

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF:

THE APPLICATION OF  
SOUTHWEST PRODUCTION COMPANY  
FOR AN ORDER FORCE POOLING THE  
EAST HALF ( $E\frac{1}{2}$ ) OF SECTION 14,  
TOWNSHIP 30 NORTH, RANGE 12 WEST,  
N.M.P.M., IN SAN JUAN COUNTY,  
NEW MEXICO.

NO. 245

A P P L I C A T I O N

Comes now the applicant, Southwest Production Company, a co-partnership consisting of Joseph P. Driscoll and John H. Hill, and for its application alleges and states:

1. That it is the owner of numerous oil and gas leases covering the majority of the mineral interests in the East Half ( $E\frac{1}{2}$ ) of Section 14, Township 30 North, Range 12 West, N.M.P.M., San Juan County, New Mexico, and that it has pooled all of said leases in an effort to form a 320 acre drilling unit consisting of the East Half ( $E\frac{1}{2}$ ) of said Section 14.

2. That the unknown heirs of Abas Hassan, deceased, own an undivided twenty-five per cent (25%) mineral interest in and under the West Half of the Southeast Quarter of the Southeast Quarter ( $W\frac{1}{2} SE\frac{1}{4} SE\frac{1}{4}$ ) and the West Half of the East Half of the Southeast Quarter of the Southeast Quarter ( $W\frac{1}{2} E\frac{1}{2} SE\frac{1}{4} SE\frac{1}{4}$ ) of said Section 14, except two (2) acres more or less in the Northwest Quarter of the Southeast Quarter of the Southeast Quarter ( $NW\frac{1}{4} SE\frac{1}{4} SE\frac{1}{4}$ ), which tract comprises twenty-eight (28)

acres more or less. That applicant is informed and believes and on the basis of such information and belief alleges that said undivided twenty-five per cent (25%) mineral interest under the above described lands is unleased and that although applicant has made diligent search to discover the names and addresses of the unknown heirs of Abas Hassan, deceased, it has been unable to do so and that the interest of said unknown heirs in the above described lands should be force pooled as to the Dakota Formation in order to form a 320 acre drilling unit in accordance with the special rules and regulations of the Basin-Dakota Gas Pool.

3. That the applicant is informed and believes and on the basis of such information and belief alleges that the unknown heirs of D. M. Longstreet, deceased, claim some interest adverse to applicant's lessor, Amos C. Lewis, in an undivided one-half ( $\frac{1}{2}$ ) mineral interest in the following described lands, to-wit:

Commencing 313-1/2 feet North of the Southeast corner of the NW $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 14, T-30-N, R-12-W, N.M.P.M., and from said commencement point running North along the Subdivision line a distance of approximately 1006-1/2 feet to the Northeast corner of said Subdivision;  
THENCE West 888 feet and 7 inches to a point;  
THENCE South 577-1/2 feet;  
THENCE West 134-1/2 feet;  
THENCE South 635 feet to the North boundary line of the public highway, (formerly F.A.H. No. 35);  
THENCE following the northerly boundary of said highway in an Easterly direction to point of beginning, containing 24 acres, more or less, and being a part of the NW $\frac{1}{4}$  SE $\frac{1}{4}$  of said Section 14.

ALSO,

Beginning where the Eledge ditch crosses the North line of the NE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 14, T-30-N, R-12-W, N.M.P.M.,

THENCE West along said line to the Northwest corner of said described 40 acre subdivision;

THENCE South along the West side of said forty to the center of the Eledge ditch;

THENCE East and North along the center of said ditch as established in the year 1912 to the point of beginning, being in and a part of the NE $\frac{1}{4}$  SE $\frac{1}{4}$  of said Section 14;

EXCEPTING THEREFROM, a strip of land 20 feet wide along the North side thereof used for a right-of-way for road purposes.

*Amended by testimony at hearing. Jm*

Applicant contends that the claim of said unknown heirs of D. M. Longstreet, deceased, in the above described lands is unfounded and invalid, but, upon the contingency that such claim might be made and found to be valid, applicant desires that the interest of any and all said persons be force pooled insofar as the Dakota Formation underlying the above described lands is concerned in order to form a 320 acre drilling unit in accordance with the special rules and regulations of the Basin-Dakota Gas Pool.

4. That the applicant is informed and believes and on the basis of such information and belief alleges that Robert E. Goodwin, Alice L. Goodwin and Samuel Glenn Goodwin, if living, or their unknown heirs, if deceased, assert some claim to an interest adverse to applicant's lessors, L. H. Schmidt, A. H. Schmidt and Lena M. Bay in the minerals underlying the East Half of the Southwest Quarter of the Southeast Quarter (E $\frac{1}{2}$  SW $\frac{1}{4}$  SE $\frac{1}{4}$ ) of said Section 14. That the claim of said persons

deleted by testimony  
at hearing 1/10/50

in the above described lands is unfounded and invalid, but, upon the contingency that such claim might be made and found to be valid, applicant desires that the interest of any and all said persons be force pooled insofar as the Dakota Formation underlying the above described lands is concerned in order to form a 320 acre drilling unit in accordance with the special rules and regulations of the Basin-Dakota Gas Pool.

5. That the mineral ownership in the East Half ( $E\frac{1}{2}$ ) of said Section 14 is divided into numerous small and irregular tracts making it impossible to determine without detailed survey whether any vacancies exist in applicant's leases in the East Half ( $E\frac{1}{2}$ ) of said Section 14, and although applicant verily believes that no such vacancies do exist there is a possibility of the same, and, upon such contingency, applicant desires that any and all such interests, whether leased or unleased, be also force pooled under this application.

6. That applicant is planning to drill a well to the Dakota Formation in the East Half ( $E\frac{1}{2}$ ) of said Section 14, and in view of this and the further fact that applicant owns a great majority of the leasehold rights therein, the Commission should appoint applicant as the operator of said pooled unit.

7. That there will be considerable risk involved in the drilling of the above referenced well and that under the Statutes of the State of New Mexico and the Rules and Regulations of the Oil Conservation Commission applicant is entitled to and should

be allowed to take and receive for its own use 7/8ths of any and all production had from the above referenced well until such time as it has been reimbursed in an amount equal to 125% of its actual cost of drilling, completing, equipping and operating said well plus reasonable compensation for the supervision thereof.

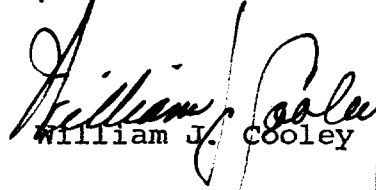
8. That the force pooling order herein requested is necessary in order to prevent waste and in order to protect the correlative rights of applicant.

WHEREFORE, applicant prays that this application be set down for hearing at the earliest possible date; that due notice thereof be given in accord with the Rules of this Commission and the Laws of the State of New Mexico; and that after hearing, and from the evidence to be adduced thereat, this Commission enter its order granting the application as above stated.

Respectfully submitted,

VERITY, BURR & COOLEY

By

  
William J. Cooley

ATTORNEYS FOR APPLICANT,  
SOUTHWEST PRODUCTION COMPANY