

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8689
Order No. R-8172

APPLICATION OF DOYLE HARTMAN FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 19, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of March, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Doyle Hartman, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the N/2 NW/4 and SW/4 NW/4 of Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, being a previously approved 120-acre non-standard gas spacing and proration unit (NSP-1275).

(3) At the time of the hearing, the applicant requested that the application be limited to royalty interest owners only.

(4) The applicant has the right to drill and has drilled its Justis Christmas Gas Com Well No. 1 located 2,225 feet from the North line and 790 feet from the West line of said Section 20.

(5) There are royalty interest owners in the proration unit who have not agreed to pool their interests.

(6) To avoid the drilling of unnecessary wells, to protect correlative rights, to avoid waste, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all royalty interests, whatever they may be, within said unit.

(7) The applicant should be designated the operator of the subject well and unit.

(8) All proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

(9) Should all the parties to this forced pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(10) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

IT IS THEREFORE ORDERED THAT:

(1) All royalty interests, whatever they may be, in the Jalmat Gas Pool underlying the N/2 NW/4 and SW/4 NW/4 of Section 20, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled within a previously approved non-standard 120-acre gas spacing and proration unit (NSP-1275) dedicated to applicant's Justis Christmas Gas Com Well No. 1 located 2,225 feet from the North line and 790 feet from the West line of said Section 20.

(2) Doyle Hartman is hereby designated the operator of the subject well and unit.

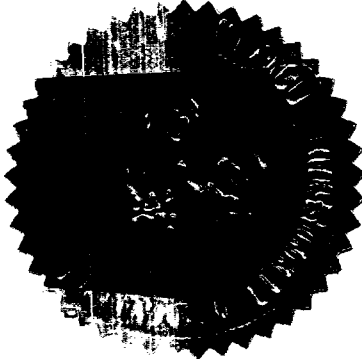
(3) All proceeds from production from the subject well which are not disbursed for any reason shall immediately be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of first deposit with said escrow agent.

(4) Should all parties to this forced pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(5) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS,
Director