KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

W. Thomas Kellahin Karen Aubrey

Jason Kellahin Of Counsel

El Patio - 117 North Guadalupe Post Office Box 2265 Santa Fé, New Mexico 87504-2265 Telephone 982-4285 Area Code 505

FAX: 505/982-2047

October 24., 1989

RECEIVED

HAND-DELIVERED

OCT 24 1989

Mr. William J. LeMay Oil Conservation Division P.O. Box 2088 Santa Fe. New Mexico 87501

OIL CONSERVATION DIVISION

Southland Royalty Company's Application for Non-Standard Spacing and Proration Units, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico

Dear Mr. LeMay:

On behalf of Southland Royalty Company, please set the enclosed application for hearing at the next available examiner's docket now set for November 15, 1989.

We suggest the following to be used for the advertisement for this case:

Application of Southland Royalty Company for nonstandard spacing and proration units, San Juan County, New Mexico. Applicant in the above-styled cause seeks approval of non-standard spacing and proration units for seven wells in Sections 7, 8, 9, 10, 11 and 12, T32N, R8W, San Juan County, New Mexico. Said locations are approximately ____ miles from _____

By copy of this letter and application sent certified mail, return-receipt requested, we are notifying each of the offsetting owners and/or operators of their right to appear at the hearing either in support of or in opposition to this application.

KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay October 24, 1989 Page 2

Should any party desire more information about this matter or about the procedures for hearing this application, they may call the Division or the undersigned.

. Thomas Kellahir

WTK/tic

cc: Mr. Alan Alexander Meridian Oil Inc.

P.O. Box 4289

Farmington, New Mexico 87499-4289

"Certified-Return Receipt Requested"

All parties listed on attached

Amoco Production Company P. O. Box 800 Denver, Colorado 80201

Arco Oil & Gas Corporation P. O. Box 1610 Midland. Texas 79702

Estate of C.W. Murchison Bankers Trust Company of Texas 1999 Bryan Street LB 143 Dallas. Texas 75201

Northwest Pipeline Corporation 3539 East 30th Farmington. New Mexico 87401

Southern Union Exploration 324 Highway US #64 NBU 3001 Farmington, New Mexico 87401

Speerex Limited Partnership P. O. Box 255 Farmington. New Mexico 87401

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT RECEIVED

OIL CONSERVATION DIVISION

OCT 24 1989

IN THE MATTER OF THE APPLICATION
OF SOUTHLAND ROYALTY COMPANY FOR
APPROVAL OF A NON-STANDARD PRORATION
AND SPACING UNIT. BASIN FRUITLAND
COAL GAS POOL. SAN JUAN COUNTY.
NEW MEXICO

OIL CONSERVATION DIVISION

CASE NO. 98//

APPLICATION

COMES NOW Southland Royalty Company. by and through its attorneys. KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval of non-standard proration and spacing units in the Basin Fruitland Coal Gas Pool in Sections 7, 8, 9, 10, 11 and 12, T32N, R8W, San Juan County, New Mexico for the following wells, which are to be or have been drilled at standard locations:

- * (1) Trail Canyon No. 100 Section 7
- * (2) Trail Canvon No. 101 Section 8
- ** (3) San Juan 32-8 Unit No. 201 Section 9
 - (4) Reese Mesa No. 102 Section 10
- ** (5) Undesignated Sections 10 and 11
- ** (6) Reese Mesa No. 103 Sections 11 and 12
 - (7) Reese Mesa No. 104 Section 12

^{* -} The Trail Canyon No. 100 well location is 1790 feet FSL and 810 feet FEL of Section 7. The Trail Canyon No. 101 well location is 1850 feet FSL and 850 feet FEL of Section 8. These unorthodox locations have been previously approved by the Division.

^{** -} Proposed wells - have not been drilled.

- 1. Applicant is a working interest owner and operator of all wells except the San Juan 32-8 Unit No. 201. Applicant is a working interest owner in that well.
- 2. As a result of governmental surveys, the northern side of T32N, R8W consists of a series of irregularly shaped lots, each of which contains more or less than 40 acres, resulting in the necessity for proration and spacing units, which are contrary to the Oil Conservation Division rules for Basin Fruitland Coal gas wells.
- 3. Applicant proposes to dedicate the following acreage to the subject wells:
 - (1) Trail Canyon No. 100 All of Section 7, consisting of 314.78 acres. (Exhibit B)
 - (2) Trail Canyon No. 101 All of Section 8, consisting of 375.07 acres. (Exhibit C)
 - (3) San Juan 32-8 Unit No. 201 All of Section 9, consisting of 382.84 acres. (Exhibit D)
 - (4) Reese Mesa No. 102 W/2 and W2/E2 of Section 10. consisting of 290.69 acres. (Exhibit E)
 - (5) Undesignated E/2 E/2 of Section 10 and W/2 of Section
 11, consisting of 293.65 acres.
 (Exhibit F)
 - (6) Reese Mesa No. 103 E/2 of Section 11 and W2/W2 of Section 12, consisting of 299.89 acres. (Exhibit G)
 - (7) Reese Mesa No. 104 E2/W2 and E/2 of Section 12, consisting of 322.34 acres. (Exhibit H)
- 4. Attached as Exhibit A is a plat showing all of the acreage dedicated to the subject wells.

- 5. Attached as Exhibits B H are plats showing the individual well locations and their acreage dedication.
- 6. Attached as Exhibit I is a list of all offsetting owners and/or operators who are required by Division rules to receive notification of this application.
- 7. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-receipt requested. to all parties listed on Exhibit I.

WHEREFORE, Applicant requests that after notice and hearing the application be granted.

KELLAHIN, KELLAHIN & AUBREY

W. Thomas Kellahin Post Office Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

Attorneys for Southland Royalty Company

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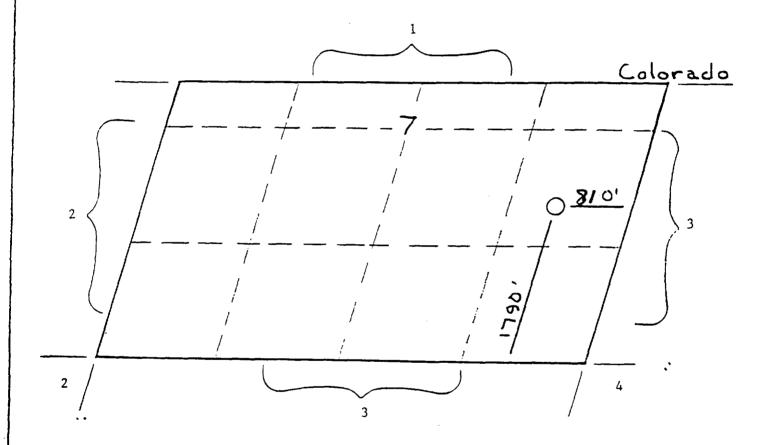
SOUTHLAND ROYALTY COMPANY

