

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9560
ORDER NO. R-8845

APPLICATION OF NASSAU RESOURCES, INC.
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 8:15 a.m. on December 21, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 17th day of January, 1989, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) At the time of the hearing this case was consolidated with Case No. 9559 for the purpose of testimony.

(3) The applicant, Nassau Resources, Inc., seeks approval of a 369.20-acre non-standard gas proration unit comprising all of Irregular Section 2, Township 31 North, Range 5 West, NMPM, to be dedicated to a well to be drilled at a standard coal gas well location 2000 feet from the South line and 2200 feet from the West line (Unit K) of said Section 2.

(4) The formation of the subject unit is necessitated because of the irregular size and shape of the township which is a result of a survey correction in this area.

(5) The entire non-standard proration unit may reasonably be presumed productive of gas from the Basin Fruitland Coal (Gas) Pool and the entire non-standard coal gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(6) No interested party appeared and/or opposed the subject application.

Case No. 9560
Order No. R-8845
Page No. 2

(7) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Basin-Fruitland Coal (Gas) Pool, will ensure systematic development of this pool in the area, will prevent 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 THAT:

(1) A 369.20-acre non-standard gas proration unit in the Basin-Fruitland Coal (Gas) Pool comprising all of Irregular Section 2, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, is hereby established and dedicated to a well to be drilled at a standard coal gas well location 2000 feet from the South line and 2200 feet from the West line (Unit K) of said Section 2.

(2) 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

Victor 2. Lynn
for WILLIAM J. LEMAY
Director

S E A L