



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

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Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 4, 2006

Huntington Energy, L.L.C.
6301 Waterford Boulevard
Suite 400
Oklahoma City, Oklahoma 73118

Attention: Ms. Cathy Smith

Re: **Non-Standard Gas Proration Unit**
NE/4 of Section 28, T-25 North, R-6 West, NMPM,
Rio Arriba County, New Mexico

Administrative Order NSP-1906

Dear Ms. Smith:

Reference is made to the following:

- (a) Huntington Energy, L.L.C.'s ("Huntington") application for a non-standard gas proration unit (*administrative application reference No. pTDS0633360576*) that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on November 29, 2006; and
- (b) the Division's records pertinent to your request.

Huntington requests approval of a 160-acre non-standard gas proration unit in the Basin-Dakota Gas Pool (Prorated Gas – 71599) comprising the NE/4 of Section 28, Township 25 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. This unit is to be dedicated to the existing Canyon Largo Unit Well No. 313 (API No. 30-039-22939) which is located at a standard gas well location 790 feet from the North and East lines (Unit A) of Section 28.

The well is located in the Basin-Dakota Gas Pool which is currently governed by special rules established by Division Order No. R-10987, as amended, which require standard 320-acre gas spacing and proration units.

The evidence presented by the applicant, and Division records demonstrate that:

- a) there is an existing well within the SE/4 of Section 28 that is currently producing from the Basin-Dakota Gas Pool. The Old Rock Com Well No. 2 (API No. 30-039-20549) located in Unit P of Section 28 is currently operated by Resource Development Technology, LLC. A

160-acre non-standard gas proration unit in the Basin-Dakota Gas Pool was approved for this well by Division Order No. NWU-564 dated August 4, 1972.

- b) the NE/4 of Section 28 is located within the boundaries of the Canyon Largo Federal Unit, while the SE/4 of Section 28 is not contained within this unit.
- c) the W/2 of Section 28 was previously dedicated to the Canyon Largo Unit Well No. 319 (API No. 30-039-05791) in the Basin-Dakota Gas Pool. This well, which is currently producing from the Devils Fork-Gallup (Associated) Pool, produced from the Basin-Dakota Gas Pool from 1961 through 1975.
- d) Resource Development Technology, LLC, the only affected offset operator, has waived objection to Huntington's application.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.D(2), a 160-acre non-standard gas proration unit comprising the NE/4 of Section 28, Township 25 North, Range 6 West, NMPM, Rio Arriba County, New Mexico is hereby established. This unit shall be dedicated to the applicant's Canyon Largo Unit Well No. 313 located 790 feet from the North and East lines (Unit A) of Section 28.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division – Aztec
Bureau of Land Management-Farmington