

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE PROMULGATION AND
ESTABLISHMENT OF FIELD RULES TO GOVERN
OPERATIONS IN THE IGNACIO FIELD, LA
PLATA COUNTY, COLORADO, WITH PARTICULAR
REFERENCE TO THAT KNOWN PRODUCING ZONE
LOCATED THEREIN TERMED "MESAVERDE"

CAUSE NO. 3

ORDER NO. 3-19

REPORT OF THE COMMISSION

This Cause came on for hearing before the Commission on January 24, 1956, at 10:00 a.m., in Room 330, State Office Building, Denver, Colorado, after service of Notice of Hearing or appropriate waiver thereof, all as required by law, on the application of the Pacific Northwest Pipeline Corporation, a Delaware corporation authorized to do business in the State of Colorado, for an order from the Commission requiring the pooling of tracts of land lying within the S/2 of Section 3, Township 33 North, Range 10 West, N.M.P.M., for the development of the Mesaverde formation lying beneath said lands and within the Ignacio Field, La Plata County, Colorado. George F. McQueen and the Estate of Arch Clevenger, deceased, First National Bank of Fort Worth, Texas, Executor, entered a special appearance by counsel to challenge the jurisdiction of the Commission. Argument on this question was received by the Commission.

F I N D I N G S

The Commission finds as follows:

1. That due notice of the time, place and purpose of the hearing has been given to parties interested therein in all respects as required by law; and that George F. McQueen and the Estate of Arch Clevenger, deceased, First National Bank of Fort Worth, Texas, Executor, were properly served pursuant to the requirements of the Oil and Gas Conservation Law and the Rules of Civil Procedure.

2. That the Commission has jurisdiction over the subject matter embraced in said Notice, and of the parties interested therein, and specifically finds that it has jurisdiction over both George F. McQueen and the Estate of Arch Clevenger, deceased, First National Bank of Fort Worth, Texas, Executor.

3. That the Mesaverde formation in the Ignacio Field constitutes a common source of supply of gas underlying lands described in Order No. 3-14, issued by the Commission under date of November 21, 1955, and that the lands described herein are within the Ignacio Field.

4. That in order to insure proper and efficient development; to eliminate the drilling of unnecessary wells; to promote conservation of the gas resources of the State, and to conform with the previously issued order of the Commission establishing 320-acre drilling and spacing units for the production of gas from the Mesaverde formation underlying said lands, an order should be made pooling all interests in the 320-acre drilling unit as described herein.

5. That Pacific Northwest Pipeline Corporation is the owner of the entire working interest in oil and gas leases covering the entire mineral interest under the lands forming the drilling unit described herein, and that said leases are presently in

McMillian, W. Dave Henderson, George F. McQueen, and the Estate of Arch Clevenger, deceased, First National Bank of Fort Worth, Texas, Executor; and that reasonable effort has been made to obtain the voluntary pooling of such interests in the drilling unit for the development and operation thereof.

7. That the order of the Commission pooling all interests in said drilling unit is necessary, just and reasonable in order to afford each owner of interest within said drilling unit the opportunity to recover and receive his just and equitable share of the gas from the common source of supply underlying said drilling unit.

8. That production obtained from said drilling unit should be allocated to each tract therein on the basis of the proportion that the number of acres in such tract bears to the total number of acres within said drilling unit.

O R D E R

NOW, THEREFORE, IT IS ORDERED, that pursuant to the provisions of 100-6-4 of the Oil and Gas Conservation Act of the State of Colorado, all interests in the drilling unit described as the South Half (S/2) of Section Three (3), Township Thirty-three (33) North, Range Ten (10) West, N.M.P.M., are hereby pooled for the development and operation of said drilling unit, subject to approval of Southern Ute Indian Tribal Council.

IT IS FURTHER ORDERED, that the production obtained from said drilling unit shall be allocated to each tract therein on the basis of the proportion that the number of acres in such tract bears to the total number of acres within said drilling unit, and each owner of interest in said tracts in said drilling unit shall be entitled to receive his share of the production of the well located or to be located on said drilling unit applicable to his interest in said drilling unit.

IT IS FURTHER ORDERED, that this Order shall become effective forthwith.

ORDERED this 25th day of January, 1956.

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By Annabel Hogsett
Annabel Hogsett, Secretary