

Casa No.

865

Application, Transcript,
Small Exhibits, Etc.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SANTA FE - NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder of the following public hearings to be held at 9 o'clock a.m. on March 16, 1955, at Mabry Hall, State Capitol, Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties and persons
having any right, title, interest
or claim in the following cases,
and notice to the public.

CASE 865:

In the matter of the application of Signal Oil and Gas Company for compulsory pooling of NW/4 SW/4 Section 6, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, containing 40 acres, more or less.

Applicant, in the above-styled cause, seeks an order directing and compelling the following named individuals and companies, to whom particular notice is hereby given, namely:

Mamie Holloway McFarland;
Floy G. Holloway;
Chachie H. Fournier;
Roy B. Holloway;
Edith Holloway Poole;
Winifred Holloway Hill;
Alice Siddal;
Sam H. Holloway;
Kathryn A. Holloway;
Millie B. Jones;
Tide Water Associated Oil Company;
J. Hiram Moore;
F. J. Danglade;
F. E. Chartier;

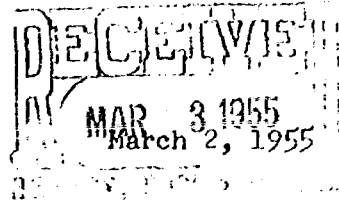
to communitize or pool their respective mineral interests, of whatsoever nature, in all or any part of said NW/4 SW/4 of Section 6, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, which is a part of the Skaggs Pool area, for the purpose of drilling, developing and operating said 40 acres, as a pooled unit.

GIVEN under the seal of the Oil Conservation Commission at Santa Fe, New Mexico, on this 1st day of March, 1955.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

W. B. MACEY,
SECRETARY

S E A L



Mrs. Edith Pool, a widow
1931 Avalon St.
Los Angeles 39, California

Mamie Holloway McFarland, (~~married separately property rights~~)
16404 Menlo Avenue
Gardena, California

Winifred Holloway Hill, a widow
P. O. Box 645
Ventura, California

Roy B. Holloway
223 South Willow Street
Pecos, Texas

Chachie H. Fournier, (~~married separately property rights~~)
8361 Hatillo Avenue
Canoga Park, California

Floy G. Holloway
1208 163rd Street
Gardena, California

Alice Siddall
700 West 41st Place
Los Angeles 37, California

Sam. H. Holloway and
Kathryn A. Holloway
Los Angeles, California

4442 N. KASSEBAUM
EL MONTE, CALIF.
(~~Signal Oil & Gas Company~~)

Tide Water Associated Oil Co.
Mellie Esperson Bldg.
Houston, Texas

F. J. Danglade
Lovington, New Mexico

J. Hiram Moore
P.O. Box 1537
Hobbs, New Mexico

F. E. Chartier
Hobbs, New Mexico

J. M. HERVEY 1874-1953
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNTER, JR.
WILLIAM C. SCHAEFER
HOWARD C. BRATTON
S. B. CHRISTY IV

LAW OFFICES
HERVEY, DOW & HINKLE
FIRST NATIONAL BANK BUILDING
ROSWELL, NEW MEXICO

March 3, 1955

TELEPHONE 2160
L. D. 3

AIR MAIL

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Re: Cause No. 865

Dear Mr. Macey:

This letter is in connection with the above cause number wherein Signal Oil and Gas Company has applied for compulsory pooling on the NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 6, Twp. 20 South, Rge. 38 East. Before leaving Santa Fe I told both you and your secretary, Miss Royal, that I would mail you the address of the interested parties and I enclose the same herewith. You will notice that we have given you the address of each person listed in the Notice except Millie B. Jones and after diligent search, I cannot locate her. Also, Mrs. Edith Poole is the same person as Edith Holloway Poole.

If you need any additional information, please call me collect.

