CASE 2130: Application of REDFERN & HERD, INC. for an order force-pooling a standard 320-acre gas prevation unit in the BASIN-DAROTA POOL.

a sa pphisting Transcript,
mill Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION State Land Office Building Santa Fe, New Mexico Movember 30, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Redfern and Herd, Inc., for an order force-pooling a standard 320-acre gas proration unit in the Basin-Dakota Pool. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Dakota Producing Interval in the W/2 of Section 29, Township 29 North, Range 11 West, Basin-Dakota Pool, San Juan County, New Mexico. The following are among the interested parties:

Case 2130

Aztec Oil & Gas Company, Summit Oil Company, Ruth Schrecht, Edwin A. Schrecht, Ella Blaise, and Sam Carson.

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. MORRIS: Application of Redfern and Herd, Inc., for an order force-pooling a standard 320-acre gas proration unit in the Basin-Dakota Pool.

MR. VERITY: George Verity for the Applicant Redfern and Mr. Redfern, will you please stand and be sworn.

JOHN REDFERN, JR.

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION



CH 3-6691

BY MR. VERITY:

- State your name, please. Q
- Α John J. Redfern, Jr.
- Mr. Redfern, are you an officer in Redfern and Herd? Q
- Yes, I am the President.
- Are you a graduate engineer? Q
- Yes, I have a degree in Civil Engineering. A
- Have you also made a study of oil and gas engineering? Q
- I have.
- Are you familiar with the geology of the Dakota formation Q underlying the West Half of Section 29, Township 29 North, Range 11, San Juan County, New Mexico?
 - Α I am.
- Do you know whether or not that the 320 acres under the West Half of Section 29 is all underlying of producing formation in the Dakota formation?
- A · All of our studies under that indicate that the Half Section will be productive.
- Mr. Redfern, is Redfern and Herd, Inc. the operator of that -- of the working interests underlying that 320 acres on the Dakota?
 - Α Yes.
- Have you endeavored to contact all royalty interest owners to get their agreement to pool the West Half of 29 into one unit for production of gas and oil for the Dakota:



We have contacted those royalty owners. The original oil and gas lease did not provide for 320-acre spacing; they have all agreed to the pooling, with the exception of one person.

Of course, all the other royalty interests agreed when they executed the lease?

Yes.

You have been unable to obtain permission for obtaining from one individual then?

A Yes.

Do you desire to drill one well for production of Dakota gas on this 320?

We are proposing to drill a well within the near future on this West Half and have secured the approval of Aztec and Summit, who also have working interest.

If you were deprived from dedicating the entire 320 to one unit, would this prevent you from recovering your just and fair share of Dakota oil and gas?

A Yes.

Who is the one individual who refused to join in the unit, the only undivided interest owner and part of the acreage underlying this unit?

The one person who has refused only owns a portion of the royalty under a particular 40-acre tract, and his lease is held by production by both Pictured Cliffs and other Dakota wells in the vicinity.



Would granting of this order enable the other royalty owners under that 40 acres to obtain their just and fair share of Dakota oil and gas?

Yes, it would deprive them of their share of the royalty; because if you drill and leave one 40 acres, you would deny them of production.

> That is all we have. MR. VERITY:

CROSS-EXAMINATION

BY MR. NUTTER:

- What is the name of the one unsigned?
- Sam Carson.
- Is this the same Sam Carson that is listed in the application as being at 511 East Main, Farmington?
- We have contacted him numerous times, and he has a pool on the north part, immediately to the south.
 - Q He owns an undivided portion on one of the 40-acre tracts?
 - A Yes.
 - Who owns the working interest under that tract? Q
 - We own the working interest on that 40.
 - You agree to the communitization? Q
 - Yes. A
 - What is his portion of the royalty? Q
 - I believe, if I recall correctly, one-eighth. Α
 - He owns one-eighth of one-eighth? Q



Of 40 acres?

Yes, I believe it's strictly a case of him not understanding, he just don't understand what these papers are that people ask him to sign.

MR. PAYNE: Denial of the application would also deny him the opportunity to recover his fair share of the Basin-Dakota production, would it not?

