

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. 10056
Order No. R-9315

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

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ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 22 and September 19, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of October, 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) The applicant, Meridian Oil, Inc., seeks approval for three non-standard gas proration units for Basin-Fruitland Coal Gas Pool production in Irregular Sections 6, 7, 18, 19 and 30, Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico, described as follows:

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TOWNSHIP 31 NORTH, RANGE 8 WEST, NMPM

<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1 <i>Township 31 North</i>	332.94	Section 6: Lots 3 through 7, SE/4 NW/4, E/2 SW/4 Section 7: Lots 1 and 2 E/2 NW/4
2 <i>Quinn #341</i>	326.56	Section 19: Lots 1 through 4, E/2 W/2 Section 30: Lots 1 and 2, E/2 NW/4
3 <i>Quinn #338</i>	330.16	Section 18: Lots 1 through 4, E/2 W/2 Section 7: Lots 3 and 4, E/2 SW/4

(3) The proposed non-standard gas proration units are necessitated by a variation in the legal subdivision of the United States Public Lands Survey.

(4) The applicant proposes to drill a well at a standard coal gas well location thereon in each of the proposed non-standard gas proration units to test the Basin-Fruitland Coal Gas Pool.

(5) Each of the proposed non-standard gas proration units may reasonably be presumed productive of gas from the Basin-Fruitland Coal Gas Pool and each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the proposed wells.

each of the proposed non-standard gas proration units has previously been approved by the Division for use in developing gas reserves in the Blanco-Mesaverde Pool, said approval granted by Division Order No. R-392, dated November 24, 1953, and has proven to be effective in promoting orderly development in this area.

(7) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

(8) Approval of the subject application will afford the applicant the opportunity to produce its 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 following described non-standard gas spacing and proration units in the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico, are hereby established:

TOWNSHIP 31 NORTH, RANGE 8 WEST, NMPM

<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1	332.94	Section 6: Lots 3 through 7, SE/4 NW/4, E/2 SW/4 Section 7: Lots 1 and 2 E/2 NW/4

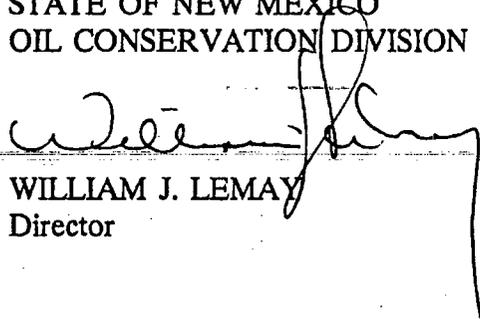
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2	326.56	Section 19: Lots 1 through 4, E/2 W/2 Section 30: Lots 1 and 2, E/2 NW/4
3	330.16	Section 18: Lots 1 through 4, E/2 W/2 Section 7: Lots 3 and 4, E/2 SW/4

(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

S E A L

**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. 13579
ORDER NO. R-12521**

**APPLICATION OF BURLINGTON RESOURCES OIL & GAS COMPANY, L.P.
FOR AN UNORTHODOX GAS WELL LOCATION AND FOR FOUR NON-
STANDARD GAS PRORATION UNITS IN THE BASIN-DAKOTA POOL, SAN
JUAN COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 20, 2005, at Santa Fe, New Mexico, before Examiner William V. Jones.

NOW, on this 20th day of March, 2006, 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) The applicant, Burlington Resources Oil & Gas Company, L.P. ("Burlington"), seeks an exception to the spacing provisions of the Basin-Dakota Prorated Gas Pool (71599) allowing development of Dakota gas production on the same four spacing and proration units ("GPU") previously approved for the Blanco-Mesaverde Prorated Gas Pool (72319) in the narrow sections along the west side of Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico. These four GPUs consist of the following lands:

(i) 332.94 acres consisting of: Lots 3, 4, 5, 6, and 7, the SE/4 NW/4, and E/2 SW/4 of Irregular Section 6 and Lots 1 and 2 and the E/2 NW/4 of Irregular Section 7.

(ii) 330.16 acres consisting of: Lots 3 and 4 of the E/2 SW/4 of Irregular Section 7 and Lots 1, 2, 3, and 4 and the E/2 W/2 of Irregular Section 18.

(iii) 326.56 acres consisting of: Lots 1, 2, 3, and 4 and the E/2 W/2 of Irregular Section 19 and Lots 1 and 2 and the E/2 NW/4 of Irregular Section 30.

(iv) 326.00 acres consisting of: Lots 3 and 4 and the E/2 SW/4 of Irregular Section 30 and Lots 1, 2, 3, and 4 and the E/2 W/2 of Irregular Section 31.

(3) The applicant further seeks to deepen and recomplate its existing Quinn Well No. 2-B (API No. 30-045-30151) at an unorthodox Dakota gas well location 310 feet from the South line and 1055 feet from the West line (Unit N) of Irregular Section 19 within the above-described 326.56-acre GPU.

(4) Commission Order No. R-392 issued in Case No. 606 on November 24, 1953 established drilling units 1 through 4 covering lands identical to the four spacing units proposed in this case and pooled all lands within each of those drilling units as to production from the Mesaverde gas horizon.

(5) Division Order No. R-8768-A issued in Case No. 9420 (Re-opened) on July 16, 1991, gave the Division director authority to administratively approve a non-standard spacing unit in the Fruitland Coal Gas Pool if the non-standard spacing and proration unit already exists in the Mesaverde or Dakota.