Yours very truly,

HERVEY, DOW & HINKLE

By W. E. Bondurant

WEB/hp

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 22, 1955

Mr. S. B. Christy IV
Hervey, Dow and Hinkle
First National Bank Building
ROSWELL, NEW MEXICO

Dear Sir:

In behalf of your client, Signal Oil and Gas Company, we
enclose Order R-617 issued by this Commission in Case 865
under date of April 20, 1955.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:nr

C
O
P
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 865
Order No. R-617

THE APPLICATION OF SIGNAL OIL AND
GAS COMPANY FOR AN ORDER CALLING
FOR THE COMPULSORY COMMUNITIZATION
OF THE NW/4 SW/4 OF SECTION 6, TOWN-
SHIP 20 SOUTH, RANGE 38 EAST, NMPM,
LEA COUNTY, NEW MEXICO, FOR THE
FORMATION OF A 40-ACRE COMMUNITIZED
UNIT FOR THE PRODUCTION OF OIL FROM
THE SKAGGS OIL POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on March
16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Com-
mission, hereinafter referred to as the "Commission".

NOW, on this 20th day of April, 1955, the Commission, a quorum
being present, having considered the records and testimony adduced, and
being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the
purpose thereof having been given as required by law, the Commission has
jurisdiction of this case and the subject matter thereof.

(2) That applicant, Signal Oil and Gas Company, is the owner
of certain leasehold interests covering the following described land in Lea
County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
NW/4 SW/4 of Section 6

containing 40 acres more or less.

(3) That the following mineral interests in said NW/4 SW/4 are
either unleased or leased to other parties, and these mineral owners and
leasehold owners have indicated that they will join in the development of the
lands or will convey their said lease to applicant:

<u>NAME</u>	<u>INTEREST</u>
Tide Water Associated Co.	3/160
J. Hiram Moore	5/4608
F. J. Danglade	1/4
F. E. Chartier	1/192

(4) That the following mineral interest in said NW/4 SW/4 is
unleased:

<u>NAME</u>	<u>INTEREST</u>
Millie B. Jones	1/320

(5) That applicant, Signal Oil and Gas Company, acquired its
leases in the SW/4 NW/4 SW/4 of said Section 6 from the following mineral
owners:

<u>NAME</u>	<u>INTEREST</u>
Mamie Holloway McFarland	1/56
Floyd G. Holloway	1/56
Chachie H. Fournier	1/56
Roy B. Holloway	2/56
Edith Holloway Poole	1/56
Winifred Holloway Hill	1/56

(6) That applicant, Signal Oil and Gas Company, acquired its
leases from the following mineral owners in the various parts of the NW/4
SW/4 of Section 6, as follows:

<u>NAME</u>	<u>INTEREST</u>	
	<u>NW/4 NW/4 SW/4, E/2 NW/4 SW/4 Section 6</u>	<u>SW/4 NW/4 SW/4 Section 6</u>
Alice Siddall	3/16	5/112
Sam H. Holloway & wife		
Kathryn A. Holloway	1/32	11/224

(7) That none of the aforesaid leases contains a pooling clause,
and without forced communitization there could arise conflict among said
royalty owners and those royalty owners upon whose land the well might be
located, as to the exact royalty to which each might be entitled from any
production which might be recovered.

(8) That applicant, Signal Oil and Gas Company, proposes to
drill a test well for the production of oil from the Grayburg formation of
the Skaggs Pool at a location in the NW/4 SW/4 Section 6, Township 20
South, Range 38 East, NMPM, Lea County, New Mexico.

(9) That the SW/4 of said Section 6 can be reasonably assumed
to be productive of oil from the Skaggs Pool.

(10) That unless the application is granted, applicant will be
deprived of the opportunity to recover its just and equitable share of oil
from the Skaggs Oil Pool.

(11) No person nor persons affected by the compulsory communit-
ization, who have refused to pool their interests voluntarily, nor any repre-
sentative of the same, appeared at this hearing or made objection to the
formation of said 40-acre proration unit.

-3-

Case No. 865

Order No. R-617

IT IS THEREFORE ORDERED:

1. That the application of Signal Oil and Gas Company for compulsory communitization of the NW/4 SW/4 of Section 6, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, be and the same hereby is approved, and the same is hereby recognized as a communitized or pooled tract at all times hereafter, and that such pooling or communitization be and it is in all things confirmed.

