

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. 9881
Order No. R-9146

APPLICATION OF RICHMOND PETROLEUM
INC. FOR AN UNORTHODOX COAL GAS
WELL LOCATION, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 4, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 19th day of April, 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) Division Case Nos. 9881, 9894, and 9895 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Richmond Petroleum Inc., seeks approval of an unorthodox coal gas well location for its proposed Federal 31-4-32 Well No. 2 to be drilled 617 feet from the South line and 1939 feet from the West line (Unit N) of Section 32, Township 31 North, Range 4 West, NMPM, Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

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(4) The applicant further proposes to dedicate the W/2 of said Section 32 to the above-described well forming a standard 320-acre gas spacing and proration unit for said pool.

(5) The subject well is located within the Basin-Fruitland Coal Gas Pool and is therefore subject to the special rules and regulations for said pool as promulgated by Division Order No. R-8768, which require wells to be located in either the NE/4 or SW/4 of a single governmental section and no closer than 790 feet to any outer boundary of the proration unit nor closer than 130 feet to any quarter section line nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(6) The applicant presented evidence which adequately demonstrates that the proposed unorthodox coal gas well location is necessitated by topographical obstructions, archaeological restrictions and U.S. Forest Service requirements within the SW/4 of said Section 32.

(7) The applicant presented, as evidence, a waiver of objection to the proposed unorthodox gas well location from Meridian Oil Inc., the only affected offset operator.

(8) No other offset operator and/or interest owner appeared at the hearing in opposition to the proposed unorthodox gas well location.

(9) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject 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:

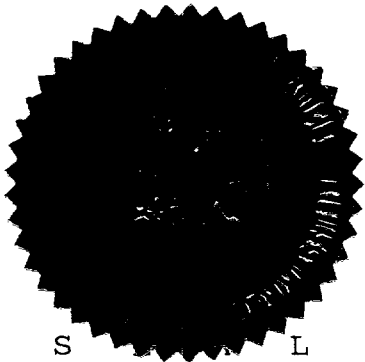
(1) The applicant, Richmond Petroleum Inc., is hereby authorized to drill its Federal 31-4-32 Well No. 2 at an unorthodox coal gas well location 617 feet from the South line and 1939 feet from the West line (Unit N) of Section 32, Township 31 North, Range 4 West, NMPM, Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.

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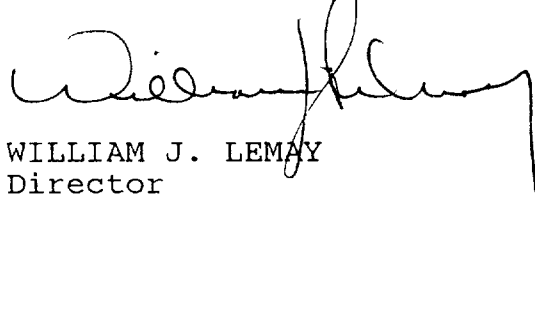
(2) The W/2 of said Section 32 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for said pool.

(3) 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



WILLIAM J. LEMAY
Director