

DEC 29 1987

## BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION OIL CONSERVATION DIVISION

APPLICATION OF VIRGINIA P.  
UHDEN, HELEN ORBESEN, and  
CARROLL O. HOLMBERG  
TO VACATE ORDER NOS.  
R-7588 and R-7588-A, AND TO  
ESTABLISH EIGHT NON-STANDARD  
SPACING AND PRORATION UNITS,  
SAN JUAN COUNTY, NEW MEXICO

No. 9129

AMENDED APPLICATION

Virginia P. Uhden, Helen Orbesen, and Carroll O. Holmberg hereby apply for an order vacating Division Order Nos. R-7588 and R-7588-A as to Applicants insofar as they establish 320 acre spacing, and to establish eight non-standard spacing and proration units in Sections 28 and 33, Township 32 North, Range 10 West, N.M.P.M., and in support thereof would show:

1. Division Order No. R-7588, effective February 1, 1984, established Temporary Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool, including a provision for 320 acre spacing. The horizontal limits established for the pool are:

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM  
Sections 3 through 6: All

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM  
Sections 19 through 22: All  
Sections 27 through 34: All

comprising 10,240 acres, more or less,  
all in San Juan County, New Mexico.

2. Division Order No. R-7588-A, dated March 7, 1986, made permanent the Special Rules of Order No. R-7588.

3. Applicants are mineral interest owners within said pool, and are adversely affected by the issuance of Order Nos. R-7588 and R-7588-A.

4. Applicants were not given actual notice of either Case No. 8014 or Case No. 8014 (reopened), which resulted in Order Nos. R-7588 and R-7588-A, respectively, and did not learn of the orders until the summer of 1986 when Amoco Production Company (the applicant in said cases) belatedly notified Applicants of the spacing change.

5. Applicants' addresses were known to Amoco Production Company before Case No. 8014 was filed.

6. As a result, Applicants had no opportunity to appear and present evidence in opposition to the applications of Amoco Production Company, their due process rights were violated, and the orders are invalid as to them.

7. Had applicants been notified of Case Nos. 8014 and 8014 (reopened), they would have appeared to protest the applications of Amoco Production Company to increase well spacing, to protect their rights.

8. Prior to February 1, 1984, gas wells drilled to the Fruitland formation were drilled on 160 acre spacing and proration units.

9. The first wells drilled in said pool were drilled and spaced on 160 acre units, and were located in the area of Sections 28 and 33, Township 32 North, Range 10 West.

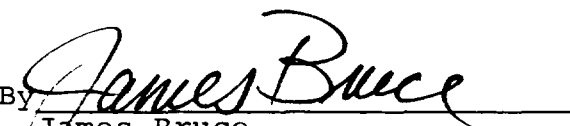
10. The first wells drilled in said pool were in communication. As a result, due to the nature of coal-bed gas

production, because of current well placement and the patterns of drainage in said pool, and to protect correlative rights due to drainage, Sections 28 and 33, Township 32 North, Range 10 West, N.M.P.M., should be developed on eight 160 acre spacing and proration units, with production limitations on wells located within said sections.

11. The matters urged by applicants herein are in the interests of conservation, the prevention of waste, and the protection of correlative rights.

WHEREFORE, Applicants request that the Division enter its Order vacating Order Nos. R-7588 and R-7588-A as to them and establishing 160 acre spacing and proration units in said Sections 28 and 33, with appropriate production limitations; alternatively, Applicants request the Division to make said spacing orders effective as to Applicants as of the date notice was provided to Applicants by Amoco Production Company.

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By   
James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Attorneys for Applicants