

Entered March 1, 1966
WJP

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. 3379
Order No. R-3046

APPLICATION OF TEXACO INC.
FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 23, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of March, 1966, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 the applicant, Texaco Inc., seeks an order pooling all mineral interests in the Justis-Paddock Gas Pool underlying the S/2 of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant has the right to drill and has drilled a well in the S/2 of said Section 35 to the Justis-Paddock Gas Pool.

(4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each

-2-

CASE No. 3379
Order No. R-3046

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.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That 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:

(1) That all mineral interests, whatever they may be, in the Justis-Paddock Gas Pool underlying the S/2 of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to the Texaco G. L. Erwin (b) NCT-2 Well No. 2 located 1980 feet from the South line and 1980 feet from the East line of said Section 35.

(2) That Texaco Inc. is hereby designated the operator of the subject well and unit.

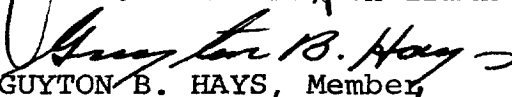
(3) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.


(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


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

S E A L

esr/