Entered May 20, 1981 JAK

## 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. 7239 Order No. R-6687

APPLICATION OF TROY STRICKLAND AND E. V. ISBELL 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 6, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>20th</u> day of May, 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 applicants, Troy Strickland and E. V. Isbell, seek approval of a 76.4-acre non-standard Gallup oil proration unit comprising Lot 3 and that portion of Lot 4 North of the San Juan River mid-channel, all in Section 14, Township 29 North, Range 15 West, NMPM, to be dedicated to a well to be drilled at a standard location thereon.

(3) That the entire non-standard proration unit may reasonably be presumed productive of oil from the Cha Cha-Gallup Oil Pool and that the entire non-standard 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 oil in the Cha Cha-Gallup Oil Pool, will prevent -2-Case No. 7239 Order No. R-6687

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 Troy Strickland and E. V. Isbell are hereby authorized a 76.4-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool comprising Lot 3 and that portion of Lot 4 North of the San Juan River mid-channel, all in Section 14, Township 29 North, Range 15 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 Niv ĴΟE D. RAMEY Director

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