(6) Acreage and Well Location Requirements within the Basin-Dakota Prorated Gas Pool, for non-Indian lands, are governed by the "Special Rules for the Basin-Dakota Pool," as promulgated January 29, 2002, in Exhibit "A" of Division Order R-10987-B(2) in Case No. 12745. These special rules establish a standard GPU in the Basin-Dakota Pool as 320 acres, more or less, comprising any two contiguous quarter sections of a single section that is a legal subdivision of the U.S. Public Lands Survey. The four proposed units, as detailed in Finding (2) above, extend across section lines and therefore must be approved only after notice and hearing.

(7) No other party entered an appearance in this case or otherwise opposed this application.

(8) Burlington presented testimony at the hearing from a landman as follows. Since no lands are being excluded from the proposed creation of spacing units all down the west side of this Township, there are no affected parties who should be notified. Burlington, therefore, sent no certified notices in this case. Burlington is interested in creating spacing units for the Dakota covering the same acreage as those units already created for the Mesaverde. Burlington is interested in drilling new wells or deepening existing wells to be completed in both horizons and then commingled in the wellbore. Burlington and British Petroleum ("BP") are both working interest owners in this area and will be partners in this project.

(9) Division records indicate the size of the lots to be included in these four proposed spacing units average approximately 14.4 acres. Upon further calculations, the Quinn Well No. 2-B for Dakota production is at a standard location from the East and West boundary of the GPU and will also be standard if the GPU is approved, as requested, to cross the Section line and include portions of Section 30.

(10) Approval of this application will prevent waste of resources and protect correlative rights.

(11) Burlington's application to create four non-standard spacing and proration units for Dakota production within the Basin-Dakota Prorated Gas Pool should be approved.

(12) That portion of this case seeking approval of an unorthodox location for Dakota production from the Quinn Well No. 2-B within the Basin-Dakota Prorated Gas Pool should be dismissed.

IT IS THEREFORE ORDERED THAT:

(1) The application of Burlington Resources Oil & Gas Company, L.P. ("Burlington"), to create four non-standard Dakota gas spacing and proration units ("GPU") is hereby approved. The four Dakota GPUs shall consist of the following lands within the narrow sections along the west side of Township 31 North, Range 8 West, NMPM, San Juan County, New Mexico:

(i) 332.94 acres consisting of: Lots 3, 4, 5, 6, and 7, the SE/4 NW/4, and E/2 SW/4 of Irregular Section 6 and Lots 1 and 2 and the E/2 NW/4 of Irregular Section 7;

(ii) 330.16 acres consisting of: Lots 3 and 4 of the E/2 SW/4 of Irregular Section 7 and Lots 1, 2, 3, and 4 and the E/2 W/2 of Irregular Section 18;

(iii) 326.56 acres consisting of: Lots 1, 2, 3, and 4 and the E/2 W/2 of Irregular Section 19 and Lots 1 and 2 and the E/2 NW/4 of Irregular Section 30; and

(iv) 326.00 acres consisting of: Lots 3 and 4 and the E/2 SW/4 of Irregular Section 30 and Lots 1, 2, 3, and 4 and the E/2 W/2 of Irregular Section 31.

(2) That portion of this case seeking approval of an unorthodox location for Dakota production from the Quinn Well No. 2-B within the Basin-Dakota Prorated Gas Pool is hereby dismissed.

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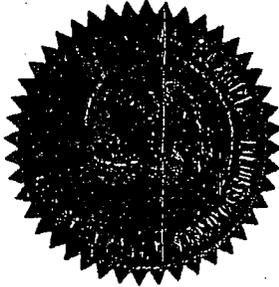
(3) Jurisdiction is hereby retained for the entry of such further orders deemed necessary by the Division.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director



SEAL

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. 606
Order No. R-392

THE APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR AN ORDER PERMITTING
THE COMMUNITIZATION ON A NORTH-SOUTH
BASIS OF THE NARROW SECTIONS LOCATED
ON THE WEST SIDE OF TOWNSHIP 31 NORTH,
RANGE 8 WEST, NMPM, SUCH UNITS TO
APPROXIMATE THE REGULAR 320-ACRE UNITS
FOR THE BLANCO-MESAVERDE POOL UNDER-
LYING THE ABOVE DESCRIBED AREA IN SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. November 19, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission."

NOW, on this 24th day of November, 1953, the Commission, a quorum being present, having considered the application and the testimony adduced at the hearing, 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.

(2) That Sections 6, 7, 18, 19, 30 and 31 of Township 31 North, Range 8 West, are less than normal in size, each containing approximately 540 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) That 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:

Case No. 606
Order No. R-392

Unit No. 1: W/2 Sect. 6, NW/4 Sect. 7 in Twp. 31 N, Rge. 8 W
Unit No. 2: SW/4 Sect. 7, W/2 Sect. 18 in Twp. 31 N, Rge. 8 W
Unit No. 3: W/2 Sect. 19, NW/4 Sect. 30 in Twp. 31 N, Rge. 8 W
Unit No. 4: SW/4 Sect. 30, W/2 Sect. 31 in Twp. 31 N, Rge. 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 of the above designated drilling units.

4. Wells drilled in the east halves of said sections shall be located in the northeast quarter of said section, and not closer than 990' from the outer boundaries of said quarter section.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

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