2. That the operator, Signal Oil and Gas Company, shall furnish this Commission with an executed copy of the Unit Operating Agreement, together with any other pertinent data that the Commission may, from time to time, deem necessary in order to determine that each owner of the oil and gas leasehold interest or mineral interests receives his just and equitable share of the proceeds received from the sale of crude petroleum and its allied products.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms

JOHN F. SIMMS, Chairman

E. S. Walker

E. S. WALKER, Member

W. B. Macey

W. B. MACEY, Member and Secretary



/s/

BEFORE THE OIL CONSERVATION COMMISSION, STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SIGNAL OIL AND GAS COMPANY FOR
COMPULSORY POOLING OF NW $\frac{1}{4}$ SW $\frac{1}{4}$ SECTION
6, TOWNSHIP 20 SOUTH, RANGE 38 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO,
CONTAINING 40 ACRES.

No. 865

TO THE HONORABLE COMMISSION:

COMES NOW Signal Oil and Gas Company and respectfully
states:

1. Signal Oil and Gas Company, hereinafter called
"Signal", is a corporation duly organized and existing under the
laws of the State of California with certificate of authority to do
business in the State of New Mexico.

2. Signal is the owner of certain leasehold interests
covering the following described land in Lea County, New Mexico,
to-wit:

Township 20 South, Range 38 East
N.M.P.M., Section 6: NW $\frac{1}{4}$ SW $\frac{1}{4}$.

3. The above oil and gas leasehold estate arises under
approximately twenty-four leases from various mineral owners and
collectively said leases embrace all minerals under the above lands
except that the following mineral interests are either unleased or
leased to other parties as indicated:

<u>NAME</u>	<u>INTEREST</u>	<u>LEASED OR UNLEASED</u>
John G. Archer	3/160	Leased to Tidewater Associated Oil Company **
J. Hiram Moore	5/4608	Unleased *
Millie B. Jones	1/320	Unleased
F. J. Danglade	1/4	Unleased **
F. E. Chartier	1/192	Unleased **

* Signal expects to acquire lease on this interest
in the next few weeks.

** These mineral owners and leasehold owner will join
in the development of the lands.

4. When Signal acquired its leases from the following mineral owners they owned minerals only under the $SW\frac{1}{4}NW\frac{1}{4}SW\frac{1}{4}$ of said Section 6, and the mineral ownership of such parties thereunder is as follows:

<u>NAME</u>	<u>INTEREST</u>
Mamie Holloway McFarland ✓	1/56
Floy G. Holloway	1/56
Chachie H. Fournier	1/56
Roy B. Holloway	2/56
Edith Holloway Poole	1/56
Winifred Holloway Hill	1/56

5. When Signal acquired its leases from the following mineral owners their mineral ownership under the various parts of said $NW\frac{1}{4}SW\frac{1}{4}$ Section 6, was as follows:

<u>NAME</u>	<u>$NW\frac{1}{4}NW\frac{1}{4}SW\frac{1}{4}$, $E\frac{1}{2}NW\frac{1}{4}SW\frac{1}{4}$ Section 6</u>	<u>$SW\frac{1}{4}NW\frac{1}{4}SW\frac{1}{4}$ Section 6</u>
Alice Siddal ✓	3/16	5/112
Sam H. Holloway and wife Kathryn A. Holloway	1/32	11/224

6. Signal owns valid Oil and Gas Leases covering the mineral interest of all of the mineral owners listed in paragraphs 4 and 5 above, and that each said lease covers the entire $SW\frac{1}{4}$ Section 6, Township 20 South, Range 38 East, N.M.P.M., containing 160 acres, but that none of said leases contains any pooling clause or any clause providing for the apportionment or spreading of royalty.

All mineral owners, other than those stated in paragraphs 4 and 5 above, own a uniform mineral interest under the entire $NW\frac{1}{4}SW\frac{1}{4}$ of said Section 6, and that except as noted in paragraph 3 above, Signal has oil and gas leases from all of said other mineral owners and said leases cover the entire $SW\frac{1}{4}$ of said Section 6.

