

**CASE 5027: APPLICATION OF DALPORT  
OIL CORP. FOR THE AMENDMENT OF  
ORDER NO. R-4553, CHAVES COUNTY.**

*Order No R-4553-A*

CASE No.

5027

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Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & associates

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87106

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
Wednesday, July 11, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Dalport Oil  
Corporation for the amendment  
of Order No. R-4553, Chaves  
County, New Mexico.

Case Number 5027

BEFORE: Daniel S. Nutter  
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87106

1 MR. NUTTER: The Hearing will come to order, please.  
2 Call next Case 5027.

3 MR. CARR: Case 5027, application of Dalport Oil  
4 Corporation for the amendment of Order No. R-4553, Chaves  
5 County, New Mexico.

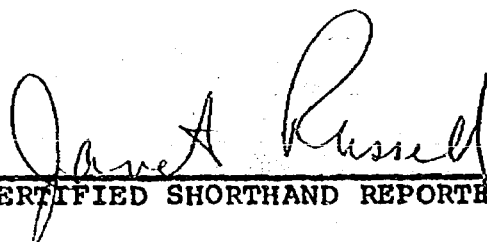
6 MR. NUTTER: Are there any appearances to be made  
7 in Case 5027? If not, as advertised in this case, Order  
8 No. R-4553 will be amended to provide that the well to  
9 be drilled on the proration unit pooled by Order No. R-4553  
10 shall be located in Unit G of Section 17, Township 12  
11 South, Range 31 East rather than Unit J of Section 17 as  
12 presently specified in the Order.


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1 STATE OF NEW MEXICO )  
 ) ss.  
 2 COUNTY OF BERNALILLO )

3 I, JANET RUSSELL, a Certified Shorthand Reporter, in  
 4 and for the County of Bernalillo, State of New Mexico, do  
 5 hereby certify that the foregoing and attached Transcript of  
 6 Hearing before the New Mexico Oil Conservation Commission was  
 7 reported by me; and that the same is a true and correct  
 8 record of the proceedings to the best of my knowledge, skill  
 9 and ability.

10   
 11 CERTIFIED SHORTHAND REPORTER

12  
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 22 I do hereby certify that the foregoing is  
 23 a complete record of the proceedings in  
 the Executive Hearing of Case No. 5027  
 heard by me on 7/11, 19 23  
 24   
 25 Examiner  
 New Mexico Oil Conservation Commission

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
 1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108



# OIL CONSERVATION COMMISSION

**STATE OF NEW MEXICO**  
**P. O. BOX 2088 - SANTA FE**  
**87501**

GOVERNOR  
BRUCE KING  
CHAIRMAN

**LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER**

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

July 24, 1973

Mr. Sim Christy  
Jennings, Christy & Copple  
Attorneys at Law  
Post Office Box 1180  
Roswell, New Mexico 88201

Re: Case No. 5027  
Order No. R-4553-A  
Applicant:  
  
Dalport Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u>          x          </u>
Artesia OCC	<u>          x          </u>
Aztec OCC	<u>                          </u>

**Other**

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. 5027  
Order No. R-4553-A

APPLICATION OF DALPORT OIL  
CORPORATION FOR THE AMENDMENT  
OF ORDER NO. R-4553, CHAVES  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 11, 1973,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23rd day of July, 1973, the Commission,  
a quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, 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.

(2) That by Commission Order No. R-4553 all mineral  
interests in the Queen formation underlying the E/2 of Section 17,  
Township 12 South, Range 31 East, NMPM, Southeast Chaves Queen  
Gas Area, Chaves County, New Mexico, were pooled to form a  
standard 320-acre gas spacing and proration unit to be dedicated  
to a well to be drilled in Unit J of said Section 17.

(3) That the applicant, Dalport Oil Corporation, seeks the  
amendment of said Order No. R-4553 to provide that the well to  
be drilled on the above-described pooled unit would be located  
in Unit G of said Section 17 rather than Unit J.

