



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

September 20, 1990

POST OFFICE BOX 2086
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. J. Scott Hall
Miller, Stratvert, Torgerson
& Schlenker
Attorneys at Law
Post Office Box 1986
Santa Fe, New Mexico

Re: CASE NO. 10048
ORDER NO. R-9277

Applicant:

Great Western Drilling Company

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 Paul Cooter

NORTHWEST PIPELINE CORPORATION

ONE OF THE WILLIAMS COMPANIES



314-90

LAND DEPARTMENT

P.O. BOX 58900
SALT LAKE CITY, UTAH 84158-0900
801-584-7215

May 14, 1990

VIA FEDERAL EXPRESS

Great Western Drilling Company
509 N. Loraine
Midland, TX 79702

Case 10048

Attn: D. E. Baxter

Re: Waiver of Objection to
Non Standard Well Proration Unit
Section 8, T32N, R11W
Fruitland Coal
San Juan County, New Mexico

Dear Mr. Baxter:

In regard to your request that Northwest Pipeline waive the referenced Non Standard Well Proration Unit, please see the enclosed letter dated April 24, 1990 sent to Pat Shanahan.

Northwest Pipeline does not agree with Great Western's proposed spacing for the referenced well. Northwest Pipeline recognizes that your proposed spacing for the Fruitland Coal formation is the spacing approved for the Mesaverde formation, however, Northwest Pipeline feels that same spacing is not applicable for the Fruitland Coal spacing. It is Northwest Pipeline's opinion that under Great Western's proposal proper drainage would not occur nor would correlative rights be protected for owners in the W/2 of Section 17, T32N, R11W.

Northwest Pipeline would like to discuss with Great Western Northwest Pipeline's recommendation for the spacing in this area as indicated in our April 24 letter along with a joint arrangement between the Cox Canyon Unit working interest owners and Great Western to develop a water disposal facility in this area.

If you would like to discuss the matter further, please call me at (801) 584-7215.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen
Darrell L. Gillen
Land Manager

Great Western Drilling Company
May 14, 1990
Page 2

DLG/cg

cc: W. O. Curtis
P. C. Thompson
Samuel Keasler - Arco
John Kennedy - Coastal
Michael Stogner - NMOCD

NORTHWEST PIPELINE CORPORATION
ONE OF THE WILLIAMS COMPANIES

278-90

LAND DEPARTMENT 27 APR 9 13

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SALT LAKE CITY, UTAH 84158-0900
801-584-7215

April 24, 1990

VIA FEDERAL EXPRESS

Great Western Drilling Co.
509 N. Loraine
Midland, TX 79702

Case 10048

Attn: Pat Shanahan

Re: Non Standard Well Proration Unit
Section 8, T32N, R11W
Fruitland Coal
San Juan County, New Mexico

Gentlemen:

This letter is a follow up to our phone conversation of April 16 concerning the non standard proration unit for the well Great Western drilled in Section 8, T32N, R11W, San Juan County, New Mexico. It is Northwest Pipeline's understanding that Great Western has not gone before the NMOCD for hearing yet.

In order to keep the spacing in the Fruitland Coal formation as orthodox as possible, Northwest as an offsetting working interest owner recommends that the spacing for this well include only Section 8. Northwest as the Cox Canyon Unit Operator also proposes that in Section 17, T32N, R11W two wells be drilled, one in the east half and the other in the west half. This would give Great Western a 50% working interest in two wells, the one drilled in Section 8 and the other drilled in the W/2 of Section 17.

Northwest also would like to discuss with Great Western a joint arrangement between the Cox Canyon Unit working interest owners and Great Western to develop a water disposal facility in this area.

Please give these recommendations your earliest consideration with a written response to my attention. Northwest will begin developing the Cox Canyon Fruitland Coal formation as soon as practical.

If you have any questions, please call me at (801) 584-7215.

Sincerely,

NORTHWEST PIPELINE CORPORATION

Darrell L. Gillen
Darrell L. Gillen
Land Manager

Great Western Drilling Co.
April 24, 1990
Page 2

DLG/cg

cc: W. O. Curtis
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Samuel Keasler - Arco
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