

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. 9362 (Reopened)  
Order No. R-7588-C

IN THE MATTER OF CASE NO. 9362  
BEING REOPENED PURSUANT TO THE  
PROVISIONS OF DIVISION ORDER NO.  
R-7588-B, WHICH ORDER EXPANDED  
THE VERTICAL LIMITS OF THE CEDAR  
HILL-FRUITLAND BASAL COAL POOL,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 21, 1991, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 15th day of March, 1991, 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 Order No. R-7588-B, dated October 19, 1988, the Division, upon application of Amoco Production Company, extended the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool, San Juan County, New Mexico, to include any and all coal seams within the stratigraphic interval from approximately 2450 feet to 2880 feet on the Gamma Ray/Bulk Density Log of the Amoco Production Company Schneider Gas Com "B" Well No. 1 located 1110 feet from the South line and 1185 feet from the West line of Section 28, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.

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(3) Order No. R-7588-B concomitantly contracted the vertical limits of the Mt. Nebo-Fruitland Gas Pool so as to exclude all coal seams and further redesignated said pool as the Mt. Nebo-Fruitland Sand Pool.

(4) Pursuant to the provisions of said Order No. R-7588-B, this case was reopened to allow the operators in the subject pool to appear and show cause why the vertical extension of the Cedar Hill-Fruitland Basal Coal Pool should not be rescinded and Division Order No. R-7588, as amended, should not be reinstituted as they existed prior to the issuance of Order No. R-7588-B.

(5) Meridian Oil Inc., an operator in the subject pool, appeared and presented evidence and testimony in support of the permanent adoption of the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool as contained within said Order No. R-7588-B.

(6) No other operator and/or interest owner appeared at the hearing in opposition to the permanent adoption of the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool.

(7) The evidence and testimony presented in this case indicates that the permanent adoption of the current vertical limits of the Cedar Hill-Fruitland Basal Coal Pool will prevent the drilling of unnecessary wells, will increase the gas recovery from the pool by allowing the simultaneous production of the various coal seams, thereby preventing waste, and will protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The vertical limits of the Cedar Hill-Fruitland Basal Coal Pool, as promulgated by Division Order No. R-7588-B, are hereby permanently adopted.

(2) The contraction and redesignation of the Mt. Nebo-Fruitland Gas Pool, as further promulgated by Division Order No. R-7588-B, is hereby made permanent.

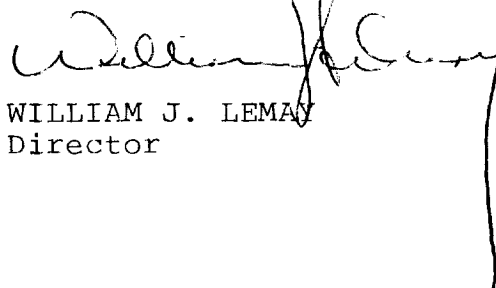
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

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