

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. 1008
Order No. R-752

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 ESTABLISH-
MENT OF A NON-STANDARD GAS
PRORATION UNIT OF 298.90 CONTIGUOUS
ACRES CONSISTING OF LOTS 7, 8, 13 & 14
AND E/2 W/2 SECTION 7; ALSO LOTS 7 & 8
AND E/2 NW/4 SECTION 18; ALL IN TOWN-
SHIP 30 NORTH, RANGE 7 WEST, NMPM,
SAN JUAN COUNTY, NEW MEXICO.

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
<u>BLACKWOOD</u>	EXHIBIT NO. <u>2</u>
CASE NO. <u>1005D</u>	

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 accordance with Rule 1214 of Order No. R-681.

NOW, on this 20th day of February 1956, the Oil Conservation 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 30 NORTH, RANGE 7 WEST, NMPM

Section 7: Lots 7, 8, 13 & 14 and E/2 W/2

Section 18: Lots 7 & 8 and E/2 NW/4

containing 298.90 acres, more or less.

3. That applicant, Blackwood and Nichols Company has drilled its Northeast Blanco Unit Well No. 31-7 in the SW/4 of Section 7, Township 30 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 298.90 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 the 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:

TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM

Section 7: Lots 7, 8, 13 & 14 and E/2 W/2

Section 18: Lots 7 & 8 and E/2 NW/4

be and the same is hereby approved, and a proration unit consisting of aforesaid 298.90 acres is hereby created.

2. That applicant's Northeast Blanco Unit Well No. 31-7 located in the SW/4 of Section 7, Township 30 North, Range 7 West, NMPM, San Juan County, New Mexico, is hereby granted an allowable in the proportion that the above described

Order No. R-752

298.90 acre unit bears to the standard or orthodox proration unit for said pool, in accordance with the Blanco Mesaverde Gas Pool Rules, 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, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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