

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 6027 DE NOVO
Order No. R-5577-A

APPLICATION OF GREAT LAKES CHEMICAL
CORPORATION FOR A NON-STANDARD GAS
PRORATION UNIT, SAN JUAN COUNTY,
NEW MEXICO.



ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 11, 1978, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 24th day of January, 1978, the Commission, a quorum being present, having considered the testimony presented, and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That upon receipt of the application of Great Lakes Chemical Corporation for an order forming a 160-acre non-standard Blanco-Mesaverde gas proration unit comprising the SE/4 of Section 25, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, the Commission set the same for hearing as Case No. 6027 on September 14, 1977.
- (3) That this matter came on for hearing at 9:00 a.m. September 14, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.
- (4) That the testimony was heard by the Commission examiner, and, pursuant to said hearing, Commission Order No. R-5577 was entered on November 15, 1977, denying the application.
- (5) That on December 13, 1977, application for hearing DE NOVO was made and the matter was set for hearing before the Commission.
- (6) That the matter came on for hearing DE NOVO on January 11, 1978.

(7) That the applicant, Great Lakes Chemical Corporation, seeks approval of a 160-acre non-standard Blanco Mesaverde gas proration unit comprising the SE/4 of Section 25, Township 27 North, Range 8 West, NMPM, to be dedicated to a well drilled at a standard location thereon.

(8) That due to a unique working interest agreement applying to the E/2 of said Section 25, each quarter section therein should be developed as a separate 160-acre non-standard gas proration unit in said Blanco-Mesaverde Pool.

(9) That no owner of interest in said Section 25 or of any acreage offsetting the proposed non-standard proration unit appeared and objected to the application.

(10) That the entire proposed non-standard proration unit may reasonably be presumed to be productive of gas from the Blanco-Mesaverde Pool and should be efficiently and economically drained and developed by the aforesaid well.

(11) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blanco-Mesaverde 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:

(1) That a 160-acre non-standard gas proration unit in the Blanco-Mesaverde Pool comprising the SE/4 of Section 25, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, is hereby established and dedicated to a well drilled at a standard location in the SE/4 of said Section 25.

(2) That the acreage factor assigned to the aforesaid 160-acre non-standard unit for proration purposes shall be 0.5.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L
jr/