# Case Number

Application

Trascripts

Small Exhibits

ETC.

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SPECIALIZING IN DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXAMINER HEARING
September 29, 1971

IN THE MATTER OF

Application of Humble Oil and Refining Company for the rededication of acreage, Lea County, New Mexico.

Case No. 4601

BEFORE: ELVIS A. UTZ, EXAMINER

Transcript of hearing



1	MR. UTZ: Case 4601.	
2	MR. HATCH: Case 4601. Application of Humble 011	
3	and Refining Company for the rededication of acreage, Lea County	,
4	New Mexico.	
5	MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant,	
6	Cox and Eaton, Roswell appearing on behalf of Humble Oil and	
7	Refining Company.	
8	We have one witness whom I would like to have sworn.	
9	(Witness sworn)	
10	(Whereupon, Applicant's Exhibits One through Five	
11	were marked for identification)	
12	MR. UTZ: Are there other appearances? You may	
13	proceed.	
14	JOHN BARBE	
15	having first been duly sworn, testified as follows:	
16	DIRECT EXAMINATION	
17	BY MR. HINKLE:	
18	Q State your name, your residence and by whom you are employe	d.
19	A John A. Barbe, Andrews, Texas, employed by Humble Oil	
20	and Refining Company.	
21	Q What is your position with Humble?	
22	A Senion Engineer in the Andrews Production District.	
23	Q Have you previously testified before the Commission?	
24	A No, I have not.	
25	Q You are a graduate Engineer?	

```
1 A
        Yes, I am, sir.
2 Q
        State briefly your educational background and experience
        as an Engineer.
3
4 | A
        I graduated from Purdue University in 1958 with a degree
        in Mechanical Engineering, entered the United States Navy
5
        immediately after that, was hired by Humble in 1965 as a
6
        Petroleum Engineer, have been working primarily in Reservoit
7
        Engineering for Humble from 1965 to the present in Midland,
8
        Texas, Andrews, Texas and currently am classified as
9
        Senior Enginer in Andrews, dealing primarily with Reservoir
10
        Analysis work.
11
        Are you familiar with the Eumont Gas Pool?
12
        Yes, I am, sir.
13
        Are you familiar with the Humble's properties?
14
        Yes, sir.
15
        And their wells?
16
        Right.
17
        You have made a study of those wells?
18
        I have.
19
        And you know their present condition?
20
        Yes, sir.
21
               MR. HINKLE: Are the qualifications of the witness
22
  satisfactory?
23
               MR. UTZ: Yes, sir, they are.
24
        (Mr. Hinkle) Are you familiar with the application of
25
```

1		Humble in this case?
2	Δ.	Yes, I am, sir.
3	Q	What is Humble seeking to establish by its application?
4	A	We wish to reallocate the allowable for the 640-acre
5		standard proration unit which is now assigned to our New
6		Mexico "G" State Wells two and four and reassign this acreage
7		to our "G" State number two and six with authority to
8		produce from either well and any proportion, well number
9		six is located in Unit "M," well number two is in Unit "P"
10		of Section 26, Township 21 South, Range 36 East, Lea County,
11		New Mexico.
12	Q	Have you prepared or has there been prepared under your
13		direction certain exhibits for introduction of this case?
14	A	Yes, there have, sir.
15	Q	Refer to Applicant's Exhibit One and explain this to the
16		Examiner.
17	А	First off, on Exhibit One outlined in yellow is Humble's
18		New Mexico "G" State Lease consisting of Sections 23 and 26,
19		Township 21 South, Range 36 East.
20		Also shown on this map in red squares are wells currently
21		producing or completed in the Eumont-Queen Gas Pool.
22		The numbers in blue are 1970 annual average production in
23		mcf per day for the 640-acre section.
24		The numbers in green are the production for the same time.
25		period by well for the individual wells completed in the