Well Name Trail Canvon #100

Footage 1790' FSL: 810' FEL

APPLICATION FOR MON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 7 Township 32N Range 8W



Remarks_	1)	Arco Oil & Gas - W.I.O.	
	2)	San Juan 32-9 Unit - Amoco Interim - Operator	
		Southland Rovalty Company - W.I.O.	
	3)	Speerex Limited Partnership - W.I.O.	
	4)	San Juan 32-8 Unit - Northwest Pipeline Corp Operator	

SOUTHLAND ROYALTY COMPANY

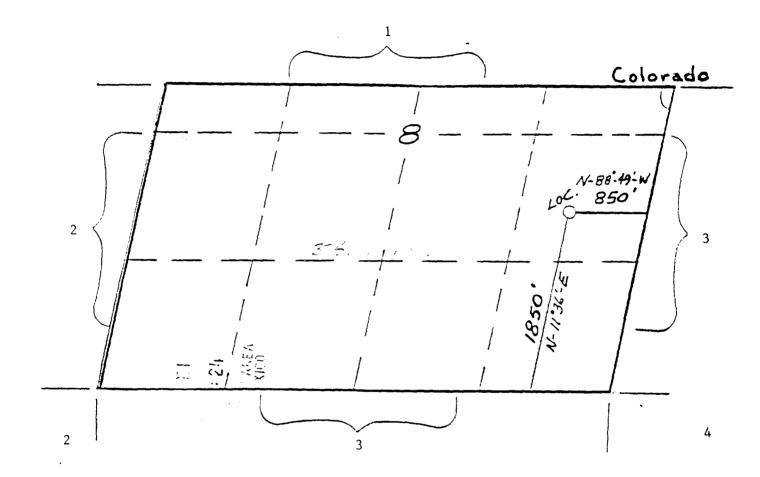
Well Name <u>Trail Canyon #101</u>

Footage

1850' FSL: 850' FEL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 8 Township 32N Range 8W



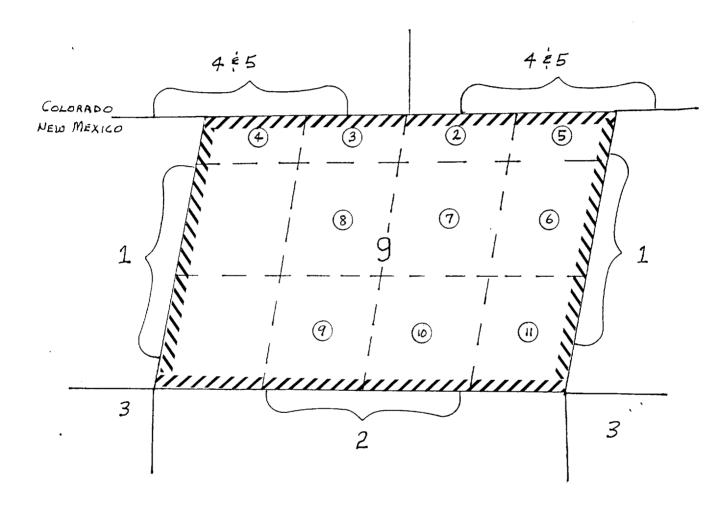
Remarks	1)	Arco Oil & Gas Company - W.I.O.
_	2)	Southland Royalty Company - W.I.O.
		Speerex Limited Partnership - W.I.O.
_	3)	San Juan 32-8 Unit - Northwest Pipeline Corp Operator
_	4)	Southern Union Exploration - Operator

Well Name SAN JUAN 32-8 UNIT #201

Footage Undesignated

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 9 Township 32 N Range 8W



Remarks	1. Southland Royalty Company c/o Meridian Oil Inc.	- Operator
_	2. Southern outon Exproraction	- Owner
	324 Highway US #64, NBU #3001, Farmington, New Mex. 3. Northwest Pipeline Corporation 3539 East 30th; Farmington, N.M. 87401	- Operator
	4. Estate of C. W. Murchison	- Owner
_	Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas 75201	
	5. ARCO Oil & Gas Corporation P.O. Box 1610; Midland, Texas 79702	- Owner

EXHIBIT "D'

Well Name

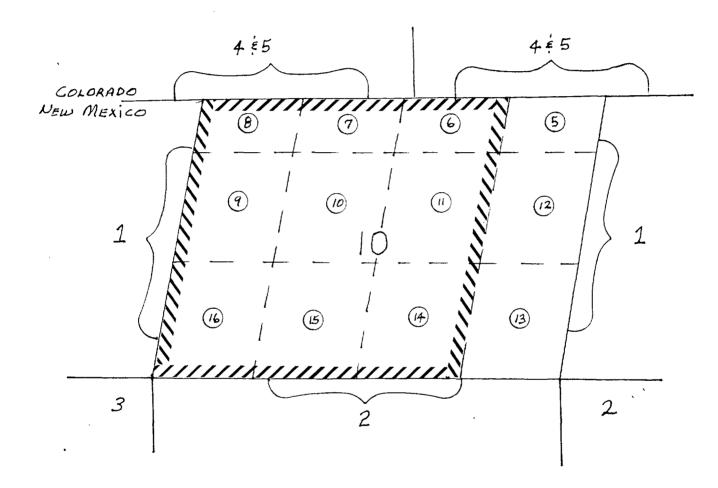
REESE MESA #102

Footage

1815' FEL & 1900' FSL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 10 Township 32N Range 8W



Remarks	1.	Southland Royalty Company c/o Meridian Oil Inc Owner
	2.	Northwest Pipeline Corporation - OPERATOR
	3.	3539 E. 30th; Farmington, N.M. 87401 Southern Union Exploration - Owner
		324 Highway US #64, NBU 3001; Farmington, N.M. 87401
	4.	Estate of C.W. Murchison - Owner
		Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas 75201
-	5.	ARCO Oil & Gas Corporation - Owner P.O. Box 1610; Midland, Texas 79702

EXHIBIT "E"

Well Name

UNDESIGNATED

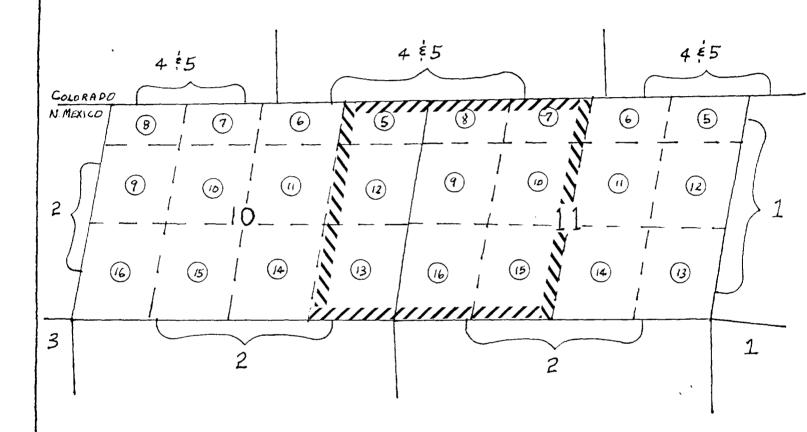
Footage

Undesignated

APPLICATION FOR NON-STANDARD PRORATION UNIT

10.

