

*Received 1/25/93*

January 20, 1993

New Mexico Oil Conservation Division  
State Land Office Building  
310 Old Santa Fe Trail  
Santa Fe, NM 87504

Attn: Mike Stogner

Re: *Application for Non-Standard Gas Proration Unit*  
Incline Reserves, Inc. - Fed Com 31 #1  
W/2 Sec 31, T29N-R8W, SW/4 Sec 30, T29N-R8W  
Basin Fruitland Coal Pool  
San Juan County, New Mexico

Incline Reserves, Inc. hereby makes application for approval of a non-standard gas proration unit for the Basin Fruitland Coal Pool for the Fed Com 31 #1 well, located on the above referenced lands.

The non-standard spacing unit is necessitated by a variation in the legal sub-division of the U.S. Public Lands Survey which has resulted in gas proration units which span across governmental sections along the western edge of the township. This fact has been recognized in the establishment of non-standard proration units for the Basin-Dakota Pool (Order No. R-60) and Blanco-Mesaverde Pool (Order No. R-6226) in Sections 6, 7, 18, 19, 30 & 31 of Township 29N, Range 8W. The effect was to create non-standard spacing units composed of an undersized half-section combined with a quarter of an adjacent section to comply with the then applicable "greater than 75%, less than 125% of the standard 320 acre unit" rule.

The non-standard gas proration unit referenced in this application will consist of the W/2 of Section 31 (261.14 acres) combined with the SW/4 of Section 30 (114 acres), for a total of 375.14 acres, more or less. Incline Reserves, Inc. has drilled and set production casing on the Federal Com 31 #1 well, located 1210' FSL and 1630' FWL of Section 31-T29N-R8W. Approval of this non-standard spacing unit is required for Incline Reserves to complete and produce the aforementioned well.

Under Rule 6 (c) of the *Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*, as promulgated by Division Order No. R-8768 and amended by Order No. R-8768-A, the Division Director may grant an exception to the application requirements of Rule 4 when the non-standard unit conforms to a previously approved Blanco-Mesaverde or Basin-Dakota Gas Pool non-standard unit. In light of these previously created units, as evidenced by the order no.'s cited above, Incline Reserves does herein petition the Division Director to grant the requested exception.

All operators offsetting the proration unit will receive copies of this application by certified mail. A list of these operators, along with a map delineating the requested non-standard spacing unit, which also notes the offsetting operators, are attached and identified as Exhibits "A" & "B". The offsetting operators have 30 days to object to the application. If no objection is received within the 30 day notice period, Incline Reserves, Inc. respectfully requests administrative approval.

