

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. 10070
ORDER NO. R-9306

*APPLICATION OF AMOCO PRODUCTION COMPANY
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 September 5, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 27th day of September, 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) At the time of the hearing this case was consolidated with Case Nos. 10071, 10072, 10073 and 10074 for purposes of testimony.

(3) The applicant, Amoco Production Company, seeks approval of a 342.54-acre non-standard gas spacing and proration unit comprising Lots 1, 2, 8, and 9 and the E/2 W/2 (W/2 equivalent) of Section 19 and Lots 2 and 6 and the E/2 NW/4 (NW/4 equivalent) of Section 30, both in Township 30 North, Range 8 West, Basin-Fruitland Coal Gas Pool, NMPM, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 equivalent of said Section 19.

(4) The Basin-Fruitland Coal Gas Pool is spaced on 320 acres pursuant to the Special Rules and Regulations as promulgated by Division Order No. R-8768.

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

(6) The proposed non-standard gas proration unit has previously been approved by Division Order No. R-120, for use in developing gas reserves in the Blanco-Mesaverde Pool, which is also spaced on 320-acre units and has proven to be effective in promoting orderly development in this area.

(7) The entire non-standard 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.

(8) No offsetting operator or interested party objected to the proposed non-standard gas proration unit.

(9) Approval of the subject application will afford the applicant the opportunity to produce his 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:

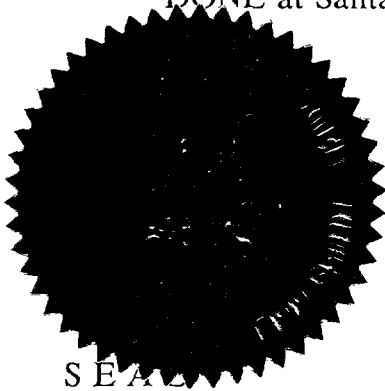
(1) The application of Amoco Production Company for a 342.54-acre non-standard gas spacing and proration unit in the Basin-Fruitland Coal Gas Pool comprising Lots 1, 2, 8, and 9 and the E/2 W/2 of Section 19 and Lots 2 and 6 and the E/2 NW/4 of Section 30, both in Township 30 North, Range 8 West, NMPM, San Juan County, New Mexico, is hereby approved.

(2) Said unit shall be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 equivalent of said Section 19.

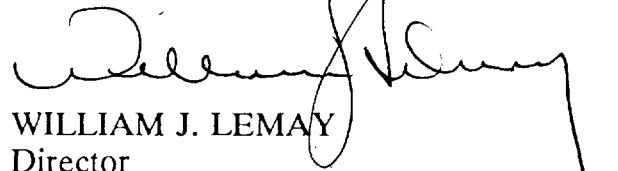
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



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WILLIAM J. LEMAY
Director