1		Eumont-Queen Gas Pool.
2	Q	Does this also show the ownership of the acreage in the area
3	A	Yes, it does, sir.
4	Q	Now, refer to Exhibit Number Two and explain this.
5	A	It is shown in rather a complex color code on this map, the
6	•	current completion intervals for wells surrounding our New
7		Mexico "G" State Lease as well as wells on this "G" State
8		Lease.
9		Again, the Eumont-Queen Gas Wells are shown with the red
10	•	square around them. The significance of this map is to
11		demonstrate that there is considerable overlap between
12		various pools in this vicinity and that the Eumont-Queen
13		Gas Pool and the Eumont-Yates Seven Rivers Queen Oil Pools
14		are both productive on Section 26.
15	Q	Have wells number two and six in Section 26 been completed
16	Ų.	in any other formation other than the Eumont Gas Pool
17	•	Formation?
18	A	Well number six was previously completed in the Eumont-Yates
19		Seven Rivers Queen Oil Pool until November of 1970.
20	Q	Now, refer to Exhibit Three and explain what this shows.
21	A	Exhibit Three is a tabulation of the gas production from our
22	:	"G" State Number Two for 1970 and '71 through August.
23		This well produces no oil or no water and is complete
24		in the Eumont Gas Pool.
25	Q	Now, refer to Exhibit Four and explain this.

A	Exhibit Four summarizes the work which was done in November
	of 1970 to our New Mexico "G" State Number Six.
	At that time a bridge plug with cement was set at 3,270
	feet.
	In effect, blanking off the Eumont Oil Completion which was
	at 3,820 to 3,856 feet.
	At the same time we reperforated in the Eumont Gas Pool
†'' 	from 3,094 feet to 3,176 feet and acidized these new
	perforations.
	Subsequently in February of 1971 these perforations were
	hydrolic or fract.
Q	What was the result of this work over?
Α	We have a completion in the Eumont Gas Pool which is
	exceeding the hundred-thousand GOR limitation and do have
	indeed a Eumont Gas Pool well.
Q	Is it making anything but gas?
A	No, sir, it is not.
Q	Now, refer to Exhibit Number Five and explain this.
A	This is a history of the production test on the New Mexico
	"G" State Number Six.
	The first test is prior to the work over at which time we
	had a GOR of 15,000 produced, 75 mcf of gas per day, 5
	barrels of oil and 6 barrels of water per day.
	The other three tests shown could have been subsequent to
	the recompletion at which time the well has produced no
	Q A Q

1		oil and no water and anywhere from 133 up to 108 mcf of
2		gas per day.
3	Q .	In your opinion will this well continue to increase its
4		gas production as it cleans up?
5	A	We believe it will as it cleans the formation damage out
6		from the well.
7	Q	Will these two wells, the well number two and six, if
8	·	dedicated to the 640-acres be capable of making the allowable
9		for the 640?
10	A	At the present demand for gas in this pool, they wouldn't
11		quite produce top allowable for the 640-acre section.
12	Q	Have you furnished the off-set owners with copies of your
13		application?
14	A	Yes, sir. We have by copy of our application dated
15		September 1, 1971.
16	Q	What off-set operators were furnished with copies?
17	A	The Gulf Oil Company and the Atlantic Richfield Company.
ì8	Q	They own the off-set acreage to the East and West, and to
19		the South and the diagonal off-sets?
20	A	Yes, sir.
21	Q	Have you had any objection from these companies
22	A .	No, we have not.
23	Q	of your application? You don't know of any objection?
24	A	To the best of my knowledge, we have had no objection, I
25		guess would be a better
A.3 🕶		· · · · · · · · · · · · · · · · · · ·

1	Q And in your opinion, will the granting of this application
2	be in the interest of the protection of correlative rights
3	A It will help greatly to protect correlative rights on this
4	section.
5 ,	MR. HINKLE: We would like to offer in evidence
6	
7	Exhibits One through Five.
	MR. UTZ: Without objection, Exhibits One through
8	Five will be entered into the record of this case.
9	MR. HINKLE: That is all on direct.
10	MR. UTZ: Are there questions of the witness?
11	May be excused.
12	MR. HINKLE: Thank you.
13	(Witness excused)
14	MR. UTZ: Statements? No statements, take the
15	case under advisement.
16	
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18	
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24	
25	