(4) That the amendment of said Order No. R-4553 as  
described above will not cause waste nor violate correlative  
rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That Order (1) of Order No. R-4553 is hereby amended to  
read in its entirety as follows:

-2-

Case No. 5027  
Order No. R-4553-A

"(1) That all mineral interests, whatever they may be, in the Queen formation underlying the E/2 of Section 17, Township 12 South, Range 31 East, NMPM, Southeast Chaves Queen Gas Area, Chaves County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled in Unit G of said Section 17."

(2) That Order No. R-4553, as entered June 15, 1973, shall in all other respects remain in full force and effect.

(3) 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



*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

*Alex J. Armiijo*  
ALEX J. ARMIJO, Member

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

S E A L

dr/



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. 4986  
Order No. R-4553

APPLICATION OF DALPORT OIL  
CORPORATION FOR COMPULSORY  
POOLING, CHAVES COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 6, 1973,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of June, 1973, the Commission, a  
quorum being present, having considered the testimony, the  
record, and the recommendations of the Examiner, 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.
- (2) That the applicant, Dalport Oil Corporation, seeks  
an order pooling all mineral interests in the Queen formation  
underlying the E/2 of Section 17, Township 12 South, Range 31  
East, NMPM, Southeast Chaves Queen Gas Area, Chaves County,  
New Mexico.
- (3) That the applicant has the right to drill and proposes  
to drill a well in Unit J of said Section 17.
- (4) That there are interest owners in the proposed proration  
unit who have not agreed to pool their interests.
- (5) That to avoid the drilling of unnecessary wells, to  
protect correlative rights, 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 mineral interests, whatever they may be, within said  
unit.
- (6) That the applicant should be designated the operator  
of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 100 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 per month should be fixed as a reasonable charge for supervision (combined fixed rates); that the operator should be authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(12) That all proceeds from production from the subject wells 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.

(13) That upon the failure of the operator of said pooled unit to commence drilling of the well to which said unit is dedicated on or before September 15, 1973, the order pooling said unit should become null and void and of no effect whatsoever.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Queen formation underlying the E/2 of Section 17, Township 12 South, Range 31 East, NMPM, Southeast Chaves Queen Gas Area, Chaves County, New Mexico, are hereby pooled to form a standard 320 acre gas spacing and proration unit to be dedicated to a well to be drilled in Unit J of said Section 17.

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PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 15th day of September, 1973, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Queen formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 15th day of September, 1973, Order (1) of this order shall be null and void and of no effect whatsoever;

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Commission and show cause why Order (1) of this order should not be rescinded.

(2) That Dalport Oil Corporation is hereby designated the operator of the subject well and unit.

(3) That after the effective date of this order and at least 30 days prior to commencing said well, the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Commission and each known working interest owner an itemized schedule of actual well costs within 90 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 45 days following receipt of said schedule, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 45-day period the Commission will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

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Case No. 4986  
Order No. R-4553

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

- (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.
- (B) As a charge for the risk involved in the drilling of the well, 100 percent of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$75.00 per month is hereby fixed as a reasonable charge for supervision (combined fixed rates); that the operator is hereby authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating such well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) That any unsevered 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.

(11) 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.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Chaves County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

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Case No. 4986

Order No. R-4553

(13) 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

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 1973

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for August, 1973.

CASE 4749: (Reopened) (Continued from the June 6, 1973, Examiner Hearing)

In the matter of Case No. 4749 being reopened pursuant to the provisions of Order No. R-4338, which order established special rules and regulations for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units. All interested parties may appear and show cause why said pool should be developed on other than 40-acre units.

CASE 5019: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 14, Township 20 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled in an undesignated Morrow gas pool at a standard location in Unit K of said Section 14. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5020: Application of Belco Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Salt Lake-Morrow Gas Pool, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on 320-acre spacing rather than the present 160-acre spacing.

