

Case No.

667

Application, Transcript,  
Small Exhibits, Etc.

NO.  
CASE 667: Francis L. Harvey - for  
compulsory pooling or approval of un-  
orthodox units in N.Y. 29-29N-10M

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
at  
Santa Fe, New Mexico

Transcript of Hearing in  
Case No. 667

February 18, 1954

Regular Hearing.

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-0846  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
at  
Santa Fe, New Mexico  
February 18, 1954  
Afternoon Session

In the Matter of:

The application of Francis L. Harvey for compulsory pooling or approval of an unorthodox drilling unit consisting of less than 160 acres for the production of gas from the Pictured Cliffs formation in NW/4 Section 29, Township 29 North, Range 10 West, San Juan County, New Mexico, in the Aztec-Pictured Cliffs Gas Pool; and giving notice to Mamie E. Morgan and Dr. Eugene M. Davie, and any person or persons claiming an interest in the lands described herein.

Case No. 667

MR. SPURRIER: The Meeting will come to order. The first case on the docket is case 667.

(Notice of Publication read.)

MR. KELLAHIN: If the Commission please, Jason Kellahin, representing Francis L. Harvey, the applicant in this petition. The application is for the approval of an unorthodox drilling unit consisting of less than 160 acres for the production of gas from the Pictured-Cliffs formation. The application is confined to the Pictured-Cliffs formation only. In the NW/4 of Section 29, Township 29 North, Range 10 West, San Juan County, New Mexico in the Aztec-Pictured Cliffs Gas Pool in San Juan County or in the alternative for forced communitization of 25 acres lying within the described quarter section which are not committed to the well operated by the applicant in this case. The well involved in this case, if

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ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

the Commission please, was drilled as a farmout from Stanolind Oil and Gas Company, and Stanolind retained the deeper rights conveying only the Pictured Cliffs gas rights insofar as the petitioner is concerned. The leases were obtained by Stanolind and not by the petitioner in this case, and there is a plat attached to the petition which is in the files of the Commission, showing the acreage which is committed to the well and that acreage which is not. There is 15 acres held in the name of Mayme Morgan, and others in the northwest quarter of the quarter section, and ten acres held by Eugene Davie which is located in the southwest quarter of the quarter section. The well is located in an unorthodox location designated Offback Taylor Number One. It was producing and by order of the Commission was shut in due to the fact that the 160 acres was not committed to the well.

MR. SPURRIER: When was it shut in?

MR. KELLAHIN: I don't have the date. I am sorry. I believe it was drilled a year before and they received a gas line connection in November, and if I am not mistaken, it was in December that the well was shut in. Unfortunately, I am without a witness. I have only the file which was furnished me by Stanolind Oil and Gas Lease Department and we had a witness here available, here yesterday who could identify these. If there is no objection on the part of anyone present, I don't believe it would be out of the way to introduce them. If it is, of course, we could get the land man to return to Santa Fe.

MR. SPURRIER: Without objection the exhibits will be admitted.

MR. KELLAHIN: There are four, one is a letter directed to Mr. C. H. Nye of Aztec who secured the leases secured by Mrs. Nye,

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PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

which she agreed to lease the lands which are now held in the name of Mayme Morgan. However, these lands had been conveyed by her mother to three children and we never were able to get any further correspondence from any of the parties involved, although lease forms were sent to all of those involved. They had the opportunity to lease our acreage. I don't believe it would be necessary to read the letter since I am offering it. The tenure is, while she agrees, there are three other children who would have to agree and that an agreement was never secured. The Exhibit Two shows the acreage which is held by Mayme Morgan and others, the others being her three brothers who live in, one in California and the best we could find out, the others were in Honolulu, but we never obtained any address for them. The Exhibit Number Three is a letter from the Island Engineering Company covering their efforts to secure that same lease. It shows that the company was attempting to secure leases. The Exhibit Number Four is a note on the bottom of the plat showing that the lands held by Mr. Davie to be ten acres, which at that time were held, at that time by a Mr. Adair, and he was quoted as saying that, "the tract was too small to do anyone any good. If someone would pay me two or three times what the land was worth, I would consider signing a lease." So that is the situation with which Stanolind is faced in attempting to get these tracts of land. I offer these four exhibits in evidence.

