2 June 25-1973 2 L.P. Contered

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. 4968 Order No. R-4556

APPLICATION OF BENJAMIN K. HORTON FOR THE AMENDMENT OF ORDER NO. R-1814, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 9, 1973, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>25th</u> day of June, 1973, 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, Benjamin K. Horton, is the owner of a Federal Oil and Gas Lease, New Mexico Lease 0338690, comprising all of fractional Section 11, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico, and being 275.36 acres.

(3) That said lands were, in September 20, 1961, communitized with the SW/4 SW/4 and Lot 4 of Section 12, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico, being 68.92 acres, to form a communitized area comprising 344.28 acres, more or less.

(4) That by Commission Order No. R-1814, dated November 4, 1960, a 344.28-acre non-standard gas proration unit comprising all of partial Section 11 plus Lot 4 and the SW/4 SW/4 of Section 12, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico, was approved for the Basin-Dakota Gas Pool; that this unit was subsequently dedicated to the D. W. Falls Inc. Federal Well No. 2-11 located 1190 feet from the South line and 2210 feet from the East line of said Section 11. -2-Case No. 4968 Order No. R-4556

(5) That by letter dated February 2, 1972, the Regional Oil and Gas Supervisor of the United States Geological Survey notified D. W. Falls Inc. that Geological Survey records show no sales from the Dakota well on the above-described communitized area since January 1970; that accordingly, communitization agreement No. Com Agr.-SW-95 is considered to have expired by its own terms on January 31, 1970, the last day of the month in which production ceased from the communitized area.

(6) That the applicant, Benjamin K. Horton, as present owner of the lease covering all of partial Section 11, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico, seeks the amendment of Commission Order No. R-1814 to provide for the dissolution of the 344.28-acre non-standard gas proration unit approved by Paragraph (4) of said order, and to provide for the approval of a 275.36-acre non-standard unit comprising only the aforesaid partial Section 11.

(7) That upon approval of the aforesaid 275.36-acre nonstandard gas proration unit for the Basin-Dakota Gas Pool, the applicant proposes to re-enter the above-described Federal Well No. 2-11, and to attempt to restore said well to production from the Basin-Dakota Gas Pool.

(8) That after hearing the testimony adduced at the subject hearing, applicant was given a period of ten days in which to file statements and exhibits, and protestants were given an additional fifteen days in which to respond; that all statements, exhibits, and responses were timely received.

(9) That approval of the application may result in the production of gas from the Basin-Dakota Gas Pool that would otherwise not be recovered, thereby preventing waste, and will not impair correlative rights provided an acreage factor for allowable purposes of 275.36/320.00 or 0.86 is assigned to the subject well.

IT IS THEREFORE ORDERED:

(1) That Paragraph (4) of Commission Order No. R-1814 is hereby amended to read in its entirety as follows:

"(4) All of partial Section 11, Township 28 North, Range 13 West, comprising 275.36 acres, to be dedicated to the Benjamin K. Horton Federal Well No. 2-11, located 1190 feet from the South line and 2210 feet from the East line of said Section 11."

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

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Y. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member A L. PORTER, Jr., Member & Secretary Α.

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