

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF -

THE APPLICATION OF SOUTHWEST PRODUCTION )  
COMPANY, a co-partnership, consisting )  
of JOHN H. HILL and JOSEPH P. DRISCOLL, )  
FOR AN ORDER CREATING TWO NON-STANDARD )  
OIL PRORATION UNITS IN THE CHA CHA- )  
GALLUP OIL POOL, SAN JUAN COUNTY, NEW )  
MEXICO, CONSISTING OF ALL OF THE LAND )  
IN THE SOUTHEAST QUARTER (SE $\frac{1}{4}$ ) OF )  
SECTION 16, T-29-N, R-14-W, N.M.P.M., )  
LYING NORTH OF THE CENTER OF THE SAN )  
JUAN RIVER, and FOR AN UNORTHODOX WELL )  
LOCATION IN ONE OF SAID NON-STANDARD )  
UNITS. )

Case No.

2323

A P P L I C A T I O N

Comes now the applicant, Southwest Production Company, a co-partnership consisting of John H. Hill and Joseph P. Driscoll, and alleges and states:

1. That the applicant is the owner of the oil and gas lease covering that part of the SE $\frac{1}{4}$  of Section 16, T-29-N, R-14-W, N.M.P.M., lying North of the center of the San Juan River; that said land is a part of the Cha Cha-Gallup Oil Pool in the above described county and state.

2. That the Commission has heretofore promulgated Order No. R-1967 in case No. 2271 which granted a non-standard proration unit for the production of oil from the Gallup Sand in the above named pool, consisting of all of the land in the SE $\frac{1}{4}$  of the above described Section 16 lying South of the center of the San Juan River; that such non-standard proration unit consisted of 46.75 acres and left 113.25 acres North of the center of said river, the lease on which land, North of the center of said river is owned by applicant.

3. That applicant desires to create two non-standard

proration units for the production of oil from the land lying North of the center of the San Juan River in the SE $\frac{1}{4}$  of the above described Section 16; one such unit to consist of the West 56.625 acres of said land and the other to consist of the East 56.625 acres of said land, and that applicant is entitled to an Order of this Commission creating said two non-standard proration units for the production of oil from the Gallup Sand in the above named pool.

4. That it will promote correlative rights and prevent waste to create the two non-standard proration units described in the preceding Paragraph. That each of the above described 56.625 acre non-standard proration units should be granted an allowable factor commensurate with the acreage of said unit.

5. That applicant desires to drill a well in the West 56.625 acres of the two above described non-standard proration units at a point 1912 feet from the South line and 2310 feet from the East line of said Section, which location is an unorthodox location. That it is necessary to drill the well in such unit at such unorthodox location rather than the standard location provided for in Order No. R 1800, which prescribes the field rules and drilling locations for the above named pool by reason of topographical conditions which make it impracticable to drill at the standard location, and that it is necessary that the applicant be granted permission to drill such well at such unorthodox location in order that its correlative rights may be protected and that waste may be prevented; that this Commission should, therefore, enter an Order granting such permission.

6. That the names and addresses of all parties known

to the applicant who might be interested in this Application are set out in Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, applicant prays that this Application be set down for hearing; that due notice thereof be given in accord with the Rules of this Commission and the laws of the State of New Mexico, and that upon hearing of such Application and from the evidence to be adduced, the Commission enter an Order granting applicant the right to drill two non-standard pro-  
ration units, consisting of the West 56.625 acres of the land in the SE $\frac{1}{4}$  of the above described Section 16 lying North of the center of the San Juan River, and that such Order further provide for an allowable for each of said units commensurate with the acreage thereof, and that such Order further provide that applicant be granted permission to drill a well on the West of said two units at an unorthodox location as above described.

SOUTHWEST PRODUCTION COMPANY,  
a co-partnership, consisting  
of John H. Hill and Joseph P.  
Driscoll,

By

  
Geo. L. Verity

Its Attorney  
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