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By the

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. 2610
Order No. R-2297

APPLICATION OF SOUTHWEST PRODUCTION
COMPANY FOR A FORCE-POOLING ORDER,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 24, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 2nd day of August, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

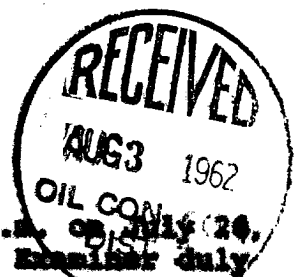
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

9-1-62
P. H.
(2) That the applicant, Southwest Production Company, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 9, Township 30 North, Range 11 West, NMPN, San Juan County, New Mexico.

(3) That the applicant has made diligent effort to identify and to locate all owners of interest in the proposed proration unit.

(4) That the applicant has made fair and reasonable offers to lease or to communitize with respect to each non-consenting interest owner whose identity and address is known.

(5) That although the applicant has made fair and reasonable offers and has been diligent in its efforts to form the proposed proration unit, there remain non-consenting interest owners in the subject proration unit who have not agreed to the pooling of their interests.



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This case came on for hearing at 9 o'clock A.M. on January 10, 1967, at which time, New Mexico, before which it was heard by the Oil Conservation Commission of New Mexico, was represented by the Oil Conservation Commission of New Mexico. The latter testified as to its jurisdiction, its authority, and its powers.

100. On this 24th day of August, 1961, the following persons were present, having subscribed to the foregoing Declaration of the Defendants:

1122

(1) That the police officers having been advised as to the location of the vehicle, the vehicle was located and the driver was arrested.

(2) That the applicant, defendant, is a citizen of the United States of America, and is a resident of the State of California, and is a resident of the County of Los Angeles, and is a resident of the City of Los Angeles, and is a resident of the District of Los Angeles, and is a resident of the City of Los Angeles, and is a resident of the County of Los Angeles, and is a resident of the State of California, and is a resident of the United States of America.

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1. The following are the names of the persons who have been identified as having been in contact with the subject during the period of the investigation:

(b) That although the applicant has made every effort to keep his affairs confidential, he has not been able to do so in the case of the above-named persons, and that he has not been able to do so in the case of the above-named persons, and that he has not been able to do so in the case of the above-named persons.

(6) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) That the applicant proposes to dedicate the subject proration unit to its Fay Burdette Well No. 1, located 1520 feet from the North line and 1450 feet from the East line of said Section 9.

(8) That the applicant seeks permission to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of the costs of said well has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.

(9) That \$75.00 per month should be fixed as the cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(10) That the applicant should furnish the Commission and each known non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date of this order.

(11) That any non-consenting working interest owner should be afforded the opportunity to pay his share of well costs within 30 days from the date the schedule of well costs is furnished him by the applicant in lieu of paying his share of costs out of production.

(12) That any non-consenting working interest owner not electing to pay his share of well costs within 30 days from the date said schedule is furnished him should have his share of the well costs withheld from production plus 25 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(13) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership.

(14) That Southwest Production Company should be designated the operator of said unit.

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Order No. 8-100

(1) That in order to drilling of necessary wells, the applicant should be allowed to drill on the corner of the lot, and to avoid the necessity of removing the gas in the Basin-Schore Gas Pool, the proposed applicant should be approved by pooling all mineral interests, however they may be within said unit.

(2) That the applicant propose to develop the oil and gas unit to the pay interests well No. 1, located in the north line and 1450 East from the East line of the lot.

(3) That the applicant shall be liable to the unit, and the production attributable to each non-commenting working interest well such time as each interest share of the unit of said well has been recovered, plus 10 percent thereof, and a charge for the risk involved in the drilling of the well.

(4) That \$15.00 per acre should be paid as the unit, and the applicant should be liable to the unit, and the production attributable to each non-commenting working interest well such time as each interest share of the unit of said well has been recovered, plus 10 percent thereof, and a charge for the risk involved in the drilling of the well.

(5) That the applicant should furnish the information and each known non-commenting working interest owner in the unit, and an interest schedule of well costs within 30 days after the date of this order.

(6) That any non-commenting working interest owner should be afforded the opportunity to pay his share of well costs within 30 days from the date the schedule of well costs is furnished to him by the applicant in lieu of paying his share of costs and interest.

(7) That any non-commenting working interest owner should be afforded the opportunity to pay his share of well costs within 30 days from the date the schedule of well costs is furnished to him by the applicant in lieu of paying his share of costs and interest, and a charge for the risk involved in the drilling of the well.

(8) That all proceeds from production from the unit, and all other proceeds from any interest should be paid to the owner in San Juan County, New Mexico, to be paid to the owner based upon demand and proof of ownership.

(9) That the production company should be approved by the operator of said unit.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool in the E/2 of Section 9, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas production unit. Said unit shall be dedicated to the Fay Burdette Well No. 1, located 1520 feet from the North line and 1450 feet from the East line of said Section 9.

(2) That Southwest Production Company is hereby designated the operator of said unit.

(3) That Southwest Production Company is hereby authorized to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of well costs has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.

(4) That \$75.00 per month is fixed as the cost of operating the subject well, and Southwest Production Company is hereby authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(5) That any uncovered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(6) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(7) That the applicant shall furnish the Commission and each known non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date of this order.

(8) That any non-consenting working interest owner shall have the right to pay his share of well costs to Southwest Production Company within 30 days from the date the schedule of well costs is furnished him by Southwest Production Company, in lieu of paying his share of well costs out of production. In the event any such owner elects to pay his share of well costs as provided for in this paragraph, he shall remain liable for operating costs but shall not be liable for risk charges.

(9) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow

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1. The following information was obtained from the file of the Bureau of the Federal Bureau of Investigation, Washington, D. C., dated 10/10/50, and is being furnished to you for your information.

1. The following is a summary of the information received from the various sources mentioned above:

[illegible]

1. The first of these is the fact that the Commission has not yet received any information from the Government of the United States regarding the activities of the Committee for the Liberation of the Americas (CLA) in the United States. The Commission is therefore unable to determine whether the CLA is active in the United States or not.

1. The purpose of this document is to provide information regarding the activities of the [redacted] and the [redacted] in the [redacted] area. This information is being provided for your information and is not to be used for any other purpose.

1. The above information was obtained from the files of the FBI, New York Office, and is being furnished to you for your information.

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CASE No. 2610

Order No. R-2297

in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership. The Commission shall be notified as to the name and address of said survey agent.

(10) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHUM, Chairman

H. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

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