County San Juan State New Mexico Section 11 Township 32N Range 8W



Remarks	1.	Southland Royalty Company c/o Meridian Oil Inc	Owner
	2		OPERATOR
-	3		<u>Owner</u> 7401
	4.	Estate of C. W. Murchison -	Owner
"· ·		Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas 75201	
	5.	ARCO Oil & Gas Corporation - P.O. Box 1610; Midland, Texas 79702	Owner
		EXHIBIT "F"	

Well Name

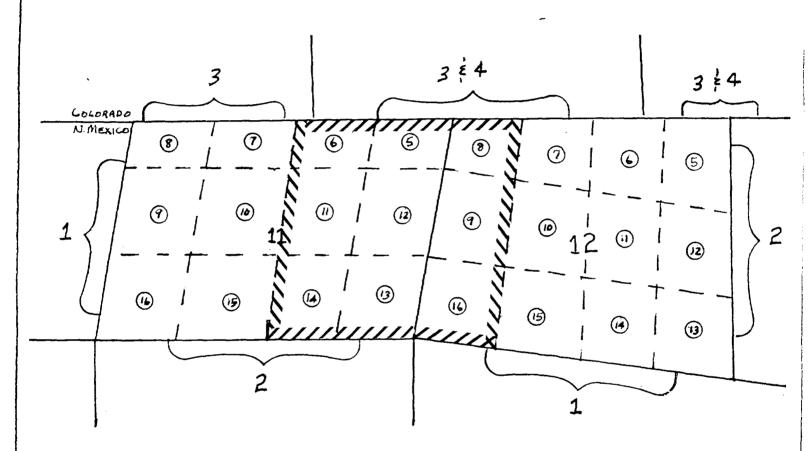
REESE MESA #103

Footage

2080' FEL & 2435' FSL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 12 Township 32N Range 8W



Remarks	1.	Southland Royalty Company c/o Meridian Oil Inc.	- OPERATOR
	2.	Northwest Pipeline Corporation	- OPERATOR
	3	3539 East 30th; Farmington, N.M. 87401 Estate of C.W. Murchison	- Owner
		Bankers Trust Company of Texas	
_		1999 Bryan Street IB 143; Dallas, Texas 75201	
_	4.	ARCO Oil & Gas Company	- Owner
	President of	P.O. Box 1610; Midland, Texas 79702	

EXHIBIT "G"

•	Well Name	REES	SE MESA #1	04		
	Footage	840	FNL & 1	465' FEL		
	APPLIC	CATION FOR NON-	STANDARD	PRORATION I	INIT	
County _	San Juan	State New Mo	exico	Séction 1	Township	32N Range 8W
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	4. ARCO Oil	& Gas Company 1610; Midland,	Texas	79702	- ()wner
	1.0. DOX	rore, manufully	, rongs			

EXHIBIT "H"

Amodo Production Company P. O. Box 860 Denver, Colorado 80201

Arco Oil & Gas Corporation P. O. Box 16:0 Midland. Texas 79702

Estate of C.W. Murchison Bankers Trust Company of Texas 1999 Bryan Street LB 143 Dallas Texas 75201

Northwest Pipeline Corporation 3539 East 30th Farmington. New Mexico 87401

Southern Union Exploration 324 Highway US #64 NBU 3001 Farmington, New Mexico 87401

Speerex Limited Partnership P. O. Box 255 Farmington. New Mexico 87401

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

W. Thomas Kellahin Karen Aubrey

Jason Kellahin Of Counsel El Patio - 117 North Guadalupe Post Office Box 2265

Santa Fé, New Mexico 87504-2265

Telephone 982-4285 Area Code 505

FAX: 505/982-2047

October 24. 1989 (

RECEIVED

HAND-DELIVERED

OCT 24 1989

OIL CONSERVATION DIVISION

Case 9811

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Re: Southland Royalty Company's Application for Non-Standard Spacing and Proration Units, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico

Dear Mr. LeMay:

On behalf of Southland Royalty Company, please set the enclosed application for hearing at the next available examiner's docket now set for November 15, 1989.

We suggest the following to be used for the advertisement for this case:

Application of Southland Royalty Company for non-standard spacing and proration units, San Juan County, New Mexico. Applicant in the above-styled cause seeks approval of non-standard spacing and proration units for seven wells in Sections 7, 8, 9, 10, 11 and 12, T32N, R8W, San Juan County, New Mexico. Said locations are approximately _____ miles from ____.

By copy of this letter and application sent certified mail, return-receipt requested, we are notifying each of the offsetting owners and/or operators of their right to appear at the hearing either in support of or in opposition to this application.

٠.

KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay October 24, 1989 Page 2

Should any party desire more information about this matter or about the procedures for hearing this application, they may call the Division or the undersigned.

very viary yours

W. Thomas Kellahir

WTK/tic

cc: Mr. Alan Alexander
Meridian Oil Inc.
P.O. Box 4289

Farmington, New Mexico 87499-4289

"Certified-Return Receipt Requested"

All parties listed on attached

Amoco Production Company P. O. Box 800 Denver, Colorado 80201

Arco Oil & Gas Corporation P. O. Box 1610 Midland, Texas 79702

Estate of C.W. Murchison Bankers Trust Company of Texas 1999 Bryan Street LB 143 Dallas, Texas 75201

Northwest Pipeline Corporation 3539 East 30th Farmington, New Mexico 87401

Southern Union Exploration 324 Highway US #64 NBU 3001 Farmington, New Mexico 87401

Speerex Limited Partnership P. O. Box 255 Farmington, New Mexico 87401

STATE OF NEW MEXICO

ENERGY. MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF SOUTHLAND ROYALTY COMPANY FOR APPROVAL OF A NON-STANDARD PRORATION AND SPACING UNIT, BASIN FRUITLAND COAL GAS POOL, SAN JUAN COUNTY, NEW MEXICO

CASE NO. 98//

APPLICATION

COMES NOW Southland Royalty Company, by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval of non-standard proration and spacing units in the Basin Fruitland Coal Gas Pool in Sections 7, 8, 9, 10, 11 and 12, T32N, R8W, San Juan County, New Mexico for the following wells, which are to be or have been drilled at standard locations:

- * (1) Trail Canyon No. 100 Section 7
- * (2) Trail Canyon No. 101 Section 8
- ** (3) San Juan 32-8 Unit No. 201 Section 9
 - (4) Reese Mesa No. 102 Section 10
- ** (5) Undesignated Sections 10 and 11
- ** (6) Reese Mesa No. 103 Sections 11 and 12
 - (7) Reese Mesa No. 104 Section 12.

