

Entered October 20, 1981
JHK

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 7323 DE NOVO
Order No. R-6762-A

APPLICATION OF CLEMENTS ENERGY,
INC. FOR COMPULSORY POOLING,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 16, 1981, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 20th day of October, 1981, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Clements Energy, Inc., seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the E/2 of Section 32, Township 15 South, Range 27 East, NMPM, Diamond Mound Field Area, Chaves County, New Mexico.

(3) That the matter came on for hearing at 9 a.m. on August 12, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter and, pursuant to this hearing, Order No. R-6762 was issued on August 26, 1981, which granted Clements' application.

(4) That on September 24, 1981, application for Hearing De Novo was made by Southland Royalty Company and the matter was set for hearing before the Commission.

(5) That the matter came on for hearing de novo on October 16, 1981.

-2-

Case No. 7323 De Novo
Order No. R-6762-A

(6) That the evidence adduced at said hearing indicates that Division Order No. R-6762 entered August 26, 1981, should be affirmed, except as follows:

That Finding No. 11 on Page 2 of said Order No. R-6762 and Order No. 9 on Page 4 of said order should be amended to reflect \$3800.00 per month while drilling and \$380.00 per month while producing as reasonable charges for supervision (combined fixed rates).

IT IS THEREFORE ORDERED:


(1) That Division Order No. R-6762, entered August 26, 1981, is hereby affirmed except as follows:

That Finding No. 11 on Page 2 of said Order No. R-6762 and Order No. 9 on Page 4 of said order is amended to reflect \$3800.00 per month while drilling and \$380.00 per month while producing as reasonable charges for supervision (combined fixed rates).

(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


EMERY C. ARNOLD, Chairman

ALEX J. ARMIJO, Member


JOE D. RAMEY, Member & Secretary

S E A L

fd/