

Filed February 28 1956
WPM

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1005
Order No. R-749

THE APPLICATION OF BLACKWOOD AND
NICHOLS COMPANY FOR AN ORDER
GRANTING AN EXCEPTION TO RULE 1,
OF THE SPECIAL RULES AND REGULATIONS
OF THE BLANCO-MESAVERDE GAS POOL AS
SET FORTH IN ORDER NO. R-128-D, IN
ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT OF 259.82 CONTIGUOUS
ACRES CONSISTING OF LOTS 5, 6, 7 AND 8
AND E/2 W/2 SECTION 19, LOT 5 AND THE
NE/4 NW/4 SECTION 30, TOWNSHIP 31 NORTH,
RANGE 7 WEST, NMPM, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on January
24, 1956, at Santa Fe, New Mexico, before Warren W. Mankin, Examiner,
duly appointed by the Oil Conservation Commission of New Mexico in accord-
ance with Rule 1214 of Order No. R-681.

NOW, on this 20th day of February 1956, the Oil Conserva-
tion Commission of New Mexico, hereinafter referred to as the "Commission",
a quorum being present, having considered said transcript of testimony and
record and the recommendations of the Examiner, Warren W. Mankin, and
being fully advised in the premises,

FINDS:

1. That due notice of the time and place of hearing and the
purpose thereof having been given as required by law, the Commission has
jurisdiction of this case and the subject matter thereof.

2. That applicant, Blackwood and Nichols Company, is the
owner of an oil and gas lease in San Juan County, New Mexico, the land
consisting of other than a legal standard half section, a part of which is
described as follows, to-wit:

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM
Section 19: Lots 5, 6, 7 and 8, E/2 W/2
Section 30: Lots 5, NE/4 NW/4

containing 259.82 acres, more or less.

Oil Conservation Division
Case No. 2
Exhibit No. 1

3. That applicant, Blackwood and Nichols Company, proposes to drill a well in the SW/4 of Section 19, Township 31 North, Range 7 West, within the horizontal limits of the Blanco-Mesaverde Gas Pool.

4. That it is impractical to pool applicant's above-described acreage with adjoining acreage in the Blanco-Mesaverde Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 259.82 acres.

5. That the acreage contained within the proposed unit lies wholly within the Northeast Blanco Unit, San Juan and Rio Arriba Counties, New Mexico, and is within the Blanco-Mesaverde Gas Pool.

6. That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Blanco-Mesaverde Gas Pool.

7. That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of Blackwood and Nichols Company, for approval of a non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the following described acreage in San Juan County, New Mexico:

<u>TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM</u>	
Section 19:	Lots 5, 6, 7 and 8, E/2 W/2
Section 30:	Lot 5, NE/4 NW/4

be and the same is hereby approved, and a proration unit consisting of aforesaid 259.82 acres is hereby created.

2. That applicant's proposed well to be located in the SW/4 Section 19, Township 31 North, Range 7 West, NMPM, San Juan County, New Mexico, upon completion shall be granted an allowable in the proportion that the above described 259.82 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary

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