

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY,
MINERALS AND NATURAL
RESOURCES
OIL CONSERVATION DIVISION**

Case No. 14324

EXHIBIT

2

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
DELHI OIL CORPORATION, DALLAS, TEXAS
FOR AN ORDER PERMITTING THE COMMUNITIZ-
ING OF SHORT OR NARROW QUARTER-SECTIONS
ON A NORTH-SOUTH BASIS AS THEY MAY LIE
ALONG THE WEST SIDE OF TOWNSHIPS 30 AND
31 NORTH, RANGE 9 WEST, FOR THE PURPOSE OF
CREATING DRILLING UNITS AND ALLOWABLES
APPROXIMATELY CORRESPONDING TO THE SPACING
AND ALLOWABLE REQUIREMENTS OF ORDER NO. 799
RELATING TO THE BLANCO-MESAVERDE GAS POOL
IN SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 236
ORDER NO. R-35

Before the Oil Conservation Division
Exhibit No. 2
Burlington Resources
OCD CASE 14324
Hearing: June 2, 2009

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at Santa Fe, New Mexico, at 10:00 o'clock A.M., October 24, 1950, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 1st day of December, 1950, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises,

FINDS:

A. The extreme western quarter sections of sections 6, 7, 18, 19, 30 and 31 of Townships 30 and 31 north, Range 8 west, N.M.P.M., San Juan County, New Mexico are "narrow" quarter sections comprising approximately 100 acres each.

B. That the sections in question are within or near the areal limits of the Blanco-Mesaverde Pool.

C. That wells drilled upon "narrow" half sections would be entitled to only approximately 200/320 of the allowable assigned to a full 320 acre drilling unit.

D. That waste would result from unnecessary drilling on 200-acre units.

IT IS THEREFORE ORDERED:

1. The following "narrow" quarter sections are hereby unitized as shown below by threes, each three unitized quarter sections of approximately 300 acres each to be a drilling unit for the Mesaverde formation underlying:

W/2 Sec. 6 and NW/4 Sec. 7
SW/4 Sec. 7 and W/2 Sec. 18
W/2 Sec. 19 and NW/4 Sec. 30
SW/4 Sec. 30 and W/2 Sec. 31
W/2 Sec. 19 and NW/4 Sec. 30
SW/4 Sec. 30 and W/2 Sec. 31

for both Townships 30 and 31 north, Range 9 west.

2. (a) Wells which may be located upon these eight unitized drilling units will be located as follows:

All to be not closer than 660 ft. to the outer boundary nor closer to the center than 330 ft. of the quarter section ("narrow") upon which it is located;

SW/4 Sec. 6

SW/4 Sec. 18
SW/4 Sec. 19
SW/4 Sec. 30

for both Townships 30 and 31 north
Range 9 west.

(b) All wells upon the east half of the narrow sections to be located in the northeast quarter of the section not closer than 660 ft. to the outer boundary nor closer than 330 ft. to the center of the quarter section upon which they are located.

3. That no well shall be drilled or completed and no Notice of Intention nor drilling permit shall be approved unless one of the above designated 300 acre units is assigned to the well for allowable and proration purposes.

4. That the allowable for any unit shall in direct proportion of the acreage in the unit to 320, i.e., a 300-acre unit will receive $300/320$ or $15/16$ or 93.75% of a normal unit allowable for 320 acres in Mesaverde pools spaced one well to each half section.

DONE at Santa Fe, New Mexico, on this 1st day of December, 1950.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

THOMAS J. FABRY, CHAIRMAN

GUY SHEPARD, MEMBER

R. R. SPURRIER, SECRETARY