Gentlemen, exactly; his lease is held by production, so there is no opportunity to make any other type of deal.

MR. NUTTER: We sent copies of this docket to Mr. Joe J. Christmann and Jack Markham and Summit Oil Company, of which there is insufficient address, that is all the address; are those three parties agreeable in communitization?

- Α Yes.
- (By Mr. Nutter) Mr. Christmann is? Q
- A Yes.
- Markham and Summit Oil Company are? Q
- A They have signed the operating agreement.

MR. NUTTER: Any further questions of Mr. Redfern? You may be excused. Do you have anything further, Mr. Verity?

MR. VERITY: No, nothing further.

MR. NUTTER: Does anyone have anything they wish to advise?

> (Whereupon, the hearing was concluded and recess was taken till 1:30.)



DEARNLEY-MEIER REPORTING SERVICE, Inc. PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

JOHN REDFERN, JR.	
Direct Examination by Mr. Verity	2
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STATE OF NEW MEXICO COUNTY OF BERNALILLO

I, LEWELLYN NELSON, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal // day of December, 1960.

My commission expires: June 14, 1964.

> I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No 2/30, heard by me on 1960.

> Oil Conservation Commission

1900 NOV 3 MT 9: 15 TELEPHONE DAVIS 5-0203

GEO. L. VERITY

GEO. L. VERITY

ATTORNEY AT LAW

ATTORNEY AT LAW

FARMINGTON, NEW MEXICO

NOV 3 1/1 9:15 TELEPHOISE DAVIS 5-0203

November 2, 1960

CO 011 Consortium

November 2, 1960

New Mexico Oil Conservation Commission State Capitol Building Santa Fe, New Mexico

Gentlemen:

Enclosed herewith is an application for a Pooling Order requesting pooling for the Dakota interval on the West Half (W2) of Section 29, Township 29 North, Range 11 West, N.M. P.M., San Juan County, New Mexico.

The following is a list of the names of all parties interested in said application other than the applicant, to-wit:

> Aztec Oil and Gas Company Dallas, Texas

Summit Oil Company \ Dallas, Texas

Ruth Schreck / c/o Joseph S. Hartman 313 South Church Aztec, New Mexico

Edwin A. Schrecht c/o Joseph S. Hartman 313 South Church Aztec, New Mexico

Ella Blaise c/o Joseph S. Hartman 313 South Church Aztec, New Mexico

Sam Carson 511 East Main Farmington, New Mexico

John J. Redfern, Jr. Midland, Texas

J. H. Herd Midland, Texas

John J. Christmann Midland, Texas

Jack Markham Midland, Texas

The last four named individuals are represented in this matter by the undersigned attorney and I hereby accept service of any notice regarding any hearing for them.

I would appreciate your filing this application and setting the same for hearing before an Examiner.

Very truly yours,

Geo. L. Verity

GLV:mts Enc.

IN RE: APPLICATION OF REDFERN AND HERD, INC. FOR AN ORDER TO POOL THE PRODUCTION FROM THE DAKOTA FORMATION UNDERLYING THE WEST HALF (W2) OF SECTION TWENTY-NINE (29), TOWNSHIP TWENTY-NINE NORTH (29N), RANGE ELEVEN WEST (11W), N.M.P.M., SAN JUAN COUNTY, NEW MEXICO.

Case No. 2/30

APPLICATION FOR POOLING ORDER

Comes now the applicant and states:

1. That Redfern and Herd, Inc. is the operator of the acreage underlying the captioned tract for the purpose of drilling and producing a well from the Dakota formation underlying the following described tract of land in San Juan County, New Mexico, to-wit:

> The West Half (W2) of Section Twenty-nine (29), Township Twenty-nine North (29N), Range Eleven West (11W), N.M.P.M., San Juan County, New Mexico.