MR. SPURRIER: As I said before, without objection, they will be admitted.

MR. KELLAHIN: We are not adverse to compulsory pooling on this tract. However, due to the fact that we do not have the names of all the parties in interest and it was impossible to serve any notice on them other than the publication which was made by the

ADA DEARNLEY & ASSOCIATES  
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ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9845 AND 5-9846  
ALBUQUERQUE, NEW MEXICO

Commission, I think it would be more proper for the Commission to enter an order approving an unorthodox location in the event of prorationing. We would of course accept a reduced allowable and it would be satisfactory to us if you leave the order open so that anyone who wishes to commit this additional acreage to this well, we will accept it on a reasonable basis. That completes our case.

MR. SPURRIER: Is there anyone else to be heard in this case?

MR. STANLEY: Could I ask Mr. Kellahin a question off the record?

MR. SPURRIER: Yes.

(Off the record.)

MR. SPURRIER: If no further comment in the case we will refer it to the Commission and go on to case 668.

STATE OF NEW MEXICO }  
COUNTY OF BERNALILLO }

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 667 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 18, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 22<sup>nd</sup> day of February, 1954.

Ada Dearnley  
COURT REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO



OCC SFE  
GURLEY TO ARNOLD

PLEASE CHECK COURT HOUSE RECORD FOR ADDRESS OF DR EUGENE N DAVIE  
OWNER OF WEST 10 ACRES OF SW/4 NW/4 SECTION 29 N RANGE 19 WEST  
SUGGEST YOU CONTACT B NYE ABTRACTOR IF YOUR RECORD CHECK FAILS TO  
DEVULGE INFORMATION  
END OR GA

WE HAVE NOTICE OF INTENTION TO DRILL FILED BY R E JACKSON FOR THE  
SW4 OF 24-29-11 WHICH HE CALLS THE NO 1 EUGENE N DAVIE AND HE GIVES  
DAVIES ADDRESS AS MEDFORD UTAH. DO YOU WANT US TO CHECK AT THE  
COURTHOUSE AND SEE IF THIS JIBES.  
END OR GA

WOULD APPRECIATE CHECK AT COURT HOUSE TO DETERMINE STREET ADDRESS  
IF AVAILABLE THANKS END OR GA

OK WILL CALL YOU BACK END

OCC SFE 5942 GA PLS

OCC AZTEC JZNUARY 17

ARNOLD TO GURLEY

HAVE CHECKED AND FOUND THAT DR DAVIES ADDRESS IS BOX 188 MILFORD UTAH  
END OR GA

END



Medford Utah.

RECEIVED 008

JAN 10 1956

JANUARY 3, 1956

OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
SANTA FE, NEW MEXICO

RE: CASE No. 667  
ORDER NO. R-413

DEAR SIR:

I OWN THE 10 ACRES DESCRIBED AS THE WEST 10 ACRES OF THE SW $\frac{1}{4}$  NW $\frac{1}{4}$  OF SEC. 29, TWP. 29 N., RANGE 10 W, N.M.P.

AN "UNORTHODOX DRILLING UNIT" WAS GIVEN TO FRANCIS L. HARVEY ON FEBRUARY 17, 1954 EXCLUDING MY 10 ACRES FROM THIS DRILLING BLOCK.

WOULD LIKE TO KNOW WHAT MY RIGHTS ARE TO THE MINERALS UNDERLYING THE SAID TEN ACRES.

