

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. 9975
Order No. R-9222

APPLICATION OF MERIDIAN OIL INC.
FOR FOURTEEN 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 June 27, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 13th day of July, 1990, 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, Meridian Oil Inc., seeks to establish fourteen non-standard gas spacing and proration units for Basin-Fruitland Coal Gas Pool production in Sections 7 through 12, 18, 19, 30 and 31, Township 32 North, Range 9 West; Sections 6 and 18, Township 31 North, Range 9 West; and Sections 11 and 12, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.

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(3) The evidence presented indicates that due to variations in the legal subdivision of the United States Public Lands Survey, the west halves of Sections 7, 18, 19, 30 and 31 of Township 32 North, Range 9 West, and the west halves of Sections 6 and 18, Township 31 North, Range 9 West, NMPM, San Juan County, New Mexico, are irregular in size.

(4) The evidence further indicates that due to variations in the legal subdivision of the United States Public Lands Survey and the presence of the New Mexico-Colorado Border, Sections 7 through 12, Township 32 North, Range 9 West, and Sections 11 and 12, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico, are also irregular in size.

(5) The size and shapes of the various sections described in Finding Nos. (3) and (4) above preclude the formation of standard 320-acre gas spacing and proration units.

(6) The proposed non-standard gas proration units, with the exception of those included within Sections 7, 8, 11 and 12, Township 32 North, Range 9 West, NMPM, have previously been approved by the Division for use in developing gas reserves in the Blanco-Mesaverde and/or Basin-Dakota Gas Pools, and have proven to be effective in promoting orderly development in this area.

(7) The applicant currently operates all of the acreage contained within each of the proposed non-standard gas proration units and proposes to drill a Basin-Fruitland Coal Gas Pool well at a standard gas well location in each of said proposed non-standard gas proration units.

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

(9) Approval of the subject application will afford the applicant the opportunity to produce its 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.

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IT IS THEREFORE ORDERED THAT:

(1) The following described non-standard gas spacing and proration units in the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico, are hereby established:

TOWNSHIP 32 NORTH, RANGE 9 WEST, NMPM

<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1	288.73	Section 7: All
2	354.47	Section 8: All
3	362.28	Section 9: All
4	367.84	Section 10: All
5	369.19	Section 11: All
6	400.52	Section 12: All
7	212.62	Section 18: Lots 7 through 10 Lots 15 through 18 (W/2 equivalent)
8	206.48	Section 19: Lots 7 through 10 Lots 15 through 18 (W/2 equivalent)
9	196.56	Section 30: Lots 7 through 10 Lots 15 through 18 (W/2 equivalent)
10	205.66	Section 31: Lots 7 through 10 Lots 15 through 18 (W/2 equivalent)

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TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

- | | | |
|---|--------|---|
| 1 | 201.15 | Section 6: Lots 10 through 13
Lots 17 through 20
(W/2 equivalent) |
| 2 | 201.47 | Section 18: Lots 7 through 10
Lots 15 through 18
(W/2 equivalent) |

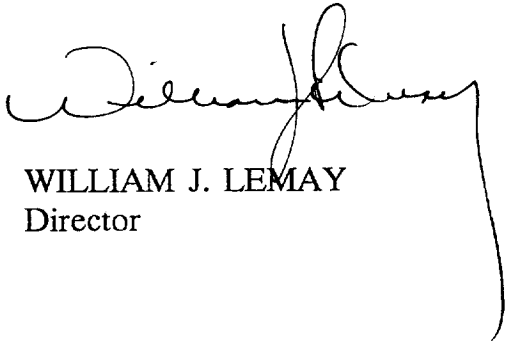
TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM

- | | | |
|---|--------|-----------------|
| 1 | 328.30 | Section 11: All |
| 2 | 335.52 | Section 12: All |

(3) 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


WILLIAM J. LEMAY
Director

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