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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

July 11, 1994

Meridian Oil, Inc.
P.O. Box 51810
Midland, TX 79710-1810

Attention: Donna J. Williams

Administrative Order NSP-1700(L)

Dear Ms. Williams:

Reference is made to your application dated May 23, 1994 to reinstate the previously approved 156.98-acre non-standard gas spacing and proration unit in the Eumont Gas Pool (Division Order No. R-998, dated May 10, 1957) comprising Lots 3, the NE/4 SW/4 and SE/4 (N/2 S/2 equivalent) of Section 7, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

It is our understanding that the original well dedicated to this unit, the H.T. Mattern Well No. 1, located 1650 feet from the South line and 330 feet from the West line (Unit L) of said Section 7, was plugged and abandoned in March 1993.

A second well approved for simultaneous dedication to this unit under the authority of Division Administrative Order NSL-3034(SD), dated July 30, 1991, for the H.T. Mattern Well No. 2 located 1650 feet from the South and West lines (Unit K) of said Section 7, was never recompleted to the Eumont Gas Pool.

It is our understanding that this unit is to be dedicated to the proposed H.T. Mattern Well No. 3 to be drilled at an unorthodox gas well location 1930 feet from the South line and 2188 feet from the West line (Unit K) of said Section 7.

By the authority granted me under the provisions of Rule 2(a)4 and 2(c) of said Order No. R-8170, as amended, the above-described unorthodox gas well location is hereby granted and approval to continue operating the above-described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 5 of said pool rules based upon the unit size of 156.98 acres.

Administrative Order NSP-1700(L)

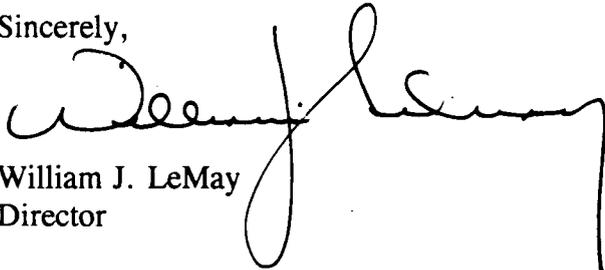
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Both Division Order No. R-998 and Administrative Order NSL-3034(SD) are hereby placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a large loop at the end of the last name.

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad
File: NSL-3034(SD)

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

-2-
Case No. 1243
Order No. R-998

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

That the aforementioned H. T. Mattern No. 1 Well be granted an allowable
in the proportion of the above-described acreage in the Eumont Gas Pool subject to the provisions of Rule 12 of the
Special Rules and Regulations for the Eumont Gas Pool as set forth in Order No. R-998.
CASE NO. 1243
ORDER NO. R-998

APPLICATION OF ROWAN OIL COMPANY
FOR AN ORDER ESTABLISHING A NON-
STANDARD GAS PRORATION UNIT IN THE
EUMONT GAS POOL, LEA COUNTY, NEW STATE
MEXICO. OIL CONSERVATION COMMISSION

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 23, 1957, and
again at 10 o'clock a.m. on April 26, 1957, at Santa Fe, New Mexico, before Daniel S.
Nutter, Examiner, duly appointed by the Oil Conservation Commission, hereinafter referred
to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Re-
gulations.

NOW, on this 10th day of May, 1957, the Commission, a quorum being present,
having considered the application, the evidence adduced, the recommendations of the
Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the
Commission has jurisdiction of this case and the subject matter thereof.
- (2) That the applicant is co-owner and operator of the N/2 S/2 Section 7,
Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant is the co-owner and operator of the H. T. Mattern
No. 1 Well, located 1650 feet from the South line and 330 feet from the West line of
said Section 7.
- (4) That the applicant proposes to form a non-standard gas proration unit
in the Eumont Gas Pool consisting of the above-described acreage to be dedicated to the
aforementioned H. T. Mattern No. 1 Well.
- (5) That the establishment of the proposed non-standard gas proration unit
will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the application of Rowan Oil Company for the establishment of a
non-standard gas proration unit in the Eumont Gas Pool consisting of the N/2 S/2 of
Section 7, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, be and the

same is hereby granted, and that the applicant's H. T. Mattern No. 1 Well located 1650 feet from the South line and 330 feet from the West line of said Section 7 be and the same is hereby designated as the unit well for the unit.

(2) That the aforementioned H. T. Mattern No. 1 Well be granted an allowable in the proportion that the acreage in the above-described unit bears to a standard proration unit for the Eumont Gas Pool subject to the provisions of Rule 12 of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order No. R-520.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

A. J. PORTER, Jr., Member & Secretary

to as the "Commission" in accordance with Rule 12 of the Commission. Daniel S. Mutter, Examiner, duly appointed by the Oil Conservation Commission, be and the same is hereby designated as the unit well for the unit.

FINDINGS:

- (1) That the public notice having been given as required by the Commission has jurisdiction of this case and the proper order was made.
- (2) That the applicant is co-owner and operator of the H. T. Mattern No. 1 Well located 1650 feet from the South line and 330 feet from the West line of said Section 7.
- (3) That the applicant is the co-owner and operator of the H. T. Mattern No. 1 Well located 1650 feet from the South line and 330 feet from the West line of said Section 7.
- (4) That the applicant proposes to form a proration unit consisting of the above-described acreage and to be designated as the unit well for the unit.
- (5) That the establishment of the proposed proration unit will not cause waste nor impair corrective data.

IT IS THEREFORE ORDERED:

That the applicant's H. T. Mattern No. 1 Well located 1650 feet from the South line and 330 feet from the West line of said Section 7 be and the same is hereby designated as the unit well for the unit.