

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. 9732(REOPENED)
ORDER NO. R-8995-B

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 7, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 13th day of March, 1990, 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) By Division Order No. R-8995, dated August 31, 1989 and issued in Case 9732 heard August 23, 1989, a 357.45-acre, more or less, non-standard gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool comprising Lots 1 and 2, the NE/4 SW/4, S/2 SW/4 and the SE/4 of Section 10 and Lots 3 and 4 of Section 11, both in Township 32 North, Range 7 West, NMPM, (1964 Survey) San Juan County, New Mexico was established and dedicated to Meridian Oil, Inc.'s Allison Unit Well No. 103 located at a previously approved unorthodox coal gas well location 1745 feet from the South line and 2270 feet from the West line (Unit K) of said Section 10.

(3) On October 4, 1989 said Case 9732 was reopened and Division Order No. R-8995-A, dated October 30, 1989, was issued to show the correct location of the Allison Unit Well No. 103 to be 1795 feet from the South line and 2270 feet from the West line (Unit K) of said Section 10.

Case No. 9732
Order No. R-8995-B
Page No. 2

(4) In both orders the location was described as being at a previously approved unorthodox coal gas well location; however this is not the case and the correct location for the Allison Unit Well No. 103 (1795 feet from the South line and 2270 feet from the West line) is standard pursuant to Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768.

(5) Also, the advertisements for both the August 23 and October 4 hearings and both Order Nos. R-8995 and R-8995-A erroneously described the non-standard gas spacing unit which was authorized.

(6) The non-standard spacing unit should properly be described as 401.20 acres comprising Lots 1, 2, 8, 9, 10, 11, N/2 SE/4, and the SE/4 SE/4 of Section 10 and Lots 3 and 4 of Section 11, both in Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, as the same is shown and designated on the United States Department of Interior Bureau of Land Management Plat of Dependant Resurvey for all of Township 32 North, Range 7 West, NMPM, dated February 18, 1964 (which is the latest official land survey for that portion of said Township 32 North, Range 7 West, which is the subject of this case).

(7) Case No. 9732 is being reopened at this time to officially correct the above-described errors.

(8) No interested party appeared at any time this case was called to hearing and/or objected to this application.

(9) An order should be issued to properly clarify this matter and to correctly state the intended order of the Division.

IT IS THEREFORE ORDERED THAT:

(1) Division Order No. R-8995-A, dated October 30, 1989 shall be rescinded in its entirety.

(2) Decretory Paragraph No. (1) on page 2 of Division Order No. R-8995, dated August 31, 1989 be and the same is hereby amended to read as follows:

"(1) A 401.20-acre non-standard gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool comprising Lots 1, 2, 8, 9, 10 and 11, N/2 SE/4 and the SE/4 SE/4 of Section 10 and Lots 3 and 4 of Section 11, both in Township 32 North, Range 7 West, NMPM, San Juan County, New Mexico, as the same is shown and designated on the United States Department of Interior Bureau of Land Management Plat of Dependant Resurvey for all of Township 32 North, Range 7 West, NMPM, dated February 18, 1964 (which is the latest official land survey for that portion of said Township 32 North, Range 7 West, which is the

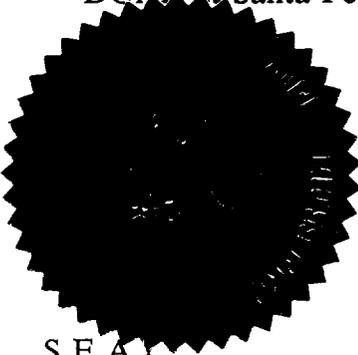
Case No. 9732
Order No. R-8995-B
Page No. 3

subject of this case), is hereby established and shall be dedicated to Meridian Oil, Inc.'s existing Allison Unit Well No. 103 located at a standard coal gas well location 1795 feet from the South line and 2270 feet from the West line (Unit K) of said Section 10."

(3) All other provisions of said Order No. R-8995 shall remain in full force and effect until further notice.

(4) 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.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director