- 2. That all of the above described tract of land is under oil and gas lease and that all of the owners of said oil and gas leases have appointed the applicant herein as their operator for the purpose of drilling and operating a Dakota well in the Southwest Quarter (SW4) of the above described Section 29.
- 3. That applicant desires to form a 320 acre drilling and spacing unit for production from the Dakota formation underlying the above described tract of land and to pool all production therefrom; that all owners of oil and gas leases within the said 320 acre tract have agreed to the formation of such unit and the pooling of Dakota production therefrom; that all owners of

royalties or overriding royalties have agreed to the formation of such unit and pooling of such production except:

Sam Carson 511 East Main Street Farmington, New Mexico

who is the lessor of an oil and gas lease, a portion of which falls within such unit and who has refused to join the same.

- 4. That applicant is entitled to an Order of this Commission pooling the above described 320 acre tract for production of oil and/or gas from the Dakota sand formation and producing interval underlying the same, and providing that the well for such unit will be drilled and operated by the applicant herein; that such Order should provide that such well be granted a full 320 acre allowable, and that all production from such well should be apportioned to the various owners of leases and royalties under the 320 acre unit on a pro rata basis in accord with the proportion that the surface area under each such lease or royalty interest bears to the entire 320 acre unit.
- 5. That the granting of the relief herein prayed for will prevent waste and protect correlative rights, and that a refusal of such relief would create waste and interfere with the correlative rights of lease owners underlying said unit.

WHEREFORE, applicant prays that this application be set down for hearing before an Examiner; that due notice of such hearing be given to all interested parties in accord with the laws of the State of New Mexico and the rules and regulations of this Commission, and that from the evidence to be adduced at such hearing, this Commission enter an Order pooling the production from

Page Three

the Dakota formation and producing interval underlying the above described 320 acre unit, making the applicant operator thereof and providing for pro rate allocation of production.

REDFERN AND HERD, INC.

Geo. L. Verity Attorney for Redfern and Herd, Inc.

DOCKET: EXAMINER HEARING, WEDNESDAY, NOVEMBER 30, 1960

Oil Conservation Commission - 9 a.m., STATE LAND OFFICE BUILDING, Santa Fe, N.M.

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, attorney, as alternate examiner:

CASE 2125:

Application of El Paso Natural Gas Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lusk Deep Unit Well No. 1, located in Unit A, Section 19, Township 19 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Bone Springs pool and the production of oil from an undesignated Pennsylvanian pool through parallel strings of tubing.

CASE 2126:

Application of Tidal Oil Company for an unorthodox gas well location. Applicant. in the above-styled cause, seeks approval of an unorthodox gas well location in an undesignated Pictured Cliffs pool at a point 1150 feet from the South line and 2040 feet from the West line of Section 21, Township 24 North, Range 1 West, Rio Arriba County, New Mexico.

CASE 2127:

Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate pools and for an automatic custody transfer system. Applicant, in the abovestyled cause, seeks permission to commingle the production from the Dean Devonian and Dean Permo-Pennsylvanian Pools from all wells presently completed or hereafter drilled on its State Lea 396 Lease consisting of the NE/4, S/2 NW/4, and N/2 SW/4 of Section 35, Township 15 South, Range 36 East, Lea County, New Mexico, after separately metering only the production from the Dean Permo-Pennsylvanian Pool. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

CASE 2128:

Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the production from the Denton-Devonian and Denton-Wolfcamp Pools from all wells presently completed or hereafter drilled on its T. D. Pope Lease, consisting of the W/2 of Section 36, Township 14 South, Range 37 East, Lea County, New Mexico after separately metering only the Denton-Wolfcamp production. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

-2-Docket No. 35-60

CASE 2129:

Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate pools from two separate leases and for an automatic custody transfer system Applicant, in the above-styled cause, seeks permission to commingle, after separate measurement, the production from the Denton-Devonian and Denton-Wolfcamp Pools from all wells presently completed or hereafter drilled on the following-described leases:

Whitman "A" Lease, NE/4 of Section 26 Whitman "B" Lease, E/2 of Section 23,

both in Township 14 South, Range 37 East, Lea County, New Mexico, and for permission to install an automatic custody transfersystem to handle said commingled production.

CASE 2130:

Application of Redfern and Herd, Inc., for an order force-pooling a standard 320-acre gas proration unit in the Basin-Dakota Pool. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Dakota Producing Interval in the W/2 of Section 29, Township 29 North, Range 11 West, Basin-Dakota Pool, San Juan County, New Mexico. The following are among the interested parties:

Aztec Oil & Gas Company, Summit Oil Company, Ruth Schrecht, Edwin A. Schrecht, Ella Blaise, and Sam Carson.

