

CASE 6799: CAULKINS OIL COMPANY FOR A
NON-STANDARD GAS PRORATION UNIT, RIO
ARRIBA COUNTY, NEW MEXICO

CASE NO.

6799

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

February 20, 1980

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 6799
ORDER NO. R-6265

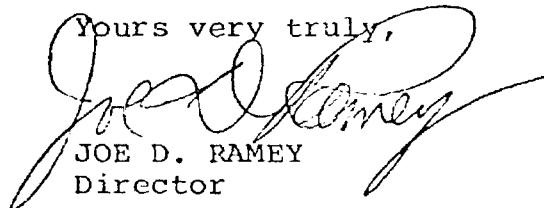
Applicant:

Caulkins Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	<u>X</u>
Artesia OCD	<u>X</u>
Aztec OCD	<u>X</u>

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 5799
Order No. R-6265

APPLICATION OF CAULKINS OIL COMPANY
FOR A NON-STANDARD GAS PRORATION
UNIT, RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 30, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of February, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Caulkins Oil Company, seeks approval of a 320-acre non-standard Blanco Mesaverde gas proration unit comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, NMPM, to be dedicated to a well to be drilled at a standard location thereon.

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

(4) That the aforesaid non-standard proration unit conforms to a previously approved non-standard proration unit dedicated to a producing well in the Basin-Dakota Pool and if

-2-

Case No. 6799
Order No. R-6265

approved, the proposed unit would allow the same lands to comprise two coinciding non-standard gas proration units.

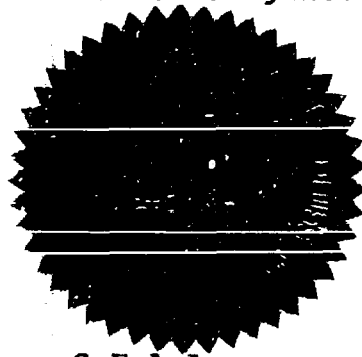
(5) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Blanco Mesaverde Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Caulkins Oil Company is hereby granted a 320-acre non-standard gas proration unit in the Blanco Mesaverde Pool comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

(2) That 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

fd/

Dockets Nos. 4-80 and 5-80 are tentatively set for February 13 and 27, 1980. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 30, 1980

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 6787: (Continued from January 16, 1980, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the approval of 12 non-standard proration units ranging in size from 261.51 acres to 334.24 acres for 320-acre spaced pools, and 19 non-standard proration units ranging in size from 162.65 acres to 207.57 acres for 160-acre spaced pools, all of the aforesaid units being in and resulting from the irregular size and shape of Sections 1 thru 7 and 18, 19, 30, and 31, along the North and West sides of Township 28 North, Range 3 West, Rio Arriba County.

CASE 6796: Application of Union Oil Company of California for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the SW/4 SW/4 of Section 1, Township 8 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6797: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp-Penn formations underlying the N/2 of Section 28, Township 18 South, Range 29 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6798: Application of Estoril Producing Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Curry Federal Well No. 1, to be drilled 1980 feet from the South line and 660 feet from the East line of Section 22, Township 23 South, Range 34 East, Antelope Ridge-Morrow Gas Pool, the S/2 of said Section 22 to be dedicated to the well.

CASE 6799: Application of Caulkins Oil Company for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6794: (Continued from January 16, 1980, Examiner Hearing)

Application of Caulkins Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tooto Gallup and Dakota production in the wellbore of its Breech "D" Well No. 140 located in Unit A of Section 11, Township 26 North, Range 6 West.

CASE 6800: Application of Caulkins Oil Company for dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Breech "E" Wells Nos. 83-E located in Unit L of Section 5 and 54-E and 68-E located in Units P and L of Section 4; Breech "A" No. 268-E located in Unit P of Section 16; and Breech "D" No. 346 located in Unit D of Section 22, all in Township 26 North, Range 6 West, in such a manner as to produce gas from the Dakota formation and commingled Chacra and Mesaverde production through parallel strings of tubing.

