

Entered August 1, 1978

JGR

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. 6253  
Order No. R-5777

APPLICATION OF MERRION & BAYLESS  
FOR A NON-STANDARD PRORATION UNIT  
AND UNORTHODOX LOCATION, RIO ARRIBA  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 19, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of August, 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, Merrion & Bayless, seeks approval of a 366.44-acre non-standard gas proration unit comprising the W/2 of Sections 30 and 31, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the North line and 750 feet from the East line of said Section 30.

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

-2-

Case No. 6253  
Order No. R-5777

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blanco Mesaverde 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.

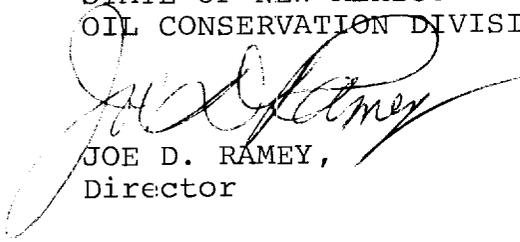
IT IS THEREFORE ORDERED:

(1) That Merrion and Bayless are hereby granted a 366.44-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool comprising the W/2 of Sections 30 and 31, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the North line and 750 feet from the East line of said Section 30.

(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

S E A L

dr/