

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF CORINNE GRACE
FOR AN ORDER FORCE POOLING
SECTION 8, TOWNSHIP 21 SOUTH,
RANGE 24 EAST, EDDY COUNTY, NEW
MEXICO

Corinne Grace

A P P L I C A T I O N

Comes now Corinne Grace and applies to the Oil Conservation Commission of New Mexico for an order force pooling all interests in and under Section 8, Township 21 South, Range 24 East, N. M. P. M., Eddy County, New Mexico, insofar as the Indian Hills-Morrow Gas Pool is concerned, and in support thereof would show the Commission:

1. Applicant is the owner of the SE $\frac{1}{4}$ of said Section 8, and has the right to drill on said tract, and proposes to drill a well for production from the Morrow formation.
2. Under the provisions of Rule 2 of Commission Order No. R-3081, special rules and regulations for the North Indian Hills-Morrow Gas Pool, a standard drilling and proration unit consists of 640 acres, comprising a governmental section.
3. Applicant is informed and believes, and therefore states the fact to be that Shell Oil Company is the owner of the mineral interest in the N $\frac{1}{2}$ of Section 8, and Marathon Oil Company is the owner of the mineral interest in the SW $\frac{1}{4}$ of said section 8, insofar as the Morrow formation is concerned.
4. The owners of the mineral interest under the standard drilling and proration unit, consisting of Section 8, have been unable to agree to pool their interests.
5. Applicant proposes to drill a well on said unit, and in order to recover her just and equitable share of the oil and/or gas underlying her acreage, it is necessary that said Section 8 be

pooled, insofar as production from the Morrow formation, and from the North Indian Hills-Morrow Gas Pool, is concerned, and said section being located within one mile of the outer boundaries of the North Indian Hills-Morrow Gas Pool, as defined by the Commission, a standard 640-acre standard unit should be formed for such well.

WHEREFORE applicant prays that the commission set this application for hearing before the Commission or before the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order force pooling all of the oil and gas mineral interests in and under Section 8, Township 21 South, Range 24 East, insofar as production from the Morrow formation, and from the North Indian Hills-Morrow Gas Pool, is concerned.

Applicant further prays that the Commission designate her as operator of said unit, and make suitable provision for recovery of her costs incurred in the drilling, completion, supervision and operation of said well, from any ^{non}con-consenting owners, and including a suitable risk factor for the risk involved in the drilling of a well or wells on said tract, to be recovered from any non-consenting owner's prorata share of production, together with provision for the recovery of the costs of operation of said well and supervision thereof, and such other provisions as may be proper in the premises.

Respectfully submitted,

CORINNE GRACE

By Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico

Attorneys for Applicant

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CONSOLIDATED CASES: APPLICATION)
OF CORINNE GRACE FOR COMPULSORY) Cases Nos. 4017 and
POOLING, EDDY COUNTY, NEW MEXICO;) 4043
APPLICATION OF DAVID FASKEN FOR)
COMPULSORY POOLING, EDDY COUNTY,)
NEW MEXICO.)

APPLICATION OF DAVID FASKEN FOR HEARING DE NOVO

Comes now David Fasken, by his attorneys, and states:

1. By Application filed in Case No. 4043, David Fasken seeks an order pooling all mineral interests in the Morrow formation underlying Section 8, Township 21 South, Range 24 East, NMPM, North Indian Hills-Morrow Gas Pool, Eddy County, New Mexico. Mr. Fasken's original Application in Case No. 4043 is incorporated into this Application by reference.

2. By his Application in Cause No. 4043, David Fasken seeks to be designated the operator of the pooled unit for the purpose of drilling, completing and operating a well in the Morrow formation at a location 1980 feet from the North line and 2105 feet from the East line of said Section 8.

3. On February 5, 1969, the Application of David Fasken in Case No. 4043 was consolidated with the Application of Corinne Grace in Case No. 4017 and the consolidated cases were heard before Examiner Daniel S. Nutter.

4. On March 25, 1969, the Commission rendered its decision in Consolidated Cases Nos. 4017 and 4043 and entered its Order No. R-3713, which approved the Application of Corinne Grace in Case No. 4017 and denied the Application of David Fasken in Case No. 4043.

5. David Fasken is a party adversely affected by the Commission's decision in Cases Nos. 4017 and 4043, Order No.

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Date 5-29-69

Date 5-2-69

R-3713, and hereby applies to the Commission to have the Applications in Cases Nos. 4017 and 4043 heard de novo before the Commission pursuant to Section 65-3-11.1 NMSA.

6. David Fasken is the operator of the N/2 and the SW/4 of said Section 8 and therefore controls 480 of the 640 acres within the unit to be pooled. Accordingly, David Fasken will be required to pay either directly or out of production attributable to his interest 3/4 of the cost of any well drilled on the pooled unit.

7. David Fasken is the operator of 5 wells producing from the Morrow formation in Sections that directly or diagonally offset the said Section 8 and is completely familiar with the special problems of drilling, completing and operating wells in this pool. On the other hand, Corinne Grace, the applicant in Case No. 4017, has no interest in any well in this pool and is not familiar with the problems of drilling, completing and operating wells in this pool. Accordingly, applicant should be designated by the Commission as the operator of the pooled unit.

WHEREFORE, David Fasken requests that the Commission vacate its Order No. R-3713 and set the Applications in Cases Nos. 4017 and 4043 for hearing de novo before the Commission.

MONTGOMERY, FEDERICI, ANDREWS,
HANNAHS & MORRIS

By: Richard S. Morris
P. O. Box 2307
Santa Fe, New Mexico 87501
Attorneys for David Fasken,
Applicant for Compulsory Pooling
in Case No. 4043 and Applicant
for Hearing De Novo in Cases Nos.
4017 and 4043

I hereby certify that I caused to be mailed a true and correct copy of the foregoing Application of David Fasken for Hearing De Novo to Jason W. Kellahin, Kellahin & Fox, attorneys for Corinne Grace, Applicant in Case No. 4017, P. O. Box 1769, Santa Fe, New Mexico, on this 23rd day of April, 1969.

Richard S. Morris