

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF -)
)
 THE APPLICATION OF SOUTHWEST)
 PRODUCTION COMPANY FOR AN ORDER)
 FORCE POOLING THE E $\frac{1}{2}$ OF SECTION)
 7, Township 30 North, Range 11)
 West, N.M.P.M., San Juan County,)
 New Mexico, FOR PRODUCTION OF GAS)
 FROM THE BASIN-DAKOTA GAS POOL.)

Case No. 2453

A P P L I C A T I O N

Comes now the applicant, Southwest Production Company, a co-partnership consisting of Joseph P. Driscoll and John H. Hill, and for its application alleges and states:

1. That it is the owner of oil and gas leases covering a portion of the E $\frac{1}{2}$ of Section 7, T-30-N, R-11-W, N.M.P.M., San Juan County, New Mexico, and that it has entered into a communitization agreement with the owner of the remainder of the acreage underlying said half section under the terms of which communitization agreement the applicant is constituted as the "operator" thereof.

2. That heretofore this Commission entered its Order creating a non-standard gas proration unit for production of gas from the Basin-Dakota Gas Pool consisting of all of the above described E $\frac{1}{2}$ of Section 7, T-30-N, R-11-W, N.M.P.M., excepting the S $\frac{1}{2}$ of the SW $\frac{1}{4}$ SE $\frac{1}{4}$; that it desires that the Commission vacate its Order creating such non-standard gas proration unit and make the entire E $\frac{1}{2}$ of said section one proration unit for the production of gas.

3. That although applicant owns an oil and gas lease covering the S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ of the above described Section 7, the validity of said oil and gas lease is contested by Harold Marion Brimhall and wife, Maleta Y. Brimhall, who are the owners of the mineral interest underlying said 20 acres which is subject to

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such oil and gas lease; that because of the contention of such individuals regarding the validity of such oil and gas lease, applicant has endeavored to obtain a lease from said individuals, and also to enter into an agreement for the production of gas from the entire E $\frac{1}{2}$ including said 20 acres, and has been unable to do so; and, that applicant is entitled to an Order of this Commission pooling the entire E $\frac{1}{2}$ of the above described Section 7 for production of gas from the Basin-Dakota Gas Pool.

4. That heretofore applicant has drilled and completed a well located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 7, which well was completed as a commercial producer in the Basin-Dakota Gas Pool; that applicant is entitled to be made the operator of the production of said well for the entire pooled acreage.

5. That there was considerable risk involved in the drilling of the above described well, and under the statutes of the State of New Mexico and the rules and regulations of the Oil Conservation Commission of the State of New Mexico, applicant is entitled to, and should be allowed to take and receive for its own use 7/8ths of any and all production had from the above described well until such time as it has been reimbursed in an amount equal to 125% of its actual costs of drilling, completing, equipping and operating said well, plus a reasonable compensation for the supervision thereof.

6. That the force pooling Order herein requested is necessary in order to prevent waste and protect the correlative rights of the parties.

WHEREFORE, applicant prays that this application be set down for hearing at an early date, 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 after hearing and from the evidence to be adduced thereat this Commission enter its Order

terminating the non-standard proration unit consisting of all the East Half ($E\frac{1}{2}$) of the above described Section 7, except the $S\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}$ thereof and force pooling the Dakota formation underlying the remaining standard proration unit consisting of all said One-half section.

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By 
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