

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. 2049  
Order No. R-1670-B-1

APPLICATION OF THE OIL CONSERVATION  
COMMISSION ON ITS OWN MOTION TO  
RECONSIDER THE SPECIAL RULES AND  
REGULATIONS FOR THE DEVILS FORK-  
GALLUP POOL, RIO ARriba COUNTY,  
NEW MEXICO.

APPLICATION FOR REHEARING

COMES NOW, J. GREGORY MERRION, by and through his attorneys,  
Verity, Burr & Cooley, 152 Petroleum Center Building, Farmington,  
New Mexico, and respectfully applies to the Commission for a  
rehearing in the above styled and numbered cause.

Applicant believes the decision in Order No. R-1670-B-1  
to be erroneous in the following particulars, to-wit:

1. That Finding No. 2 in said Order is erroneous in that  
development and operation of the Devils Fork-Gallup Pool under  
Order No. R-1670-B has and will result in substantial waste and  
violations of correlative rights.

2. That Finding No. 3 in said Order is erroneous in that the  
proration and production of the Devils Fork-Gallup Pool under the  
existing special rules and regulations for said pool has and will  
result in significant movement of the gas-oil contact into the  
gas column, thereby causing waste and violating correlative rights.

3. That Finding No. 4 of said Order is erroneous in that the  
existing Special Rules and Regulations of the Devils Fork-Gallup  
Pool should not be continued in effect but should be modified  
in several major respects in order to prevent waste and protect  
correlative rights.

4. That said Order makes no finding whatsoever with regard to the substantial body of evidence presented by the applicant herein with regard to the necessity of curtailing gas production from the gas cap in order to prevent waste and protect correlative rights, which evidence, although uncontroverted, does not appear, from reading the Order, to have been considered by the Commission.

5. That said Order makes no finding whatsoever with regard to the substantial body of evidence presented by the applicant herein with regard to the necessity of including the substantial quantity of proven, although undrilled, oil productive acreage in the volumetric equivalent withdrawal formula set forth in Order No. R-1670-B in order to permit the proper functioning of said formula, which evidence, although uncontroverted, does not appear, from reading the Order, to have been considered by the Commission.

6. That Order No. R-1670-B-1 is not supported by substantial evidence on the record as a whole.

Applicant respectfully urges the Commission to grant this application for rehearing in order to reconsider the matters set forth above and hear additional evidence which has been developed since the last hearing in the above styled and numbered cause as a result of the completion of at least four additional oil wells in the Devils Fork-Gallup Pool since said date.

WHEREFORE, applicant prays the Commission to enter its Order providing for a rehearing in the above styled and numbered cause and setting the same on the docket at the earliest possible date.

J. GREGORY MERRION

By *William J. Cooley*  
*his attorney*