

**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. 9843
Order No. R-9099

APPLICATION OF NORTHWEST PIPELINE
CORPORATION FOR AN UNORTHODOX COAL
GAS WELL LOCATION AND 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 December 13, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of January, 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, Northwest Pipeline Corporation, seeks approval for a 325.68-acre, more or less, non-standard gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool comprising Lots 8 and 9, and the SE/4 SE/4 of Section 7, Lots 5, 6 and 7, the NE/4 NE/4, and the S/2 NE/4 of Section 18, and all of Tract 55 being in said Sections 7 and 18 as recorded on the Federal Survey Plat approved November 13, 1917, all in Township 31 North, Range 7 West, NMPM, San Juan County, New Mexico, said unit to be dedicated to the proposed San Juan 32-7 Unit Well No. 201 to be drilled at an unorthodox coal gas well location 500 feet from the South line and 880 feet from the East line (Unit P) of said Section 7.

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

(4) The proposed unorthodox coal gas well location is necessitated by the shape and configuration of the proposed non-standard gas proration unit.

(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 Division Order No. R-1066, dated October 9, 1957, for use in developing gas reserves in the Blanco-Mesaverde Pool, and although the subject acreage has not been developed in the Mesaverde formation, the proposed alignment of the non-standard unit should prove to be effective in promoting orderly development in this area.

(7) The applicant presented, as evidence in this case, written waivers of objection to the proposed non-standard gas proration unit and unorthodox well location from all offset operators.

(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 325.68-acre, more or less, non-standard gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool comprising Lots 8 and 9, and the SE/4 SE/4 of Section 7, Lots 5, 6 and 7, the NE/4 NE/4, and the S/2 NE/4 of Section 18, and all of Tract 55 being in said Sections 7 and 18 as recorded on the Federal Survey Plat approved

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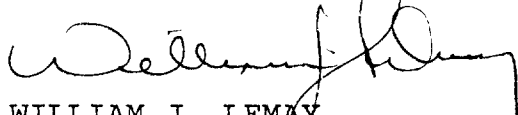
November 13, 1917, all in Township 31 North, Range 7 West, NMPM, San Juan County, New Mexico, is hereby established and dedicated to Northwest Pipeline Corporation's San Juan 32-7 Unit Well No. 201 to be drilled at an unorthodox coal gas well location 500 feet from the South line and 880 feet from the East line (Unit P) of said Section 7.

(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