

BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO

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

CASES NOS. 5998

6000

6069

6070

ORDERS NOS. R-5591

R-5592

R-5593

R-5594

APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR STATUTORY UNITIZATION,  
LEA COUNTY, NEW MEXICO

APPLICATION FOR REHEARING

COMES NOW SUMMIT ENERGY, INC. and pursuant to the provisions of Section 65-3-22, New Mexico Statutes, Annotated, 1953 Compilation, as amended applies to the Oil Conservation Commission of New Mexico for rehearing of the above captioned Cases and Orders issued pursuant thereto, and in support thereof would show the Commission:

1. Applicant is operator of the Gulf Bunin Lease, N/2 N/2 Section 13, T21S, R37E, NMPM, Lea County, New Mexico and designated as Tract 15 of the proposed Atlantic Richfield Company (ARCO) Unit which is a portion of the acreage made the subject of hearing before the Commission and Orders Nos. R-5591, R-5592, R-5593 and R-5594.

That Summit Energy Inc. appeared at said hearing in opposition to the ARCO application and has been adversely affected by said Commission Orders.

3. The Commission, by its said Orders approved a statutory

unitization that is contrary to the "Statutory Unitization Act," Section 65-14-1 and 65-14-21, NMSA, 1953 Compilation, and not supported by substantial evidence in the following particulars:

(a) Section 65-14-7 D:

That the provisions for the credits and charges to be made in the adjustment among the owners in the unit area for their respective investments in wells, tanks, pumps, machinery, material and equipment contributed to the unit operations is not fair, reasonable and equitable as applied to the Summit Energy owned Tract 15.

(b) Section 65-14-6 (1):

That the inclusion of Tract 15 within the unitized area is premature and not reasonably necessary to effectively carry on secondary recovery operations.

(c) Section 65-14-6 (3):

That the estimated additional costs of conducting the secondary operations are unreasonably high.

(d) Section 64-14-6 (4):

That Summit Energy Inc. will not benefit from said unitization as provided by statute.

(e) Contrary to the Commission's findings, the substantial evidence showed that secondary recovery operations for Tract 15 are premature.

(f) Contrary to the Commission's Finding No. (6), the substantial evidence showed that Tract 15 could be excluded from the unitized area without damage to said unit.

(g) Contrary to Commission Finding No. (7) the substantial evidence showed that Tract 15 will suffer waste.

4. That the Commission's Orders violate the correlative rights of Summit Energy Inc., will cause physical waste, are arbitrary, capricious, not supported by substantial evidence and are therefore unlawful, invalid and void.

5. That contrary to law, the Commission's order fails in every respect to disclose the reasoning of the Commission in reaching the ultimate conclusions (6) through (16) of the said order.

6. That the Statutory Unitization Act is unconstitutional.

WHEREFORE Applicant prays that the Commission grant a re-hearing in the above cause, and that after re-hearing as provided by law, the Commission vacate and set aside its Orders Nos. R-5591, R-5592- R-5593 and R-5594 and enter its order deleting Tract 15 from said unit and waterflood project.

Respectfully submitted,

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