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July 26, 1990

PLEASE REPLY TO SANTA FE

10048

Mr. William J. LeMay, Director New Mexico Oil Conservation Division Post Office Box 2008 Santa Fe, New Mexico 87504

> Re: Application of Great Western Drilling Company for a Non-Standard Gas Proration Unit, San Juan County, New Mexico (Lots 3, 4, S/2 SW/4 [SW/4 equivalent] of Section 8 and W/2 W/2 of Section 17)

Dear Mr. LeMay:

Enclosed is the Application of Great Western Drilling Company for a non-standard gas proration unit to be comprised of the abovereferenced acreage in the Basin-Fruitland Coal Gas Pool.

On behalf of the Applicant, Great Western Drilling Company, we ask that this matter be set for examiner hearing on August 22, 1990.

Very truly yours,

J. Scott Hall

3. Sweetfall

JSH/rom Enclosures

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION OF GREAT WESTERN DRILLING COMPANY FOR A NON-STANDARD GAS PRORATION UNIT, SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 10048

APPLICATION

GREAT WESTERN DRILLING COMPANY, by and through its attorneys, Miller, Stratvert, Torgerson & Schlenker, P.A., applies for approval of a non-standard gas proration unit. In support, Applicant states:

- 1. Applicant is a working interest owner in and operator of lots 3, 4, S/2 SW/4 (SW/4 equivalent) of Section 8 and the W/2 W/2 of Section 17, all in Township 32 North, Range 11 West, NMPM, San Juan County, New Mexico and comprising 327.8 acres, more or less.
- 2. Applicant seeks an exception to Rule 4 of the Division's Special Pool Rules for the Basin-Fruitland Coal Gas Pool for the creation of a non-standard gas proration unit to be comprised of the above-referenced acreage in the Basin-Fruitland Coal Gas Pool. Said acreage shall be dedicated to Applicant's J. E. Decker #11 well located 955 feet from the West line and 910 feet from the South line of said Section 8.
- 3. Lots 1, 2, S/2 SE/4 (SE/4 equivalent) of Section 8 and the E/2, E/2 W/2 of Section 17 comprise a portion of the Cox Canyon Unit. The application lands are entirely outside of the Cox Canyon Unit. Section 8 is also an irregular section consisting entirely of 336 acres in a S/2 equivalent.

- 4. The Division has previously approved an existing non-standard gas proration unit for the Blanco-Mesa Verde pool covering the same lands as the application lands.
- 5. Granting the application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before a duly appointed examiner of the Oil Conservation Division on August 22, 1990, and that after notice and hearing as required by law, the Division enter its order approving the application and providing such other relief as is proper.

MILLER, STRATVERT, TORGERSON & SCHLENKER, P.A.

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