^{* -} The Trail Canyon No. 100 well location is 1790 feet FSL and 810 feet FEL of Section 7. The Trail Canyon No. 101 well location is 1850 feet FSL and 850 feet FEL of Section 8. These unorthodox locations have been previously approved by the Division.

^{** -} Proposed wells - have not been drilled.

- 1. Applicant is a working interest owner and operator of all wells except the San Juan 32-8 Unit No. 201. Applicant is a working interest owner in that well.
- 2. As a result of governmental surveys, the northern side of T32N, R8W consists of a series of irregularly shaped lots, each of which contains more or less than 40 acres, resulting in the necessity for proration and spacing units, which are contrary to the Oil Conservation Division rules for Basin Fruitland Coal gas wells.
- 3. Applicant proposes to dedicate the following acreage to the subject wells:
 - (1) Trail Canyon No. 100 All of Section 7, consisting of 314.78 acres. (Exhibit B)
 - (2) Trail Canyon No. 101 All of Section 8, consisting of 375.07 acres. (Exhibit C)
 - (3) San Juan 32-8 Unit No. 201 All of Section 9, consisting of 382.84 acres. (Exhibit D)
 - (4) Reese Mesa No. 102 W/2 and W2/E2 of Section 10, consisting of 290.69 acres. (Exhibit E)
 - (5) Undesignated E/2 E/2 of Section 10 and W/2 of Section 11, consisting of 293.65 acres. (Exhibit F)
 - (6) Reese Mesa No. 103 E/2 of Section 11 and W2/W2 of Section 12, consisting of 299.89 acres. (Exhibit G)
 - (7) Reese Mesa No. 104 E2/W2 and E/2 of Section 12, consisting of 322.34 acres. (Exhibit H)
- 4. Attached as Exhibit A is a plat showing all of the acreage dedicated to the subject wells.

- 5. Attached as Exhibits B H are plats showing the individual well locations and their acreage dedication.
- 6. Attached as Exhibit I is a list of all offsetting owners and/or operators who are required by Division rules to receive notification of this application.
- 7. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-receipt requested, to all parties listed on Exhibit I.

WHEREFORE, Applicant requests that after notice and hearing the application be granted.

KELLAHIN, KELLAHIN & AUBREY

W. Thomas Kellahin Post Office Box/2265

Santa Fe, New Mexico 87504

(505) 982-4285

Attorneys for Southland Royalty Company

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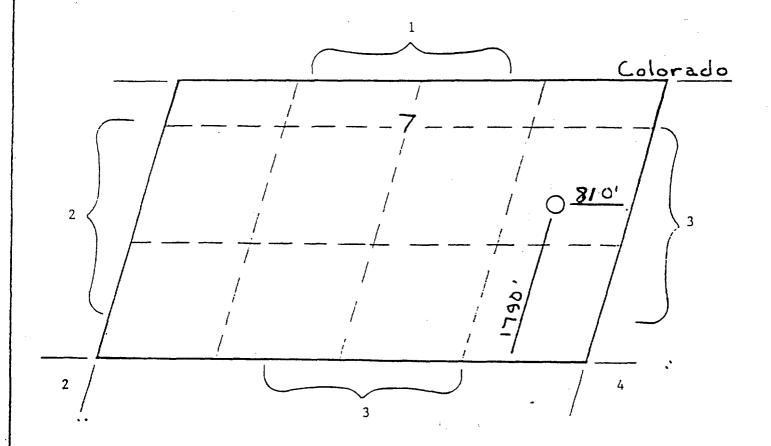
SOUTHLAND ROYALTY COMPANY

Well Name Trail Canvon #100

Footage 1790' FSL: 810' FEL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 7 Township 32N Range 8W



Remarks_	1)	Arco Oil & Gas - W.I.O.	
_	2)	San Juan 32-9 Unit - Amoco Interim - Operator	
		Southland Rovalty Company - W.I.O.	
_	3)	Speerex Limited Partnership - W.I.O.	<u></u>
_	4)	San Juan 32-8 Unit - Northwest Pipeline Corp Operator	

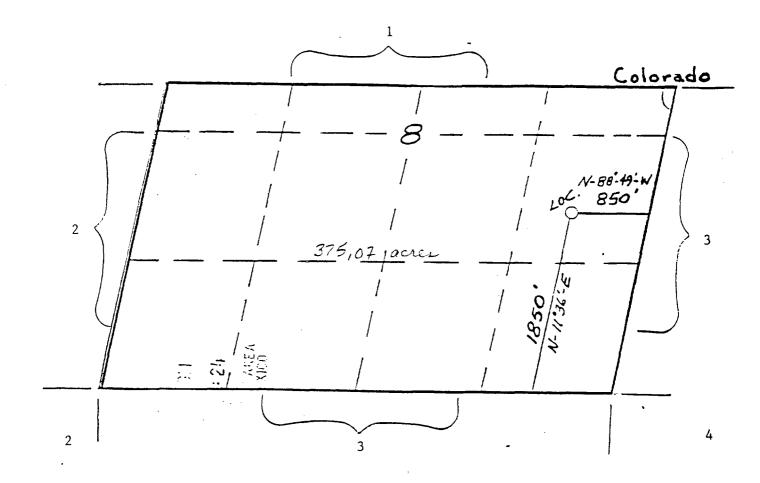
SOUTHLAND ROYALTY COMPANY

Well Name <u>Trail Canyon #101</u>

Footage 1850' FSL: 850' FEL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 8 Township 32N Range 8W