PLEASE EXPLAIN FOR ME PARAGRAPH 2 ON PAGE 3 WHERE IT IS STATED:

"THAT THE OWNER OR HOLDER OF THE MINERAL RIGHTS TO ANY ACREAGE NOT COMMITTED TO SAID UNIT BUT LYING WITHIN THE NW $\frac{1}{4}$  SEC. 29, TWP. 29 N., RGE. 10 W., MAY, AT HIS ELECTION COMMIT SUCH ACREAGE TO SAID UNIT AND OBTAIN HIS EQUITABLE PROPORTIONATE SHARE OF THE PRODUCTION FROM SAID UNIT, UPON SUCH TERMS AS ARE JUST AND REASONABLE."

DOES THIS MEAN THAT I CAN EXPECT ROYALTY PAYMENT ON MY PROPORTIONATE SHARE FROM THE TIME PRODUCTION BEGAN?

I WILL APPRECIATE YOUR HELP AND ADVICE CONCERNING THIS MATTER.

SINCERELY,

*Eugene N. Davie, M.D.*

EUGENE N. DAVIE, M.D.

END/R

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF FRANCIS L. HARVEY, BOX 990,  
WICHITA FALLS, TEXAS FOR COMPUL-  
SORY POOLING OR APPROVAL OF AN  
UNORTHODOX DRILLING UNIT CONSIST-  
ING OF LESS THAN 160 ACRES, FOR  
THE PRODUCTION OF GAS FROM THE  
PICTURED CLIFFS FORMATION IN NW $\frac{1}{4}$   
SEC. 29, TWP. 29 N., RGE. 10 W.,  
N.M.P.M., AZTEC PICTURED CLIFFS  
GAS POOL, SAN JUAN COUNTY, NEW MEXICO

*Page 667*

PETITION

Comes now Francis L. Harvey, Box 990 Wichita Falls, Texas and petitions this honorable Commission for an order approving, as an exception to the provisions of Rule No. 104 (d), a drilling unit of less than 160 surface acres in NW $\frac{1}{4}$  Sec. 29, Twp. 29 N., Rge. 10 W., N.M.P.M., ~~or~~, in the alternative an order directing compulsory pooling of said NW $\frac{1}{4}$  Sec. 29, Twp. 29 N., Rge. 10 W., for the production of natural gas and/or hydro-carbons from the Pictured Cliffs formation only, and in support thereof would show the Commission as follows:

1. Petitioner is the operator of a gas well designated as Black & Taylor No. 1 drilled in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 29, Twp. 29 N., Rge. 10 W., Aztec Pictured Cliffs Gas Pool, San Juan County, New Mexico.

2. That said well was drilled and completed as a gas well at a total depth of 1,825 feet producing from the Pictured Cliffs formation and that while said well was completed on November 11, 1952, no market outlet was available until recently.

3. That said well was drilled as a farm-out from Stanolind Oil and Gas Company and that leases are held to Pictured Cliffs rights as follows:

M. E. Haney - West 25 acres of NW $\frac{1}{4}$ NW $\frac{1}{4}$   
Ezell Taylor - NE $\frac{1}{4}$ NW $\frac{1}{4}$   
Lucy H. Black - SE $\frac{1}{4}$ NW $\frac{1}{4}$   
C. J. Stahly - East 30 acres of SW $\frac{1}{4}$ NW $\frac{1}{4}$

for a total of 135 acres, more or less.

4. According to the best of Petitioner's knowledge and belief Mamie E. Morgan et al are the owners of the East 15 acres of NW $\frac{1}{4}$ NW $\frac{1}{4}$  and Dr. Eugene M. Davie et al are the owners of the West 10 acres of SW $\frac{1}{4}$ NW $\frac{1}{4}$ . That Petitioner has sought to contact Mamie E. Morgan to secure a lease on which she holds mineral rights but has been unable to contact said Mamie E. Morgan, whose address is unknown to Petitioner; that Petitioner has been unable to contact Dr. Eugene M. Davie whose last known address was Milford, Utah and has been unable to secure a lease from him.