# INDEX PAGE 2 WITNESS: JOHN BARBE Direct Examination by Mr. Hinkle OFFERED AND ADMITTED MARKED EXHIBITS Applicant's One through 2 Five 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25

1	STATE OF NEW MEXICO )
2	COUNTY OF BERNALILLO)
3	I, LINDA MALONE, a Court Reporter, in and for the
4	County of Bernalillo, State of New Mexico do hereby certify
5	that the foregoing and attached Transcript of Hearing before
6	the New Mexico Oil Conservation Commission was reported by
7	me; and that the same is a true and correct record of the
8	said proceedings to the best of my knowledge, skill and
9	ability.
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11	A mark
12	Court Reporter
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#### **OIL CONSERVATION COMMISSION**

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

October 5, 1971

GOVERNOR BRUCE KING CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY – DIRECTOR

Mr. Clarence Hinkle	Case No.	4601		
Hinkle, Bondurant, Cox & Eaton	Order No.	R-3700-A		
Attorneys at Law Post Office Box 10	Applicant:			
Roswell, New Mexico 88201	Humble Oi	il & Refining	co.	

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/ir	S
Copy of order also sent to	• • • • • • • • • • • • • • • • • • •
Hobbs OCC X Artesia OCC	
Aztec OCC	
Other	

# 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. 4691 Order No. R-3700-A

APPLICATION OF HUMBLE OIL & REFINING COMPANY FOR THE REDEDICATION OF ACREAGE, LEA COUNTY, NEW MEXICO.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of October, 1971, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Humble Oil & Refining Company, is the operator of the New Mexico "G" State Wells 2 and 6, located, respectively, in Units P and M of Section 26, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That by Order No. R-3700, effective April 1, 1969, a 640-acre standard gas proration unit in the Eumont Gas Pool comprising all of said Section 26 was established and simultaneously dedicated to the Humble Oil & Refining Company New Mexico State "G" Well No. 2, located in Unit P of said Section 26, and to the Humble Oil & Refining Company New Mexico State "G" Well No. 4, located in Unit G of said Section 26.

-2-CASE NO. 4601 Order No. R-3700-A

- (4) That the Humble Oil & Refining Company New Mexico State "G" Well No. 6 has been reclassified as a Eumont gas well.
  - (5) That the above-described Well No. 4 is shut-in.
- (6) That the applicant, Humble Oil & Refining Company seeks the amendment of Order No. R-3700 to permit the simultaneous dedication of the above-described unit to its above-described wells Nos. 2 and 6 rather than the above-described Wells Nos. 2 and 4.
- (7) That the subject gas proration unit can be efficiently and economically drained and developed by the New Mexico State "G" Wells Nos. 2 and 6.
- (8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas Pool, and will otherwise prevent waste and protect correlative rights.

#### IT IS THEREFORE ORDERED:

- (1) That, effective as of October 1, 1971, the applicant, Humble Oil & Refining Company is hereby authorized to dedicate the 640-acre standard gas proration unit in the Eumont Gas Pool comprising all of Section 26, Township 21 Souty, Range 36 East, NMPM, Lea County, New Mexico, authorized by Order No. R-3700, to its New Mexico State "G" Wells Nos. 2 and 6, located in Units P and M, respectively, of said Section 26.
- (2) That Order No. R-3700 shall in all other respects remain the same.
- (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-CASE NO. 4601 Order No. R-3700-A

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARNIJO Member

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

SEAL

the above described wells Not. 2 and 4.

(N(D) that the subject gow provation seminal Can be efficiently and Deconomically drawind and Deconomically drawind and Deconomically drawind with New Marion State ""

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4) If that appeared of the subject offlication will offered the applicant the apportunity to produce its just and equilable show of the year on the Economist Her Pool, and excell attenuise present works and frotest correlative regists.