CASE 6801: Application of Caulkins Oil Company for a dual completion and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Breech "C" Well No. 248-E located in Unit D of Section 13, Township 26 North, Range 6 West, in such a manner as to produce commingled Tapacito-Gallup and Dakota production and commingled Chacra and Mesaverde production through parallel strings of tubing.

CASE 6790: (Continued from January 16, 1980, Examiner Hearing)

Application of Merrion & Bayless for gas well commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to temporarily commingle certain of its Pictured Cliffs gas wells in Sections 1, 2, 3, 9, 10, and 11, Township 26 North, Range 13 West, in a common gathering system and meter the entire lease output through the purchaser's sales meter located in Unit M of said Section 7.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
30 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company) CASE
for a non-standard gas proration) 6799
unit. Rio Arriba County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I N D E X

CHARLES VERQUER

Direct Examination by Mr. Kellahin 3

Cross Examination by Mr. Stamets 6

E X H I B I T S

Applicant Exhibit One, Document 4

Applicant Exhibit Two, Plat 4

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MR. STAMETS: We'll call next Case 6799.

MR. PADILLA: Application of Caulkins Oil Company for a non-standard gas proration unit, Rio Arriba County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of Caulkins Oil Company, and I have one witness.

(Witness sworn.)

CHARLES VERQUER

being called as a witness and having been duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name, by whom you're employed, and in what capacity?

A My name is Charles Verquer. I'm employed by Caulkins Oil Company, and their Field Superintendent in northwest New Mexico.

Q Mr. Verquer, have you previously testified before the Oil Conservation Division and had your qualifications as an expert witness accepted and made a matter of record?

SALLY W. BOYD, C.S.R.

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Phone (505) 455-7409

1 A. I have.

2 Q. What professional degree do you hold?

3 A. I don't. All my experience is in the
4 field.

5 MR. KELLAHIN: We tender Mr. Verquer
6 as an expert witness.

7 MR. STAMETS: The witness is considered
8 qualified.

9 Q. Would you please refer to the plat that
10 we've marked, I believe, as Exhibit Number Two, and in con-
11 nection therewith would you refer also to the information
12 you've outlined on Exhibit Number One? First of all, Mr.
13 Verquer, would you identify the proposed proration unit in-
14 volved in this case and identify to the Examiner what
15 you're seeking to accomplish?

16 A. This proration unit on the State lease
17 in Section 16, 26 North, 6 West, the original Dakota well
18 was drilled in the northeast quarter. It was drilled in
19 the southeast quarter of the northeast quarter. So to drill
20 an infill well and proceed with a complete program on it,
21 we would need to drill the second Dakota well in the south-
22 east quarter.

23 This acreage is already -- was dedicated
24 to the Dakota, which includes the south half of the northeast
25 quarter, the southeast quarter, and the south half of the

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1 southwest quarter, which is an unorthodox unit.

2 We are planning to drill this new well
3 and complete it in the Mesaverde zone and we're just asking
4 to have the Mesaverde -- or have the acreage approved to
5 conform with the Dakota acreage.

6 Q Let me see if I understand you, Mr.
7 Verquer.

8 The acreage is already dedicated to a
9 non-standard Dakota proration unit.

10 A That is correct.

11 Q And you want to dedicate the same acreage
12 configuration in Section 16 to the Mesaverde production.

13 A That is correct.

14 Q And where will your well be located,
15 then?

16 A The well will be in -- it will be in the --
17 it's a standard location in the north -- excuse me, in the
18 southeast quarter of the southeast quarter.

19 Q That's the well you've circled as 268-E?

20 A Yes, sir.

21 Q All right, my point is, that is a stand-
22 ard location.

23 A Yes, sir, it is standard location.

24 Q With regards to the non-standard pro-
25 ration unit, Mr. Verquer, what is the situation concerning

SALLY W. BOYD, C.S.R.
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Phone (505) 455-7409

1 the ownership of the minerals?

