

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION **RECEIVED**

APPLICATION OF VIRGINIA P.
UHDEN, HELEN ORBESEN, and
CARROLL O. HOLMBERG
TO VACATE ORDER NOS.
R-7588 and R-7588-A,
SAN JUAN COUNTY, NEW MEXICO

APR 13 1987

OIL CONSERVATION DIVISION

No. 9129

APPLICATION

Virginia P. Uhden, Helen Orbesen, and Carroll O. Holmberg hereby apply for an order vacating Division Order Nos. R-7588 and R-7588-A insofar as they establish 320 acre spacing, and in support thereof would show that:

1. Division Order No. R-7588, effective February 1, 1984, established Temporary Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool, including a provision for 320 acre spacing. The horizontal limits of the pool are:

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM
Sections 3 through 6: All

TOWNSHIP 32 NORTH, RANGE 10 WEST, NMPM
Sections 19 through 22: All
Sections 27 through 34: All

comprising 10,240 acres, more or less,
all in San Juan County, New Mexico.

2. Division Order No. R-7588-A, dated March 7, 1986, made permanent the Special Rules of Order No. R-7588.

3. Applicants are mineral interest owners within said pool, and are adversely affected by the issuance of Order Nos. R-7588 and R-7588-A.

4. Applicants were not given actual notice of either Case No. 8014 or Case No. 8014 (reopened), which resulted in Order

Nos. R-7588 and R-7588-A, respectively, and did not learn of the orders until the summer of 1986 when Amoco Production Company (the applicant in said cases) belatedly notified applicants of the spacing change.

5. As a result, applicants had no opportunity to appear and present evidence in opposition to the applications of Amoco Production Company, their due process rights were violated, and the orders are invalid as to them.

6. Had applicants been notified of Case Nos. 8014 and 8014 (reopened), they would have appeared to protest the applications of Amoco Production Company to increase well spacing, to protect their rights.

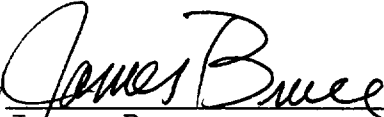
7. Prior to February 1, 1984, gas wells drilled to the Fruitland formation were drilled on 160 acre spacing and proration units.

8. The first wells drilled in said pool were drilled and spaced on 160 acre units, and were located in the area of Sections 28 and 33, Township 32 North, Range 10 West.

9. The first wells drilled in said pool were in communication. As a result, due to the nature of coal-bed gas production, because of current well placement and the patterns of drainage in said pool, and to protect correlative rights due to the drainage, Sections 28 and 33, Township 32 North, Range 10 West, N.M.P.M., should be developed on 160 acre spacing and proration units, with production limitations on wells located within said sections.

10. The matters urged by applicants herein are in the interests of conservation, the prevention of waste, and the protection of correlative rights.

HINKLE, COX, EATON,
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