Entered Celler 7, 1738

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 1500 Order No. R-1255

APPLICATION OF SINCLAIR OIL & GAS COMPANY FOR ESTABLISHMENT OF A 200-ACRE NON-STANDARD GAS PRORATION UNIT IN THE BLINEBRY GAS POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 10, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission, of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 39^{\pm} day of September, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Sinclair Oil & Gas Company, is the co-owner and operator of the SW/4 and the SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the operator of the J. R. Cone "A" Well No. 2, located 1980 feet from the South line and 660 feet from the West line of said Section 26.

(4) That the applicant proposes the establishment of a 200-acre non-standard gas proration unit in the Blinebry Gas Pool for the said J. R. Cone "A" Well No. 2, to consist of the SW/4 and the SW/4 SE/4 of said Section 26.

(5) That a standard gas proration unit in the Blinebry Gas Pool is 160 acres, as established by Order No. R-610.

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(6) That two operators offsetting the proposed nonstandard unit objected to the formation of such non-standard unit.

(7) That applicant failed to prove that the above-described J. R. Cone "A" Well No. 2 can efficiently drain and develop 200 acres in the Blinebry Gas Pool.

(8) That the production of a 200-acre allowable from the Blinebry Gas Pool by the said J. R. Cone "A" Well No. 2 would, impair the correlative rights of offset operators.

(9) That the subject application should be denied.

IT IS THEREFORE ORDERED:

That the application of Sinclair Oil & Gas Company for a 200-acre non-standard gas proration unit in the Blinebry Gas Pool, consisting of the SW/4 and the SW/4 SE/4 of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby denied.

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

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EDWIN L. MECHEM, Chairman

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MURRAY E. MORGAN, Member

A. L. PORTER, Jr.,' Member & Secretary

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