Oshed:
(1) that, effective on of the October 1, 1921,
the applicant, Homble Oil + Refining Company
is levely authorized to obtain the
640-acre standard gove providing all of Setuin
the Commat theo Pool compaining all of Setuin
26, Township 21 faceth. Page 36 Cost,
NMPM fea County, New Nursico, anthoris
by Order No. R-3200, to its New Yerris
Ital "6" Wells Nov. 2 and b Docated in
Units Part M, respectively, of said Bestion
26.
(21 Plant Order No. R-3700 shall in all other respects

Islamain the some.

31 Dures

Can 4601 Finds:

B) Heat by Orden Xo. R-3700, dated much 12, 1969, effective april 1, 169, a 640-and standard gov provation wind in the Emmit Has Poul Comprising all of Section 26, Township 21 Louth, Rouge 36 Set, NA PM, Lea Camby, New Mexico, was established and simultaneously dedicated to the Hamble aid 4 Reference Company new Mexico Alate "G" Well Xo. 2, located in Unit Pop Faid Section 26, and to the Hermalle aid + Africander aid + Africand

New mexer state "6" well Xo. 6 Loston Company located in Knit My said Seatin 26 has been reclasified as a terment # gos well.

5) (3) that the obone - described well to. 4 is short in.

(6) Et that the applicant, Hamble Oil & Refining Company seeks the amendment of Order 20.

R-3700 it permit the simultaneous dedication of the above-described cerit to its above-described cerit to its above-described 2008. 2 and 6 solling the

Case 4601
Heard 9-29-71
Men. 10-1-71

Lical Himble permission to
padedicate a replacement
will in sec. 26-215-266
Sumont Haw Pool which Now has
the H. Men. It. 4' II. 5 24 Jr. Juy
want to replace the 44 well
the 46.

The H. C.

# OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE. NEW MEXICO 87501

September 7, 1971

Con 460/

Humble Oil & Refining Co. P. O. Box 1600 Midland, Texas 79701

Attention: Mr. L. H. Byrd

DOCKET MAKED

Re: Request to Reallocate 640-acre Proration Unit, Section 26, Township 21 South, Range 26 East, Lea County, to New Mexico "G" State Wells 2 and 6

Gentlemen:

As your request, as shown above, is not eligible for administrative approval, it has been set up for an examiner hearing on September 29, 1971. A copy of the docket will be mailed to you.

Yours very truly,

GEORGE M. HATCH Attorney

GMH/dr

HUMBLE OIL & REFINING COMPANY POST OFFICE BOX 1600 . MIDLAND, TEXAS 79701

PRODUCTION DEPARTMENT MIDCONTINENT DIVISION

L. H. BYRD MANAGER

Re: Request to Reallocate 640-acre proration one, Section 26, T-21-S, R-28-E, Lea County, to New Mexico "G" State Wells 2 & 6 - Ans 46.61

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Humble Oil & Refining Company respectfully requests administrative approval to reallocate the allowable for the 640-acre Gentlemen: standard proration unit, now assigned to New Mexico "G" State Wells 2 and 4, to Wells 2 and 6, with authority to produce from either well in any proportion. Well No. 6 is located in Unit M and Well No. 2 is located in Unit P of Section 26, T-21-S, R-36-E. A plat of the area is attached.

New Mexico State "G" 6 was classified as a Eumont oil well until the Commission reclassified it as a gas well effective September 1, 1971, based on the latest gas-oil ratio test. The following is a list of recent production tests:

The follow	owing is	a list	Bbls. Oil	Bbls. Water	GOR N/A	30#
Date	Hours	Mcf/Day 155	0 0	0	N/A	30#
3-7-21 $6-23-71$	24	180	0	rnished the to	NO offs	et nanv.

A copy of this request has been furnished the two offset operators, Gulf Oil Company and Atlantic Richfield Company. If this request can not be granted administratively, please set this for a hearing at the earliest possible date. Your consideration of this request will be appreciated.

L. H. BYRD

See attached list for HNR/rs Distribution of copies. New Mexico Oil Conservation Commission Santa Fe, New Mexico Page 2

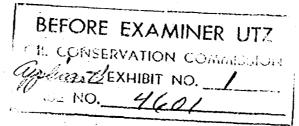
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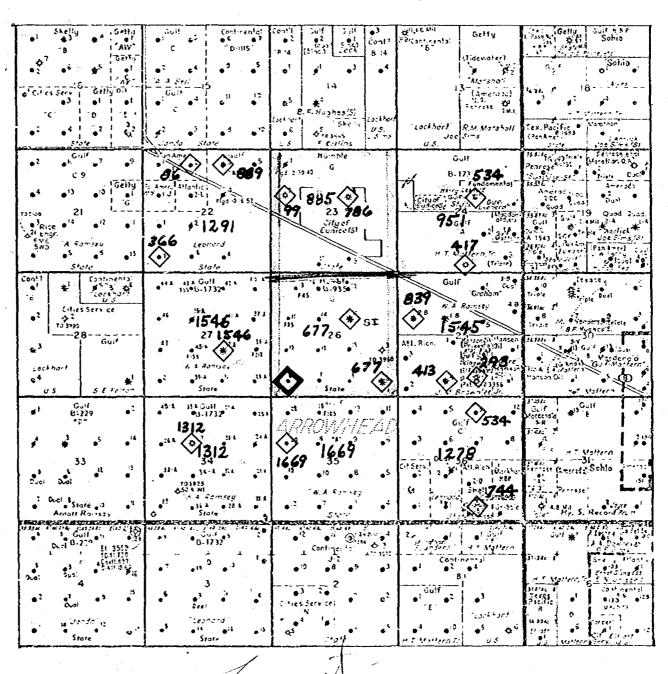
Gulf Oil Company Gulf Building Midland, Texas 79701

Atlantic Richfield Company Atlantic Richfield Building Midland, Texas 79701

Mr. Joe D. Ramey New Mexico Oil Conservation Commission Hobbs, New Mexico

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LEGEND

366 1970 Average Production MCF/Day 129 Section Totals HUMBLE OIL & REFINING COMPANY

Midcontinent Division

Production Department

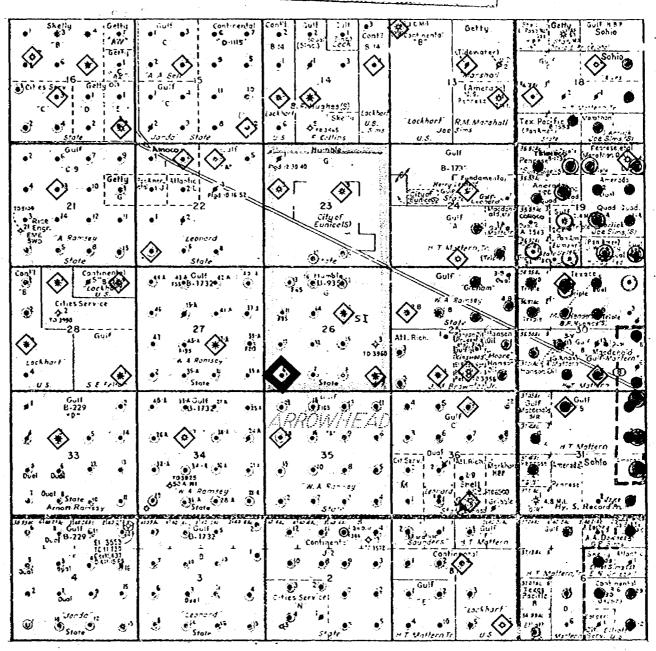
Andrews District

New Mexico "G" State Vicinity

Lea County, New Mexico

H /

BEFORE EXAMINER UTZ GIL CONSERVATION COMMENTE SPECIAL PROPRIEST NO. 2



#### LEGEND

- & Eunice South 7 Rivers Queen
- @ Eumont Yates 7 Rivers Queen
- **Eumont** (Queen) Gas
- Arrowhead Grayburg
  - Eunice Grayourg ban Andres
- Blinebry
- Penrose Skelly
- O Blinebry Gas
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- Drinkard

#### HUMBLE OIL & REFINING COMPANY Midcontinent Division

Production Department

Andrews District

New Mexico "G" State Vicinity

Lea County, New Mexico

#2

### Humble Oil & Refining Company

#### New Mexico "G" State #2 Recent Production History

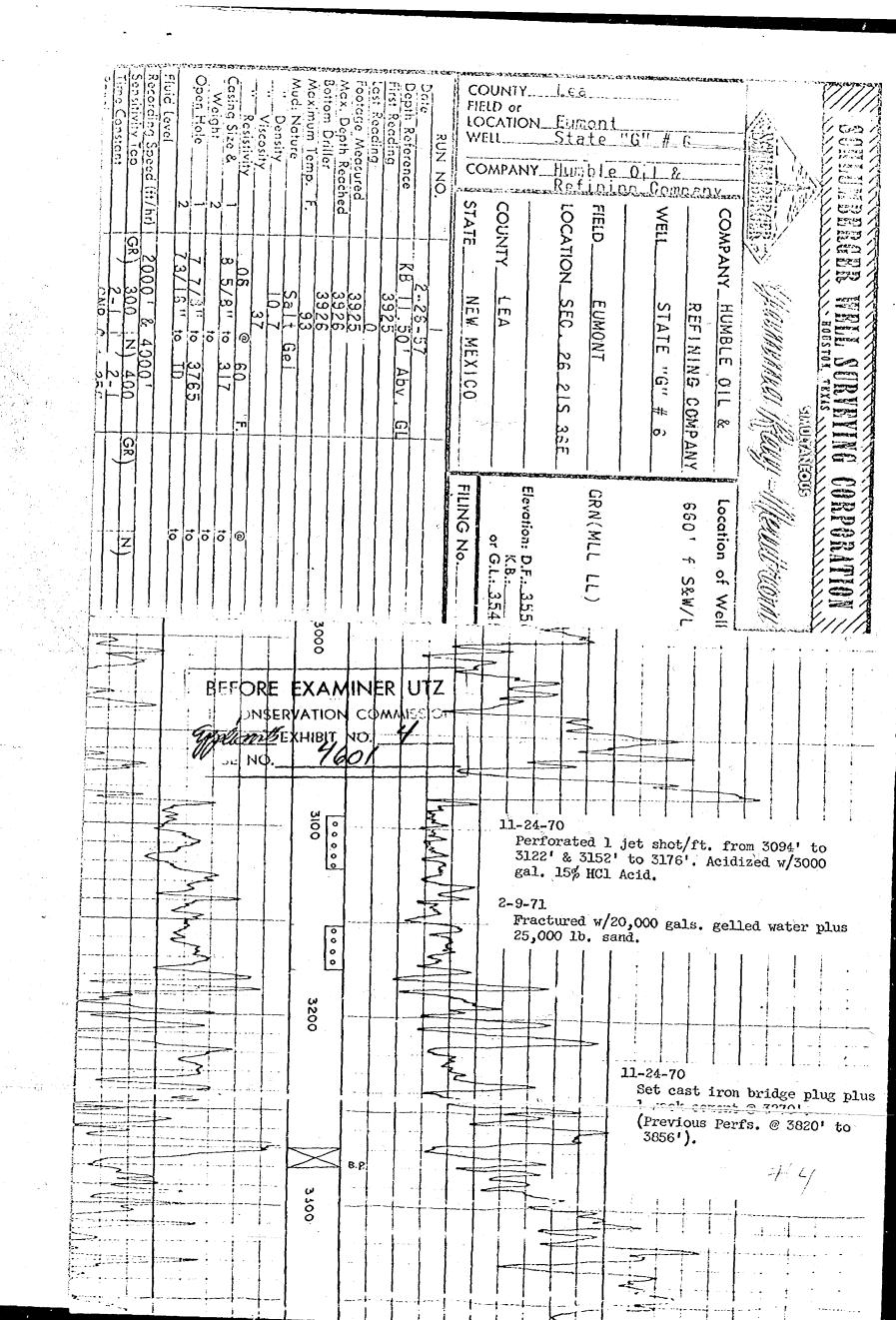
1970	Month	Oil BBL/MO.	Water BBL/MO.	Gas MCF/MO.	GOR SCF/BBL.
	Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.	0 0 0 0 0 0 0	0 0 0 0 0 0 0 0	22,259 17,556 21,511 22,150 21,367 18,161 22,082 22,257 19,409 20,509 19,456 20,470	
1971	Jan. Feb. Mar. Apr. May June July Aug.	0 0 0 0 0 0	6 0 0 0 0 0 0 0	23,980 18,733 20,221 19,515 18,921 20,717 20,045 19,632	