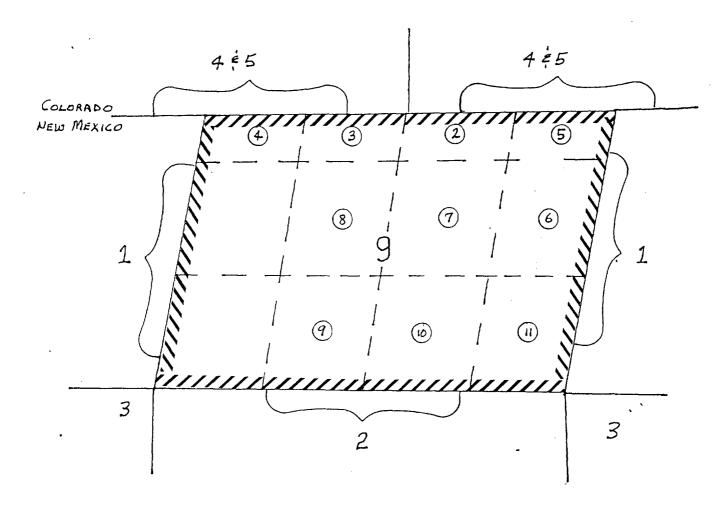
Remarks	1)	Arco Oil & Gas Company - W.I.O.
	2)	Southland Royalty Company - W.I.O.
		Speerex Limited Partnership - W.I.O.
	3)	San Juan 32-8 Unit - Northwest Pipeline Corp Operator
	4)	Southern Union Exploration - Operator

Well Name SAN JUAN 32-8 UNIT #201

Footage Undesignated

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 9 Township 32 N Range 8W



Remarks	. Southland Royalty Company c/o Meridian Oil Inc Operator	
	. Southern Union Exploration - Owner	
-	324 Highway US #64, NBU #3001, Farmington, New Mex. 87401 Northwest Pipeline Corporation - Operator 3539 East 30th; Farmington, N.M. 87401	
	. Estate of C. W. Murchison = Owner	
	Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas 75201	-
	ARCO Oil & Gas Corporation - Owner P.O. Box 1610; Midland, Texas 79702	

EXHIBIT "D"

Well Name

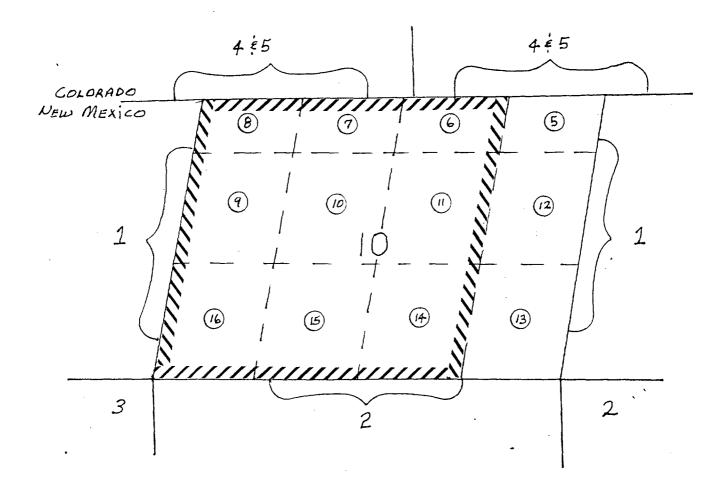
REESE MESA #102

Footage

1815' FEL & 1900' FSL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 10 Township 32N Range 8W

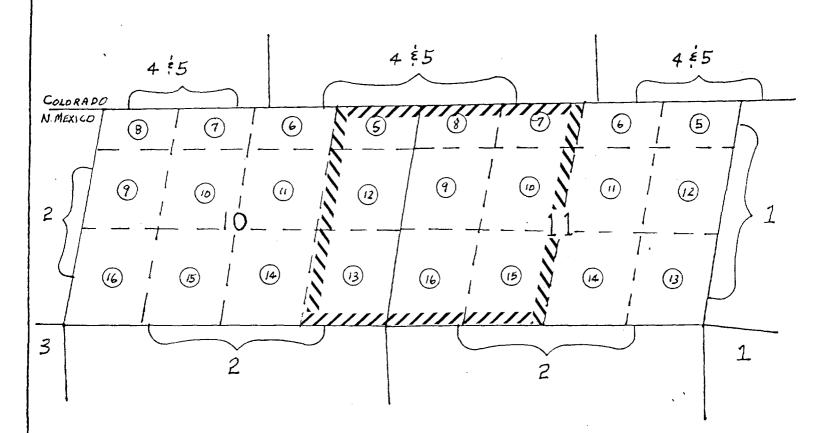


Remarks_	1.	Southland Royalty Company c/o Meridian Oil Inc Owner
_	2.	Northwest Pipeline Corporation - OPERATOR
_	3	3539 E. 30th; Farmington, N.M. 87401 Southern Union Exploration - Owner
-		324 Highway US #64, NBU 3001; Farmington, N.M. 87401
	4.	Estate of C.W. Murchison - Owner
_		Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas 75201
	5.	ARCO Oil & Gas Corporation - Owner P.O. Box 1610; Midland, Texas 79702
		EXHIBIT "E"

Well Name UNDESIGNATED

Footage Undesignated

APPLICATION FOR NON-STANDARD PRORATION UNIT
10,
County San Juan State New Mexico Section 11 Township 32N Range 8W



Remarks_	1.	Southland Royalty Company c/o Meridian Oil Inc.	- Owner
- -	2-,-	Northwest Pipeline Corporation	- OPERATOR
_	3	3535 East 30th; Farmington, N.M. 87401 Southern Union Exploration	- Owner
		324 Highway US #64, NBU #3001; Farmington, N.M.	87401
	4.	Estate of C. W. Murchison	- Owner
	~	Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas 75201	
	5.	ARCO Oil & Gas Corporation P.O. Box 1610; Midland, Texas 79702 EXHIBIT "F"	- Owner

Well Name

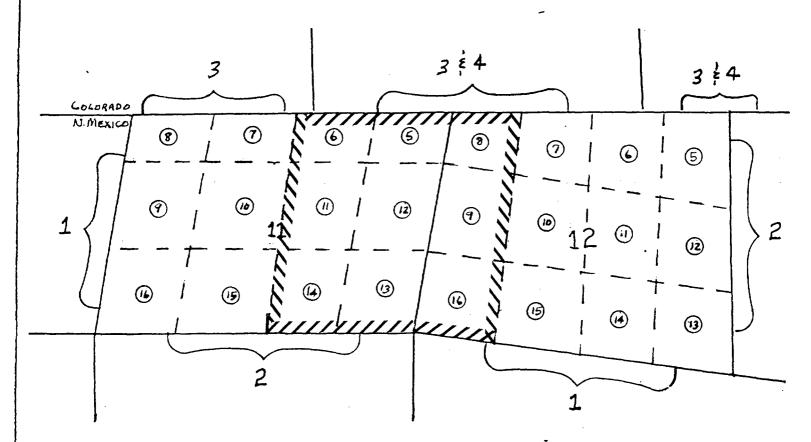
REESE MESA #103

Footage

2080' FEL & 2435' FSL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 12 Township 32N Range 8W