Wherefore, Petitioner prays the Commission enter its order approving the W. 25 acres of NW $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , and E. 20 acres of SW $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 29, Twp. 29 N., Rge. 10 W., N.M.P.M., as an unorthodox drilling unit of less than 160 acres, for production from the Pictured Cliffs formation together with suitable provision for the protection of correlative rights as the Commission may determine is proper; or, in the alternative, enter its order directing that lands not committed to Petitioner's well be pooled with lands dedicated to said well, for the production of gas and/or oil from the Pictured Cliffs formation.

Respectfully submitted,

Francis L. Harvey

By Jason W. Kellahin  
Jason W. Kellahin  
P. O. Box 361  
Santa Fe, New Mexico,  
Attorney

11

Section 29 Township 29 N. Range 10 W.

mE. Haney		Moyne Morgan et al 15 a	Ezelle Taylor		
C.J. Stally			<del>Black &amp; Taylor No 1</del> Lucy H. Black		
Eugene Davis 10a					

☐ Lands not leased

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:

THE APPLICATION OF FRANCIS L. HARVEY  
FOR COMPULSORY POOLING OR APPROVAL  
OF AN UNORTHODOX DRILLING UNIT OF  
LESS THAN 160 ACRES FOR PICTURED  
CLIFFS GAS PRODUCTION IN NW $\frac{1}{4}$  SEC. 29,  
T. 29 N., R. 10 W., SAN JUAN COUNTY,  
NEW MEXICO.

CASE NO. 667  
ORDER NO. R-413

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 17th day of MARCH, 1954, the Commission, a quorum being present, having considered the testimony offered and exhibits entered 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 the applicant is the owner of oil and gas exploration and development rights to the Pictured Cliffs gas formation covering lands located in Township 29 North, Range 10 West, N.M.P.M., as follows:

Sec. 29 West 25 acres of NW $\frac{1}{4}$  NW $\frac{1}{4}$ ,  
NE $\frac{1}{4}$  NW $\frac{1}{4}$ , SE $\frac{1}{4}$  NW $\frac{1}{4}$ , East 30  
acres of SW $\frac{1}{4}$  of NW $\frac{1}{4}$ ,

comprising 135 acres, more or less.

(3) That such rights to said acreage are held under a

farm-out agreement with Stanolind Oil and Gas Company.

(4) That applicant is operator of a well, Black & Taylor No. 1, drilled in the SE $\frac{1}{4}$  NW $\frac{1}{4}$ , Sec. 29, Twp. 29 N., Rge. 10 W., N.M.P.M., which well was completed for the production of gas in the Pictured Cliffs formation, in the Aztec Pictured Cliffs Gas Pool, San Juan County, New Mexico.

(5) That approval of the location of said well was conditioned upon approval by this Commission of an unorthodox gas unit of less than 160 acres.

(6) That Mamye E. Morgan, et al., are apparent owners of mineral rights to the East 15 acres of NW $\frac{1}{4}$  NW $\frac{1}{4}$  and Dr. Eugene M. Davie, et al., are apparent owners of the mineral rights to the West 10 acres of SW $\frac{1}{4}$  NW $\frac{1}{4}$  of said section.

(7) That diligent efforts have been made to secure leases to the East 15 acres of the NW $\frac{1}{4}$  NW $\frac{1}{4}$ , and the West 10 acres of the SW $\frac{1}{4}$  NW $\frac{1}{4}$  of Sec. 29, Twp. 29 N., Rge. 10 W., N.M.P.M., and said efforts have been without success.

(8) That no appearance was made in opposition to this application.

(9) That compulsory pooling of lands in the NW $\frac{1}{4}$  of said Sec. 29 is not practical for the reason that all of the owners thereof cannot be located.

