

Entered February 14, 1956
Worn

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. 978
Order No. R-747

THE APPLICATION OF PHILLIPS
PETROLEUM COMPANY FOR
COMPULSORY POOLING OF INTERESTS
IN THE SE/4 OF SECTION 28, TOWNSHIP
25 SOUTH, RANGE 37 EAST, NMPM,
CROSBY-DEVONIAN GAS POOL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case having come on for hearing at 9 o'clock a.m., on November 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 6th day of February, 1956, the Commission, a quorum being present, having considered the application, and all of the testimony and exhibits offered at said hearing, and being fully advised in the premises,

FINDS:

1. That due notice of the time and place of hearing having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
2. That Phillips Petroleum Company is the owner of an oil and gas lease covering an undivided 3/4 mineral interest in the north 60 acres of the Southeast Quarter (SE/4) of Section 28, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
3. That Woodley Petroleum Company is the owner of an oil and gas lease covering the south 100 acres of said Southeast Quarter (SE/4) of Section 28, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
4. That the remaining 1/4 mineral interest in and to the north 60 acres of said Southeast Quarter (SE/4) of Section 28, Township 25 South, Range 37 East, is unleased and is owned by and in the proportions as follows:

<u>Name</u>	<u>Interest</u>
Aida Abelow	78/42, 972
Emma E. Arnold	30/42, 972
Miss Mary C. Austin	175/42, 972
Gordon G. Berg	10/42, 972
Roland Binning	20/42, 972
Howard W. Bradshaw	16/42, 972
Robert G. Bradshaw	16/42, 972
John L. Brady	10/42, 972
Helen Budge	20/42, 972
Max R. Chudy	100/42, 972
George W. Clark	12/42, 972
David Cohen	10/42, 972
Robert C. Eble	49/42, 972
Delia B. Edwards	15/42, 972
Edward Mitchell Edwards	25/42, 972
E.M. Edwards Company	32/42, 972
Silas and Nell Evans (Interest of Helen Sifton - deceased)	93/42, 972
Rose P. Feltman	78/42, 972
Charles T. Gallaher, 2nd	5/42, 972
Joseph Wesley Gallaher, 2nd	5/42, 972
Mrs. Carrie Gidwitz	50/42, 972
Charles W. Hastings	10/42, 972
Daniel W. Hawess	50/42, 972
Grace C. Hayes	5/42, 972
Samuel W. Hefter	12/42, 972
Miss Francis Holman	1/42, 972
George P. Holman	11/42, 972
Elmer G. Johnson	5/42, 972
Harry L. Jones & Isabel Jones as Joint Tenants	40/42, 972
Joseph H. Knapp	10/42, 972
Emma C. W. Lee	32/42, 972
Elinor June McAshan	7/42, 972
John E. McConnell, Jr.	200/42, 972
Elizabeth S. McKee	5/42, 972
Stella Mathe	19/42, 972
Fred Matthesius	25/42, 972
Miss Ida Miller	5/42, 972
Edward F. Nicolin	5/42, 972
William T. Pitt	27/42, 972
Florence C. Robertson	5/42, 972
Burton L. Robinett & Mrs. Mildred Robinett as Joint Tenants	32/42, 972
Louis Ross	25/42, 972
Flora G. Sarkisian, Executrix Estate of Dickran M. Sarkisian	48/42, 972
Edwin F. Scheetz, Jr.	10/42, 972
Lionel L. Shatford	5/42, 972
Catherine A. Sheridan	78/42, 972
Peter M. Smith	25/42, 972

<u>Name</u>	<u>INTEREST</u>
Andrew M. Taylor	10/42,972
The National Bank of Commerce of Houston and Morgan J. Davis:	
Trustees for Sue Trammell	130/42,972
Trustees for Thomas Stephen Trammell	129/42,972
Trustees for W. B. Trammell, Jr.	129/42,972
Laura W. Hancock, Charles E. Wagandt and Mildred W. Zouck, Surviving Trustees under Will of Charles L. Wagandt	16/42,972
Gail Whitcomb	745/42,972
Charles B. Wrightsman	40,267/42,972

all as is shown by Exhibit A, attached to the application filed herein.

5. That the royalty interest under said SE/4 is as follows:

a. The 3/4 mineral interest in and to the north 60 acres:
1/8 royalty interest as follows: Harry Leonard, 33.3333%; S. M. Gloyd,
50%; Saunders Estate, 16.6667%.

b. The south 100 acres, 1/8 royalty as follows: Harry
Leonard, 1/4; S. M. Gloyd, 3/8; Saunders Estate, 1/8; Persons listed under
paragraph 4, above, 1/4.

6. That the SE/4 of Section 28, Township 25 South, Range 37
East, NMPM, is situated within the horizontal limits of the Crosby-Devonian
Gas Pool as defined by Commission Order No. R-639, and constitutes a
standard drilling and spacing unit as required by said order.

7. That said Order No. R-639 requires that all interests be
consolidated by pooling agreement or otherwise, in order to form a standard
drilling and spacing unit.

8. That all persons owning any right to drill for, produce, or
share in the production of gas from the Devonian formation underlying the
SE/4 of Section 28, Township 25 South, Range 37 East, NMPM, have agreed
to the pooling of their rights and interests insofar as the same relate to the
Crosby-Devonian formation, and have dedicated said interests to the applicant's
Cooper No. 1 Well, located 1980 feet West of the East line, and 1980 feet North
of the South line, of said Section, with the exception of those persons named in
paragraph 4, above, other than Gail Whitcomb and Charles B. Wrightsman,
who have agreed to such pooling.

9. That the pooling of the entire interest underlying the SE/4
of Section 28, Township 25 South, Range 37 East, NMPM, is in the interests
of conservation; is required in the enforcement of a uniform spacing plan for
the Crosby-Devonian Gas Pool; and unless required, the owner or owners of

separately-owned tracts, including applicant, would be deprived of the opportunity to recover their just and equitable share of the crude petroleum or natural gas, or both, in the pool.

10. That the drilling of an additional well or wells in the unit would result in waste, and would impair correlative rights of owners in the unit.

IT IS THEREFORE ORDERED:

1. That the application of Phillips Petroleum Company for compulsory pooling of the SE/4 of Section 28, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, be, and the same hereby is, approved, and the interests listed in paragraph 4 of the Findings of this order, insofar as they cover and affect the undivided 1/4 mineral interest in the North 60 acres of the said SE/4 be, and the same hereby are pooled with the remaining interests in said SE/4 for the formation of a standard drilling and spacing unit as required by Order No. R-639.

2. That the owner of any interest not voluntarily pooled shall share in the production from the unit from such time as he shall have:

a. Paid his proportional cost for the drilling of said well,
or,

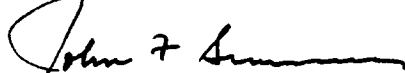
b. Made satisfactory arrangements with the operator for the liquidation of his proportionate share of the necessary and proper costs of drilling, equipping and operating said well, including charges for supervision, as provided by statute.

IT IS FURTHER ORDERED:

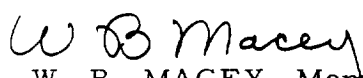
1. That the Commission retains jurisdiction of this case for the purpose of determining the proper costs of development and operation of the pooled unit, in the event such costs are not agreed upon.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary

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