Sincerely,



J.P. Garrett  
Vice President

**Attachments**

cc: Aztec District III  
Ernie Bush  
1000 Rio Brazos Rd.  
Aztec, N.M. 87410

**Exhibit "A"**

***OFFSET OPERATORS / OWNERS***

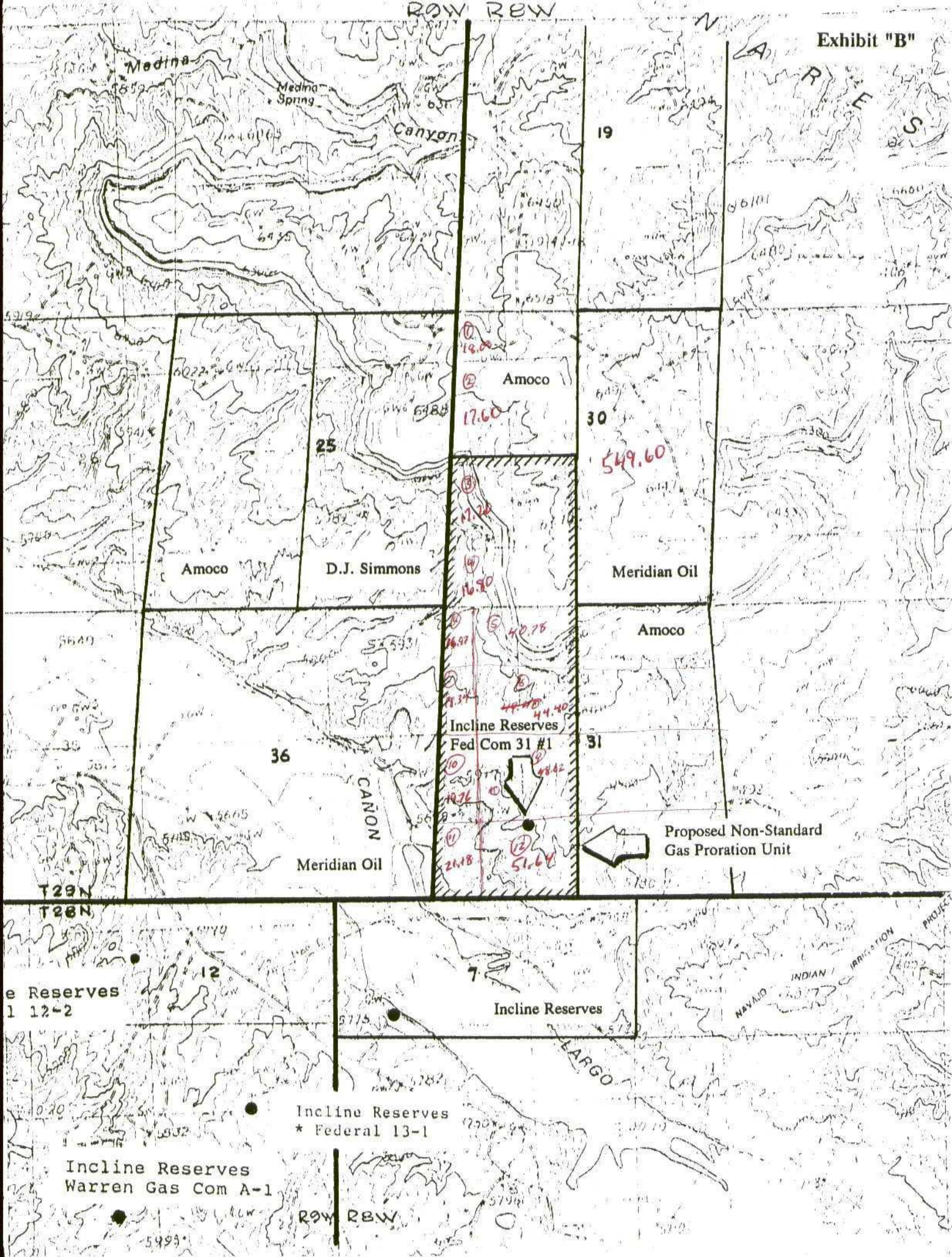
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Meridian Oil, Inc.  
P.O. Box 4289  
Farmington, NM 87499-4289  
Attn: Allen Alexander

Amoco Production Company  
P.O. Box 800  
Denver, CO 80201  
Attn: J.W. Hawkins

D.J. Simmons Company  
P.O. Box 1469  
Farmington, NM 87499-1469









STATE OF NEW MEXICO

ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

'93 JAN 28 AM 9 31 AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

Date: 1-27-93

ATTN: Mike Stogner

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

RE: Proposed MC \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed NSP X \_\_\_\_\_

Proposed DHC \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed PMX \_\_\_\_\_  
Proposed DD \_\_\_\_\_

Gentlemen:

I have examined the application received on 1-25-93

for the INCLINE RESERVES, INC. FED COM 31#1  
OPERATOR LEASE & WELL NO.

31-29N-8W and my recommendations are as follows:  
UL-S-T-R

Approve

Yours truly,

[Signature]

**MERIDIAN OIL**

February 1, 1993

*Rec. 2/3/93*

New Mexico Oil Conservation Division  
Attention: Mr. Mike Stogner  
P.O. Box 1148  
Santa Fe, NM 87504

**RE: APPLICATION FOR NON-STANDARD GAS  
PRORATION UNIT - FRUITLAND COAL  
INCLINE RESERVES, INC.  
FED COM 31 #1  
W/2 SEC. 31 & SW/4 SEC. 30, T-29-N, R-8-W  
SAN JUAN COUNTY, NEW MEXICO**

Gentlemen:

Please be advised that Meridian Oil Inc. has no objection to Incline Reserves, Inc. proposed non-standard gas proration unit.

