

Entered August 17, 1984
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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
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 8285
Order No. R-7630

APPLICATION OF GREENWOOD
RESOURCES, INC. TO VACATE AND
VOID DIVISION ORDER NO. R-7482,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 1, 1984, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 13th day of August, 1984, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Greenwood Resources, Inc., seeks to vacate and void Division Order No. R-7482, which authorized a 70.57-acre non-standard oil proration unit for Slayton Oil Corporation, comprised of Lots 8 and 9, including 13.06 plus acres, more or less, of riparian lands south of the center of the river, in Section 18, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico, in the Cha Cha-Gallup Oil Pool.

(3) That there is a standard 80-acre oil proration unit comprising Lots 1 and 2 and approximately 3.64 acres, more or less, of riparian lands north of the center of the river in said Section 18.

(4) That Division Order No. R-7482 created a hiatus between the standard proration unit to the north and the

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non-standard proration unit to the south of 9.43 acres,
more or less.

(5) That the applicant is the lessee of the said
9.43-acre hiatus which is not dedicated to any proration
unit in the Cha Cha-Gallup Oil Pool.

(6) That the applicant has been willing and able to
voluntarily form a standard 80-acre oil proration and spacing
unit, with Slayton Oil Corporation, comprising the S/2 NE/4
of said Section 18.

(7) That Slayton Oil Corporation had knowledge of the
applicant's ownership of the minerals underlying the 9.43-
acre tract.

(8) That Order No. R-7482 will violate the correlative
rights of the applicant in that the 9.43-acre tract cannot
be developed and dedicated to any proration and spacing unit.

(9) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That Division Order No. R-7482 is hereby vacated
and made void.

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

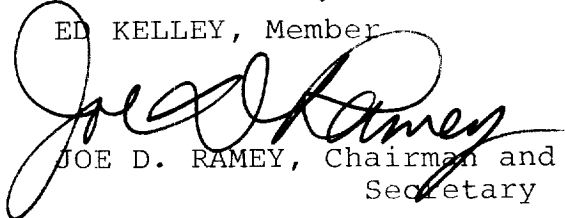
DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, Member



ED KELLEY, Member



JOE D. RAMEY, Chairman and
Secretary

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