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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. 12228
ORDER NO. R-11237

RECEIVED
AUG 30 1999
OIL CON. DIV.
DIST. 3

APPLICATION OF WILLIAMS PRODUCTION COMPANY FOR A NON-
STANDARD GAS WELL LOCATION, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on August 19, 1999 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 27th day of August, 1999, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (2) At the time of the hearing Division Cases No. 12226, 12227, and 12228, all involving Williams Production Company as the applicant, were consolidated for recording purposes.
- (3) The applicant, Williams Production Company, seeks to establish a non-standard 303.88-acre gas spacing and proration unit for the Blanco-Mesaverde Pool ("GPU") comprising all of Section 1, Township 31 North, Range 6 West, NMPM, San Juan County, New Mexico.
- (4) Due to variations in the legal subdivisions of the United States Public Land Surveys along the northern boundary of Township 31 North, Range 6 West, NMPM, Section 1 is irregular in size and shape.
- (5) This unit is to be dedicated to Williams Production Company's: (i) Rosa Unit Well No. 164 (API No. 30-039-26151), located on the surface 1500 feet from the South line

and 1310 feet from the East line (Unit J) of Section 1; and (ii) Rosa Unit Well No. 164-A (*API No. 30-039-26080*), located 1495 feet from the South line and 1210 feet from the East line (Unit J) of Section 1.

(6) The rules and policies governing the Blanco-Mesaverde Gas Pool provide that standard GPU's are to (i) comprise any two contiguous quarter sections of a single governmental section, being a legal subdivision of the United States Public Land Surveys, and (ii) lie wholly within a single governmental half-section. No provision is contained therein for administrative review where a non-standard proration unit extends beyond a single governmental half-section.

(7) This matter was styled such that in the absence of objection this case would be taken under advisement.

(8) Approval of this application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blanco-Mesaverde Pool underlying the non-standard unit and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Williams Production Company, is hereby authorized to establish a 303.88-acre non-standard gas spacing and proration unit for the Blanco-Mesaverde Pool comprising all of irregular Section 1, Township 31 North, Range 6 West, NMPM, San Juan County, New Mexico.

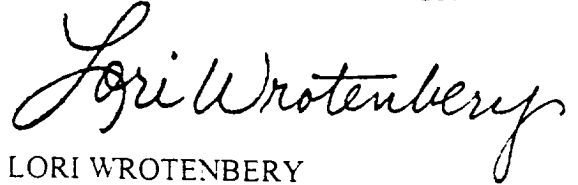
(2) This unit is to be dedicated to Williams Production Company's: (i) Rosa Unit Well No. 164 (*API No. 30-039-26151*), located on the surface 1500 feet from the South line and 1310 feet from the East line (Unit J) of Section 1; and (ii) Rosa Unit Well No. 164-A (*API No. 30-039-26080*), located 1495 feet from the South line and 1210 feet from the East line (Unit J) of Section 1.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Lori Wrotenbery".

LORI WROTENBERY
Director

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