Very truly yours,



Van L. Goebel  
Senior Landman

VLG/pr  
ID:vlgfeb.3  
Incline Reserves, Inc. Corres.

cc: Incline Reserves, Inc.  
1603 S. W. 37th Street  
Topeka, Kansas 66611

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CASE No. 258  
ORDER No. R-60

IN THE MATTER OF THE APPLICATION OF  
BYRD-FROST, INC. FOR PERMISSION TO  
COMMUNITIZE THE SHORT SECTIONSON A  
NORTH-SOUTH BASIS, BEING LOCATED ON  
THE WEST SIDE OF T. 29 N, R. 8 W, SUCH  
UNITS TO APPROXIMATE THE REGULAR 320  
ACRE UNITS FOR THE MESAVERDE POOLS  
UNDERLYING THE ABOVE DESCRIBED AREA  
IN SAN JUAN COUNTY, NEW MEXICO

*ded. acreage  
changed  
to 375.09  
acres.  
See Case  
no. 1642*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at Santa Fe, New Mexico, on 20 February 1951 at 10:00 a. m. After hearing testimony, the case was taken under advisement.

NOW, on this 21 day of March 1951, having duly considered the evidence, the Commission finds:

1. That it has jurisdiction of this cause, due notice having been given of the hearing.
2. Sections 6, 7, 18, 19, 30, and 31 of Township 29 North, Range 8 West are less than normal in size, each containing approximately 549 acres. In order to provide a uniform drilling pattern, special drilling units should be established in said sections as to all wells now drilling or hereafter drilled to the Mesaverde gas horizon.
3. In order to prevent waste and protect correlative rights, it is necessary that all lands within each drilling unit be pooled as to production of gas from the Mesaverde gas horizon.

IT IS THEREFORE ORDERED:

1. The following lands shall constitute drilling units for production from the Mesaverde gas horizon:

Unit No. 1	W/2 sec. 6; NW/4 sec. 7, T. 29 N, R. 8 W
Unit No. 2	SW/4 sec. 7; W/2 sec. 18, T. 29 N, R. 8 W
Unit No. 3	W/2 sec. 19; NW/4 sec. 30, T. 29 N, R. 8 W
Unit No. 4	SW/4 sec. 30; W/2 sec. 31, T. 29 N, R. 8 W

2. All lands within each of the above drilling units are hereby pooled as to production from the Mesaverde gas horizon. Only one well shall be drilled on each drilling unit.

3. Wells shall be located not closer than 660 feet from the outer boundary of any drilling unit.

4. Wells drilled in the east halves of said sections shall be located in the northeast quarter of said section and not closer than 660 feet to the outer boundaries of said quarter sections.

5. In the event gas proration orders are later issued for said wells, each of Units 1, 2, 3, and 4, as defined above, shall be given an allowable equal to that of a 320-acre tract.

DONE at Santa Fe, New Mexico, on this 21 day of March 1951.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 1642  
Order No. R-1390

APPLICATION OF DELHI-TAYLOR OIL  
CORPORATION FOR AN AMENDMENT OF  
ORDER NOS. R-60, R-1169, AND R-1170  
TO CHANGE THE DEDICATED ACREAGE IN  
ONE NON-STANDARD GAS PRORATION UNIT  
IN THE BLANCO MESAVERDE POOL AND IN  
TWO NON-STANDARD GAS PRORATION UNITS  
IN THE AZTEC-PICTURED CLIFFS POOL,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 22, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 7th. day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Commission Order No. R-60, the applicant, Delhi-Taylor Oil Corporation, was granted a 340-acre non-standard gas proration unit in the Blanco Mesaverde Pool consisting of the SW/4 of Section 30 and the W/2 of Section 31, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, said unit being dedicated to the Delhi-Taylor Prichard Well No. 4-T, located 1450 feet from the South line and 790 feet from the West line of said Section 31.

