the second BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO APPLICATION OF J. C. WILLIAMSON Case 981 FOR APPROVAL OF A NON-STANDARD DRILLING AND PRORATION UNIT CON-SISTING OF THE N/2 NE/4, SECTION 24, T 17 S, R 38 E, N.M.P.M., SOUTH KNOWLES-DEVONIAN POOL, LEA COUNTY. NEW MEXICO. APPLICATION Comes now J. C. Williamson, and shows the Oil Conservation Commission of New Mexico: That applicant is owner of the exclusive right to drill for and produce oil and/or gas from the South Knowles-Devonian Pool, insofar as the N/2 NE/4 of Section 24, Township 17 South, Range 38 East, N.M.P.M., Lea County, New Mexico, is concerned. That the S/2 NE/4, Section 24, Township 17 South, Range 38 East, N.M.P.M., is owned and held by J. L. Hamon and Warren Petroleum Company. That evidence presently available indicates that the S/2 NE/4 of Section 24, Township 17 South, Range 38 East, N.M.P.M. is unproductive of oil or gas. That by the provisions of Paragraph 1, Order No. R-638-B, an 80-acre proration unit is established for the South Knowles-Devonian Pool, said proration unit to consist of either the E/2 or W/2 of each governmental quarter section. 5. That by the provisions of Paragraph 4 of said Order No. R-638-B, the maximum allowable for any well located on an 80-acre proration unit is set at 150 barrels per day, subject to gas-oil ratio limitations and adjustment. That if applicant is required to pool his properties with those in the S/2 NE/4, Section 24, it will result in the creation of different royalty and overriding royalty rights, to applicant's detriment, without any increase in the amount of oil **- 1 -**

or gas recovered, and will result in the attribution of acreage to a unit which cannot reasonably be presumed to be productive.

That unless applicant is granted an exception to the provisions of Paragraph 1 of said Order No. R-638-B, to allow creation of a drilling and proration unit consisting of the N/2 NE/4 of Section 24, Township 17 South, Range 38 East, N.M.P.M., he will be denied the right to recover his fair share of the oil or gas underlying his property, and will be denied the right to use his fair share of the reservoir energy for the production of oil from said property, and that denial of such right will result in the drilling of unnecessary wells, and result in waste.

WHEREFORE, applicant prays that this Commission, after notice and hearing as required by law, enter its order approving a drilling and proration unit consisting of the N/2 NE/4 of Section 24, Township 17 South, Range 38 East, N.M.P.M., as an exception to the provisions of Order No. R-638-B, in the South Knowles-Devonian Pool, Lea County, New Mexico.

Applicant further prays that this matter be set for special hearing before the Commission, or in the alternative, that it be set for hearing before an examiner as provided by law, in order that applicant may immediately commence drilling of a well on the unit proposed herein.

Respectfully submitted,

Attorney for Applicant

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