

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. 10042
ORDER NO. R-9303

*APPLICATION OF MERIDIAN OIL, INC. FOR
SIX NON-STANDARD GAS PRORATION UNITS,
RIO ARRIBA COUNTY, NEW MEXICO*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 8 and September 5, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 27th day of September, 1990, 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) At the time of the August 8, 1990 hearing this case was consolidated with Case No. 10041 for the purpose of testimony.
- (3) The applicant, Meridian Oil, Inc., seeks an exception to Rule 6 of Division Order No. R-8768 to establish six non-standard gas proration units for Basin-Fruitland Coal Gas Pool production in Townships 29 and 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as further described in Exhibit "A" attached hereto and made a part hereof.
- (4) Said non-standard proration units are necessitated by irregular sections resulting from survey corrections in the United States Public Lands Survey.
- (5) The acreage contained in each individual proration unit should be based

on the latest official surveys and resurveys accepted by the United States Government.

(6) The non-standard proration units may reasonably be presumed productive of gas from the Basin-Fruitland Coal Gas Pool and the non-standard gas proration units can be efficiently and economically drained and developed by one well on each unit.

(7) No offset operator objected to the proposed non-standard gas proration units.

(8) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Basin-Fruitland Coal Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

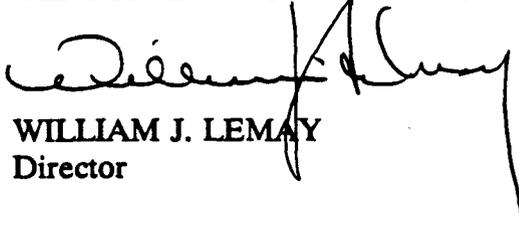
IT IS THEREFORE ORDERED THAT:

(1) The application of Meridian Oil, Inc. for six non-standard gas proration units in the Basin-Fruitland Coal Gas Pool in Townships 29 and 30 North, Range 7 West, NMPM, Rio Arriba County, New Mexico, as further described in Exhibit "A" attached hereto and made a part hereof, is hereby approved.

(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


WILLIAM J. LEMAY
Director

SEAL

EXHIBIT "A"
CASE NO. 10042
ORDER NO. R-9303

<i>Tract</i>	<i>Acreage (more or less)</i>	<i>Section</i>	<i>Description</i>
TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM			
1	215.22	6	Lots 10 through 14, SE/4 NW/4, and E/2 SW/4 (W/2 equivalent)
2	226.72	7	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
3	231.03	18	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
4	238.88	19	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM			
5	209.36	30	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)
6	211.32	31	Lots 5 through 8 and E/2 W/2 (W/2 equivalent)

MERIDIAN OIL

NEW MEXICO OIL CONSERVATION DIVISION
RECEIVED
'91 JAN 30 AM 9 22

Copy to NMOCD

January 16, 1991

CERTIFIED MAIL

To: Offset Owners/Operators

This is notification that Meridian Oil Inc. is seeking administrative approval for a non-standard location for the San Juan 29-7 Unit #548 located at 1860'FSL, 1430'FWL, Section 7, T-29-N, R-7-W, Rio Arriba County, New Mexico, due to archaeology reasons and the configuration of this short section.

A copy of the C-102 showing the location of this well and a topographic map are enclosed.

A copy of this application is being submitted to all offset owners/operators by certified mail with a request that you furnish the New Mexico Oil Conservation Division, PO Box 2088, Santa Fe, NM 87501 with a Waiver of Objection, and return one copy to this office.

Sincerely yours,


Peggy Bradford

encl.

WAIVER

Amoco Production hereby waives objection to Meridian Oil Inc.'s application for a non-standard location for their San Juan 29-7 Unit #548 as proposed above.

