

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. 858
Order No. R-626

THE MATTER OF THE APPLICATION
OF WOOD RIVER OIL AND REFINING
COMPANY, INC., AND THE EL DORADO
REFINING COMPANY FOR THE
COMPULSORY COMMUNITIZATION OF
THE SW/4 OF SECTION 16, TOWNSHIP 26
NORTH, RANGE 9 WEST, NMPM, SAN
JUAN COUNTY, NEW MEXICO, OR, IN
THE ALTERNATIVE, FOR UNORTHODOX
DRILLING UNIT CONSISTING OF THE N/2
SW/4 AND SW/4 SW/4 OF SECTION 16,
TOWNSHIP 26 NORTH, RANGE 9 WEST,
NMPM, IN THE BALLARD-PICTURED CLIFFS
GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on March 16, 1955, 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 April, 1955, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

1. That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

2. That applicants, Wood River Oil and Refining Company and The El Dorado Refining Company, are the owners of State of New Mexico Oil and Gas Lease B-10894-6, which lease includes the N/2 SW/4 and the SW/4 SW/4 of Section 16, Township 26 North, Range 9 West, NMPM, San Juan County, New Mexico.

3. That the above-described lands are situated within the boundaries of the Huerfano Unit but are not committed to said unit.

4. That the SE/4 SW/4 of Section 16, Township 26 North, Range 9 West, NMPM, San Juan County, New Mexico, is held under a State of New Mexico Oil and Gas Lease executed in favor of New Mexico Western Oil and Gas Company.

5. That those lands described in Finding 4 above are situated within the boundaries of the Huerfano Unit and are committed to the unit.

6. That in order to form a standard 160-acre drilling unit in the SW/4 of Section 16, Township 26 North, Range 9 West, NMPM, it would be necessary for the applicants to communitize those lands held by the applicants and described in Finding 2 above with those lands held by New Mexico Western Oil and Gas Company, which lands are described in Finding 4 above and which lands are committed to the Huerfano Unit Agreement.

7. That it is neither advisable nor practical to effect the communitization of lands committed to a unit agreement with lands not committed to that agreement.

8. That New Mexico Western Oil and Gas Company and the El Paso Natural Gas Company have entered an objection to the formation of a 120-acre non-standard drilling unit as proposed by Wood River Oil and Refining Company and The El Dorado Refining Company.

9. That, despite the objection, it is necessary to provide applicants with a non-standard 120-acre drilling unit so that they may be afforded the opportunity to drill a well on the acreage described in Finding 2 above.

10. That the formation of such 120-acre non-standard proration unit will be in the best interests of conservation and will promote the orderly development of the area.

IT IS THEREFORE ORDERED:

1. That the application of the Wood River Oil and Refining Company and The El Dorado Refining Company for approval of a 120-acre unorthodox drilling unit consisting of the following described acreage,

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM
N/2 SW/4, SW/4 SW/4 of Section 16

be and the same hereby is approved, and a drilling unit consisting of the aforesaid acreage is hereby created.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary

