

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7065
Order No. R-6512

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR TWELVE NON-STANDARD
PRORATION UNITS, RIO ARriba COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of November, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

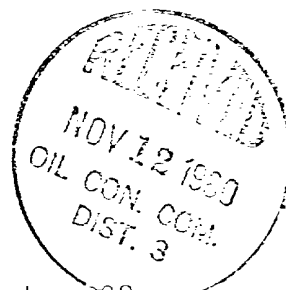
FINDS:

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

(2) That the applicant, El Paso Natural Gas Company, seeks approval for the establishment of eight non-standard proration units for Pictured Cliffs wells to be drilled in the W/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West, NMPM, NMPM, Rio Arriba County, New Mexico, as follows:

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM

- a 173.41-acre unit comprising Lots 3, 4, 5, 8, and 9, and the SE/4 NW/4 and NE/4 SW/4 of Section 6;
- a 163.50-acre unit comprising Lot 10 and the SE/4 SW/4 of Section 6, and Lots 1 and 2 and the NE/4 NW/4 and SE/4 NW/4 of Section 7;



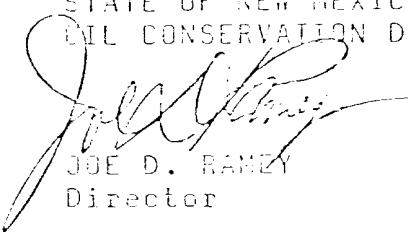
IT IS THEREFORE ORDERED:

(1) That upon application of El Paso Natural Gas Company, eight non-standard proration units for Pictured Cliffs wells to be drilled in the W/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, as described in Finding No. (2) above, are hereby established and dedicated to wells to be drilled at standard locations thereon.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RANEY
Director

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- a 164.02-acre unit comprising Lots 3 and 4 and the NE/4 SW/4 and SE/4 SW/4 of Section 7, and Lot 1 and the NE/4 NW/4 of Section 18;
- a 164.31-acre unit comprising Lots 2, 3, and 4 and the SE/4 NW/4, NE/4 SW/4, and SE/4 SW/4 of Section 18;
- a 164.58-acre unit comprising Lots 1, 2, and 3, and the NE/4 NW/4, SE/4 NW/4, and NE/4 SW/4 of Section 19;
- a 164.93-acre unit comprising Lot 4 and the SE/4 SW/4 of Section 19, and Lots 1 and 2, and the NE/4 NW/4 and SE/4 NW/4 of Section 30;
- a 165.25-acre unit comprising Lots 3 and 4, and the NE/4 SW/4 and SE/4 SW/4 of Section 30, and Lot 1 and the NE/4 NW/4 of Section 31; and
- a 150.76-acre unit comprising Lots 2, 3, 4, and 5, and the SE/4 NW/4 and NE/4 SW/4 of Section 31.

TOWNSHIP 28 NORTH, RANGE 4 WEST, NHPM

- a 172.38-acre unit comprising Lots 1, 2, and 3, and the SE/4 SE/4, SW/4 SE/4, and SE/4 SW/4 of Section 9;
- a 172.27-acre unit comprising Lot 4 and the SW/4 SW/4 of Section 9, and Lots 1 and 2, and the SE/4 SE/4 and SW/4 SE/4 of Section 8;
- a 172.90-acre unit comprising Lots 3 and 4, and the SE/4 SW/4 and SW/4 SW/4 of Section 8, and Lot 1 and the SE/4 SE/4 of Section 7; and
- a 172.21-acre unit comprising Lots 2, 3, 4, and 5, and the SW/4 SE/4 and SE/4 SW/4 of Section 7.

(3) That all of the aforesaid non-standard proration units are necessitated by irregularities in section size and shape resulting from corrections in the public lands survey and said units may reasonably be presumed productive of gas from the Pictured Cliffs formation and that the entire non-standard gas proration units can be efficiently and economically drained and developed by the wells to be drilled at standard locations thereon.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Pictured Cliffs formation, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the suggestion of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.