Entered June 28, 1977

## 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. 5961 Order No. R-5483

APPLICATION OF D. L. HANNIFIN FOR AMENDMENT OF ORDER NO. R-4432, EDDY COUNTY, NEW MEXICO.

## ORDER OF THE COMMISSION

## BY THE COMMISSION:

This cause came on for hearing at 10 a.m. on June 21, 1977, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>28th</u> day of June, 1977, 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, D. L. Hannifin, is a co-owner of the Michael P. Grace II Grace-Atlantic Well No. 1, located in Unit J of Section 24, Township 22 South, Range 26 East, NMPM, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico.

(3) That said well is the unit well for a certain gas spacing and proration unit, said unit comprising the S/2 of said Section 24.

(4) That the S/2 of said Section 24 was pooled by Commission Order No. R-4432, dated November 8, 1972, to form a standard 320-acre proration unit for the South Carlsbad-Morrow Gas Pool, to be dedicated to a well to be drilled at a standard location on said unit.

(5) That a well was subsequently drilled on said pooled unit, being the well described in Finding No. (2) above.

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(6) That Michael P. Grace II was designated by Commission Order No. R-4432 as the operator of the abovedescribed well and unit.

(7) That the applicant herein, D. L. Hannifin, a co-owner of the aforesaid well and unit, seeks the amendment of said Order No. R-4432 to remove the present operator of said well and unit, Michael P. Grace II, as operator, and to designate the applicant, D. L. Hannifin, as operator of said well and unit.

(8) That the applicant has failed to show sufficient cause for the hereinabove described amendment of Commission Order No. R-4432, and such amendment should be <u>denied</u>.

IT IS THEREFORE ORDERED:

(1) That the application of D. L. Hannifin for the amendment of Commission Order No. R-4432 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 , Rucero

PHIL R. LUCERO, Chairman

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