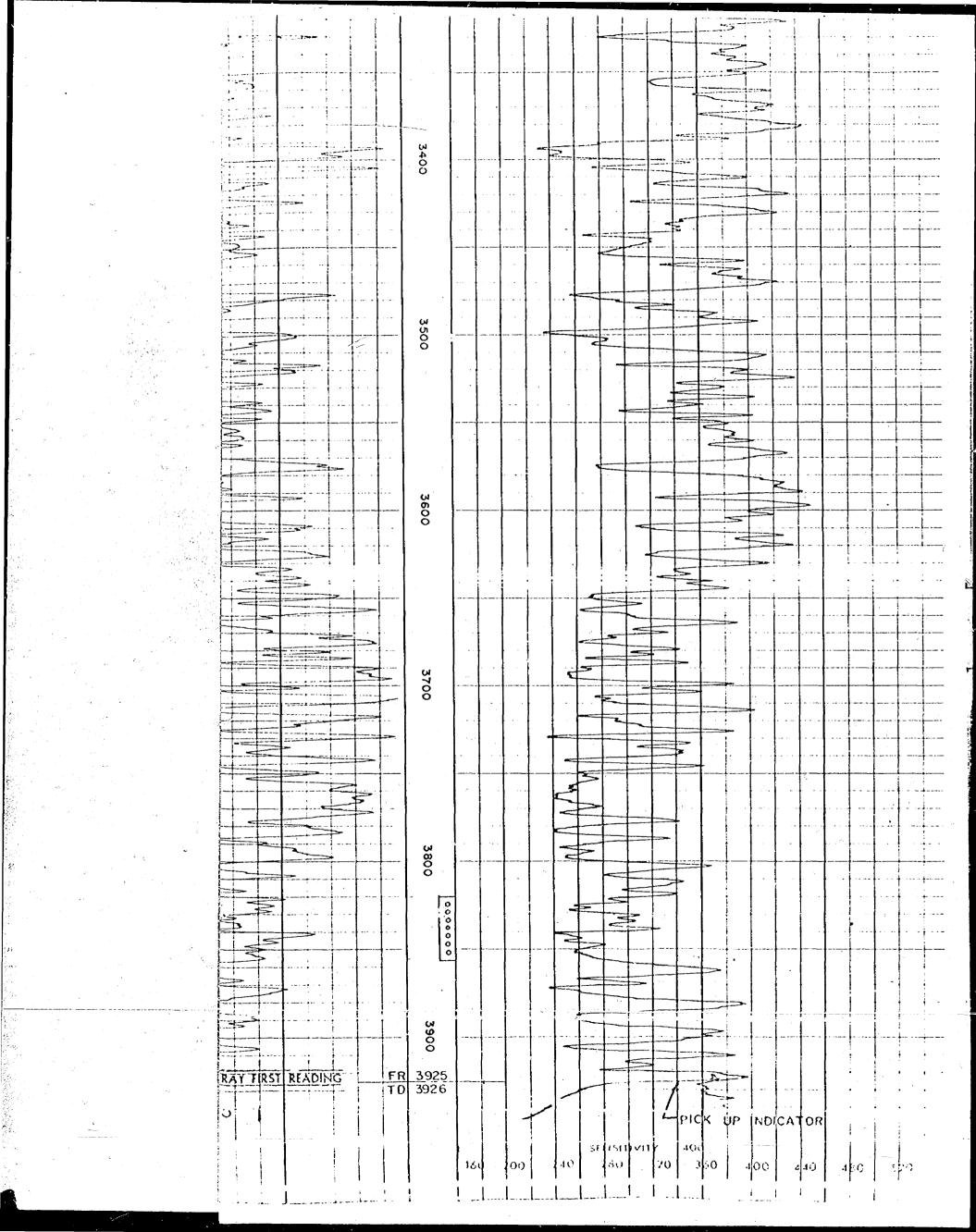
Well Location: Unit P, Sec. 26, T-21-S, R-36-E

