

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 859
Order No. R-614**

**THE APPLICATION OF THE OIL
CONSERVATION COMMISSION
UPON ITS OWN MOTION FOR AN
ORDER AMENDING AND REVISING
PROVISIONS OF ORDER NO. R-565,
RULE 6 (B) THEREOF, OF THE
SPECIAL RULES AND REGULATIONS
FOR THE FULCHER KUTZ-PICTURED
CLIFFS GAS POOL, AZTEC-PICTURED
CLIFFS GAS POOL, AND THE SOUTH
BLANCO-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, hereinafter referred to as the "Commission".

NOW, on this 20th day of April, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, 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 case and the subject matter thereof.

(2) That the present provisions of Rule 6 (B) of Order No. R-565 limit the administrative approval of non-standard proration units to only those units which are variations in legal quarter sections of less than 160 acres due to irregularities in the land survey, and

(3) That the consideration of applications for approval of non-standard gas proration units, other than those involving variations in the public land survey, only upon notice and hearing, places an undue burden and inconvenience upon both applicants and this Commission.

(4) That it is in the interests of orderly and efficient administrative procedure, with due regard for the prevention of waste and the protection of correlative rights, to adopt the revised and amended Rule 6 (B) as presented at the hearing in this matter.

IT IS THEREFORE ORDERED:

That Rule 6 (B) of Order R-565, of each group of Special Pool Rules for the Astec-Pictured Cliffs Gas Pool, the Falcher Kutz-Pictured Cliffs Gas Pool and the South Blance-Pictured Cliffs Gas Pool, be and the same is hereby amended to read as follows:

RULE 6 (B): The Secretary-Director of the Commission shall have authority to grant an exception to Rule 6 (A) without notice and hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with:

1. The proposed non-standard proration unit consists of less than 160 acres, except where the unorthodox size or shape of the tract is due to a variation in legal subdivision of the U. S. Public Land Surveys.
2. The non-standard gas proration unit consists of contiguous quarter-quarter sections and/or lots.
3. The non-standard gas proration unit lies wholly within a single governmental section.
4. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas.
5. The applicant presents written consent in the form of waivers from:
 - (a) All operators owning interests in the section in which any part of the non-standard gas proration unit is situated and which acreage is not included in said non-standard gas proration unit.
 - (b) All operators owning interests in acreage offsetting the non-standard unit.
6. In lieu of compliance with the stipulation set out in paragraph 5 of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to form such non-standard gas proration unit. The Secretary of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no operator has made objection to formation of such non-standard gas proration unit.

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