(3) That a recent Cadastral Survey, accepted April 18, 1958, shows the acreage in said non-standard gas proration unit to be 375.09 acres rather than 340 acres.

(4) That by Commission Order No. R-1169, the applicant was granted a 169.42 acre non-standard gas proration unit in the Aztec-



Pictured Cliffs Pool consisting of the SW/4 and the S/2 NW/4 of said Section 31, said unit being dedicated to the Delhi-Taylor Prichard Well No. 4-C, located 1450 feet from the South line and 790 feet from the West line of said Section 31.

(5) That a recent Cadastral Survey, accepted April 18, 1958, shows the acreage in said non-standard gas proration unit to be 203.34 acres rather than 169.42 acres.

(6) That by Commission Order No. R-1170, the applicant was granted a 170.58 acre non-standard gas proration unit in the Aztec-Pictured Cliffs Pool consisting of the SW/4 of said Section 30 and the N/2 NW/4 of said Section 31, said unit being dedicated to the Delhi-Taylor Jones Well No. 3, located 1750 feet from the South line and 1090 feet from the West line of said Section 30.

(7) That a recent Cadastral Survey, accepted April 18, 1958, shows the acreage in said non-standard gas proration unit to be 171.75 acres rather than 170.58 acres.

(8) That the applicant proposes that Order Nos. R-60, R-1169, and R-1170 be amended to change the dedicated acreage in said non-standard gas proration units to conform with the acreage shown by the Cadastral Survey accepted April 18, 1958.

(9) That amendment of the subject orders as requested by the applicant will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) ~~That Order No. R-60 be and the same is hereby amended to reflect that applicant's non-standard gas proration unit in the Blanco Mesaverde Pool consisting of the SW/4 of Section 30 and the W/2 of Section 31, Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, and dedicated to the Delhi-Taylor Prichard Well No. 4-T, located 1450 feet from the South line and 790 feet from the West line of said Section 31, contains 375.09 acres.~~

(2) That Order No. R-1169 be and the same is hereby amended to reflect that applicant's non-standard gas proration unit in the Aztec-Pictured Cliffs Pool consisting of the SW/4 and the S/2 NW/4 of said Section 31 and dedicated to the Delhi-Taylor Prichard Well No. 4-C, located 1450 feet from the South line and 790 feet from the West line of said Section 31, contains 203.34 acres.

(3) That Order No. R-1170 be and the same is hereby amended to reflect that applicant's non-standard gas proration unit in the Aztec-Pictured Cliffs Pool consisting of the SW/4 of said Section 30 and the N/2 NW/4 of said Section 31 and dedicated to the Delhi-Taylor Jones Well No. 3, located 1750 feet from the South line and

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Case No. 1642  
Order No. R-1390

1090 feet from the West line of said Section 30, contains 171.75 acres.

(4) That the effective date of this order changing the acreage dedicated to the above-described wells shall be May 1, 1959.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6725  
Order No. R-6226

APPLICATION OF TENNECO OIL COMPANY  
FOR THREE NON-STANDARD GAS PRORATION  
UNITS, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of January, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Tenneco Oil Company, seeks approval of a 291.23-acre non-standard gas proration unit comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.66-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.09-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, NMPM, Basin-Dakota Pool, San Juan County, New Mexico, each unit to be dedicated to a well to be drilled at a standard location thereon.

(3) That the non-standard proration units may reasonably be presumed productive of gas from the Basin-Dakota Pool and that the non-standard gas proration units can be efficiently and economically drained and developed by the aforesaid wells.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Basin-Dakota 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:

(1) That a 291.23-acre non-standard gas proration unit in the Basin-Dakota Pool comprising the W/2 of Section 6 and the NW/4 of Section 7, a 347.66-acre unit comprising the W/2 of Section 19 and the NW/4 of Section 30, and a 375.09-acre unit comprising the SW/4 of Section 30 and the W/2 of Section 31, all in Township 29 North, Range 8 West, NMPM, San Juan County, New Mexico, each unit to be dedicated to a well to be drilled at a standard location thereon.

(2) That 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 herein-above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

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