

Entered March 17, 1981
JCR

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. 7153
Order No. R-6601

APPLICATION OF C & E OPERATORS,
INC. FOR COMPULSORY POOLING AND
A NON-STANDARD PRORATION UNIT,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 11, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of March, 1981, 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, C & E Operators, Inc., seeks an order pooling all mineral interests in the Mesaverde formation underlying a 158.54-acre non-standard gas proration unit comprising the SW/4 of Section 8, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well at a standard location thereon.

(4) That at the time of the hearing all interest owners in the proposed proration unit had agreed to pool their interests.

(5) That that portion of the subject case seeking compulsory pooling of said non-standard proration unit should be dismissed.

-2-

Case No. 7153

Order No. R-6601

(6) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Blanco Mesaverde Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(7) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Blanco Mesaverde 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:

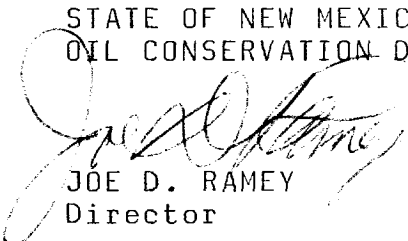
(1) That C & E Operators, Inc. is hereby granted a 158.54-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool comprising the SW/4 of Section 8, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

(2) That the application for compulsory pooling of said non-standard proration unit is hereby dismissed.

(3) 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

S E A L

fd/