

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. 10042
ORDER NO. R-9303

*APPLICATION OF MERIDIAN OIL, INC. FOR
SIX NON-STANDARD GAS PRORATION UNITS,
RIO ARriba COUNTY, NEW MEXICO*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 8 and September 5, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 27th day of September, 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) At the time of the August 8, 1990 hearing this case was consolidated with Case No. 10041 for the purpose of testimony.
- (3) The applicant, Meridian Oil, Inc., seeks an exception to Rule 6 of Division Order No. R-8768 to establish six non-standard gas proration units for Basin-Fruitland Coal Gas Pool production in Townships 29 and 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as further described in Exhibit "A" attached hereto and made a part hereof.
- (4) Said non-standard proration units are necessitated by irregular sections resulting from survey corrections in the United States Public Lands Survey.
- (5) The acreage contained in each individual proration unit should be based

on the latest official surveys and resurveys accepted by the United States Government.

(6) 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 one well on each unit.

(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.

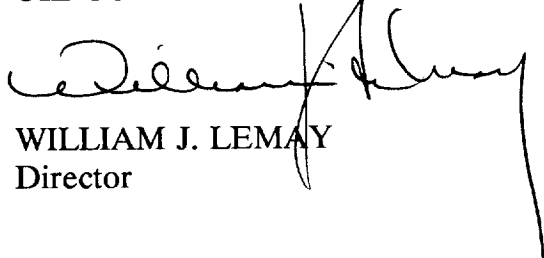
IT IS THEREFORE ORDERED THAT:

(1) The application of Meridian Oil, Inc. for six non-standard gas proration units in the Basin-Fruitland Coal Gas Pool in Townships 29 and 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as further 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



WILLIAM J. LEMAY
Director

S E A L

EXHIBIT "A"
CASE NO. 10042
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Tract	Acreage (more or less)	Section	Description
TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM			
1	215.22	6	Lots 10 through 14, SE/4 NW/4, and E/2 SW/4 (W/2 equivalent)
2	226.72	7	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
3	231.03	18	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
4	238.88	19	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM			
5	209.36	30	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
6	211.32	31	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)