By: JW Hawkins Date: 1-28-91

xc: Amoco Production
Post Office Box 800
Denver, CO 80201

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 3-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

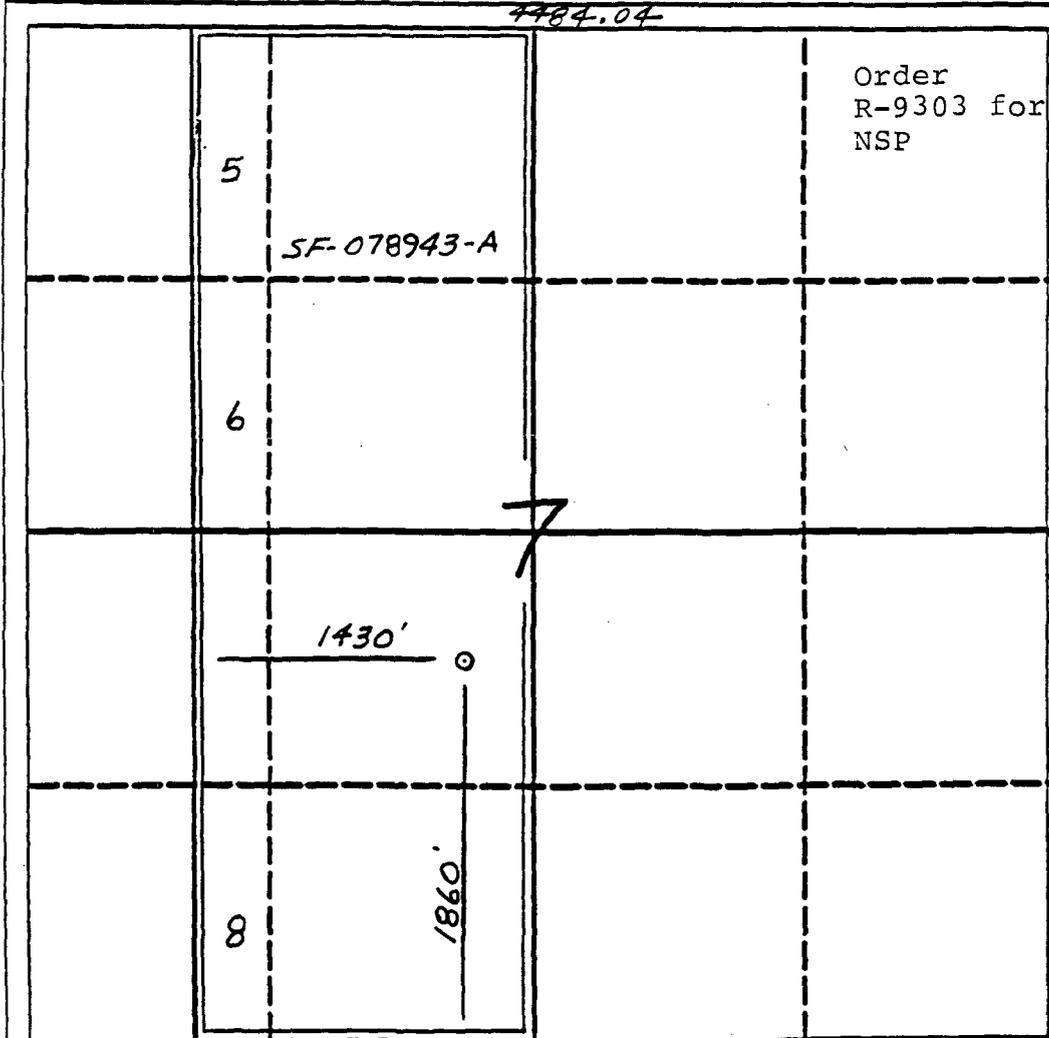
Operator El Paso Natural Gas		Lease San Juan 29-7 Unit		Well No. 548
Unit Lease K	Section 7	Township 29 North	Range 7 West	County NMPM Rio Arriba
Actual Footage Location of Well: 1860 feet from the South line and 1430 feet from the West line				
Ground level Elev. 6310'	Producing Formation Fruitland Coal	Pool Basin	Dedicated Acreage 226.72 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or machine marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation: unitization

