STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 7319 Order No. R-6760

APPLICATION OF CONSOLIDATED OIL & GAS, INC. FOR SIX 160-ACRE MESAVERDE PRORATION UNITS, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 12, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>26th</u> day of August, 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, Consolidated Oil & Gas, Inc., seeks approval of six 160-acre non-standard gas proration units in the Blanco Mesaverde Pool, said units to comprise the NW/4 and SW/4 of Section 18 and the SW/4 and SE/4 of Section 7, both in Township 31 North, Range 12 West, and the NE/4 and SE/4 of Section 3, Township 31 North, Range 13 West, each unit to be dedicated to an existent well already drilled thereon.
- (3) That the aforesaid six non-standard proration units would be created by splitting three standard 320-acre units, each of which has an original well, and an infill well thereon, and is occasioned by certain administrative problems relating to well names and numbers.
- (4) That the creation of the six non-standard units out of three standard units will not cause waste nor impair correlative rights and should be approved provided however provision

AUG 3 1 1981 OIL CON. COM. DIST. 3 -2-Case No. 7319 Order No. R-6760

should be made for administrative abolishment of the non-standard units and reversion to standard units in the event allowable and over/under production problems should render the smaller size units impracticable.

IT IS THEREFORE ORDERED:

Unit Description

(1) That six 160-acre non-standard gas proration units in the Blanco Mesaverde Pool, San Juan County, New Mexico, are hereby created and dedicated to wells as follows:

SW/4 Sec. 07, Twp 31N, Rge 12W Owen No. 1, Unit M	
SE/4 Sec. D7, Twp 31N, Rge 12₩ Gross No. 1, Unit I ✓	/
NW/4 Sec. 18, Twp 31N, Rge 12W Arnstein No. 1, Unit B	K
SW/4 Sec. 18, Twp 31N, Rge 12W Reid No. 1, Unit M	
NE/4 Sec. 03, Twp 31N, Rge 13W Alberding No. 1, Unit Av	
SE/4 Sec. 03, Twp 31N, Rge 13₩ Landauer No. 1, Unit ₹/	1

- (2) That the Division Director shall have the authority to administratively cancel any pair of the aforesaid non-standard proration units and revert the affected lands back to a standard 320-acre proration unit upon a showing by the operator that allowable and/or over/under production problems are resulting from the size of the non-standard units, in which case the Division's standard well name and number system will be applicable.
- (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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Dedicated Well

JOE D. RAMEY

Director

S E A L fd/