

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. 865  
Order No. R-617

THE APPLICATION OF SIGNAL OIL AND  
GAS COMPANY FOR AN ORDER CALLING  
FOR THE COMPULSORY COMMUNITIZATION  
OF THE NW/4 SW/4 OF SECTION 6, TOWN-  
SHIP 20 SOUTH, RANGE 38 EAST, NMPM,  
LEA COUNTY, NEW MEXICO, FOR THE  
FORMATION OF A 40-ACRE COMMUNITIZED  
UNIT FOR THE PRODUCTION OF OIL FROM  
THE SKAGGS OIL 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 20<sup>th</sup> 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 applicant, Signal Oil and Gas Company, is the owner of certain leasehold interests covering the following described land in Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
NW/4 SW/4 of Section 6

containing 40 acres more or less.

(3) That the following mineral interests in said NW/4 SW/4 are either unleased or leased to other parties, and these mineral owners and leasehold owners have indicated that they will join in the development of the lands or will convey their said lease to applicant:

<u>NAME</u>	<u>INTEREST</u>
Tide Water Associated Co.	3/160
J. Hiram Moore	5/4608
F. J. Danglade	1/4
F. E. Chartier	1/192

(4) That the following mineral interest in said NW/4 SW/4 is unleased:

<u>NAME</u>	<u>INTEREST</u>
Millie B. Jones	1/320

(5) That applicant, Signal Oil and Gas Company, acquired its leases in the SW/4 NW/4 SW/4 of said Section 6 from the following mineral owners:

<u>NAME</u>	<u>INTEREST</u>
Mamie Holloway McFarland	1/56
Floyd G. Holloway	1/56
Chachie H. Fournier	1/56
Roy B. Holloway	2/56
Edith Holloway Poole	1/56
Winifred Holloway Hill	1/56

(6) That applicant, Signal Oil and Gas Company, acquired its leases from the following mineral owners in the various parts of the NW/4 SW/4 of Section 6, as follows:

<u>NAME</u>	<u>INTEREST</u>	
	<u>NW/4 NW/4 SW/4, E/2 NW/4 SW/4 Section 6</u>	<u>SW/4 NW/4 SW/4 Section 6</u>
Alice Siddall	3/16	5/112
Sam H. Holloway & wife		
Kathryn A. Holloway	1/32	11/224

(7) That none of the aforesaid leases contains a pooling clause, and without forced communitization there could arise conflict among said royalty owners and these royalty owners upon whose land the well might be located, as to the exact royalty to which each might be entitled from any production which might be recovered.

(8) That applicant, Signal Oil and Gas Company, proposes to drill a test well for the production of oil from the Grayburg formation of the Skaggs Pool at a location in the NW/4 SW/4 Section 6, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

(9) That the SW/4 of said Section 6 can be reasonably assumed to be productive of oil from the Skaggs Pool.

(10) That unless the application is granted, applicant will be deprived of the opportunity to recover its just and equitable share of oil from the Skaggs Oil Pool.

(11) No person nor persons affected by the compulsory communitization, who have refused to pool their interests voluntarily, nor any representative of the same, appeared at this hearing or made objection to the formation of said 40-acre proration unit.

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IT IS THEREFORE ORDERED:

1. That the application of Signal Oil and Gas Company for compulsory communitization of the NW/4 SW/4 of Section 6, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, be and the same hereby is approved, and the same is hereby recognized as a communitized or pooled tract at all times hereafter, and that such pooling or communitization be and it is in all things confirmed.

2. That the operator, Signal Oil and Gas Company, shall furnish this Commission with an executed copy of the Unit Operating Agreement, together with any other pertinent data that the Commission may, from time to time, deem necessary in order to determine that each owner of the oil and gas leasehold interest or mineral interests receives his just and equitable share of the proceeds received from the sale of crude petroleum and its allied products.

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

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