(10) That unless an exception is granted to the provisions of Commission Rule No. 104(d), applicant will be denied an opportunity to produce his just and equitable share of the oil or gas, or both, from the Aztec Pictured Cliffs Gas Pool, and that such an exception will be in the interests of conservation, and will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Francis L. Harvey for approval of an unorthodox drilling unit consisting of West 25 acres of NW $\frac{1}{4}$  NW $\frac{1}{4}$ , NE $\frac{1}{4}$  NW $\frac{1}{4}$ , SE $\frac{1}{4}$  NW $\frac{1}{4}$ , East 30 acres of SW $\frac{1}{4}$  NW $\frac{1}{4}$ , Sec. 29, Twp. 29 N., Rge. 10 W., N.M.P.M., Aztec Pictured Cliffs Gas Pool,

San Juan County, New Mexico, is hereby approved.

PROVIDED, HOWEVER, That should prorationing of gas be instituted, then and in that event the allowable for said unit shall be in proportion that the acreage herein bears to a standard proration unit of 160 acres.

IT IS FURTHER ORDERED:

(1) That applicant may commit to the drilling unit herein approved, any additional acreage lying within the NW $\frac{1}{4}$  Sec. 29, Twp. 29 N., Rge. 10 W., upon which he may obtain leases or other rights to produce, by notifying the Secretary (and Director) of this Commission that such leases or rights have been obtained, together with a description thereof.

(2) That the owner or holder of the mineral rights to any acreage not committed to said unit but lying within the NW $\frac{1}{4}$  Sec. 29, Twp. 29 N., Rge. 10 W., may, at his election commit such acreage to said unit and obtain his equitable proportionate share of the production from said unit, upon such terms as are just and reasonable.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
Edwin L. Mechem, Chairman

  
E. S. Walker, Member

  
R. R. Spurrier, Secretary

S E A L

Exhibit #1

Dec 1-1947

Mr C H Mfg  
Agua, N.M.

Dear Sir

Your letter addressed to  
the late Mr E E Chapson  
is received. I have contacted  
my son and after reading  
your letter said he was not  
in the least interested.

The letter has been forwarded  
to the 3 other children, 2 of whom  
live in Honolulu.

If they are interested you will  
hear from them. Thanking you for  
your inquiry. Mrs E E Chapson

