

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
FOR MERIDIAN OIL, INC. FOR
TWO NON-STANDARD GAS PRORATION
AND SPACING UNITS, SAN JUAN COUNTY,
NEW MEXICO

CASE NO. 9976

CERTIFICATE OF MAILING
AND
COMPLIANCE WITH ORDER R-8054

In Accordance with Division Rule 1207 (Order R-8054) I hereby certify that on June 5, 1990, I caused to be mailed by certified mail return-receipt requested notice of this hearing and a copy of the Application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for June 27, 1990, to the parties shown in the Application as evidenced by the attached copies of return receipt cards.


W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 26 day of June, 1990.


Notary Public

My Commission Expires:

7-6-91

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

meridian EXHIBIT NO. 5

CASE NO. 9976

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
VF Heunhaus Properties
P.O. Drawer 1270
McAllen, Texas 78501

4. Article Number
P 572 125 310

Type of Service:
☐ Registered ☐ Insured
☒ Certified ☒ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED

5. Signature — Addressee
X

6. Signature — Agent
X *Heunhaus*

7. Date of Delivery
6/16/90

8. Addressee's Address (ONLY if requested and fee paid)
No Fee Pd

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
Lee Killgore
P.O. Box 26900
Albuquerque, NM 87125-6900

4. Article Number
P 572 125 309

Type of Service:
☒ Registered ☒ Insured
☒ Certified ☒ COD
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED

5. Signature — Addressee
X

6. Signature — Agent
X *Lee Killgore*

7. Date of Delivery
JUN 8 1990

8. Addressee's Address (ONLY if requested and fee paid)
Fee NOT Pd

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. (Extra charge) 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:
Cecil Lanier Estate
P.O. Box 5555
McAllen, Texas 78502-5555

4. Article Number
P 572 125 315

Type of Service:
☒ Registered ☐ Insured
☒ Certified ☒ COD
☒ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED

5. Signature — Addressee
X *Cecil Lanier*

6. Signature — Agent
X

7. Date of Delivery
JUN 7 1990

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

ILLEGIBLE

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. 9976
Order No. R-9236

APPLICATION OF SOUTHLAND ROYALTY
COMPANY FOR TWO NON-STANDARD
GAS PRORATION UNITS, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 27, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 20th day of July, 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, Southland Royalty Company, seeks approval for two 320-acre non-standard gas proration units for Basin-Fruitland Coal Gas Pool production in portions of Sections 23 and 24, Township 31 North, Range 12 West, NMPM, San Juan County, New Mexico, described as follows:

CASE NO. 9976
 Order No. R-9236
 Page -2-

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM

<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1	320	Section 23: W/2 E/2, E/2 NE/4, and NE/4 SE/4 Section 24: NW/4 NW/4
2	320	Section 23: SE/4 SE/4 Section 24: E/2 W/2, W/2 SW/4, and SW/4 NW/4

(3) The applicant currently operates all of the acreage contained within each of the proposed non-standard gas proration units and proposes to either drill or recomplete a well to the Basin-Fruitland Coal Gas Pool in each of said proposed non-standard gas proration units.

(4) According to evidence and testimony presented by the applicant, 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 and Basin-Dakota Pools, said approval granted by Division Order Nos. NWU-37, NWU-411, R-230 and R-1902.

(5) The evidence and testimony further indicates that each of the subject non-standard gas proration units consists of a single lease and was initially formed so as to conform to the boundaries of each respective lease.

(6) The applicant seeks to establish said non-standard gas proration units in the Basin-Fruitland Coal Gas Pool in order to maintain common ownership within the various producing formations underlying each respective proration unit.

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

CASE NO. 9976
 Order No. R-9236
 Page -3-

(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 will better enable the applicant to protect the correlative rights of the interest owners underlying the proposed proration units.

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:

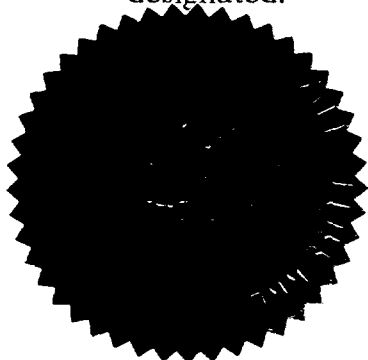
TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM

<u>TRACT</u>	<u>ACREAGE</u>	<u>DESCRIPTION</u>
1	320	Section 23: W/2 E/2, E/2 NE/4, and NE/4 SE/4 Section 24: NW/4 NW/4
2	320	Section 23: SE/4 SE/4 Section 24: E/2 W/2, W/2 SW/4, and SW/4 NW/4

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

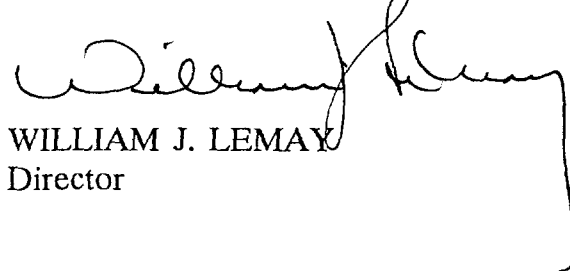
CASE NO. 9976
Order No. R-9236
Page -4-

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director