

**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. 12650
ORDER NO. R-11588**

**APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY FOR
APPROVAL OF A 317.51-ACRE NON-STANDARD GAS SPACING AND
PRORATION UNIT, SAN JUAN COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on May 3, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 21st day of May, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Burlington Resources Oil & Gas Company ("Burlington"), seeks approval of a 317.51-acre non-standard gas spacing and proration unit for Blanco-Mesaverde Gas Pool production comprising Lots 1 and 2, the SE/4 NE/4, and the E/2 SE/4 of Section 8, and the SW/4 of Section 9, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico.

(3) This case was styled such that "*In the Absence of Objection, This Case Will be Taken Under Advisement.*"

(4) Burlington appeared at the hearing through legal counsel and presented evidence to support its application. No other party appeared at the hearing.

(5) The evidence presented indicates that:

- (a) the proposed non-standard gas proration unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey;
- (b) the applicant proposes to develop the non-standard gas proration unit in the Blanco-Mesaverde and Basin-Dakota Gas Pools with its Allison Unit Com Well No. 64 to be drilled 2065 feet from the South line and 145 feet from the East line (Unit I) of Section 8, which will be configured to downhole commingle Mesaverde and Dakota production; and
- (c) the proposed non-standard gas proration unit may reasonably be presumed productive of gas from the Blanco-Mesaverde Gas Pool.

(6) According to the evidence presented, the proposed non-standard gas proration unit has previously been approved by the Division (Order No. R-2046 dated August 14, 1961) for use in developing gas reserves in the Basin-Dakota Gas Pool and has proven to be effective in promoting orderly development in this area.

(7) The evidence further demonstrates that several non-standard gas proration units located in Sections 7 and 8, Township 32 North, Range 6 West, have previously been approved by the Division (Order No. R-11003 dated July 13, 1998) for developing gas reserves in the Blanco-Mesaverde Gas Pool.

(8) The proposed non-standard unit is partially contained within the Allison Unit, a Federal exploratory unit currently operated by the applicant.

(9) No offset operator or interest owner appeared at the hearing in opposition to the application.

(10) Approval of the application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blanco-Mesaverde Gas Pool underlying the proposed proration unit, will prevent waste, and will not violate correlative rights.

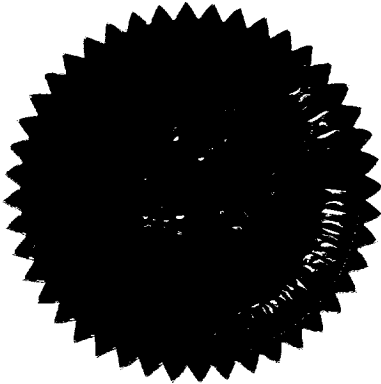
IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Burlington Resources Oil & Gas Company, a 317.51-acre non-standard gas spacing and proration unit for Blanco-Mesaverde Gas Pool production comprising Lots 1 and 2, the SE/4 NE/4, and the E/2 SE/4 of Section 8, and the SW/4 of Section 9, Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico, is hereby established.

(2) This unit shall be dedicated to the applicant's Allison Unit Com Well No. 64 to be drilled 2065 feet from the South line and 145 feet from the East line (Unit I) of Section 8, Township 32 North, Range 6 West, NMPM; provided, however, the applicant shall obtain all applicable Division approvals for the well with regards to the proposed unorthodox gas well location.

(3) Jurisdiction is hereby 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

Lori Wrotenbery
LORI WROTENBERY
Director