

Entered December 26, 1968
A.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. 3910
Order No. R-3642

APPLICATION OF ATLANTIC RICHFIELD
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 November 7, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 26th day of December, 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, Atlantic Richfield Company, seeks an order pooling all mineral interests in the Bough "C" zone of the Pennsylvanian formation underlying the SW/4 of Section 17, Township 10 South, Range 34 East, NMPM, Vada-Pennsylvanian Pool, Lea County, New Mexico.

(3) That Atlantic Richfield Company is the owner and operator of the W/2 SW/4 of said Section 17, and R. R. Morrison is the owner and operator of the E/2 SW/4 of said Section 17.

(4) That on July 29, 1968, R. R. Morrison completed a well in the Bough "C" zone of the Pennsylvanian formation in the NE/4 SW/4 of said Section 17.

(5) That R. R. Morrison and Atlantic Richfield Company have entered into a stipulation consenting to the entry of an

-2-

CASE No. 3910
Order No. R-3642

order of the New Mexico Oil Conservation Commission pooling their interests in order to form a standard 160-acre proration unit covering the SW/4 of said Section 17.

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

(7) That to avoid the drilling of unnecessary wells and to otherwise prevent waste, to protect correlative rights, and to afford to the owner of each interest in the said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil, gas and other liquid hydrocarbons in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(8) That R. R. Morrison should be designated the operator of the subject well and unit.

(9) That R. R. Morrison and Atlantic Richfield Company have stipulated upon the amount and method by which R. R. Morrison is to be reimbursed for his costs in the drilling of the unit well and upon the costs that have been and will be incurred in the operation of the unit well, and it is unnecessary for the Commission to make further provision therefor.

(10) 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.

(11) That this order should be made effective at 7:00 a.m. October 1, 1968.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Vada-Pennsylvanian Pool underlying the SW/4 of Section 17, Township 10 South, Range 34 East, NMPM, Lea County, New Mexico, are hereby pooled to form a 160-acre oil proration unit to be dedicated to the R. R. Morrison State "17" Well No. 1, located in the NE/4 SW/4 of said Section 17.

(2) That R. R. Morrison is hereby designated the operator of the subject well and unit.

-3-

CASE No. 3910
Order No. R-3642

(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 the effective date of this order is 7:00 a.m. October 1, 1968.

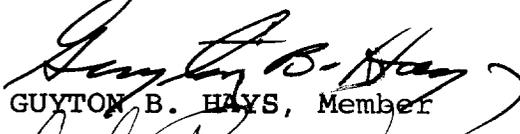
(5) That the Supervisor of the Hobbs District Office of the Commission is hereby authorized to immediately increase the allowable assigned to the subject well to top unit allowable for the Vada-Pennsylvanian Pool; further to assign to the subject well an amount of back allowable equal to 139 barrels per day times the number of days from October 1, 1968, to the date of increase of allowable. This back allowable shall be made up at a rate to be determined by the Commission.

(6) 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

esr/