CASE 5021: Application of Mobil Oil Corporation for an unorthodox oil well location and special pool allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed New Mexico "B" Well No. 9 at an unorthodox location 940 feet from the North line and 1510 feet from the East line of Section 27, Township 10 South, Range 32 East, Mescalero-Devonian Pool,

(Case 5021 continued from page 1)

Lea County, New Mexico. Applicant further seeks the assignment of a special depth bracket allowable for said pool of 604 barrels of oil per day.

CASE 5022: Application of Skelly Oil Company for an exception to Rule 104, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Rule 104, authority to produce its Mexico "L" Wells Nos. 1 and 23 located less than 330 feet from each other in Unit A of Section 5, Township 25 South, Range 38 East, and its Mexico "J" Wells Nos. 2 and 23 located less than 330 feet from each other in Unit O in Section 32, Township 24 South, Range 38 East, and its Mexico "J" Wells Nos. 4 and 17 located less than 330 feet from each other in Unit N of said Section 32, all in the Dollarhide-Fusselman Pool, Lea County, New Mexico, each 40-acre unit being limited to one top unit allowable.

CASE 5023: Application of Skelly Oil Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Upper and Lower San Andres formations through perforations in the intervals from 4207 feet to 4418 feet and from 4676 to 4849 feet in its Hobbs "T" Well No. 11 located in Unit P of Section 33, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 5024: Application of Midwest Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cottonwood Spring Unit Area comprising 3838 acres, more or less, of federal and fee lands in Township 25 South, Range 26 East, Eddy County, New Mexico.

CASE 5025: Application of The Superior Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Upper Seven Rivers gas and Lower Seven Rivers oil in the wellbore of its State "12" Well No. 1 located in Unit L of Section 12, Township 21 South, Range 35 East, Eumont Pool, Lea County, New Mexico. Said well was authorized as a gas-oil dual completion in the Eumont Pool by Commission Order DC-142.

CASE 5026: Application of The Superior Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka, Strawn and Canyon formations underlying the N/2 of Section 7, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a 150 percent charge for risk involved in drilling said well.

CASE 5027: Application of Dalport Oil Corporation for the amendment of Order No. R-4553, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4553 to provide that the well to be drilled on the proration unit pooled by said order shall be located in Unit G of Section 17, Township 12 South, Range 31 East, Chaves County, New Mexico, rather than Unit J of said Section 17. In the absence of objection, Order No. R-4553 will be amended as above.

CASE 5015: (Continued and Readvertised)

Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Pennsylvanian formation underlying Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to form a standard 640-acre unit for said pool, to be dedicated to a well to be drilled at an orthodox location for said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5010: (Continued from the June 27, 1973, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Pennsylvanian formation underlying the N/2 of Section 18, Township 18 South, Range 26 East adjacent to the West Atoka Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North line and 660 feet from the West line of said Section 18, the unorthodox location of which was previously approved by Commission Order No. R-4508. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and up to 200 percent charge for risk involved in drilling said well.

CASE 5012: (Continued from the June 27, 1973, Examiner Hearing)

Application of Gandy Construction for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 11, or the SW/4 of Section 12, Township 10 South, Range 35 East, Lea County, New Mexico.



JAMES T. JENNINGS  
SIM B. CHRISTY IV  
ROGER L. COPPLE  
BRIAN W. COPPLE  
ROBERT G. ARMSTRONG

LAW OFFICES OF  
**JENNINGS, CHRISTY & COPPLE**  
1012 SECURITY NATIONAL BANK BUILDING  
P. O. BOX 1180  
ROSWELL, NEW MEXICO 88201  
June 19, 1973

TELEPHONE 622-8432  
AREA CODE 505

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. Richard L. Stamets  
Examiner

Re: Case 4986 *5027*  
Order R-4553

Dear Mr. Stamets:

In line with our telephone conversation of June 19, we  
enclose herewith in triplicate Motion to Amend Order of the  
Commission, and would appreciate it being set on the July 11  
docket.