		•	
Remarks_	1.	Southland Royalty Company c/o Meridian Oil Inc.	- OPERATOR
	2.	Northwest Pipeline Corporation	- OPERATOR
	. 3.	3539 East 30th; Farmington, N.M. 87401 Estate of C.W. Murchison	- Owner
		Bankers Trust Company of Texas	
		1999 Bryan Street IB143; Dallas, Texas 75201	
 -	4.	ARCO Oil & Gas Company	- Owner
-		P.O. Box 1610; Midland, Texas 79702	

EXHIBIT "G"

Well Name REESE MESA #104 Footage 840' FNL & 1465' FEL APPLICATION FOR NON-STANDARD PRORATION UNIT New Mexico Séction 12 Township 32N Range 8W San Juan State County 3 = 4 3 = 4 COLDRADO NEW MEXICO 8 (5) 9 10 (6) Southland Royalty Company c/o Meridian Oil Inc. - OPERATOR Remarks - OPERATOR Northwest Pipeline Corporation 3539 East 30th; Farmington, N.M. Estate of C.W. Murchison Owner Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas - Owner ARCO Oil & Gas Company P.O. Box 1610; Midland, Texas

EXHIBIT "H"

Amoco Production Company P. O. Box 800 Denver, Colorado 80201

Arco Oil & Gas Corporation P. O. Box 1610 Midland, Texas 79702

Estate of C.W. Murchison Bankers Trust Company of Texas 1999 Bryan Street LB 143 Dallas, Texas 75201

Northwest Pipeline Corporation 3539 East 30th Farmington, New Mexico 87401

Southern Union Exploration 324 Highway US #64 NBU 3001 Farmington, New Mexico 87401

Speerex Limited Partnership P. O. Box 255 Farmington, New Mexico 87401

KELLAHIN, KELLAHIN and AUBREY

Attorneys at Law

W. Thomas Kellahin Karen Aubrey

Jason Kellahin Of Counsel El Patio - 117 North Guadalupe Post Office Box 2265

Santa Fé, New Mexico 87504-2265

Telephone 982-4285 Area Code 505

FAX: 505/982-2047

October 24, 1989

SECLIVED

OCT 2

HAND-DELIVERED

Mr. William J. LeMay
Oil Conservation Division
P.O. Box 2088
Santa Fe. New Mexico 87501

DIL CONCERVATION SIVISION

Case 9811

Re: Southland Royalty Company's Application for Non-Standard Spacing and Proration Units, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico

Dear Mr. LeMay:

On behalf of Southland Royalty Company, please set the enclosed application for hearing at the next available examiner's docket now set for November 15, 1989.

We suggest the following to be used for the advertisement for this case:

Application of Southland Royalty Company for non-standard spacing and proration units, San Juan County, New Mexico. Applicant in the above-styled cause seeks approval of non-standard spacing and proration units for seven wells in Sections 7, 8, 9, 10, 11 and 12, T32N, R8W, San Juan County, New Mexico. Said locations are approximately _____ miles from _____.

By copy of this letter and application sent certified mail, return-receipt requested, we are notifying each of the offsetting owners and/or operators of their right to appear at the hearing either in support of or in opposition to this application.

1

KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay October 24, 1989 Page 2

Should any party desire more information about this matter or about the procedures for hearing this application, they may call the Division or the undersigned.

WTK/tic

cc: Mr. Alan Alexander Meridian Oil Inc.

P.O. Box 4289

Farmington, New Mexico 87499-4289

"Certified-Return Receipt Requested"

All parties listed on attached

Amoco Production Company P. O. Box 800 Denver, Colorado 80201

Arco Oil & Gas Corporation P. O. Box 1610 Midland, Texas 79702

Estate of C.W. Murchison Bankers Trust Company of Texas 1999 Bryan Street LB 143 Dallas, Texas 75201

Northwest Pipeline Corporation 3539 East 30th Farmington, New Mexico 87401

Southern Union Exploration 324 Highway US #64 NBU 3001 Farmington, New Mexico 87401

Speerex Limited Partnership P. O. Box 255 Farmington, New Mexico 87401

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF SOUTHLAND ROYALTY COMPANY FOR
APPROVAL OF A NON-STANDARD PRORATION
AND SPACING UNIT, BASIN FRUITLAND
COAL GAS POOL, SAN JUAN COUNTY,
NEW MEXICO

case no. <u>98//</u>

APPLICATION

COMES NOW Southland Royalty Company, by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for approval of non-standard proration and spacing units in the Basin Fruitland Coal Gas Pool in Sections 7, 8, 9, 10, 11 and 12, T32N, R8W, San Juan County, New Mexico for the following wells, which are to be or have been drilled at standard locations:

- * (1) Trail Canyon No. 100 Section 7
- * (2) Trail Canyon No. 101 Section 8
- ** (3) San Juan 32-8 Unit No. 201 Section 9
 - (4) Reese Mesa No. 102 Section 10
- ** (5) Undesignated Sections 10 and 11
- ** (6) Reese Mesa No. 103 Sections 11 and 12
 - (7) Reese Mesa No. 104 Section 12.

^{* -} The Trail Canyon No. 100 well location is 1790 feet FSL and 810 feet FEL of Section 7. The Trail Canyon No. 101 well location is 1850 feet FSL and 850 feet FEL of Section 8. These unorthodox locations have been previously approved by the Division.

^{** -} Proposed wells - have not been drilled.

- 1. Applicant is a working interest owner and operator of all wells except the San Juan 32-8 Unit No. 201. Applicant is a working interest owner in that well.
- 2. As a result of governmental surveys, the northern side of T32N, R8W consists of a series of irregularly shaped lots, each of which contains more or less than 40 acres, resulting in the necessity for proration and spacing units, which are contrary to the Oil Conservation Division rules for Basin Fruitland Coal gas wells.
- 3. Applicant proposes to dedicate the following acreage to the subject wells:
 - (1) Trail Canyon No. 100 All of Section 7, consisting of 314.78 acres. (Exhibit B)
 - (2) Trail Canyon No. 101 All of Section 8, consisting of 375.07 acres. (Exhibit C)
 - (3) San Juan 32-8 Unit No. 201 All of Section 9, consisting of 382.84 acres. (Exhibit D)
 - (4) Reese Mesa No. 102 W/2 and W2/E2 of Section 10, consisting of 290.69 acres. (Exhibit E)
 - (5) Undesignated E/2 E/2 of Section 10 and W/2 of Section 11, consisting of 293.65 acres. (Exhibit F)
 - (6) Reese Mesa No. 103 E/2 of Section 11 and W2/W2 of Section 12, consisting of 299.89 acres. (Exhibit G)
 - (7) Reese Mesa No. 104 E2/W2 and E/2 of Section 12, consisting of 322.34 acres. (Exhibit H)
- 4. Attached as Exhibit A is a plat showing all of the acreage dedicated to the subject wells.

