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C.S.P.

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. 2080
Order No. R-1748-A

APPLICATION OF W. H. SWEARINGEN
FOR AN ORDER INCLUDING ADDITIONAL
ACREAGE IN AN ATOKA-PENNSYLVANIAN
GAS UNIT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 21, 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 11th day of October, 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 by Order No. R-1748, the Commission established a 280-acre non-standard gas unit in the Atoka-Pennsylvanian Gas Pool consisting of all of the N/2 of Section 21, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, with the exception of the SE/4 NW/4 of said Section 21.

(3) That the applicant, W. H. Swearingen, now seeks an order which will join the said SE/4 NW/4 of said Section 21 with the 280-acre unit described above to form a standard 320-acre gas unit in the Atoka-Pennsylvanian Gas Pool which will be dedicated to a well located 1650 feet from the North line and 2310 feet from the East line of said Section 21.

(4) That the applicant should be given an opportunity to join said 280-acre gas unit upon terms that are just and reasonable to each and every mineral interest owner in the proposed 320-acre gas unit.

-2-

CASE No. 2080
Order No. R-1748-A

(5) That accordingly, the applicant should be allowed to exercise one of the following options:

- (a) That prior to November 1, 1960, the applicant can furnish 40/320ths of the estimated cost of drilling the unit well to Charles C. Loveless, Jr., agent for Ross Brunner, operator of the unit, subject to a subsequent adjustment as to actual costs.
- (b) The applicant can pay 40/320ths of the cost of drilling the well out of production plus twenty-five (25) percent of such figure as a charge for supervision and operation of the well; provided, however, that the applicant shall pay 40/320ths of the cost of drilling the well if it is a dry hole.

(6) That prior to November 1, 1960, the applicant should advise the Commission and Charles C. Loveless, Jr., agent for Ross Brunner, operator of the well, at P. O. Box 5667, Roswell, New Mexico, as to which option, if either, that he is exercising. Failure to exercise either option prior to November 1, 1960, will be construed by the Commission as an expression of the applicant's decision not to join said unit at any time henceforth, since the Commission deems the above-mentioned alternatives as being on terms that are just and reasonable and which give the applicant the opportunity to receive his just and equitable share of the oil or gas, if any, under his 40-acre tract.

IT IS THEREFORE ORDERED:

(1) That the SE/4 NW/4 of Section 21, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, be and the same is hereby included with the remainder of the N/2 of said Section 21 to form a standard 320-acre gas unit in the Atoka-Pennsylvanian Gas Pool, contingent upon the applicant exercising one of the following options prior to November 1, 1960:

- (a) That prior to November 1, 1960, the applicant furnishes 40/320ths of the estimated cost of drilling the unit well to Charles C. Loveless, Jr., agent for Ross Brunner, operator of the unit, subject to a subsequent adjustment as to actual costs.
- (b) That prior to November 1, 1960, the applicant advises the Commission and

-3-

CASE No. 2080

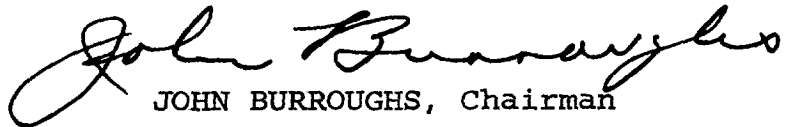
Order No. R-1748-A

Charles C. Loveless, Jr., that he will pay 40/320ths of the cost of drilling the unit well out of production plus twenty-five (25) percent of such figure as a charge for supervision and operation of the well. Provided, however, that the applicant must pay 40/320ths of the cost of drilling the well if it is a dry hole.


(2) The 280-acre non-standard gas unit in the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, authorized by Order No. R-1748 shall remain in full force and effect unless the applicant exercises one of the above-mentioned options prior to November 1, 1960.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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