BEFORE EXAMINER UTZ
CIL CONSERVATION CUMMINICATION

CASE NO. 4601

JAB/sg 9-27-71 # 3





#### Humble Oil & Refining Company

#### New Mexico "G" State #6 Recent Test History

Date	Hours	Bbls Oil	Bbls Water	MCF Gas	GOR
6/17/70	24	5	6	75	15000
12/1/70*	24	0	<b>o</b>	133	•
3/7/71	5/1	0	, <b>o</b>	155	
6/23/71	24	0	. 0	180	

Well Location: Unit M, Sec. 25, T-21-S, R-36-E

\* Well reperforated 11/24/70

BEFORE EXAMINER UTZ

CIL CONSERVATION COMMISSIONE

APPLICATE EXHIBIT NO. 5

CASE NO. 460/

DRAFT

GMH/dr

## BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

SAS

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE No. 4601

Order No. R- 3700-A

APPLICATION OF HUMBLE OIL & REFINING COMPANY FOR THE REDEDICATION OF ACREAGE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz

NOW, on this <u>day of October</u>, 1971, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Humble Oil & Refining Company, is the operator of the New Mexico "G" State Wells 2 and 6, located, respectively, in Units P and M of Section 26, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

-2-CASE NO. 4601 Order No. R-3700-A

- (3) That by Order No. R-3700, effective April 1, 1969, a 640-acre standard gas proration unit in the Eumont Gas Pool comprising all of Section 26, Township 21 South, Range 36 Bast, NMPM, Loa Gounty, New Mexico, was established and simultaneously dedicated to the Humble Oil & Refining Company New Mexico State "G" Well No. 2, located in Unit P of said Section 26, and to the Humble Oil & Refining Company New Mexico State "G" Well No. 4, located in Unit G of said Section 26.
- (4) That the Humble Oil & Refining Company New Mexico State "G" Well No. 6. located in Unit M of said Section 26 has been reclassified as a Eumont gas well.
  - (5) That the above-described Well No. 4 is shut-in.
- (6) That the applicant, Humble Oil & Refining Company seeks the amendment of Order No. R-3700 to permit the simultaneous dedication of the above-described unit to its above-described wells Nos. 2 and 6 rather than the above-described Wells Nos. 2 and 4.
- (7) That the subject gas proration unit can be efficiently and economically drained and developed by the New Mexico State "G" Wells Nos. 2 and 6.
- (8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas Pool, and will otherwise prevent waste and protect correlative rights.

CASE NO. 4601 Order No. R- 3700-A

#### IT IS THEREFORE ORDERED:

- (1) That, effective as of October 1, 1971, the applicant, Humble Oil & Refining Company is hereby authorized to dedicate the 640-acre standard gas proration unit in the Eumont Gas Pool comprising all of Section 26, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, authorized by Order No. R-3700, to its New Mexico State "G" Wells Nos. 2 and 6, located in Units P and M, respectively, of said Section 26.
- (2) That Order No. R-3700 shall in all other respects remain the same.
- (3) 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.

CASE 4602: Application of TENNECO FOR AN UNORTHODOX OIL WELL LOCATION, SAN JUAN COUNTY, N. M.