

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. 10181
ORDER NO. R-9411*

APPLICATION OF TAHOE ENERGY, INC. FOR A
NON-STANDARD GAS PRORATION UNIT, LEA
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 19, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 23rd day of January, 1991 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) The applicant, Tahoe Energy, Inc., seeks approval of a 160.19-acre non-standard gas proration unit comprising Lot 1, the SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of Section 3, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, said unit to be dedicated to its White Cloud Well No. 1 to be drilled at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 3.

(3) By Division Order No. R-9102, dated January 17, 1990, the following three non-standard Jalmat Gas spacing and proration units were formed in said Section 3:

1. 160.23 acres, comprising Lot 2, SW/4 NE/4, and W/2 SE/4;

2. 160.25 acres comprising Lot 3, SE/4 NW/4, and E/2 SW/4; and,
3. 160.29 acres comprising Lot 4, SW/4 NW/4, and W/2 SW/4.

(4) The remaining acreage forming the proposed non-standard unit is presently undeveloped in the Jalmat Gas Pool and is not currently dedicated to any well.

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

(6) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat 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 THAT:

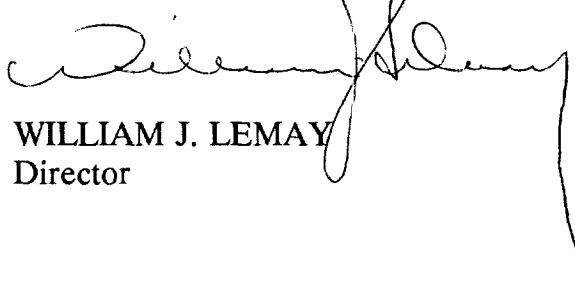
(1) The application of Tahoe Energy, Inc. for a 160.19-acre non-standard gas proration unit in the Jalmat Gas Pool comprising Lot 1, the SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of Section 3, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established.

(2) Said unit is to be dedicated to the White Cloud Well No. 1 to be drilled at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 3.

(3) 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


WILLIAM J. LEMAY
Director

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