Respectfully submitted,

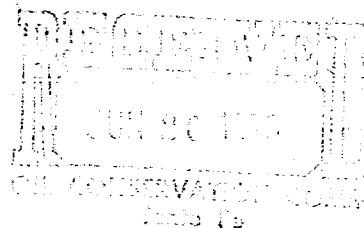
JENNINGS, CHRISTY & COPPLE

By

*[Signature]*  
S. B. Christy IV

SBC:pv  
Encl.

cc: Dalport Oil Corporation (Dallas)  
cc: Dalport Oil Corporation (Corpus Christi)



DOCKET MAILED

Date *6/28/73*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

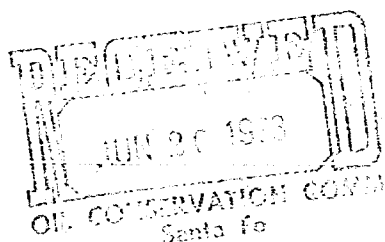
IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 4986 *5027*  
Order No. R-4553

APPLICATION OF DALPORT OIL  
CORPORATION FOR COMPULSORY  
POOLING, CHAVES COUNTY,  
NEW MEXICO.

MOTION TO AMEND ORDER OF THE COMMISSION

COMES NOW Applicant, Dalport Oil Corporation, and moves the Commission to amend its Order R-4553 entered June 15, 1973, so as to permit Applicant to drill the well therein provided for in Unit G instead of Unit J of Section 17, Township 12 South, Range 31 East, N.M.P.M., Southeast Chaves Queen Gas Area, Chaves County, New Mexico, and for grounds thereof states that such amendment would be advantageous to interested parties and would not result in waste or the violation of the correlative rights of any interested party.



DALPORT OIL CORPORATION

By *S. B. Christy IV*  
S. B. Christy IV, as a Member  
of the Firm of Jennings,  
Christy & Copple, P. O. Box 1180,  
Roswell, New Mexico 88201

- cc: Reading & Bates, Inc.  
1100 Philtower Building  
Tulsa, Oklahoma 74103
- cc: J. Frank Stringer  
P. O. Box 3037  
San Angelo, Texas 76901
- cc: Terra Resources, Inc.  
900 Security Life Building  
Denver, Colorado 80202
- cc: Dalport Oil Corporation (Dallas)
- cc: Dalport Oil Corporation (Corpus Christi)

DOCKET MAILED

*12/28/73*

DRAFT

dr/ 

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. 5027

APPLICATION OF DALPORT OIL  
CORPORATION FOR THE AMENDMENT  
OF ORDER NO. R-4553, CHAVES  
COUNTY, NEW MEXICO.

Order No. R-~~4553~~

4553-A

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 11, 1973,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of July, 1973, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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.

(2) That by Commission Order No. R-4553 all mineral  
interests in the Queen formation underlying the E/2 of Section 17,  
Township 12 South, Range 31 East, NMPM, Southeast Chaves Queen  
Gas Area, Chaves County, New Mexico, were pooled to form a  
standard 320-acre gas spacing and proration unit to be dedicated to  
a well to be drilled in Unit J of said Section 17.

-2-  
Case No. 5027  
Order No. R- 4553 -A

(3) That the applicant, Dalport Oil Corporation, seeks the amendment of said Order No. R-4553 to provide that the well to be drilled on the above-described pooled unit would be located in Unit G of said Section 17 rather than Unit J.

(4) That the amendment of said Order No. R-4553 as described above will not cause waste nor violate correlative rights and should be approved.

IT IS THEREFORE ORDERED:

(1) That Order (1) of Order No. R-4553 is hereby amended to read in its entirety as follows:

"(1) That all mineral interests, whatever they may be, in the Queen formation underlying the E/2 of Section 17, Township 12 South, Range 31 East, NMPM, Southeast Chaves Queen Gas Area, Chaves County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled in Unit G of said Section 17."

(2) That Order No. R-4553, as entered June 15, 1973, shall in all other respects remain in full force and effect.

~~\*\*\*\*\*That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.~~  
such-further-orders-as-the-Commission-may-deem-necessary-

(3) 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.