Jesse Ketchum - Box 361 Santa Fe

ILLEGIBLE



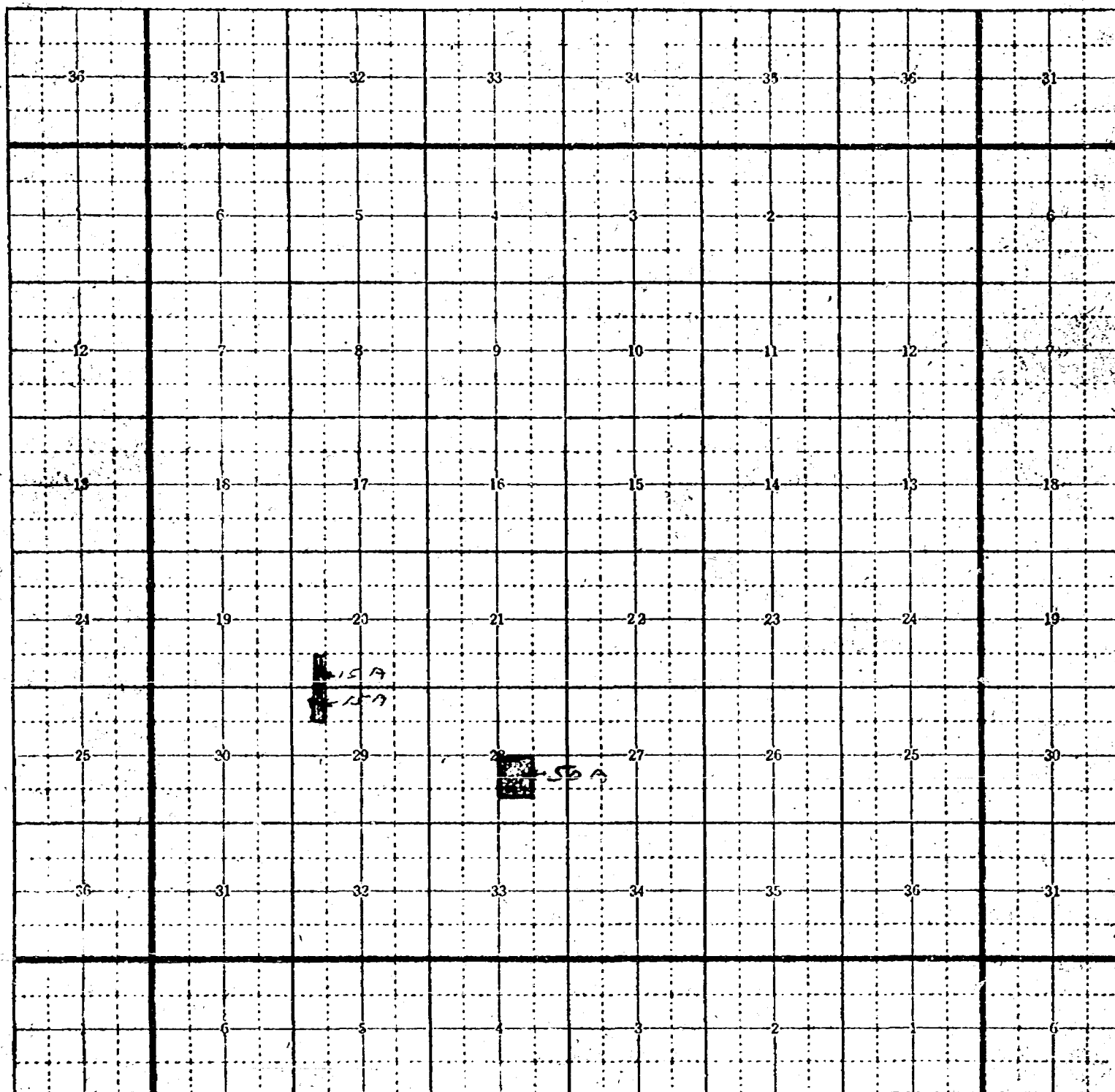
Exhibit # 4

SAN JUAN COUNTY ABSTRACT & TITLE COMPANY, BONDED ABSTRACTERS

Township

Range No.

N O R T H



ILLEGIBLE

1974 This acreage owned by Mayme Morgan and her three brothers who live in Calif and Honolulu. Attached is her reply which. Mrs E.E. Chapson is the mother who deeded to the four children. I'll follow up on the letter and we may hear something further.  
Belle Hys

Exhibit #3



**ISLAND ENGINEERING COMPANY**  
LIMITED

876 KAWAIAHAWO STREET  
HONOLULU 12, HAWAII

P. O. BOX 3920

CABLE: "ISLENGINE"

Letter No. 1874

February 6, 1948

Mr. G. H. Nye  
P. O. Box 1227  
Aztec, New Mexico

SUBJECT: OIL AND GAS LEASE

Dear Sir,

We have received your letter of January 13, in which you gave us a very comprehensive report on the drilling operations for gas and oil in San Juan County, New Mexico.

We are pleased to advise that Harold and Kenneth Chapson, respectively, approved the lease plan as presented. We shall process the lease form and forward it to the remaining heirs.

Very truly yours,

ISLAND ENGINEERING COMPANY, LTD.

