

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:

THE APPLICATION OF EL PASO  
NATURAL GAS COMPANY FOR  
COMPULSORY COMMUNITIZATION  
OF E/2 OF SECTION 3, TOWNSHIP  
30 NORTH, RANGE 10 WEST, NMPM,  
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 712) Consolidated  
CASE NO. 852)

THE APPLICATION OF EL PASO  
NATURAL GAS COMPANY FOR  
DETERMINATION AND RATIFICATION  
OF COMMUNITIZATION OF E/2 OF  
SECTION 3, TOWNSHIP 30 NORTH,  
RANGE 10 WEST, NMPM, SAN JUAN  
COUNTY, NEW MEXICO, CONTAINING  
320.68 ACRES

APPLICATION FOR REHEARING

Come now Saul A. Yager, Marian Yager, M. E. Gimp,  
Morris Mizel and wife, Flora Mizel, and Sam Mizel, by their  
attorneys, Campbell & Russell, and make application to the  
Commission for rehearing upon Order No. R-558-B, and as a basis  
for the application state:

(a) Applicants are the owners of interests in the  
NW/4 NW/4 SE/4 of Section 3, Township 30 North, Range 10 West,  
N.M.P.M., San Juan County, New Mexico and are parties affected  
by Order No. R-558-B entered by the Commission on January 12,  
1956.

(b) Order No. R-558-B is erroneous in the following  
respects:

1. Finding No. 8 is erroneous in that the United  
States Geological Survey is without power or authority to grant

permission to create or form a drilling unit under the laws of the State of New Mexico.

2. Finding No. 10 is erroneous in that Order No. R-110 was not complied with in the establishment of the drilling unit.

3. Finding No. 11 is erroneous in that the United States Geological Survey has no authority to approve a Notice of Intention to Drill under the laws of the State of New Mexico, and said finding is further erroneous in that all interests within the said unit were not consolidated by pooling agreement or otherwise as required by Order No. R-110.

4. Order No. R-558-B is contrary to Section 1(a) of Order No. R-110 of the Commission.

5. Order No. R-558-B is contrary to Section 13(b) of Chapter 168, Laws of 1949, as amended.

6. Order No. R-558-B is an unreasonable and arbitrary interpretation of the Commission's rules and regulations and deprives Applicants of their correlative rights.

7. Order No. R-558-B deprives Applicants of their property without due process of law.

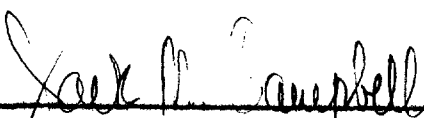
8. Order No. R-558-B impairs the obligations of a valid lease contract between Applicants and El Paso Natural Gas Company.

WHEREFORE, Applicants request a rehearing in Case No. 712 - 852 Consolidated on Order No. R-558-B.

Respectfully submitted,

Saul A. Yager, Marian Yager,  
M. E. Gimp, Morris Mizel and  
wife, Flora Mizel, and Sam  
Mizel

By

  
for CAMPBELL & RUSSELL  
their attorneys