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. 9623
ORDER NO. R-8899

APPLICATION OF MERIDIAN OIL, INC.
FOR A NON-STANDARD GAS PRORATION UNIT,
SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 15, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 3rd day of April, 1989, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Meridian Oil, Inc., seeks approval of a 299.85-acre non-standard gas proration unit comprising Lots 3, 4, 5, 6 and 7, the SE/4 NW/4 and the E/2 SW/4 of Section 6 and Lots 1 and 2 and the E/2 NW/4 of Section 7, both in Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, to be dedicated to its Quigley Com Well No. 250 located at a standard coal gas well location 1030 feet from the South line and 850 feet from the West line (Unit N) of said Section 6.

(3) The proposed non-standard gas proration unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey.

(4) The entire non-standard proration unit may reasonably be presumed productive of gas from the Basin-Fruitland Coal (Gas) Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(5) The proposed non-standard gas proration unit has previously been approved by Division Order No. R-35, dated December 1, 1950, for use in developing gas reserves in the Blanco-Mesaverde Pool, and has proven to be effective in promoting orderly development in this area.

(6) No offset operator objected to the proposed non-standard gas proration unit.

(7) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Basin-Fruitland Coal (Gas) Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) A 299.85-acre non-standard gas proration unit in the Basin-Fruitland Coal (Gas) Pool comprising Lots 3, 4, 5, 6 and 7, the SE/4 NW/4, and the E/2 SW/4 of Section 6 and Lots 1 and 2 and the E/2 NW/4 of Section 7, Township 30 North, Range 9 West, NMPM, San Juan County, New Mexico, is hereby established and dedicated to the Meridian Oil, Inc. Quigley Com Well No. 250 located at a standard coal gas well location 1030 feet from the South line and 850 feet from the West line (Unit N) of said Section 6.

(2) 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Victor P. Lyon

for WILLIAM J. LEMAY
Director

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