2 A They are all common for the complete
3 section. We are the owner and operator of the complete
4 section.

5 Q What is the order number that approved
6 the non-standard proration unit for the Dakota zone?

7 A 1845, R-1845.

8 Q Were Exhibits One and Two prepared by
9 you, Mr. Verquer?

10 A They were.

11 Q And in your opinion will approval of
12 this application be in the best interests of conservation,
13 the prevention of waste, and the protection of correlative
14 rights?

15 A It will.

16 MR. KELLAHIN: If the Examiner please,
17 we move the introduction of Exhibits One and Two.

18 MR. STAMETS: These exhibits will be
19 admitted.

20
21 CROSS EXAMINATION

22 BY MR. STAMETS:

23 Q Mr. Verquer, if the ownership is common
24 throughout, why was the non-standard unit set up in the
25 first place?

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A. I might have misstated that. It is not common throughout. It is common on this one and it would be common on the other one. The north half of the northeast and northwest quarters are a different lease number than the rest of the section.

Q. Okay.

MR. STAMETS: Any other questions of the witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-3
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing *
a complete record of the proceedings in
the Examiner hearing of Case No. 6299
heard by me on 1-30 1980.
Richard L. Hammett, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
30 January 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of Caulkins Oil Company) CASE
for a non-standard gas proration) 6799
unit, Rio Arriba County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Ernest L. Padilla, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & KELLAHIN
500 Don Gaspar
Santa Fe, New Mexico 87501

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Phone (505) 435-7479

I N D E X

CHARLES VERQUIER

Direct Examination by Mr. Kellahin	3
Cross Examination by Mr. Stamets	6

E X H I B I T S

Applicant Exhibit One, Document	4
Applicant Exhibit Two, Plat	4

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Phone (505) 435-7409

1 A I have.

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4 field.

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23 A Yes, sir, it is standard location.

24 Q With regards to the non-standard pro-
25 ration unit, Mr. Verquer, what is the situation concerning

SALLY W. BOYD, C.S.R.

Rt. 1 Box 195-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1 the ownership of the minerals?

2 A They are all common for the complete
3 section. We are the owner and operator of the complete
4 section.

5 Q What is the order number that approved
6 the non-standard proration unit for the Dakota zone?

7 A 1945, R-1945.

8 Q Were Exhibits One and Two prepared by
9 you, Mr. Verquer?

10 A They were.

11 Q And in your opinion will approval of
12 this application be in the best interests of conservation,
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Q Okay.

MR. STAMETS: Any other questions of the witness? He may be excused.

Anything further in this case?

The case will be taken under advisement.

(Hearing concluded.)

REPORTER'S CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the attached Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

SALLY W. BOYD, C.S.R.

Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. _____, heard by me on _____ 19____.

_____, Examiner
Oil Conservation Division

CAULKINS OIL CO.

Post Office Box 780
Farmington, New Mexico 87401

Well No. 268 E

Case No. 6799

Proposal

Establish 320 acre Non Standard Gas Proration Unit for Mesa Verde Section to conform with Dakota Non Standard Gas Proration Unit, which consists of South half of Northeast Quarter, Southeast Quarter, and South half of Southwest Quarter, Section 16, 26 North 6 West, Rio Arriba County, New Mexico.

All ownership and Royalty interests common for this proposed Non Standard Unit.

Caulkins Oil Company is owner and operator of all of Section 16, 26 North 6 West. State Lease No. E 291-17.