- 5. Attached as Exhibits B H are plats showing the individual well locations and their acreage dedication.
- 6. Attached as Exhibit I is a list of all offsetting owners and/or operators who are required by Division rules to receive notification of this application.
- 7. Pursuant to Division rules, a copy of this application was mailed by certified mail, return-receipt requested, to all parties listed on Exhibit I.

WHEREFORE, Applicant requests that after notice and hearing the application be granted.

KELLAHIN, KELLAHIN & AUBREY

W. Thomas Kellahin Post Office Box/2265

Santa Fe, New Mexico 87504

(505) 982-4285/

Attorneys for Southland Royalty Company

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SOUTHLAND ROYALTY COMPANY

Well Name

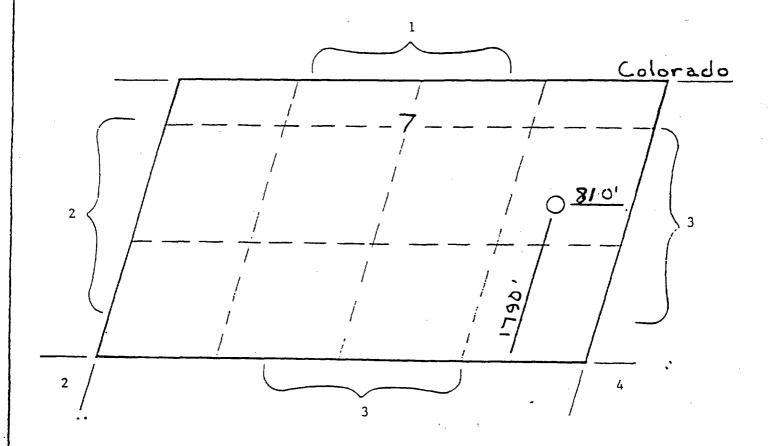
Trail Canvon #100

Footage

1790' FSL: 810' FEL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 7 Township 32N Range 8W



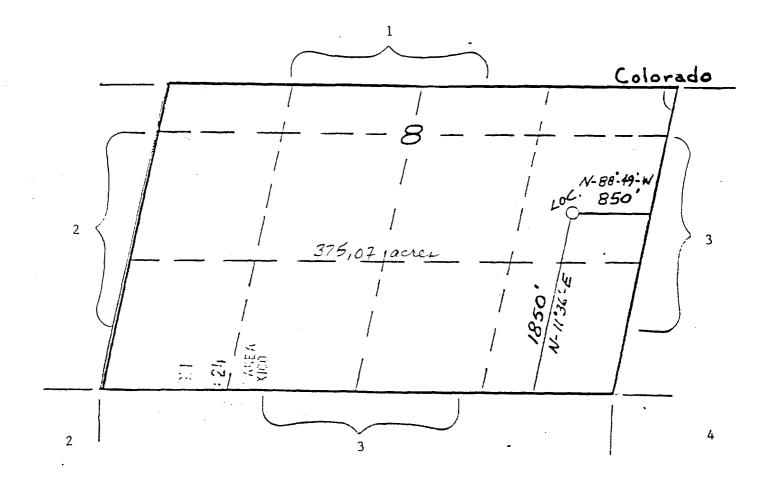
Remarks
1) Arco Oil & Gas - W.I.O.
2) San Juan 32-9 Unit - Amoco Interim - Operator
Southland Royalty Company - W.I.O.
3) Speerex Limited Partnership - W.I.O.
4) San Juan 32-8 Unit - Northwest Pipeline Corp. - Operator

SOUTHLAND ROYALTY COMPANY

Footage 1850' FSL: 850' FEL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 8 Township 32N Range 8W



Remarks_	1)	Arco Oil & Gas Company - W.I.O.
	2)	Southland Royalty Company - W.I.O.
		Speerex Limited Partnership - W.I.O.
	3)	San Juan 32-8 Unit - Northwest Pipeline Corp Operator
_	4)	Southern Union Exploration - Operator

Well Name

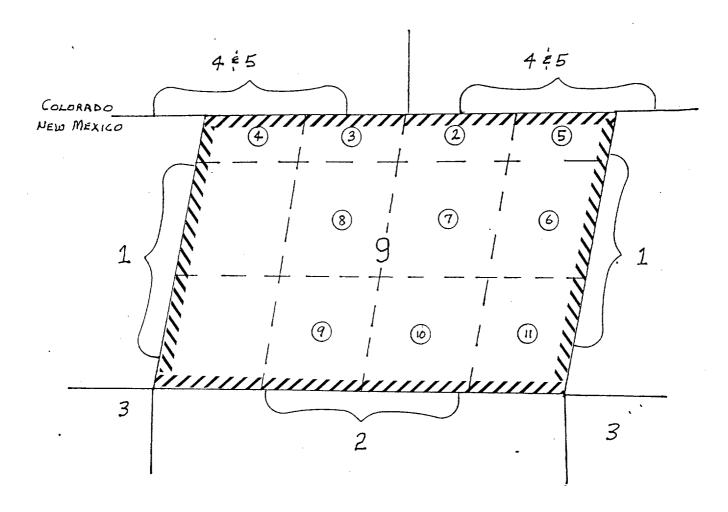
SAN JUAN 32-8 UNIT #201

Footage

Undesignated

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 9 Township 32 N Range 8W



Remarks_	1. Southland Royalty Company c/o M	eridian Oil Inc Operator
_	2. Southern Union Exploration	- Owner
	324 Highway US #64, NBU #3001, F 3. Northwest Pipeline Corporation 3539 East 30th; Farmington, N.M.	armington, New Mex. 87401 - Operator 87401
 .	4. Estate of C. W. Murchison	Owner
******	Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dal	
	5. ARCO Oil & Gas Corporation P.O. Box 1610; Midland, Texas	- Owner

