

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**CASE NO. 12668  
ORDER NO. R-11600**

**APPLICATION OF PATTERSON PETROLEUM, L. P. FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on May 31, 2001, at Santa Fe, New Mexico before Examiner Michael E. Stogner.

NOW, on this 12th day of June, 2001, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

**FINDS THAT:**

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Patterson Petroleum, L. P. ("Patterson"), seeks an order pooling all uncommitted mineral interests from the surface to the base of the Morrow formation underlying the following acreage in Section 31, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico:

- (a) lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) to form a standard 310.69-acre lay-down gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently include but are not necessarily limited to the Undesignated Vacuum-Morrow Gas Pool;
- (b) the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical

extent; and

- (c) the SW/4 SE/4 (Unit O) to form a standard 40-acre oil spacing and proration unit for formations and/or pools developed on 40-acre spacing within that vertical extent, which presently include but are not necessarily limited to the Undesignated EK Yates-Seven Rivers-Queen Pool, Vacuum-Grayburg-San Andres Pool, Undesignated Corbin-Abo Pool, and Undesignated East Corbin-Wolfcamp Pool.

(3) These units are to be dedicated to the applicant's proposed Gach "31" State Well No. 1 (API No. 30-025-35529) to be drilled at a location considered standard for all three spacing and proration units 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 31.

(4) The applicant at the hearing determined that it was unnecessary to force pool those formations and/or pools spaced on 40 acres; therefore, the portion of the application seeking to pool the proposed 40-acre unit (SW/4 SE/4 of Section 31) should be dismissed at this time.

(5) Subsequent to the hearing, the applicant further requested dismissal of the application insofar as it sought to pool those intervals from the surface to a depth of 5,500 (which approximately correlates to the base of the San Andres formation).

(6) The applicant is a working interest owner within the remaining 310.69-acre and 160-acre units and therefore has the right to drill for and develop the minerals underlying these units.

(7) At this time, however, not all of the working interest owners in these units have agreed to pool their interests. After pooling, uncommitted working interest owners are referred to as "non-consenting working interest owners."

(8) No party affected by the forced pooling appeared at the hearing or objected to this application.

(9) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste and to afford to the owner of each interest in the units the opportunity to recover or receive without unnecessary expense its just and fair share of oil production in any pool resulting from this order, this application should be approved by pooling all