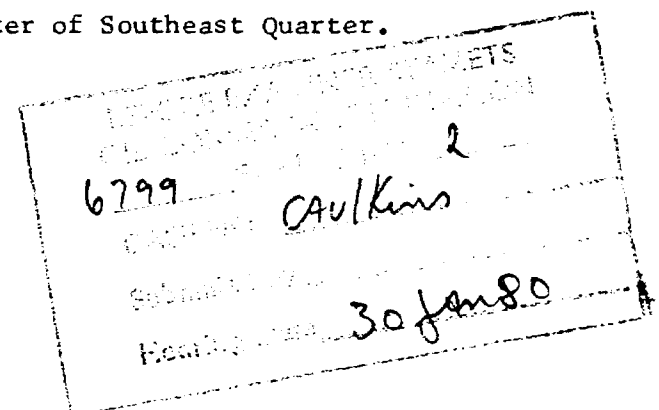
Order No. 1845 approved Non Standard Unit for Dakota Zone.

Exhibit #1

Section map showing all Caulkins Oil Company wells and all offset wells.

Non Standard Proration Unit in Section 16 color coded red.

Well location 268 E located in Southeast Quarter of Southeast Quarter.



CAULKINS OIL CO.

Post Office Box 780
Farmington, New Mexico 87401

Well No. 268 E

Case No. 6799

Proposal

Establish 320 acre Non Standard Gas Proration Unit for Mesa Verde Section to conform with Dakota Non Standard Gas Proration Unit, which consists of South half of Northeast Quarter, Southeast Quarter, and South half of Southwest Quarter, Section 16, 26 North 6 West, Rio Arriba County, New Mexico.

All ownership and Royalty interests common for this proposed Non Standard Unit.

Caulkins Oil Company is owner and operator of all of Section 16, 26 North 6 West. State Lease No. E 291-17.

Order No. 1845 approved Non Standard Unit for Dakota Zone.

Exhibit #1

Section map showing all Caulkins Oil Company wells and all offset wells.

Non Standard Proration Unit in Section 16 color coded red.

State 17
Well location 268 E located in Southeast Quarter of Southeast Quarter.

CAULKINS OIL CO.

Post Office Box 780
Farmington, New Mexico 87401

Well No. 268 E

Case No. 6799

Proposal

Establish 320 acre Non Standard Gas Proration Unit for Mesa Verde Section to conform with Dakota Non Standard Gas Proration Unit, which consists of South half of Northeast Quarter, Southeast Quarter, and South half of Southwest Quarter, Section 16, 26 North 6 West, Rio Arriba County, New Mexico.

All ownership and Royalty interests common for this proposed Non Standard Unit.

Caulkins Oil Company is owner and operator of all of Section 16, 26 North 6 West. State Lease No. E 291-17.

Order No. ^{R-}1845 approved Non Standard Unit for Dakota Zone.

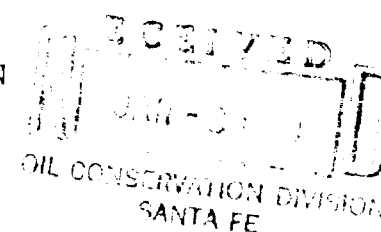
Exhibit #1

Section map showing all Caulkins Oil Company wells and all offset wells.

Non Standard Proration Unit in Section 16 color coded red.

Well location 268 E located in Southeast Quarter of Southeast Quarter.

BEFORE THE OIL CONSERVATION DIVISION
DEPARTMENT OF ENERGY
STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF
CAULKINS OIL COMPANY FOR APPROVAL OF
A NON-STANDARD PRORATION UNIT, RIO
ARRIBA COUNTY, NEW MEXICO

No. 6229

APPLICATION

COMES NOW CAULKINS OIL COMPANY and applies to the Oil Conservation Division of New Mexico for approval of a non-standard proration unit, Rio Arriba County, New Mexico and would show the Division:

1. Applicant is the operator of a non-standard proration unit consisting of 320 acres already approved by the Oil Conservation Division for the Basin Dakota Pool by Order No. R-1845.

2. Applicant now seeks to dedicate the same non-standard proration for production from the Blanco Mesa Verde Pool, Rio Arriba County, New Mexico.

