

Continued May 28, 1962
W.S.

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. 2511
Order No. R-2223

APPLICATION OF TEXACO INC.
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 March 28, 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 26th day of April, 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.
- (2) That the applicant, Texaco Inc., is the owner and operator of the NW/4 and the NE/4 SW/4 of Section 12, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico.
- (3) That Texaco Inc. has drilled and completed its L. M. Barton Well No. 1, located 1850 feet from the North line and 1650 feet from the West line of said Section 12 in the Basin-Dakota and Blanco-Mesaverde Gas Pools, and desires to dedicate the W/2 of said Section 12 to said well with respect to both pools.
- (4) That Pan American Petroleum Corporation is the owner of the NW/4 SW/4 and the SE/4 SW/4 of said Section 12; that Southwest Production Company and Tidewater Oil Company are the owners of the SW/4 SW/4 of said Section 12.
- (5) That the applicant, Texaco Inc., seeks an order pooling all mineral interests in the Basin-Dakota and Blanco-Mesaverde Gas Pools in the W/2 of said Section 12, dedicating said acreage to its L. M. Barton Well No. 1, and designating it as the operator of said units.

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(6) That Pan American Petroleum Corporation has not agreed to the pooling of its interest in the proposed units upon the terms and conditions offered to it by the applicant.

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

(8) That the applicant seeks permission and should be authorized 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 \$100.00 per month should be fixed as the cost of operating the subject well, and each non-consenting working interest owner should be assessed with its share of such cost, to be paid out of production.

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

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

(12) That Texaco Inc. should be designated the operator of said units.

(13) That this order should be made effective March 29, 1962.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota and Blanco-Mesaverde Gas Pools in the W/2 of Section 12, Township 30 North, Range 12 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit in each pool. Said units shall be dedicated to the L. M. Barton Well No. 1, located 1850 feet from the North line and 1650 feet from the West line of said Section 12.

(2) That Texaco Inc. is hereby designated the operator of said units.

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(3) That Texaco Inc. 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 \$100.00 per month is fixed as the cost of operating the subject well, and Texaco Inc. is hereby authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

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

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

(7) That the effective date of this order shall be March 29, 1962.

(8) 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. MECHEM, Chairman



E. S. WALKER, Member



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

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