

*Entered November 21, 1967
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. 3674
Order No. R-3189-A

APPLICATION OF ROBERT N. ENFIELD
FOR AN INTERPRETATION OF OR THE
AMENDMENT OF ORDER NO. R-3189,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 8, 1967,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of November, 1967, 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 by Order No. R-3189, dated February 1, 1967, all
mineral interests, whatever they may be, in the Chaveroo-San
Andres Pool underlying the NW/4 NW/4 of Section 11, Township 8
South, Range 33 East, NMPM, Chaves County, New Mexico, were
pooled to form a 40-acre oil spacing unit to be dedicated to the
Robert N. Enfield Hale Well No. 1 to be located 330 feet from the
North line and 660 feet from the West line of said Section 11.

(3) That Order (9) of said Order No. R-3189 fixed \$125.00
per month as the reasonable cost of operating the subject well
and authorized the operator to withhold from production the
proportionate share of such cost attributable to each non-
consenting working interest.

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(4) That the applicant, Robert N. Enfield, seeks to have the Commission interpret the aforesaid Order (9) as fixing the said \$125.00 as a reasonable charge for supervision and operational overhead and authorizing the operator to withhold from production the proportionate share of said \$125.00 attributable to each non-consenting working interest, and in addition thereto, authorizing the applicant to withhold from production the proportionate share of actual operating costs of said well attributable to each non-consenting working interest.

(5) That, in the alternative to the aforesaid interpretation of Order No. R-3189, the applicant seeks the amendment of Order (9) of said order in accordance with the requested interpretation.

(6) That an interpretation of Order (9) of Order No. R-3189 as requested by the applicant would be contrary to the intent of the Commission.

(7) That the applicant's request for the aforesaid interpretation should be denied.

(8) That information pertaining to actual operating costs of a well in the subject area gained since the hearing in Case 3519, which resulted in the issuance of Order No. R-3189, establishes that \$125.00 per month is not adequate as a reasonable cost of operating the subject well.

(9) That to make reasonable provision for costs of operating the subject well, \$90.00 per month should be fixed as a reasonable charge for supervision for the subject well; that the operator of the subject well should be authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual operating costs of said well attributable to each non-consenting working interest.

IT IS THEREFORE ORDERED:

(1) That the applicant's request to have the Commission interpret Order (9) of Order No. R-3189 as fixing \$125.00 per month as a reasonable charge for supervision and operational overhead and authorizing the operator to withhold from production the proportionate share of said \$125.00 attributable to each non-consenting working interest, and in addition thereto,

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authorizing the applicant to withhold from production the proportionate share of actual operating costs of said well attributable to each non-consenting working interest is hereby denied.

(2) That Order (9) of Order No. R-3189 is hereby amended to read in its entirety as follows:

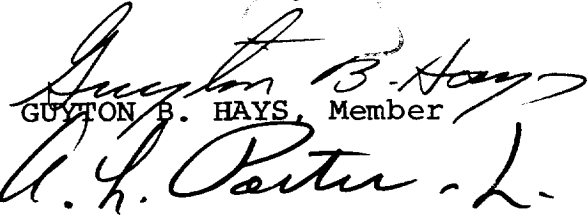
"(9) That \$90.00 per month is hereby fixed as a reasonable charge for supervision for the subject well; that the operator is hereby authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest."


(3) 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

DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

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