

Case No.

591

Application, Transcript,
Small Exhibits, Etc.

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. 591
ORDER No. R-367

THE APPLICATION OF W. P. CARR FOR
APPROVAL OF AN UNORTHODOX DRILLING
UNIT FOR PICTURED CLIFFS GAS PRO-
DUCTION IN THE SW $\frac{1}{4}$ OF SECTION 9,
TWP. 30 N., RGE. 11 W., N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. Sept. 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 18th day of Sept., 1953, the Commission having considered the testimony adduced and exhibits offered at said hearing, 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 Applicant is the owner of oil and gas leases covering lands located in Township 30 North, Range 11 West, N.M.P.M., as follows:

SW $\frac{1}{4}$ Section 9 - 137.9 acres more or less

as more particularly set out and described in exhibits offered at said hearing.

3. That Applicant has made diligent effort to obtain leases upon additional lands in said quarter section.

4. That additional leases cannot be obtained, or the title to lands involved therein cannot be cleared within a reasonable time.

5. That under the provisions of Commission Rule No. 104 (d), it is provided that all wells drilled within a defined gas pool shall be located on a tract consisting of not less than a quarter section consisting of approximately 160 surface contiguous acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys.

6. That part of the SW $\frac{1}{4}$ Section 9, Township 30 North, Range 11 West, N.M.P.M., lie within the corporate limits of the town of Aztec, New Mexico.

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Case No. 591

Order No. _____

7. That lands within the corporate limits of the town of Aztec, New Mexico, and other lands in quarter section have been subdivided into numerous small tracts and lots, and that it is impractical to secure leases on such tracts and lots or to determine the ownership thereof for the purpose of pooling said tracts and lots.

8. That unless an exception is granted to the provisions of Rule No. 104 (d) Applicant will be denied his opportunity to produce his just and equitable share of the oil or gas or both in the Aztec Pictured Cliffs Pool.

9. That approval of this unorthodox drilling unit is in the interest of conservation, will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of W. P. Carr for approval of an unorthodox drilling unit in the SW $\frac{1}{4}$ of Section 9, Township 30 North, Range 11 West, N.M.P.M., be, and the same hereby ~~is~~ approved.

PROVIDED, HOWEVER, That should proration be instituted, then and in that event production allowable shall be in the proportion that the acreage herein bears to a standard proration unit.

IT IS FURTHER ORDERED:

1. That Applicant herein may commit to the drilling unit approved herein any additional acreage within the quarter section involved herein upon which he may obtain leases, by notifying the Secretary (and Director) of the Commission that such leases have been obtained, and providing a description thereof, which description shall include the total number of acres covered by such leases.

2. That the owner or holder of the mineral rights to any acreage not committed to said drilling unit, but lying within the outer boundaries of said quarter section, may, at his election, commit such acreage to said drilling unit and obtain his equitable, proportionate share in the production from any well or wells drilled thereon, upon such terms as are just and reasonable.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

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

R. R. Spurrier
R. R. SPURRIER, Secretary

S E A L

591

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF W. P. CARR FOR APPROVAL OF
AN UNORTHODOX DRILLING UNIT
FOR PICTURED CLIFFS GAS WELLS
IN SAN JUAN COUNTY, NEW MEXICO

PETITION

Comes now W. P. Carr by his attorney, Jason W. Kellahin, P. O. Box 361, Santa Fe, New Mexico, and petitions this honorable Commission for an order approving, as an exception to Commission Rule No. 104 (d), a drilling unit of less than 160 surface acres, in the SW $\frac{1}{4}$ of Sec. 9, Twp. 30 N., Rge. 11 W., N.M.P.M. and in support thereof, would show the Commission as follows:

1. That Petitioner is the holder of oil and gas leases on a total of 133 acres within the boundaries of the SW $\frac{1}{4}$ of Sec. 9, in Twp. 30 N., Rge. 11 W., N.M.P.M.

2. That diligent effort has been made to obtain leases on the balance of lands within this quarter section, without success.

3. That all but 4 acres of the lands upon which Petitioner has been unable to obtain leases are within the townsite of Aztec, New Mexico, and the owner's thereof are numerous and diverse, making it impractical to obtain leases thereon.

4. That Petitioner is desirous of drilling wells to the Pictured Cliffs common source of supply upon the lands held by him, and is unable to commit the entire 160 acres of the SW $\frac{1}{4}$ of Sec. 9, as required by Commission Rule No. 104 (d).

