

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8482
Order No. R-7828

APPLICATION OF TENNECO OIL EXPLORATION
AND PRODUCTION COMPANY FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 13, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 21st day of February, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Tenneco Oil Exploration and Production Company, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Pennsylvanian formation underlying the E/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard gas well location thereon.

(3) At the time of the hearing, the applicant requested and received approval to amend its application and now seeks an order pooling all royalty interests in the above-described manner.

(4) The applicant has the right to drill and proposes to drill a well at a standard location thereon.

(5) There are royalty interest owners in the proposed proration unit who have not agreed to pool their interests.

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(6) To avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) The operator should be designated the operator of the subject well and unit.

(8) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED THAT:

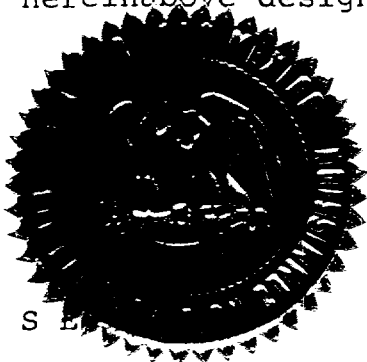
(1) All royalty interests, whatever they may be, from the top of the Wolfcamp formation to the base of the Pennsylvanian formation underlying the E/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard gas well location thereon.

(2) Tenneco Oil Exploration and Production Company is hereby designated the operator of the subject well and unit.

(3) All proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Rio Arriba County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS,
Director