

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. 706
Order No. R-560

THE APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR COMPULSORY COMMUNIT-
IZATION OF THE W/2 OF SECTION 6, TOWN-
SHIP 30 NORTH, RANGE 11 WEST, NMPM, SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case having come on for hearing at 9 o'clock a.m. on May 19, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as "Commission"; and the Commission having heard all testimony offered, permitted interested parties to file written briefs on or before June 15, 1954, and written briefs were filed on behalf of El Paso Natural Gas Company, Saul A. Yager, Morris Mizel, Marian Yager, Morris E. Gimp and Sam Mizel.

NOW, on this 16th day of December, 1954, the Commission, a quorum being present, having considered the records and testimony adduced and the written briefs filed by the parties, 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 Applicant, El Paso Natural Gas Company, and Delhi Oil Corporation were, on March 23, 1953, the owners of the entire working interest and operating rights under oil and gas leases covering the W/2 of Section 6, Township 30 North, Range 11 West, NMPM, containing 328.17 acres of land, in the shape of a rectangle, said Section 6 being an irregular section containing more than 640 acres of land.
3. That the W/2 of said Section 6, Township 30 North, Range 11 West, NMPM, is situated within the Blanco-Mesaverde Gas Pool as designated by the Commission.
4. That by its Order No. R-110 the Commission established a uniform spacing plan for the Blanco-Mesaverde Gas Pool, said plan providing for drilling units of not less than 320 acres of land in the shape of a rectangle, and provided further that "the pooling of properties or parts thereof shall be permitted, and if not agreed upon may be required in any

case when and to the extent that the smallness or shape of a separately owned tract would, under the enforcement of the uniform spacing plan of proration units, otherwise deprive or tend to deprive the owner of such tract of the opportunity to recover his just and equitable share of the crude petroleum oil and natural gas in the pool".

5. That by its Order R-110, the Commission provided that "no well shall be drilled, completed or recompleted, and no Notice of Intention to Drill or drilling permit shall be approved unless such well be located on a designated drilling unit of not less than three hundred twenty (320) acres of land, more or less, according to legal subdivision of the United States Land Surveys, in which unit all the interests are consolidated by pooling agreement or otherwise and on which no other well is completed or approved for completion in the pool."

6. That a Pictured Cliffs well was commenced on the NW/4 of Section 6, Township 30 North, Range 11 West, NMPM, pursuant to formal approval of Notice of Intention to Drill, which approval was granted March 23, 1953; and that, the Pictured Cliffs formation having proved dry, application was made to the Commission for approval of an unorthodox location and the designation of the W/2 of said Section 6, Township 30 North, Range 11 West, NMPM, as a location for a Mesaverde well; that on August 3, 1953, the Commission approved such unorthodox location and approved the designation of the drilling unit, and that on August 31, 1953, drilling operations were resumed, and that a well was completed in the Mesaverde formation on September 20, 1953, with an initial potential of 686,000 cubic feet of gas per day.

7. That at all times material hereto the working interest owners were the only persons who had the right to drill into and to produce from said Mesaverde Gas Pool and to appropriate the production for themselves, and that all of said owners agreed to pool or communitize their separate oil and gas leases into a drilling unit containing 328.17 acres as described above.

8. That the agreement of the owners in all things complied with the provisions of Order R-110 and the unit selected by the owners as a drilling unit complied with Order R-110.

9. That the agreement entered into by said owners to pool or communitize their oil and gas leases covering the W/2 of said Section 6, and the approval by the Commission of the unorthodox location and the designation of the W/2 of said Section 6, as a drilling unit, which approval was received by Applicant, El Paso Natural Gas Company, on August 3, 1953, effectively approved such communitized or pooled tract on August 3, 1953, the date of receipt of such approval, and that the W/2 of said Section 6, Township 30 North, Range 11 West, NMPM, has been and is an approved drilling unit containing 328.17 acres at all times thereafter.

10. That the drilling of an additional well or wells lying within the W/2 of said Section 6, Township 30 North, Range 11 West, NMPM, would be wasteful.

-3-
Order No. R-560

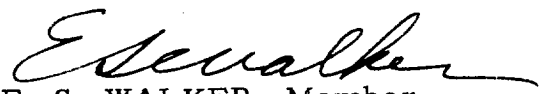
IT IS THEREFORE ORDERED:

That the W/2 of said Section 6, Township 30 North, Range 11 West, NMPM, be and is hereby recognized as a communitized or pooled tract effective August 3, 1953, and at all times thereafter, and that such pooling or communitization be and it is hereby in all things confirmed.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



W. B. MACEY, Member and Secretary

S E A L

Entered December 17, 1954

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