

Entered March 2, 1970
C.L.F.

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. 4313
Order No. R-3929

APPLICATION OF ATLANTIC RICHFIELD COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 25, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 2nd day of March, 1970, 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, Atlantic Richfield Company, is the owner and operator of the State 367 Wells Nos. 2 and 3, located in Unit L and K, respectively, of Section 36, Township 21 South, Range 37 East, NMPM, Blinebry Gas Pool, Lea County, New Mexico.

(3) That the applicant seeks approval of a 160-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the N/2 S/2 of said Section 36 to be simultaneously dedicated to its aforesaid State 367 Wells Nos. 2 and 3.

(4) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the aforesaid wells in any proportion.

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(5) That the NE/4 SW/4 and NW/4 SE/4 of said Section 36 is presently dedicated to Well No. 3 in the Blinebry Gas Pool.

(6) That the NW/4 SW/4 of said Section 36 is presently dedicated to Well No. 2 in the Blinebry Gas Pool.

(7) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid State 367 Wells Nos. 2 and 3.

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

(9) That Order (1) of Order No. R-711 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective March 1, 1970, a 160-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the N/2 S/2 of Section 36, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Atlantic Richfield Company State 367 Wells Nos. 2 and 3, located in Units L and K, respectively, of said Section 36.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 160 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That the status of said unit shall be the combined status, as of March 1, 1970, of the units presently dedicated to said Wells Nos. 2 and 3.

(4) That Order No. (1) of Commission Order No. R-711, which approved a non-standard Blinebry gas proration unit comprising a portion of the subject lands, is hereby superseded.

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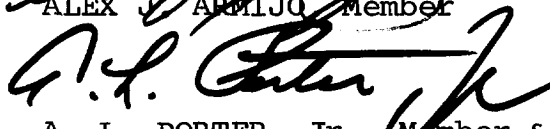
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


A. L. PORTER, Jr., Member & Secretary

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