7. Signal proposes to drill a test well for oil at a location on said $NW\frac{1}{4}SW\frac{1}{4}$ Section 6. By reason of the diverse royalty ownership as outlined in paragraphs 4 and 5 above, there could be a conflict

among said royalty owners as to the exact royalty which they were entitled to from said production and those royalty owners upon whose land the well was located might claim that they were entitled to all of the royalty from said well to the prejudice of other royalty owners in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 6, which other royalty owners would be drained by said well.

8. Said NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 6 is now under 40 acre oil spacing and the oil allowable is allocated on the basis of such 40 acre legal subdivision and the facts outlined in paragraphs 4 and 5 above might raise a question as to whether Signal was entitled to a full 40 acre oil allowable from wells drilled on said tract. Upon information and belief, the geological formations, porosity, and drainage under all of said NW $\frac{1}{4}$ SW $\frac{1}{4}$ are equal and uniform, and all persons owning any minerals or royalty in said tract should share on a mineral acre basis in any production from said tract regardless of where said well may be located. Consequently, the royalty owners set out in paragraphs 4 and 5 above will not be prejudiced by pooling or spreading their royalty interest on an acreage basis under said entire NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 6.

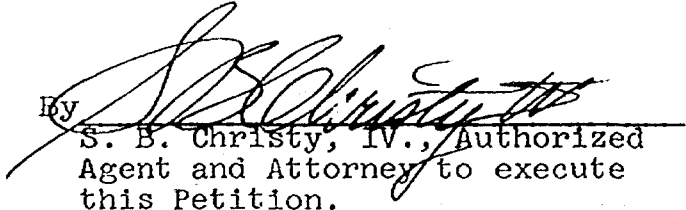
9. In order for your Applicant to recover its just and equitable share of petroleum from the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 6, it is necessary that the Commission enter its Order requiring the pooling or spreading of royalty interest on an acreage basis under said entire tract. That such Order will afford the owner of each interest in said 40 acre tract the opportunity to receive his just and equitable share of the oil produced and that such Order will result in the prevention of waste and the drilling of excessive wells and will not prejudice the interest of any royalty owner.

WHEREFORE, Applicant prays that the Commissioner enter its Order providing that the persons outlined in paragraphs 4 and 5 above shall have their royalty interest pooled or spread on a mineral acre basis under said entire NW¹/₄SW¹/₄ and that said owners under said tract shall receive their fair share of any production regardless of the location of the well on said tract.

Applicant further prays for an Order that as to any unleased interest set out in paragraph 3 above where Applicant does not own a lease or an Operating Agreement, that the Commission enter an Order covering the operations of said property as will be just and proper to Applicant and to said mineral or lease owner.

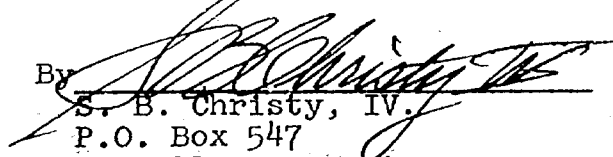
SIGNAL OIL AND GAS COMPANY

By


S. B. Christy, IV., Authorized
Agent and Attorney to execute
this Petition.

HERVEY, DOW & HINKLE

By


S. B. Christy, IV.
P.O. Box 547
Roswell, New Mexico
Attorneys for Applicant

Form 3811
Rev. 1-4-40

Case 865

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Received from the Postmaster the Registered or Insured Article, the original number of which appears on the face of this Card.

1 Fleg M. Holloway
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1 Mamie Holloway McFarland
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1 Roy B. Holloway
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1 Charlie H. Fournier
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1 Mrs. Edith Poole
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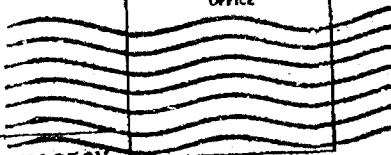
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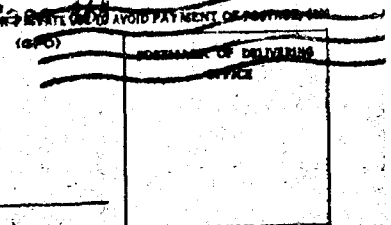
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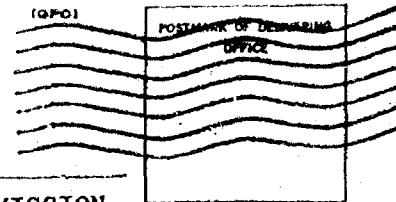
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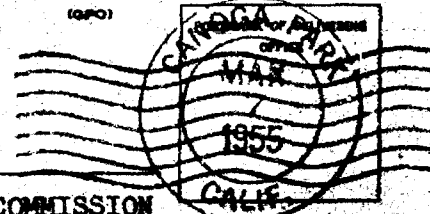
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1 Alice Siddall
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1 Sam H. Holloway
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2 Kathryn A. Holloway
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1 Siddall Water & Oil Co.
(Signature or name of addressee)