CASE 2131:

Application of Robinson Brothers Oil Producers for the creation of a new gas pool and for the promulgation of special rules and regulations therefor. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Pennsylvanian production consisting of the N/2 of Section 22, Township 11 South, Range 31 East, Chaves County, New Mexico. Applicant further seeks the promulgation of special rules and regulations governing said pool including a provision for 320-acre gas provation units.

CASE 2132:

Application of Humble Oil & Refining Company for permission to commingle the production from several pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the following pools underlying the State "V" Lease consisting of the SW/4, W/2 SE/4, and NE/4 SE/4 of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico: Blinebry Oil Pool, Brunson Pool, Drinkard Pool, Hare Pool, Tubb Oil Pool, Wantz Abo Pool, Blinebry Gas Pool and Tubb Gas Pool, with allocation to the various pools being based on monthly well tests except that separate metering and separation facilities would be used for oil well and gas well completions.

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Application of Humble Oil & Refining Company for an automatic custody transfer system and for an exception to Rule 309 (a). Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the Gallup production from an undesignated Gallup pool from all wells presently completed or hereafter drilled on its Navajo "L" Lease consisting of all or portions of Sections 25, 26, 35 and 36; Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 2134:

Application of Nearburg & Ingram for a dual completion, for permission to commingle the production from two separate pools, and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Midhurst Well No. 1, located in the NW/4 NW/4 of Section 35, Township 12 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Pennsylvanian Pool and the production of oil from the Southwest Gladiola-Devonian Pool through parallel strings of tubing. Applicant further seeks permission to dommingle the production from said two common sources of supply from all wells on its Midhurst Lease consisting of the NW/4 of said Section 35 and for permission to install an automatic custody transfer system to handle said commingled production.

CASE 2135:

Application of Nearburg & Ingram for an order creating a new oil pool and for the promulgation of temporary special rules and regulations therefor. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Pennsylvanian production consisting of the NW/4 of Section 35, Township 12 South, Range 37 East, Lea County, New Mexico. Applicant further seeks the promulgation of temporary special rules and regulations governing said pool including a provision for 80-acre proration units.

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Application of Tidal Oil Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in an undesignated Pictured Cliffs pool at a point 1150 feet from the South line and 2040 feet from the West line of Section 21, Township 24 North, Range 1 West, Rio Arriba County, New Mexico.

CASE 2127:

Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate pools and for an automatic custody transfer system. Applicant, in the abovestyled cause, seeks permission to commingle the production from the Dean Devonian and Dean Permo-Pennsylvanian Pools from all wells presently completed or hereafter drilled on its State Lea 396 Lease consisting of the NE/4, S/2 NW/4, and N/2 SW/4 of Section 35, Township 15 South, Range 36 East, Lea County, New Mexico, after separately metering only the production from the Dean Permo-Pennsylvanian Pool. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

CASE 2128:

Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate pools and for an automatic custody transfer system. Applicant, in the abovestyled cause, seeks permission to commingle the production from the Denton-Devonian and Denton-Wolfcamp Pools from all wells presently completed or hereafter drilled on its T. D. Pope Lease, consisting of the W/2 of Section 36, Township 14 South, Range 37 East, Lea County, New Mexico after separately metering only the Denton-Wolfcamp production. Applicant turther seeks permission to install an automatic custody transfer system to handle said commingled production.

-3-Docket No. 35-60

<u>CASE 2133:</u>

Application of Humble Oil & Refining Company for an automatic custody transfer system and for an exception to Rule 309 (a). Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the Gallup production from an undesignated Gallup pool from all wells presently completed or hereafter drilled on its Navajo "L" Lease consisting of all or portions of Sections 25, 26, 35 and 36; Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 2134:

Application of Nearburg & Ingram for a dual completion, for permission to commingle the production from two separate pools, and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Midhurst Well No. 1, located in the NW/4 NW/4 of Section 35, Township 12 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Pennsylvanian Pool and the production of oil from the Southwest Gladiola-Devonian Pool through parallel strings of tubing. Applicant further seeks permission to commingle the production from said two common sources of supply from all wells on its Midhurst Lease consisting of the NW/4 of said Section 35 and for permission to install an automatic custody transfer system to handle said commingled production.