KPC:mp

*Kenneth P. Chapson*  
Kenneth P. Chapson

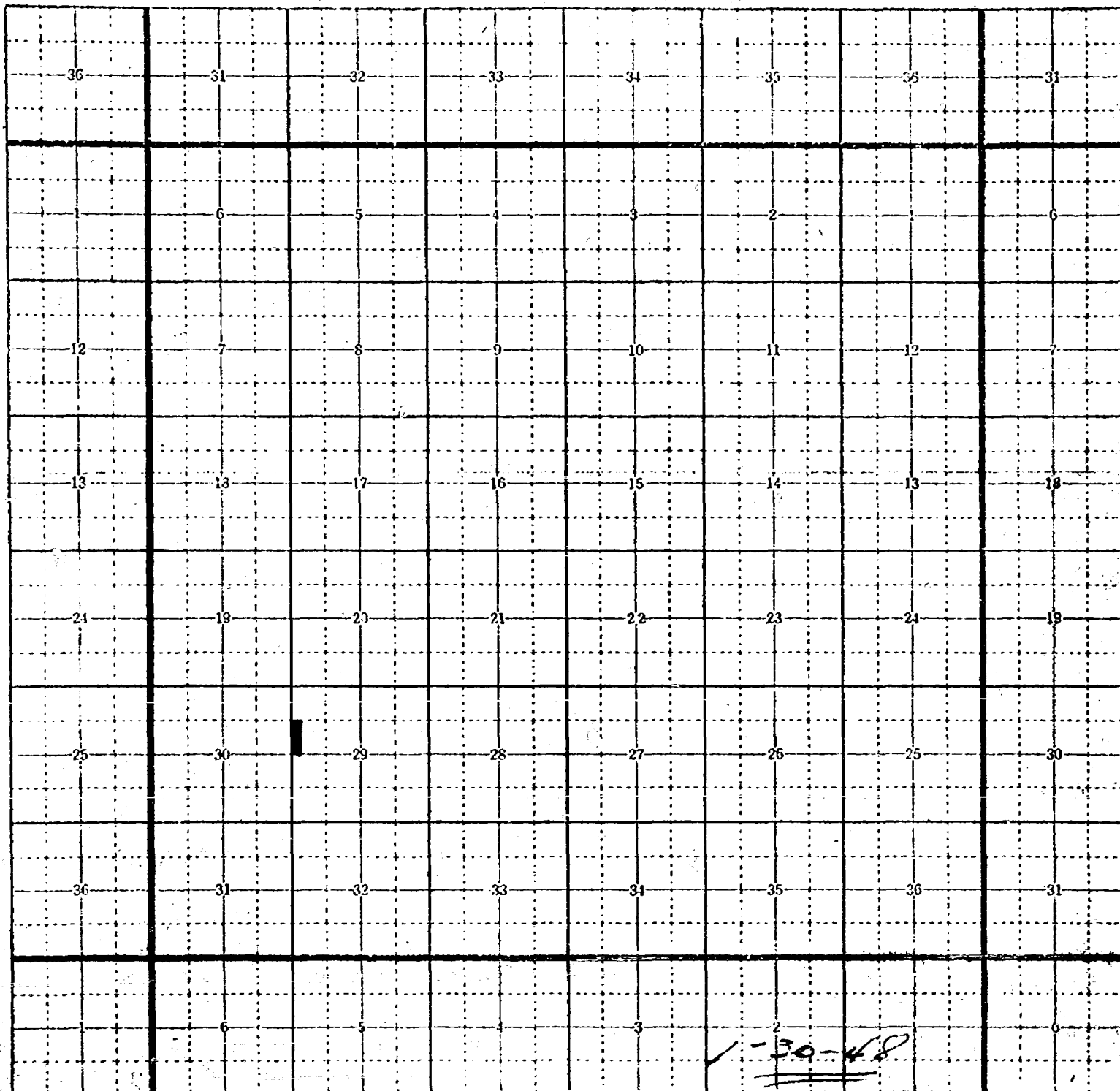
ILLEGAL

Exhibit # 4

2012  
APR  
7-48

SAN JUAN COUNTY ABSTRACT & TITLE COMPANY, BONDED ABSTRACTERS

Township 29 North Range No. 10 West  
NORTH



ILLEGIBLE

The NW 1/4 of the SW 1/4 of the 29-24N R 10W  
belongs to R.N. Chair

Quote - "Too small to do anyone  
any good. If someone would pay him two or three  
hundred what the land was worth they at once  
leaving it, not saying you are but most  
all old people are crooks, etc etc etc." He  
would be talking to you if I would stay  
and listen. R.N.