

Entered March 16, 1980
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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. 6784
Order No. R-6281

APPLICATION OF MERRION & BAYLESS
FOR A NON-STANDARD PRORATION UNIT
AND AN UNORTHODOX GAS WELL LOCATION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 13, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of March, 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, Merrion & Bayless, seeks approval of a 640-acre non-standard gas proration unit comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, NMPM, to be dedicated to its Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

(3) That there is reasonable doubt as to whether the entire non-standard proration unit described above may reasonably be presumed productive of gas from the Barker Creek-Paradox Pool, or that the entire non-standard gas proration unit could be efficiently and economically drained and developed by the aforesaid well.

(4) That at the hearing, applicant proposed that as an alternative to the above-described 640-acre non-standard proration unit, a 320-acre non-standard unit comprising the W/2 of

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Section 19 only be considered, to be dedicated to the subject well.

(5) That the non-standard unit described in Finding No. (4) above may reasonably be presumed to be productive of gas from the Barker Creek-Paradox Pool, and the entire unit can be efficiently and economically drained and developed by the aforesaid well.

(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Barker Creek-Paradox 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 the application of Merrion & Bayless for a 640-acre non-standard gas proration unit in the Barker Creek-Paradox Pool comprising the W/2 of Section 18 and the W/2 of Section 19, Township 32 North, Range 14 West, NMPM, San Juan County, New Mexico, is hereby denied, and a 320-acre non-standard gas proration unit comprising the W/2 of Section 19, Township 32 North, Range 14 West, Barker Creek-Paradox Pool, San Juan County, New Mexico, is hereby established and dedicated to applicant's Ute Well No. 7 at an unorthodox location 1685 feet from the South line and 3335 feet from the East line of said Section 19.

(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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