

Entered October 21, 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. 6965
Order No. R-6497

APPLICATION OF SUPRON ENERGY
CORPORATION 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 July 9, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of October, 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, Supron Energy Corporation, is the
owner of all working interest rights in the Mesaverde formation
underlying the SE/4 of Section 8, Township 25 North, Range 3
West, NMPM, Rio Arriba County, New Mexico, and proposes the
establishment of a 160-acre non-standard gas proration unit in
the Blanco Mesaverde Pool comprising said lands to be dedicated
to a well it proposes to drill at a standard location thereon.

(3) That the applicant in Case No. 6896, John E. Schalk,
proposes the establishment of a 160-acre non-standard gas pro-
ration unit in the Blanco Mesaverde Pool comprising the NE/4 of
Section 8, Township 25 North, Range 3 West, NMPM, Rio Arriba
County, New Mexico, to be dedicated to a well he proposes to
drill at a standard location thereon.

-2-

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Order No. R-6497

(4) That by Order No. R-1670-T, dated November 14, 1974, the Division authorized the drilling of a second well on each 320-acre Blanco Mesaverde proration unit, thereby creating in effect a 160-acre spacing pattern for said pool.

(5) That the W/2 of Section 8 comprises a 320-acre Blanco Mesaverde gas proration unit, and has dedicated thereto two wells, one in the NW/4 of the section and the other in the SW/4 of the section.

(6) That approval of the subject application, together with the application in Case No. 6896, to form two 160-acre non-standard units in the E/2 of Section 8 would authorize the full development of the E/2 of Section 8 by the drilling of two wells thereon, and would save the administrative overhead and legal expense which would be required by the communitization of the NE/4 and SE/4 of the section to form a single 320-acre unit to be dedicated to two wells.

(7) That approval of the application in this case will prevent waste and will not impair correlative rights.

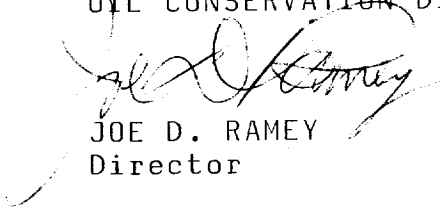
IT IS THEREFORE ORDERED:

(1) That the applicant, Supron Energy Corporation, is hereby granted approval for a 160-acre non-standard gas proration unit comprising the SE/4 of Section 8, Township 25 North, Range 3 West, NMPM, Blanco Mesaverde Pool, 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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