

Entered October 21, 1960
A.P.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. 2083
Order No. R-1792

APPLICATION OF GULF OIL CORPORATION
FOR AN ORDER FORCE-POOLING ALL MINERAL
INTERESTS IN A 160-ACRE GAS PRORATION
UNIT IN THE TUBB GAS POOL, LEA 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 virtue of a communitization agreement, the applicant is the operator of the W/2 E/2 of Section 14, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico.

(3) That the applicant presently has an 80-acre non-standard Tubb gas proration unit dedicated to the Naomi Keenum Well No. 2, located 660 feet from the South line and 1980 feet from the East line of said Section 14.

(4) That inasmuch as the applicant has been unable, after diligent effort, to secure the consent to communitization of all mineral interest owners in the W/2 E/2 of said Section 14, the applicant seeks an order force-pooling all mineral interest owners in said acreage in the Tubb Gas Pool.

(5) That the W/2 E/2 of said Section 14 can reasonably be presumed to be productive of gas from the Tubb Gas Pool.

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(6) That while the proposed gas proration unit is non-standard in shape, it contains 160 acres which is the area that one gas well in the Tubb Gas Pool can efficiently and economically drain.

(7) That it is completely impractical to form a standard 160-acre Tubb gas proration unit consisting of the NE/4 of said Section 14, since all the acreage in said Section 14 is presently dedicated to Tubb gas wells with the exception of the W/2 NE/4 of said Section 14.

(8) That certain royalty owners in the W/2 SE/4 of said Section 14 object to approval of the force-pooling order sought by the applicant on the ground that when the unit well becomes incapable of producing a 160-acre allowable, their royalty payments will decline as compared to the amount of such payments if the present 80-acre non-standard gas proration unit remains in effect.

(9) That while this result will occur sometime in the future, as it always does when a unit smaller in size than the standard unit for the pool is communitized with other acreage to form a standard sized unit, it is more than offset by the fact that denial of such an application will deprive, or tend to deprive the mineral interest owners of the W/2 NE/4 of said Section 14 of the right to recover any of the oil or gas, or both, underlying their acreage, unless a Tubb gas well is drilled in the W/2 NE/4 to which is dedicated only 80 acres.

(10) That accordingly, denial of the subject application would be tantamount to requiring the drilling of a well on an 80-acre proration unit in a pool where the standard drilling and proration unit for a gas well is 160 acres.

(11) That correlative rights can better be protected by approval of the subject application than by denial.

IT IS THEREFORE ORDERED:

(1) That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the Tubb Gas Pool underlying the W/2 E/2 of Section 14, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same are hereby force-pooled to form a 160-acre Tubb gas proration unit comprising all of said acreage, which unit shall be dedicated to the Naomi Keenum Well No. 2, located 660 feet from the South line and 1980 feet from the East line of said Section 14.

(2) That the effective date of this order is November 1, 1960, or the first day of the month following the month in which

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the well has been brought substantially in balance, whichever date is later.

DONE at Santa Fe, New Mexico, on the day and year herein-
above 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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