

Entered June 11, 1982
JAP

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. 7588
Order No. R-7006

APPLICATION OF CAULKINS OIL COMPANY
FOR A NON-STANDARD GAS PRORATION
UNIT, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 26, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of June, 1982, 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, Caulkins Oil Company, seeks approval of a 320-acre non-standard Blanco Mesaverde gas proration unit comprising the NW/4, N/2 NE/4 and N/2 SW/4 of Section 16, Township 26 North, Range 6 West, NMPM, to be dedicated to its State "B" Well No. 233E, located in Unit K of said Section 16.
- (3) That said non-standard Blanco-Mesaverde proration unit would overlie an existing non-standard Basin-Dakota gas proration unit and would coincide with a previously approved Blanco Mesaverde proration unit occupying the remainder of the lands in said Section 16.
- (4) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Blanco-Mesaverde 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. 7588
Order No. R-7006

(5) 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 Mesaverde 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.

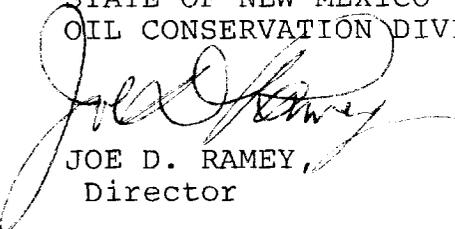
IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Blanco Mesaverde Pool comprising the NW/4, N/2 NE/4, and N/2 SW/4 of Section 16, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, is hereby established and dedicated to its State "B" Well No. 233E, located in Unit K of said Section 16.

(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