Well Name

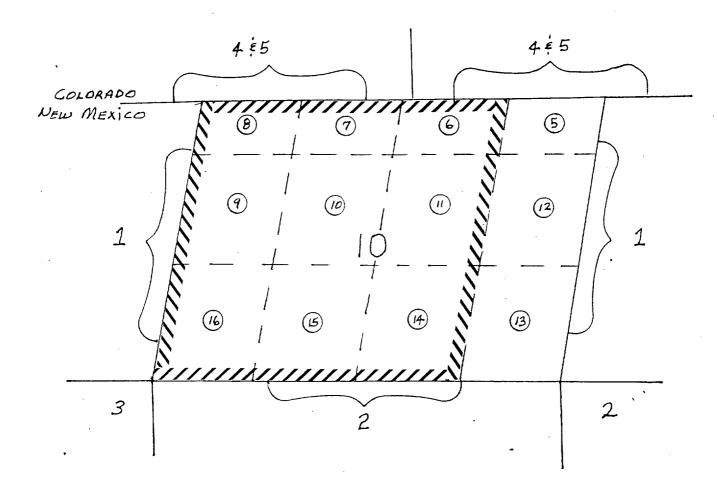
REESE MESA #102

Footage

1815' FEL & 1900' FSL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 10 Township 32N Range 8W



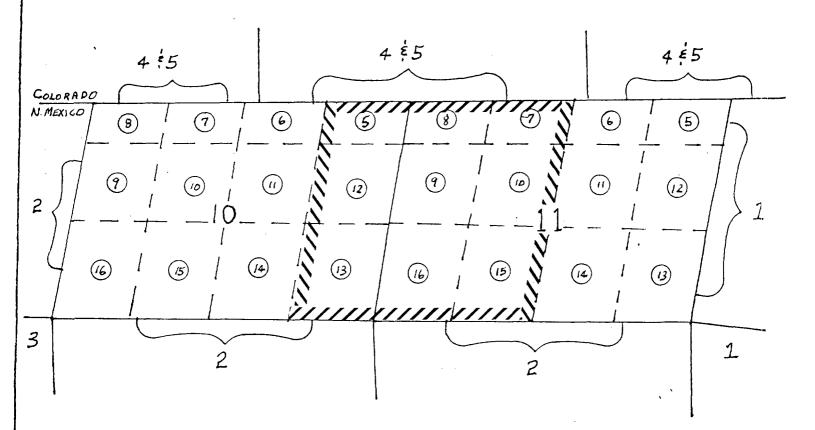
Remarks	1. Southland Royalty Company c/o Meridian Oil Inc Owner	
_	2. Northwest Pipeline Corporation - OPERATOR	
-	3539 E. 30th; Farmington, N.M. 87401 3. Southern Union Exploration - Owner 324 Highway US #64, NBU 3001; Farmington, N.M. 87401	
	4. Estate of C.W. Murchison - Owner	
	Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas 75201	
_	5. ARCO Oil & Gas Corporation - Owner P.O. Box 1610; Midland, Texas 79702	
	EXHIBIT "E"	

Well Name UNDESIGNATED

Footage Undesignated

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Séction 11 Township 32N Range 8W



1.	Southland Royalty Company c/o Meridian Oil Inc.	- Owner
2	Northwest Pipeline Corporation	- OPERATOR
3	Southern Union Exploration	- Owner
	324 Highway US #64, NBU #3001; Farmington, N.M.	87401
_4.		- Owner
5.		- Owner
	-2. 3. -4.	324 Highway US #64, NBU #3001; Farmington, N.M. 4. Estate of C. W. Murchison Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas 75201 5. ARCO Oil & Gas Corporation

Well Name

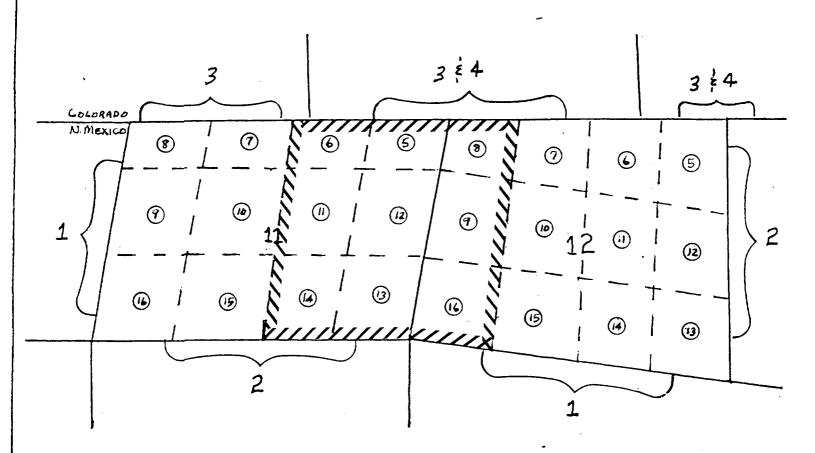
REESE MESA #103

Footage

2080' FEL & 2435' FSL

APPLICATION FOR NON-STANDARD PRORATION UNIT

County San Juan State New Mexico Section 12 Township 32N Range 8W



Remarks_	1.	Southland Royalty Company c/o Meridian Oil Inc.	- OPERATOR
	2.	Northwest Pipeline Corporation	- OPERATOR
_	3.	3539 East 30th; Farmington, N.M. 87401 Estate of C.W. Murchison	- Owner
		Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas 75201	1
	4.	ARCO Oil & Gas Company	- Owner
		P.O. Box 1610; Midland, Texas 79702	

EXHIBIT "G"

SOUTHLAND ROYALTY CO Well Name REESE MESA #104 Footage 840' FNL & 1465' FEL APPLICATION FOR NON-STANDARD PRORATION UNIT New Mexico Séction 12 Township 32N Range 8W San Juan County State 3 = 4 3 = 4 COLDRADO NEW MEXICO (8) (5) 9 10 (12) (6) 1 Remarks Southland Royalty Company c/o Meridian Oil Inc. - OPERATOR Northwest Pipeline Corporation - OPERATOR 3539 East 30th; Farmington, N.M. Estate of C.W. Murchison 87401 Bankers Trust Company of Texas 1999 Bryan Street LB 143; Dallas, Texas ARCO Oil & Gas Company - Owner

EXHIBIT "H"

P.O. Box 1610; Midland, Texas

Amoco Production Company P. O. Box 800 Denver, Colorado 80201

Arco Oil & Gas Corporation P. O. Box 1610 Midland, Texas 79702

Estate of C.W. Murchison Bankers Trust Company of Texas 1999 Bryan Street LB 143 Dallas, Texas 75201

Northwest Pipeline Corporation 3539 East 30th Farmington, New Mexico 87401

Southern Union Exploration 324 Highway US #64 NBU 3001 Farmington, New Mexico 87401

Speerex Limited Partnership P. O. Box 255 Farmington, New Mexico 87401