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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 986
Order No. R-737

THE APPLICATION OF EL PASO NATURAL
GAS COMPANY AND ALBUQUERQUE ASSOCIATED
OIL COMPANY FOR AN UNORTHODOX SPACING
UNIT CONSISTING OF THE OF THE SE/4 AND
N/2 SW/4 OF SECTION 15, TOWNSHIP 28
NORTH, RANGE 5 WEST, NMPM, OR IN THE
ALTERNATIVE, FOR COMPULSORY COMMUNITI-
ZATION OF THE S/2 OF SECTION 15, TOWN-
SHIP 28 NORTH, RANGE 5 WEST, NMPM, RIO
ARRIBA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 14, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 29th day of December, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That the applicant El Paso Natural Gas Company is the present operator of the San Juan 28-5 Unit Agreement, located in Rio Arriba County, New Mexico, said unit agreement having heretofore been duly approved by the U. S. Geological Survey, the Commissioner of Public Lands of New Mexico and the New Mexico Oil Conservation Commission.

(3) That applicant, Albuquerque Associated Oil Company is the present owner and holder of Federal Oil and Gas Lease Santa Fe 080516, which covers, among other lands, the SE/4 and the N/2 SW/4 of Section 15, Township 28 North, Range 5 West, NMPM, said lands being committed to said San Juan 28-5 unit.

(4) That the owner in fee simple of the S/2 SW/4 of Section 15, Township 28 North, Range 5 West, NMPM, is Manuel A. Trujillo of Lumberton, New Mexico; that said acreage has never been committed to the terms of the San Juan 28-5 Unit Agreement and Unit Operating Agreement, and that said owner has refused, and still does refuse to commit said acreage to the unit.

(5) That the entire S/2 of Section 15, Township 28 North, Range 5 West was included in the Mesaverde Participating Area as an intervening drilling block for said unit, effective January 1, 1955, in accordance with Article II, Paragraph 3 of the said San Juan 28-5 Unit Agreement; that in accordance with the terms and provisions of said paragraph of the Unit Agreement, a well must be commenced on the intervening drilling blocks within one year from the effective date of said drilling blocks inclusion in the participating area; that therefore, applicant, El Paso Natural Gas Company must commence a well in the S/2 of said Section 15, by January 1, 1956, to be completed within the defined limits of the Blanco-Mesaverde Gas Pool.

(6) That under the terms of Commission Order No. R-110 a well in the Blanco-Mesaverde Pool must be drilled on a drilling unit consisting of one-half of a governmental section in which unit all interests have been consolidated; that applicant El Paso Natural Gas Company has made diligent efforts to reach some agreement with the said Manuel Trujillo whereby the entire S/2 of the said Section 15 could be dedicated to a well to be drilled by said applicant, in accordance with Order R-110; that such efforts have been unsuccessful.

(7) That the said Manuel A. Trujillo has, through his attorney, specifically advised the Commission that he does not wish or intend to contest the application of the two applicants in this case.

(8) That applicant proposes to commence a well to be known as San Juan 28-5 Unit Well No. 10 to be located in the N/2 SW/4 of Section 15.

IT IS THEREFORE ORDERED:

(1) That the application of El Paso Natural Gas Company and Albuquerque Associated Oil Company for an unorthodox spacing unit and proration unit consisting of the SE/4 and N/2 SW/4 of Section 15, Township 28 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, located within the defined units of the Blanco-Mesaverde Gas Pool, be, and the same hereby is approved.

(2) That a spacing unit and proration unit consisting of the aforesaid acreage is hereby created.

(3) That applicant is hereby granted permission to drill their proposed San Juan 28-5 Unit, Well No. 10, to be located in the N/2 SW/4 of Section 15, Township 28 North, Range 5 West. Said well shall be granted an allowable upon completion in the Blanco-Mesaverde Gas Pool, based upon a proration unit size of 240 acres.

(4) That in the event said proration unit is increased to a standard unit of 320 acres the increase in the allowable assigned said well shall be effective the first day of the month following receipt by the Commission of notification from the applicant.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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