

Entered August 7, 1972
W.L.P.

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. 4763
Order No. R-4353

APPLICATION OF BLACK RIVER
CORPORATION FOR COMPULSORY
POOLING AND NON-STANDARD
PRORATION UNIT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 12, 1972,
at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 7th day of August, 1972, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Black River Corporation, seeks an
order pooling all mineral interests in the Washington Ranch-
Morrow Gas Pool underlying the E/2 of Section 3, Township 26
South, Range 24 East, NMPM, Eddy County, New Mexico, to form a
409.22-acre non-standard gas proration unit to be dedicated to
its Cities "3" Federal Well No. 2, located 2212 feet from the
North line and 1998 feet from the East line of said Section 3.

(3) That the applicant has the right to drill and has
completed its Cities "3" Federal Well No. 2, as described above
in the Washington Ranch-Morrow Gas Pool.

(4) That there are interest owners in the proposed non-
standard proration unit who have not agreed to pool their
interests.

(5) That the evidence indicates that the entire E/2 of
the above-described Section 3 can reasonably be presumed pro-
ductive of gas in the Washington Ranch-Morrow Gas Pool.

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(6) That the entire E/2 of the above-described Section 3 can be efficiently and economically drained and developed by the Cities "3" Federal Well No. 2.

(7) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said non-standard unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all mineral interest, whatever they may be, within said unit.

(8) That the applicant should be designated the operator of the subject well and unit.

(9) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Washington Ranch-Morrow Gas Pool underlying the E/2 of Section 3, Township 26 South, Range 24 East, NMPM, Eddy County, New Mexico, are hereby pooled to form a 409.22-acre non-standard gas proration unit to be dedicated to Black River Corporation's Cities "3" Federal Well No. 2, located 2212 feet from the North line and 1998 feet from the East line of said Section 3.

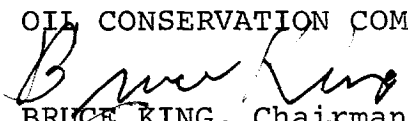
(2) That Black River Corporation is hereby designated the operator of the subject well and unit.

(3) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Eddy County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(4) 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


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr. Member & Secretary

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