

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 96 ✓
ORDER NO. 708 ✓

IN THE MATTER OF APPLICATION FOR APPROVAL
OF SCHEURICH UNIT AGREEMENT; FOR AN
UNORTHODOX WELL LOCATION 2310 FEET SOUTH
OF THE NORTH LINE AND 1260 FEET EAST OF THE
WEST LINE OF SECTION 32, TOWNSHIP 17 SOUTH,
RANGE 30 EAST, N.M.P.M. AND FOR A MODIFICATION
OF ORDER NO. 562, WITH RESPECT TO ASTON & FAIR-
SCHEURICH STATE NO. 4, INPUT WELL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on regularly for hearing at 10: A.M., April 15, 1947
at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico,
hereinafter referred to as the "Commission".

NOW, on this 6th day of June 1947, the Commission having before it for
consideration the testimony adduced at the hearing of said cause and being
fully advised in the premises;

FINDS:

1. That the Aston & Fair-Scheurich, State No. 4 oil well, originally
capable of making top allowable was designated by the Commission's Order No.
562 as an "input" well in the Loco Hills Pressure Maintenance Project.
2. That the Loco Hills Pressure Maintenance Association, Inc. has ceased
compensating the owners of Aston & Fair-Scheurich, State No. 4 well for pro-
duction loss resulting from the use of said well as an "input" well.
3. That the repeal by the Commission of paragraph 3 of Order No. 339 of
July 1, 1941 by its subsequent Order No. 562, the owners of said Aston & Fair-
Scheurich, State No. 4 "input" well are prevented from allocating its potential
allowable to other wells on the lease.
4. That the unitization of the S $\frac{1}{2}$ NW and N $\frac{1}{2}$ SW of Section 32, Township
17 South, Range 30 East, N.M.P.M. as sought by all the lessees, with the
approbation of the Loco Hills Pressure Maintenance Association, Inc., will
tend to promote efficient and economic recovery of oil and gas and be a contri-
buting factor in the prevention of waste.
5. That an additional well drilled on the proposed unit area at the
location requested, if production is had, and the well operated in accordance
with the terms of the proposed unit agreement, would in a manner compensate
the owners of Aston & Fair-Scheurich, State No. 4 well for loss of production
therefrom by reason of the designation of said well as an "input" well.

IT IS THEREFORE ORDERED:

(1.) That the proposed Scheurich unit agreement is hereby approved
subject, however, to the filing with the Commission, within 30 days from the
date hereof:

- (A.) A certificate of approval of said unit agreement
by the Commissioner of Public Lands of the State
of New Mexico.

(5.) A proper designation of a unit operator for the Scheurich unit together with a statement of operator's plan of operation.

(2.) That a Notice of Intention to Drill properly filed with Commission by the unit operator, when designated, will be approved by the Commission for an unorthodox well location 2310 feet South of the North line and 1260 feet East of the West line of Section 32, Township 17 South, Range 30 East.

(3.) That if production is had in such completed well, the same shall be entitled to such allowable as may be determined by the Commission but not in excess of the allowable for a 40 acre unit in the Loco Hills Field.

(4.) That Aston & Fair-Scheurich State No. 4 well, shall be and remain an "input" well under the Loco Hills Pressure Maintenance Project.

(5.) That Order No. 562 insofar as the same relates to Aston & Fair-Scheurich, State No. 4 well, is hereby modified only to the extent necessary to authorize transfer of allowable from said well to other wells on the same basic lease, provided however, that production within the Scheurich unit area shall not be in excess of top allowable prescribed for four 40 acre tracts within the Loco Hills field.

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

OIL CONSERVATION COMMISSION

Thomas J. Maby

CHAIRMAN

John E. Miller

MEMBER

R. L. Spurrier

SECRETARY