CASE 2135:

Application of Nearburg & Ingram for an order creating a new oil pool and for the promulgation of temporary special rules and regulations therefor. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Pennsylvanian production consisting of the NW/4 of Section 35, Township 12 South, Range 37 East, Lea County, New Mexico. Applicant further seeks the promulgation of temporary special rules and regulations governing said pool including a provision for 80-acre proration units.

GOVERNOR JOHN BURROUSHS CHAIRMAN

State of New Wexico Oil Conservation Commission

LAND COMMISSIONER MURRAY E. MORGAN



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

P. O. BOX 87

Mr. George Verity 152 Petroleum Center Building Farmington, New Mexico

Re: Case No. 2130

Order No. R-1833

Applicant:

Redfern & Herd, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr., Secretary-Director

Carbon copy of order also sent to:

Hobbs OCC
Artesia OCC
Aztec OCC

Other

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE No. 2130 Order No. R-1833

APPLICATION OF REDFERN AND HERD, INC. FOR AN ORDER FORCE-POOLING ALL MINERAL INTERESTS IN A 320-ACRE GAS PRORATION UNIT IN THE BASIN-DAKOTA POOL, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 c'clock a.m. on November 30, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 8th day of December, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Redfern and Herd, Inc., is the operator of the W/2 of Section 29, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has made diligent effort to secure the approval of all mineral interest owners to the formation of a standard 320-acre gas provation unit in the Basin-Dakota Pool consisting of the above-described acreage.
- (4) That inasmuch as the applicant has been unable to secure the consent of all mineral interest owners, it seeks an order force-pooling all mineral interests within the vertical limits of the Basin-Dakota Pool in the said standard 320-acre unit.
- (5) That denial of the subject application would deprive, or tend to deprive, the mineral interest owners in the said 320-acre tract of the opportunity to recover their just and equitable share of the hydrocarbons in the Basin-Dakota Pool.

-2-CASE No. 2130 Order No. R-1833

IT IS THEREFORE ORDERED:

That the interests of all persons having the right to drill for, produce, or share in the production of hydrogarbons from the Basin-Dakota Pool underlying the W/2 of Section 29, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, be and the same are hereby force-pooled to form a 320-acre gas provation unit comprising all of said acreage.

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

TOUR REPROPERTY Chairman

MURRAY E. MORGAN, Member

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A. L. PORTER, Jr., Member & Secretary

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DRAFT

RSM/esr December 2

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

Psm 12/2

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

CASE No. 2130 Order No. R- /823

APPLICATION OF REDFERN AND HERD, INC. FOR AN ORDER FORCE-POOLING ALL MINERAL INTERESTS IN A 320-ACRE GAS PRORATION UNIT IN THE BASIN-DAKOTA POOL, 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 November 30, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this day of December, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter , and being fully advised in the premises,

FINDS

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Redfern and Herd, Inc., is the operator of the W/2 of Section 29, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has made diligent effort to secure the approval of all mineral interest owners to the formation of a standard 320-acre gas proration unit in the Basin-Dakota Pool consisting of the above-described acreage.
- (4) That inasmuch as the applicant has been unable to secure the consent of all mineral interest owners, it seeks an order force-pooling all mineral interests within the vertical limits of the Basin-Dakota Pool in the said standed 320-acre unit.

(5) That denial of the subject application would deprive, or tend to deprive, the mineral interest owners in the said 320-acre tract of the opportunity to recover their just and equitable share of the hydrocarbons in the Basin-Dakota Pool.

IT IS THEREFORE ORDERED:

That the interests of all persons having the right to drill for, produce, or share in the production of hydrocarbons from the Basin-Dakota Pool underlying the W/2 of Section 29, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, be and the same are hereby force-pooled to form a 320-acre gas proration unit comprising all of said acreage.

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