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Peggy Bradfield
Printed Name: Regulatory Affairs
Position: El Paso Natural Gas
Company: _____
Date: _____

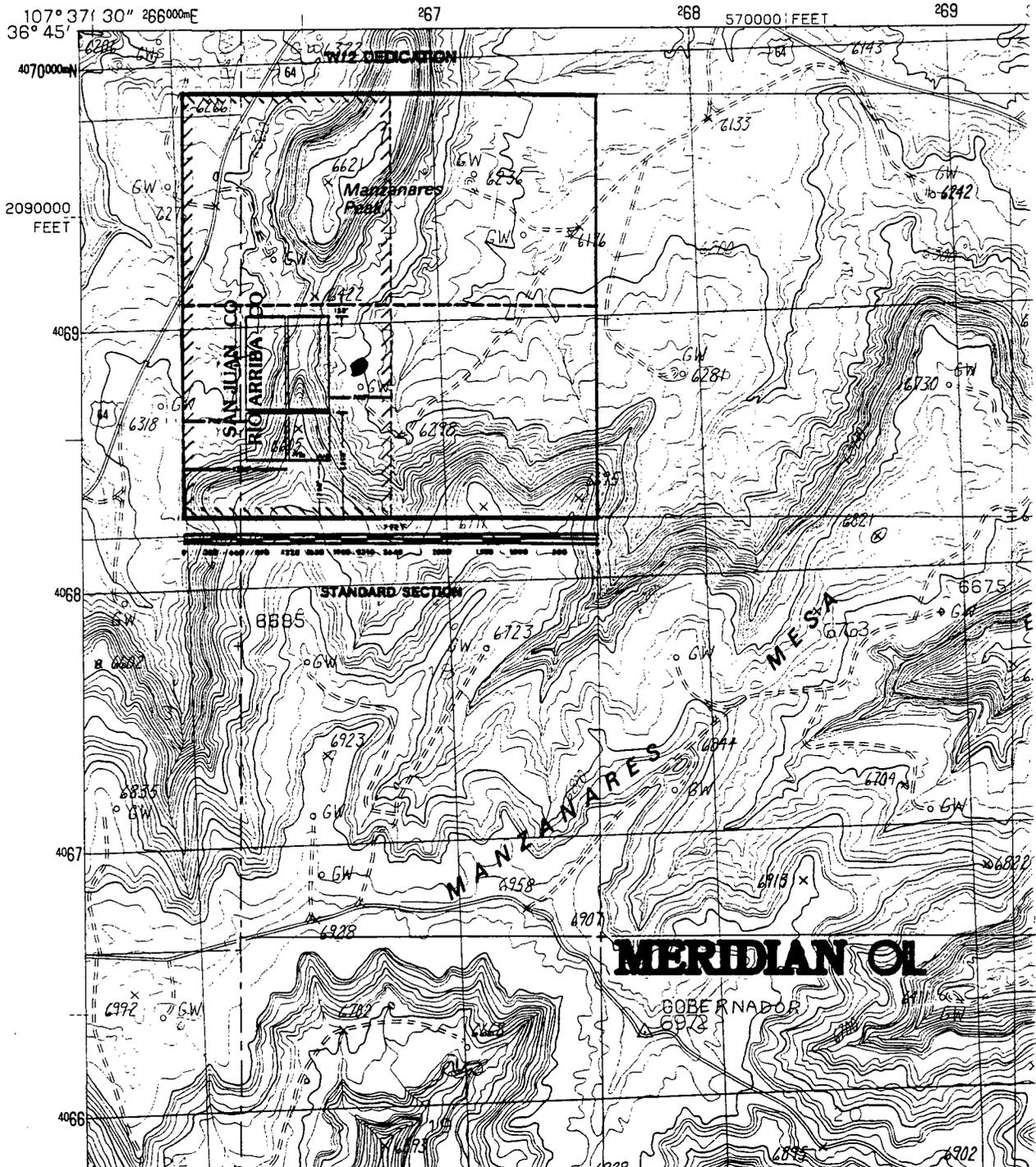
SURVEYOR CERTIFICATION
I hereby certify that the well location on this plat was placed from field notes actual surveys made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed: 9-18-90

