

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9621
ORDER NO. R-8898

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR SIX NON-STANDARD GAS PRORATION UNITS,
SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 15, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 3rd day of April, 1989, 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) The applicant, Amoco Production Company, seeks approval of six non-standard gas proration units in the Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico, as described in Exhibit "A" attached hereto and made a part hereof.

(3) Said non-standard proration units are necessitated by irregular sections resulting from survey corrections in the United States Public Lands Survey.

(4) The acreage contained in each individual proration unit should be based on the latest official surveys and resurveys accepted by the United States Government.

(5) The non-standard proration units may reasonably be presumed productive of gas from the Basin-Fruitland Coal (Gas) Pool and the non-standard gas proration units can be efficiently and economically drained and developed by the aforesaid wells to be drilled in each unit.

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(6) Each of the proposed non-standard gas proration units has previously been approved by Division Orders Nos. R-564, R-771, R-1096, R-1097, R-1098 and R-2046, for use in developing gas reserves in the Basin-Dakota and Blanco-Mesaverde Pools, and has proven to be effective in promoting orderly development in this area.

(7) No offset operator objected to the proposed non-standard gas proration units.

(8) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Basin-Fruitland Coal (Gas) 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 application of Amoco Production Company for six non-standard gas proration units in the Basin-Fruitland Coal (Gas) Pool, San Juan County, New Mexico, as described in Exhibit "A" attached hereto and made a part hereof is hereby approved.

(2) 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

Victor L. Lyon

for WILLIAM J. LEMAY
Director

S E A L

EXHIBIT "A"
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TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

<u>UNIT</u>	<u>ACREAGE</u>	<u>SECTION</u>	
A	334.145	6	Lots 12, 13 and 14, SE/4 SW/4, SE/4 (S/2 Equivalent)
		7	N/2 of Lot 5, N/2 N/2 NE/4, N/2 NE/4 NW/4 (N/2 N/2 N/2 Equivalent)
B	336.665	7	S/2 of Lot 5, Lots 6, 7 and 8, S/2 N/2 NE/4, S/2 NE/4, S/2 NE/4 NW/4, SE/4 NW/4, N/2 SW/4 (S/2 N/2 N/2, S/2 N/2, N/2 S/2 Equivalent)
C	331.685	7	Lot 9, SE/4 SW/4, S/2 SE/4 (S/2 S/2 Equivalent)
		18	Lot 1, N/2 of Lot 2, N/2 NE/4, N/2 S/2 NE/4, NE/4 NW/4, N/2 SE/4 NW/4 (N/2 N/2, N/2 S/2 N/2 Equivalent)
D	330.975	18	S/2 of Lot 2, Lots 3 and 4, S/2 S/2 NE/4, S/2 SE/4 NW/4, E/2 SW/4, SE/4 (S/2 S/2 N/2, S/2 Equivalent)
E	409.24	19	Lots 1, 5, 6, 7, 8 and 9, W/2 NE/4, E/2 NW/4, NE/4 SW/4, NW/4 SE/4 (N/2, N/2 S/2 Equivalent)
F	407.56	19	Lots 4 and 10, SE/4 SW/4, SW/4 SE/4 (S/2 S/2 Equivalent)
		30	Lots 1, 5, 6 and 7, W/2 NE/4, E/2 NW/4 (N/2 Equivalent)