Entered June 12, 1978 Sale

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

> CASE NO. 6227 Order No. R-5737

APPLICATION OF UNION TEXAS PETROLEUM FOR A NON-STANDARD PRORATION UNIT, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 17, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>12th</u> day of June, 1978, 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, Union Texas Petroleum, seeks approval of a 209.5-acre non-standard gas proration unit comprising the W/2 of partial Section 7, Township 31 North, Range 9 West, NMPM, to be dedicated to a well drilled at a standard location thereon.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Blanco-Pictured Cliffs Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Blanco-Pictured Cliffs 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. -2-Case No. 6227 Order No. R-5737

IT IS THEREFORE ORDERED:

(1) That Union Texas Petroleum is hereby authorized a 209.5-acre non-standard gas proration unit in the Blanco-Pictured Cliffs Pool comprising the W/2 of partial Section 7, Township 31 North, Range 9 West, NMPM, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

(2) 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 hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION DIVISION JOE D. RAMEY Director

SEAL

fd/