Signature: _____
Professional Seal:

Certification: Neale Edwards

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



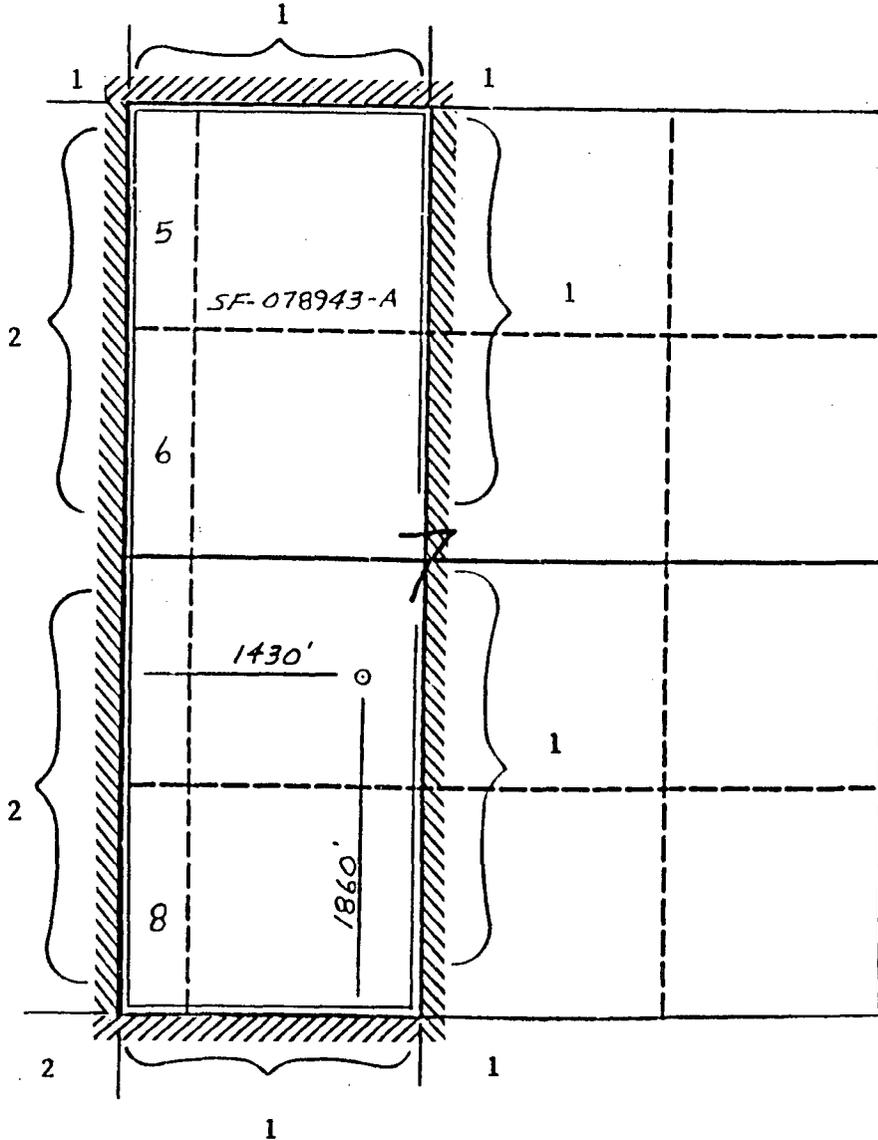
MERIDIAN OIL INC

Well Name San Juan 29-7 Unit # 548

Footage 1860' FSL; 1430' FWL

APPLICATION FOR NON-STANDARD LOCATION

County Rio Arriba State New Mexico Section 7 Township 29N Range 7 W



Remarks 1) Meridian Oil Inc.
2) Amoco Production Co.

