4

is hereby abolished.

(b) The West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as heretofore classified,

defined, and described, is hereby extended to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Sections 1 through 18: All

Section 19: NE/4

Section 20: N/2

Section 21: N/2

Section 23: NE/4 and S/2

Sections 24 through 26: All

Section 34: S/2

Sections 35 and 36: All

(c) The proper drilling and spacing units for wells in the West Lindrith Gallup-Dakota Oil Pool shall consist of approximately one hundred sixty (160) acres or one governmental quarter section or lots corresponding thereto.

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, 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 shall subject the well to cancellation of allowable.


(2) The effective date of this order and all abolishments and extensions included herein shall be December 1, 1987.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

WILLIAM R. HUMPHRIES, Member


ERLING A. BROSTUEN, Member


WILLIAM J. LEMAY, Chairman and
Secretary

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