WHEREFORE, Petitioner prays this Commission issue its order granting him an exception to the provisions of Rule 104 (d), as to the SW $\frac{1}{4}$ of Sec. 9, in Twp. 30 N., Rge. 11 W., N.M.P.M.

Together with suitable provision for the protection of cor-

relative rights, as the Commission may determine.

Respectfully submitted,

W. P. Carr

by Jason W. Kellahin
Jason W. Kellahin, Attorney

Jason W. Kellahin
Box 361
Santa Fe, New Mexico,
Attorney for Petitioner

LEASES IN SW $\frac{1}{4}$ SECTION 9, TWP. 30 N., RGE. 11 W.

<u>NO.</u>	<u>LESSOR</u>	<u>ACREAGE</u>
1	Mark L. Current, a single man	26.4
1	Mark L. Current, a single man	1.04
		1.04
2	M. L. Pacotti and Irene Pacotti, his wife	2.0
3	Town of Aztec	4.01
4	C. A. Phillips and Winnie Phillips, his wife	1.1
5	Frank Yockey and Hope Yockey, his wife	9.43
	Frank Yockey and Hope Yockey, his wife	.44
6	Wayne Martin and Minnie Ola Martin, his wife	1.37
7	Joseph S. Hartman and Helen S. Hartman, his wife	15.7
8	Joseph S. Hartman and Helen S. Hartman, his wife, and Ruth H. Schreck and Edwin A. Schreck, her husband	9.3
9	A. C. Greenman, a single man	.4 (more or less)
10	J. I. Harvey and Clyde B. Harvey, husband and wife	23.17
11	Richard H. Williams, Helen N. Williams, Ralph M. Williams, Bennet H. Williams, and Cora E. Williams; <u>and</u> Robert C. Hubbard and Ann Hubbard, his wife, Richard Alex Hubbard and Lurlene Hubbard, his wife, Leuella F. Hubbard Conaway and Omar Conaway, her husband, Roberta Hubbard Thompson and Byrl Thompson, her husband	<u>42.5</u>
	TOTAL	137.90

relative rights, as the Commission may determine.

Respectfully submitted,

W. P. Carr

by Jason W. Kellahin
Jason W. Kellahin, Attorney

Jason W. Kellahin
Box 361
Santa Fe, New Mexico,
Attorney for Petitioner

4. CA. & WINNIE
PHILLIPS 1LA
7-11-53

8.
HARTMAN
&
SCHRECK
7-13-53
9 $\frac{3}{4}$ A.

7.
JOSEPH S. &
HELEN S
HARTMAN
7-10-53
15 $\frac{1}{2}$ A.

10.
J.I. & CLYDE B. HARVEY
7-7-53
23 $\frac{1}{2}$ A.

5.
FRANK & HOPE
YOCKEY
7-15-53
9 $\frac{1}{2}$ A.

1.
MARK L. CURRENT
12-29-52
26 $\frac{1}{2}$ A.

11.
WILLIAMS ESTATE & HUBBARD ETAL
7-17-53
42 $\frac{1}{2}$ A.

N. M.
STATE
HWY.
Dept.

SW $\frac{1}{4}$ SECTION 9 TWP. 30N. RI
N.M.P.M.

PACOTT, N
6-25-53

6. WAYNE & M. O. MARTIN
7-15-53
12A.

3. TOWN OF AZTEC
8-6-53
40A

1. CURRENT
104A

AZTEC CORPORATE LIMIT

HIGHWAY

GREENWAY

PACOTT, N
6-25-53

6. WAYNE & M. O. MARTIN
7-15-53
12A.

3. TOWN OF AZTEC
8-6-53
40A

1. CURRENT
10A.

AZTEC CORPORATE LIMIT

HIGHWAY

GREENWAY

PACOTT, N
6-25-53

6. WAYNE & M. O. MARTIN
7-15-53
12A.

3. TOWN OF AZTEC
8-6-53
40A

1. CURRENT
104A

AZTEC CORPORATE LIMIT

HIGHWAY

GREENWAY

PACOTTIN
6-15-53

6. WAYNE & M. O. MARTIN
7-15-53
12A.

104A

HIGHWAY

AZTEC CORPORATE LIMIT

3. TOWN OF AZTEC
8-6-53
401A

1. CURRENT
104A.

104A

PACOTTIN
6-15-53

6. WAYNE & M. O. MARTIN
7-15-53
12A.

3. TOWN OF AZTEC
8-6-53
401A

1. CURRENT
104A.

104A

HIGHWAY

AZTEC CORPORATE LIMIT

PACOTTIN
6-15-53

6. WAYNE & M. O. MARTIN
7-15-53
12A.

3. TOWN OF AZTEC
8-6-53
401A

1. CURRENT
104A.

104A

HIGHWAY

AZTEC CORPORATE LIMIT

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
September 17, 1953

In the Matter of:

