

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: 9129  
ORDER NO. \_\_\_\_\_

APPLICATION OF VIRGINIA P. UHDEN, HELEN  
ORBESEN, AND CARROLL O. HOLMBERG TO  
VACATE ORDER NOS. R-7588 and R-7588-A,  
AND TO ESTABLISH EIGHT NON-STANDARD  
SPACING AND PRORATION UNITS,  
SAN JUAN COUNTY, NEW MEXICO.

WILLIAM P. CARR, et al., and  
C & E OPERATORS, INC.,  
PROPOSED ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 A.M. on January 20, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this \_\_\_\_\_ day of February, 1988, 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 applicants, Virginia P. Uhdén, Helen Orbesen, and Carroll O. Holmberg, are the lessors of certain mineral interests in the Cedar Hill-Fruitland Basal Coal Pool and seek an Order vacating as to them Division Order Nos. R-7588 and R-7588-A which promulgated Special Pool Rules for this pool, including provisions for 320-acre spacing or proration units. Applicants also seek the creation of non-standard 160-acre spacing units for any tract in this pool, in which they own a mineral interest.

(3) Division Order No. R-7588 was entered in Case 8014 effective February 1, 1984 and the temporary Special Pool Rules which were promulgated at that time were made permanent by Order R-7588-A entered in Case 8014 (reopened) on March 7, 1986. In both cases notice by publication was given in accordance with applicable Division rules and regulations. The entire record in both cases, 8014 and 8014 (reopened) were incorporated into the record of this case.

(4) Applicants assert that they were not given actual notice of the case which resulted in 320-acre spacing for this pool. They further assert that, had they received notice, they would have appeared and presented testimony in opposition to the proposed spacing rules.

(5) The Division set this application for hearing on January 20, 1988 and applicants appeared and presented testimony in opposition to 320-acre spacing for the wells in this pool in which they have a mineral interest.

(6) Having had a full and complete opportunity to appear and present testimony to the Division on the appropriate spacing of wells in the Cedar Hill-Fruitland Basal Coal Pool, the applicants have been afforded due process of law.

(7) The geological evidence presented by applicants showed that 320-acre spacing may ultimately be the appropriate spacing pattern for this pool and further demonstrated that current development on a spacing pattern with one well on each 160-acre tract could result in the drilling of unnecessary wells, resulting in the waste of hydrocarbons and the impairment of correlative rights.

(8) That the application of Virginia P. Uhden, Helen Orbesen and Carroll O. Holmberg to vacate Division Orders R-7588 and R-7588-A, or in the alternative to create 160-acre spacing units for any tract within the Cedar Hill-Fruitland Basal Coal Pool in which they own a mineral interest should be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application of Virginia P. Uhden, Helen Orbesen and Carroll O. Holmberg for an order vacating as to them Division Orders R-7588 and R-7588-A which promulgated special Pool Rules for the Cedar Hills-Fruitland Basal Coal Pool or in the alternative for the creation of 160-acre spacing units for any tract within this pool in which they own an interest is hereby denied.

(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

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William J. LeMay  
Director

(S E A L)