DEFORE THE CIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

CASE NO. 1026 Order No. 4-784

THE APPLICATION OF PACIFIC NORTHWEST PIPELINE CORPORATION FOR AN ORDER GRANTING AN APPROVAL OF AN EXCEPTION PURSUANT TO RULE 1 (a) OF THE SPECIAL RULES AND REGULATIONS FOR THE BLANCO-MESAVERDE GAS POOL AS SET FORTH IN ORDER R-128-D IN THE ESTABLISHMENT OF A NON-STANDARD GAS PRORATION UNIT CONSISTING OF 328.2 CONTIGUOUS ACRES AND IN ADDITION AN ORDER IN EXCEPTION TO RULE 1 (c) OF ORDER R-110 AS AMENDED BY ORDER R-397, GRANTING APPROVAL OF AN UNORTHODOX LOCATION THEREON. SAID NON-STANDARD UNIT TO CONSIST OF LOTS 1 AND 2 AND THE 8/2 OF THE SE/4 OF FRACTIONAL SECTION 8. AND THE E/2 E/2 OF SECTION 17, TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM, SAM JUAN COUNTY, NEW MEXICO.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13766 Exhibit No. 1

Submitted by:

Williams Production Company

Hearing Date: September 14, 2006

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. at Santa Fe, New Mexico on March 7, 1956, before Warren W. Mankin, Examiner duly appointed by the Cil Conservation Commission of New Mexico, in accordance with Rule 1214 of Order R-681.

MOW, on this // day of April 1956, the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", a quorum being present, having considered said application and the evidence adduced and the recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That applicant, Pacific Northwest Pipeline Corporation is the owner of federal oil and gas leases in San Juan County, New Mexico, a portion of the land consisting of other than a legal section and described as follows, to-wit:

TOWNSHIP 32 NORTH, RANGE 11 WEST, NEPM Lots 1 and 2 and 5/2 SE/4 of fractional Section 8 E/2 E/2 of Section 17

containing 328.2 acres.

- (3) That applicant, Pacific Northwest Pipeline Corporation proposes to drill its Cox Canyon Unit Well No. 8-8 on the aforesaid leases, said well to be located 1389 feet from the South line and 1309 feet from the East line of fractional Section 8, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico.
- (4) That it is impractical to pool applicant's said lease with adjoining acreage in the Blanco Mesaverde Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 328.2 acres and the unorthodox location thereon.
- (5) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Blanco Mesaverde Gas Pool.
- (6) That the creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Pacific Northwest Pipeline Corporation for the approval of a non-standard gas proration unit consisting of the following described acreage in San Juan County, New Mexico.

TOWNSHIP 32 NORTH, RANGE 11 WEST, NMPM Lots 1 and 2 and S/2 SE/4 of Tractional Section 8 E/2 E/2 of Section 17

consisting of 328.2 acres, be and the same is approved and a proration unit consisting of the aforesaid acreage is hereby created.

(2) That upon completion, applicants aforementioned well shall be granted an allowable in the proportion that the above described 328.2 acre unit bears to the standard proration unit for the Blanco Mesaverde Gas Pool, all until further order of the Commission.

IT IS FURTHER ORDERED:

That Pacific Northwest Pipeline Corporation, be and the same is hereby granted an approval for an unorthodox location for its proposed well to be known as Cox Canyon Unit Well No. 8-8 to be drilled 1389 feet from the South line and 1309 feet from the East line of fractional Section 8, Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico in the Blanco Mesaverde Gas Pool.

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

STATE OF NEW MEXICO
OIL/CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

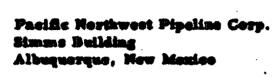
A. L. PORTER, Jr., Member and Secretary

OIL CONSERVATION COMMISSION P. O. BOX 871

SANTA FE. NEW MEXICO



February 16, 1956



Attention: Mr. James E. Sperling

Administrative Order NW-15162

Gentlemen:

Reference is made to your application for approval of a 320acre non-standard gas provation unit in the Blanco-Mosaverde Gas Pool consisting of the following acreage:

Township 32 North, Range 11 West, NMPM E/1 W/1 and W/1 E/2 of Section 17

It is understood that this unit is to be ascribed to your Cox Ganyon Unit Well No. 7-17 to be located 1840 feet from the Morth line and 2340 feet from the East line and in the SW/4 NE/4 of Section 17, Township 32 North, Range 11 West, NMPM, San Juan Gounty, New Manice.

Innomuch as you enclosed univers from the effect operators agreeing to the formation of the proposed unit, it is possible for immediate approval to be granted. Therefore, by sutherity granted me under provisions of Rule 1, Section (b)-4 of the Special Rules and Regulations of the Blanco-Mesaverde Gas Pool, as set forth in Order R-128-D, you are hereby authorized to operate the above described across as a non-standard gas provation unit, with allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 320 acros.

Very truly yours,

W. B. Macey Secretary-Director

nservation Commission, Antes , Farmington (8, Nobbe