

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CHARLES B. READ FOR A NONSTANDARD
OIL PRORATION UNIT IN AN UNDESIGNATED
DELAWARE POOL, LEA COUNTY, NEW MEXICO.

Case No. 2733

COMES NOW Charles B. Read, whose address is P. O. Box 1822, Roswell, New Mexico, and hereby makes application for a nonstandard oil proration unit in an undesignated Delaware pool in Lea County, New Mexico, and would respectfully state:

1. Applicant is the owner and operator of two oil and gas leases embracing the following lands in Lea County, New Mexico:

Lease 1: United States Oil and Gas Lease LC 068281 embracing Lot 4, Section 31, Township 26 South, Range 32 East, N.M.P.M., containing 24.48 acres.

Lease 2: United States Oil and Gas Lease LC 068281-C embracing Lot 5, Section 31, Township 26 South, Range 32 East, N.M.P.M., containing 24.51 acres.

That said lands are not located in any designated Delaware pool and are not contiguous to nor do they form a part of any Delaware pool heretofore designated by the Commission.

2. That the development of said leases as to said lands on an individual drilling unit basis is impractical and uneconomical and would result in waste. That the owners of the royalty, overriding royalty and working interest in said leases and lands have agreed to communitize and pool the oil production therefrom for all formations from the tops of the Ramsey section of the Delaware pool to a total vertical depth of 4,415 feet by the execution of a Communitization Agreement dated November 19, 1962.

3. That Applicant has drilled a well located 330 feet from the West line and 409.7 feet from the North line of said Lot 4 and is presently completing the same as a producer of oil in paying quantities from the Ramsey Sand formation within said communitized zone.

4. That the formation of an unorthodox drilling and proration unit consisting of Lots 4 and 5, Section 31, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico, containing 48.99 acres, for the production of oil in such communitized zone would aid in the development of the premises and would be such an area that can be efficiently and economically drained and developed by said well; that it will result in the protection of correlative rights including those of royalty owners, the prevention of waste, the avoidance of the augmentation of risks arising from the drilling of an excessive number of wells, and will prevent the economic loss caused by the drilling of unnecessary wells. That under the Communitization Agreement, each royalty, overriding royalty and working interest owner will be entitled to receive substantially in the proportion that the quantity of the recoverable oil or gas or both under his property bears to the total recoverable oil or gas or both in the pool.

WHEREFORE, Applicant prays that this application be set for hearing and that due notice thereof be given, and that upon such hearing an order be entered approving a nonstandard oil proration unit, consisting of Lots 4 and 5, Section 31, Township 26 South, Range 32 East, N.M.P.M., Lea County, New Mexico, containing 48.99 acres, in an undesignated Delaware pool in Lea County, New Mexico,

granting an allowable to the well thereon in proportion to the acreage contained in the nonstandard unit as provided by Rule 104(h); and for all proper relief.

Respectfully submitted,

HERVEY, DOW & HINKLE

By 
S. B. Christy IV, as a member
of the firm,
Box 10, Roswell, New Mexico
Attorneys for the Applicant