The application of W. P. Carr for
approval of an unorthodox drilling
unit in exception to Rule 104, Para-
graph 'd', of the Commission's Rules
and Regulations, being a unit of less
than 160 acres in SW/4 Section 9,
Township 30 North, Range 11 West, NMPM)
San Juan County, New Mexico.)

Case 591

TRANSCRIPT OF HEARING

MR. SPURRIER: The next case on the docket is Case 591.

(Notice of Publication read by Mr. Graham.)

MR. KELLAHIN: Jason Kellahin, representing W. P. Carr, the
applicant in Case 591. Unfortunately my witness was unable to
secure reservations on the airlines and I am forced to testify
in his behalf.

JASON KELLAHIN

after having been first duly sworn, testified as follows:

Case 591 is an identical and companion Case to Case 542, in
which the Commission approved similar drilling units in the NW/4
of Section 10 and NE/4 of Section 9 in the same township and range,
i. e., Township 30 North, Range 11 West. It has to do with the
SW/4 of Section 9, lands adjoining the townsite of Aztec, New
Mexico.

(Exhibit I marked for identification)

I have here a plat showing the land ownership that is in the quarter section. The areas outlined in red are those on which the applicant does not have leases. This map was not prepared by me, however, I did check it against the leases which are in the file and available for inspection by the Commission. I have checked it against the descriptions in those leases and it is my belief that the map is an accurate record of the lease ownership now held by Mr. Carr.

It will be noted that Mr. Carr has all of the land under lease which lies outside of the townsite of Aztec with the exception of lands marked as belonging to the Highway Department, a two acre tract on which we have been attempting to secure a lease. We have been trying to get an opinion as to who has the authority to sign such a lease and we have as yet been unable to obtain one. An Attorney General's opinion says only the Land Commission can issue such a lease on lands owned by the State.

Another tract is a small area adjoining the highway outlined in red which consists of two business lots, a very small area. We do have a lease from the town of Aztec on the area to the North of the townsite and we also have leases on lands within the townsite from Mr. Current. We have no leases on any property other than that outside of the town of Aztec and the problem is exactly the same as in Case 542, the lands consisting of a great number of small lots for the most part 50 foot lots laid out on a townsite pattern and it would be very expensive to secure even the

necessary ownership list in order to force a pooling action.

(Exhibit II marked for identification)

MR. KELLAHIN: I wish to offer Exhibit I in evidence.

MR. SPURRIER: Without objection it will be admitted.

MR. KELLAHIN: Exhibit II shows a tabulated list of the leases on which Mr. Carr has the ownership and is identical to Exhibit I and we have in the file, copies of all of those leases for the inspection of the Commission which we would be glad to offer in evidence if the Commission so desires. There are a few original leases which we would like to withdraw and substitute copies therefor.

We are asking the same type of Order as in Case 542 which, if the Commission will recall, made provision of the inclusion of any additional lands on which the applicant may be able to secure leases and also a provision that any one within the exterior boundary within this quarter section who has not committed his acreage may do so under terms that are just and reasonable. Of course we have in mind that he should pay his proportionate share of the cost and then share in production. That completes our statement and testimony.

MR. KELLAHIN: I wish to offer Exhibit II in evidence.

MR. SPURRIER: Without objection, it will be admitted.

Does anyone have any objection to Mr. Carr's proposal. If not, we will take the case under advisement and move to Case 580.

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C E R T I F I C A T E

I, Virginia M. Chavez, hereby certify that the above and foregoing transcript of Proceedings in Case 591, taken before the Oil Conservation Commission on September 17, 1953, at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico, this 18th day of September, 1953.

Virginia M. Chavez
Notary Public

My Commission expires:
August 8, 1956