

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF:

THE APPLICATION OF SOUTHWEST PRODUCTION)
COMPANY, a co-partnership consisting of)
JOHN H. HILL and JOSEPH P. DRISCOLL,)
FOR PERMISSION TO PRODUCE A MESA VERDE)
GAS WELL AT AN UNORTHODOX LOCATION IN)
THE SOUTHWEST QUARTER (SW $\frac{1}{4}$) OF SECTION)
26, T-30-N, R-12-W, N.M.P.M., SAN JUAN)
COUNTY, NEW MEXICO.)

Case No. 2414

A P P L I C A T I O N

Comes now the applicant and states:

1. That Southwest Production Company, a co-partnership consisting of John H. Hill and Joseph P. Driscoll, is the owner of the oil and gas leases covering the Southwest Quarter (SW $\frac{1}{4}$) of Section 26, T-30-N, R-12-W, N.M.P.M., San Juan County, New Mexico, insofar as such leases cover the Dakota formation.

2. That heretofore the applicant staked a well in the above described SW $\frac{1}{4}$ of Section 26 at a point 2360 feet from the South line and 830 feet from the West line of said Section; that the entire West Half (W $\frac{1}{2}$) of said Section 26 was to be dedicated to such well and it was intended to produce it from the Dakota formation, all of which formation in the W $\frac{1}{2}$ of Section 26 is owned by it. That such a location was an orthodox Dakota formation location but that in the drilling of such well the applicant accidentally encountered an especially fine section of the Mesa Verde formation which will produce a large volume of gas if applicant is allowed to complete and produce said well at such location which is an unorthodox location for the above described SW $\frac{1}{4}$ of Section 26.

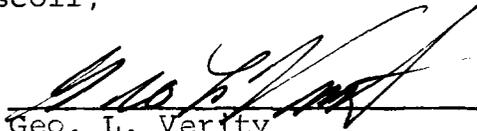
3. That the Mesa Verde formation in the area of the above described well is erratic and difficult to predict; that there are a few Mesa Verde wells in the area, one of which is on an unorthodox location. That it would be inequitable to require the applicant to abandon Mesa Verde production from the above described well when it has been established therein; that applicant should be allowed to keep and produce such well at the location stated from the Mesa Verde formation. That to do so will prevent waste and promote and protect the correlative rights of the parties.

4. That the only party interested or who will be affected by this application other than the applicant is Pan-American Petroleum Corp., whose address is Petroleum Center Building, Farmington, New Mexico.

WHEREFORE, applicant prays that this application be set down for hearing; that due notice thereof be given in accord with the Rules of this Commission and the laws of the State of New Mexico, and that upon hearing of such application and from the evidence to be adduced the Commission enter its Order granting applicant the right to complete and produce the above described well at the location stated in the undesignated Mesa Verde pool and that it be given a regular 160 acre allowable, in accord with the standard Rules and Regulations applying to such pool.

SOUTHWEST PRODUCTION COMPANY,
a co-partnership consisting
of John H. Hill and Joseph P.
Driscoll,

By


Geo. L. Verity
Verity, Burr & Cooley
Its Attorney
152 Petroleum Center Building
Farmington, New Mexico