

Entered October 31, 1968
A.L.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. 3871
Order No. R-3535

APPLICATION OF STOLTZ AND COMPANY
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 September 25, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of October, 1968, 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, Stoltz and Company, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 SE/4 of Section 32, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) That said E/2 SE/4 of Section 32 is within one mile of the horizontal limits of the North Bagley-Lower Pennsylvanian Pool.

(4) That by Order No. R-3249, dated June 5, 1967, special rules and regulations were promulgated, at the instance of Stoltz & Company, for said North Bagley-Lower Pennsylvanian Pool.

(5) That Rule 2 of said Order No. R-3249 provides that each well shall be located on a standard unit containing 80 acres,

-2-

CASE No. 3871

Order No. R-3535

more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section and that nothing contained within said rule shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in a unit.

(6) That the applicant is the operator of the SE/4 SE/4, W/2 SE/4, and the SW/4 of said Section 32.

(7) That the applicant, as the operator of said SE/4 SE/4, has the right to drill and proposes to drill a well in the E/2 SE/4 of said Section 32 to the North Bagley-Lower Pennsylvanian Pool.

(8) That there are interest owners, Burleson & Huff and Merren & Montgomery, in the proposed spacing unit who have not agreed to pool their interests.

(9) That said protestants, Burleson & Huff and Merren & Montgomery, are the operators of only the NE/4 SE/4 of said Section 32.

(10) That Rule 3 of the aforementioned Order No. R-3249, governing the North Bagley-Lower Pennsylvanian Pool, reads as follows:

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

(11) That on August 5, 1968, the Commission received from the aforementioned protestants an application requesting administrative approval, pursuant to said Rule 3, for a non-standard proration unit comprising the NE/4 SE/4 of Section 32, Township

-3-

CASE No. 3871
Order No. R-3535

11 South, Range 33 East, NMPM, Lea County, New Mexico, to be dedicated to a North Bagley-Lower Pennsylvanian test well to be located within 150 feet of the center of said quarter-quarter section.

(12) That Stoltz & Company and other operators offsetting the proposed non-standard proration unit were properly notified, by Burleson & Huff and Merren & Montgomery, of the application for said non-standard proration unit.

(13) That on September 4, 1968, the Secretary-Director of the Commission, having received no objection to the formation of said non-standard proration unit, did, by Administrative Order NSP-798 authorize the operation of the NE/4 SE/4 of Section 32, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, as a non-standard proration unit in the North Bagley-Lower Pennsylvanian Pool.

(14) That Stoltz & Company was the operator of the SE/4 SE/4, W/2 SE/4, and SW/4 of said Section 32 prior to, at the time of, and subsequent to the issuance of the aforesaid Administrative Order NSP-798.

(15) That there has been no material change in conditions since the issuance of said Administrative Order NSP-798.

(16) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(2) 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

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