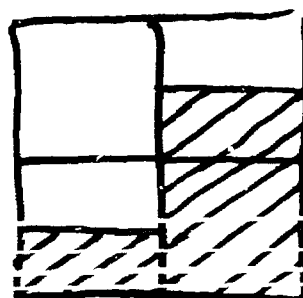
3. The proposed non-standard proration unit of 320 acres is described as follows:

T26N, R6W, NMPM

Section 16: SE/4
S/2NE/4
S/2SW/4

4. Approval of this application will not impair correlative rights, will prevent waste, and will be in the best interests of conservation.

WHEREFORE, Applicant requests that this matter be set for hearing and that after notice and hearing, the application be granted as requested.



CAULKINS OIL COMPANY

By 

W. Thomas Kellahin

KELLAHIN & KELLAHIN

P. O. Box 1769

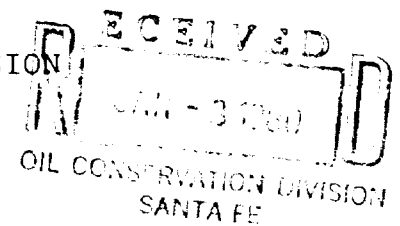
Santa Fe, New Mexico 87501

Phone: 982 4285

BEFORE THE OIL CONSERVATION DIVISION

DEPARTMENT OF ENERGY

STATE OF NEW MEXICO



IN THE MATTER OF THE APPLICATION OF
CAULKINS OIL COMPANY FOR APPROVAL OF
A NON-STANDARD PRORATION UNIT, RIO
ARRIBA COUNTY, NEW MEXICO

No. 6299

APPLICATION

COMES NOW CAULKINS OIL COMPANY and applies to the Oil Conservation Division of New Mexico for approval of a non-standard proration unit, Rio Arriba County, New Mexico and would show the Division:

1. Applicant is the operator of a non-standard proration unit consisting of 320 acres already approved by the Oil Conservation Division for the Basin Dakota Pool by Order No. R-1845.

2. Applicant now seeks to dedicate the same non-standard proration for production from the Blanco Mesa Verde Pool, Rio Arriba County, New Mexico.

3. The proposed non-standard proration unit of 320 acres is described as follows:

T26N, R6W, NMPM

Section 16: SE/4
S/2NE/4
S/2SW/4

4. Approval of this application will not impair correlative rights, will prevent waste, and will be in the best interests of conservation.

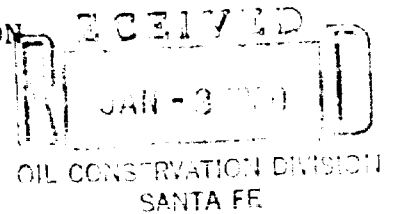
WHEREFORE, Applicant requests that this matter be set for hearing and that after notice and hearing, the application be granted as requested.

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IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Order No. R- 6265

APPLICATION OF CAULKINS OIL COMPANY
FOR A NON-STANDARD ^{GAS} PRODUCTION UNIT,
RIO ARRIBA COUNTY, NEW MEXICO.

BY THE DIVISION:

NOW, on this _____ day of February, 1980, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Caulkins Oil Company
seeks approval of a 320-acre non-standard gas proration unit
comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Town-
ship 26 North, Range 6 West, NMPM, to be dedicated to
a well ~~to be drilled at a standard location thereon.~~
~~located~~ ~~located in~~

X X

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Blanco Mesaverde Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(14) That the aforesaid ~~land is already~~ non-standard provision unit conforms to a previously approved non standard provision dedicated to a production well in the Basin Dakota Pool and if approved, the proposed unit would allow the same ~~land~~ to comprise two coinciding non standard provision units.

(6) (u) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Blanco Mesaverde ~~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:

Faulkner Oil Company is hereby granted
(1) That a 320-acre non-standard gas proration unit in the Blanco Mesaverde ~~Gas~~ Pool comprising the SE/4, S/2 NE/4 and S/2 SW/4 of Section 16, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, ~~is hereby established and dedicated to~~ *to be* ~~drilled~~ at a standard location thereon. ~~located in Unit of said Section~~

(2) That 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.