



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

September 1, 1939

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STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
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Mr. Thomas Kellahin  
Kellahin, Kellahin & Aubrey  
Attorneys at Law  
Post Office Box 2265  
Santa Fe, New Mexico

Re: CASE NO. 9731  
ORDER NO. R-8994

Applicant:

Meridian Oil Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Division order recently entered in the subject case.

Sincerely,

*Florene Davidson*

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x  
Artesia OCD x  
Aztec OCD x

Other \_\_\_\_\_  
\_\_\_\_\_

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. 9731  
Order No. R-8994

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 23, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of August, 1989, 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) Division Case Nos. 9730, 9731 and 9732 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Meridian Oil, Inc., seeks approval of a non-standard 377.66-acre, more or less, gas spacing and proration unit comprising Lots 2, 5, 6 and 7, the SW/4, and the W/2 SE/4 of Section 11, Township 32 North, Range 7 West, NMPM, (1964 survey) Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico. Said unit is to be dedicated to the applicant's Allison Unit Well No. 124 located at a standard coal gas well location 1570 feet from the South line and 1650 feet from the West line of said Section 11.

CASE NO. 9731  
Order No. R-8994  
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(4) The proposed non-standard gas proration unit is necessitated by a variation in the legal subdivision of the United States Public Lands Survey.

(5) The entire non-standard gas proration unit may reasonably be presumed productive of gas from the Basin-Fruitland Coal Gas Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(6) The proposed non-standard gas proration unit has previously been established by the Division by Order No. R-2046, dated August 14, 1961, for use in developing gas reserves in the Basin-Dakota Pool, and by Order No. R-2717, dated June 3, 1964, for use in developing gas reserves in the Blanco-Mesaverde Pool, and has proven to be effective in promoting orderly development in this area.

(7) The proposed non-standard gas proration unit lies entirely within the applicant's Allison Unit Area, and there are no offset operators to the proposed non-standard unit.

(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.

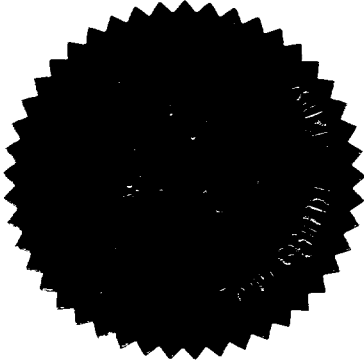
IT IS THEREFORE ORDERED THAT:

(1) A 377.66-acre, more or less, non-standard gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool comprising Lots 2, 5, 6 and 7, the SW/4, and the W/2 SE/4 of Section 11, Township 32 North, Range 7 West, NMPM, (1964 survey) San Juan County, New Mexico, is hereby established and dedicated to Meridian Oil, Inc.'s Allison Unit Well No. 124 located at a standard coal gas well location 1570 feet from the South line and 1650 feet from the West line of said Section 11.

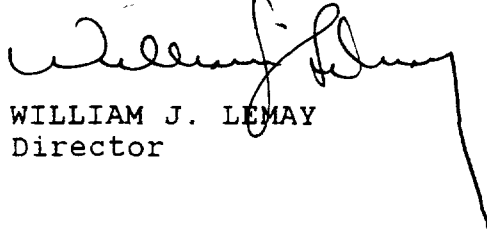
(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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Order No. R-8994  
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DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

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:

*Dec 12/89*  
*Mr S*  
*3/24/89*  
CASE NO. 9731

Order No. R-8994

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

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

*(1964 Survey)*

*nrh 8/28*  
*wsr 8/28*

(5) The entire non-standard gas proration unit may reasonably be presumed productive of gas from the Basin-Fruitland Coal Gas Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(6) The proposed non-standard gas proration unit has previously been established by the Division by Order No. R-2046, dated August 14, 1961, for use in developing gas reserves in the Basin-Dakota ~~Gas~~ Pool, and by Order No. R-2717, dated June 3, 1964, for use in developing gas reserves in the Blanco-Mesaverde ~~Gas~~ Pool, and has proven to be effective in promoting orderly development in this area.

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(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:

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(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