



BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Appl. EXHIBIT NO. 2

CASE NO. 2806

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. 2806
Order No. R-2499

APPLICATION OF SUN OIL COMPANY
FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 22, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 11th day of June, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Sun Oil Company, seeks an order pooling all royalty interests in the Oil Center-Blinebry Pool underlying the W/2 SW/4 of Section 3, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That all of the working interest owners in the W/2 SW/4 of said Section 3 have agreed to pool their interests.

(4) That some of the royalty interest owners in the W/2 SW/4 of said Section 3 have not agreed to pool their interests.

(5) That the applicant has the right to drill and proposes to drill a well in the Oil Center-Blinebry Pool underlying the W/2 SW/4 of said Section 3 and has offered each non-consenting interest owner whose identity and address is known an opportunity to join with the applicant.

(6) That the W/2 SW/4 of said Section 3 can be efficiently and economically drained by one well.

-2-

CASE 2806

Order No. R-2499

(7) That to avoid the drilling of unnecessary wells, to protect correlative rights, to afford to the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the oil in the Oil Center-Blinbry Pool, and to prevent waste, the subject application should be approved by pooling all royalty interests within said unit.

(8) That all proceeds from production from the W/2 SW/4 of said Section 3 which are not disbursed for any reason should be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership.

(9) That Sun Oil Company should be designated the operator of the W/2 SW/4 of said Section 3.

IT IS THEREFORE ORDERED:

(1) That all royalty interests in the Oil Center-Blinbry Pool underlying the W/2 SW/4 of section 3, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, are hereby pooled to form an 80-acre oil proration unit.

(2) That Sun Oil Company is hereby designated the operator of the said 80-acre oil proration unit.

(3) That all proceeds from production from the said unit which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership. The Commission shall be notified as to the name and address of said escrow agent within 90 days after completion of a well on said unit.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary