

Entered June 7, 1979
JHR

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. 6536
Order No. R-6019

APPLICATION OF BLACK RIVER CORP.
FOR TWO NON-STANDARD GAS PRORATION
UNITS, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 23, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of June, 1979, 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, Black River Corp., seeks approval
of two 80-acre non-standard gas proration units comprising the
N/2 SE/4 of Section 22, Township 23 South, Range 36 East, NMPM,
to be dedicated to its well to be drilled in Unit J of said
Section 22 and the S/2 SE/4 of said Section 22 to be dedicated
to El Paso Natural Gas Company's Shell State Well No. 3 located
in Unit P.

(3) That for each of the above non-standard proration units,
the entire unit may reasonably be presumed productive of gas from
the Jalmat Gas Pool and that the entire unit can be efficiently
and economically drained and developed by the unit well.

(4) That El Paso Natural Gas Company has granted the appli-
cant a farmout on the N/2 SE/4 of said Section 22 and concurs
in the application for the non-standard proration units.

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(5) That approval of the subject application will afford both the applicant and El Paso Natural Gas Company the opportunity to produce their just and equitable share of the gas in the Jalmat 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:

(1) That two 80-acre non-standard gas proration units in the Jalmat Gas Pool comprising the N/2 SE/4 and the S/2 SE/4 of Section 22, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, are hereby established and dedicated, respectively, to the Black River Corporation well to be drilled in Unit J of said Section 22, and to El Paso Natural Gas Company's Shell State Well No. 3 located in Unit P of said Section 22.

(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.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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