2 Henry W. Knapp Jr.
(Signature of addressee's agent—Agent should enter addressee's name on line ONE above)

Date of delivery MAR 8 1955, 1955

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1 Kathryn A. Holloway
(Signature or name of addressee)

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1 P. J. Langlade
(Signature or name of addressee)

2 Alvin Henderson
(Signature of addressee's agent—Agent should enter addressee's name on line ONE above)

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1 J. H. Hagan
(Signature or name of addressee)

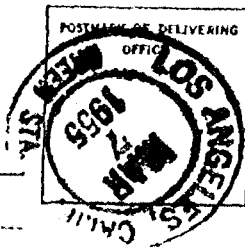
2 Walter Hagan
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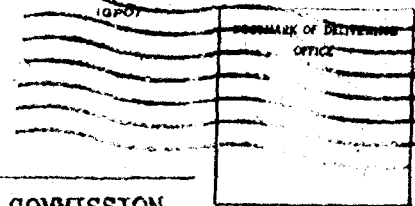
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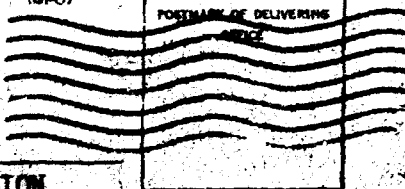
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Case 865
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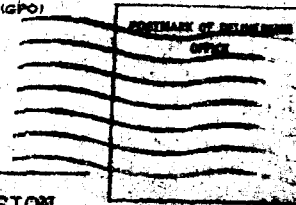
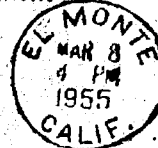
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(GPO)



Return to OIL CONSERVATION COMMISSION

(NAME OF BENEFIT)

Street and Number,
or Post Office Box, Box 871

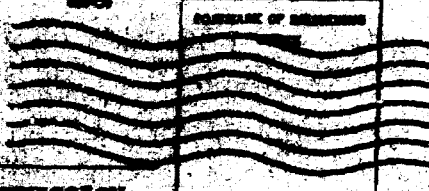
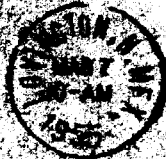
REGISTERED ARTICLE

No. 7845 Post Office SANTA FE N M
INSURED PARCEL

No. 10-12421 State

Post Office Department
OFFICIAL BUSINESS

Case 865
PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300
(GPO)



Return to OIL CONSERVATION COMMISSION

(NAME OF BENEFIT)

Street and Number,
or Post Office Box, Box 871

REGISTERED ARTICLE

No. 7819 Post Office SANTA FE N M
INSURED PARCEL

No. 10-12421 State

Post Office Department
OFFICIAL BUSINESS

Case 865
PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300
(GPO)



Return to OIL CONSERVATION COMMISSION

(NAME OF BENEFIT)

Street and Number,
or Post Office Box, Box 871

REGISTERED ARTICLE

No. 7820 Post Office SANTA FE N M
INSURED PARCEL

No. 10-12421 State

Form 380C-S (Rev. 2-52)

7819

Receipt for Registered Article No. _____

Postmaster per _____

POSTMARK

Fee paid _____ cents. Class postage _____

Declared value _____ Surcharge paid, \$ _____

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee:

In person _____ or order _____ Fee paid _____

Accepting employee will place his initials in space indicating restricted delivery.

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

(Name of addressee) _____ (P. O. and State of address) _____

Form 3806-S (Rev. 1-57)

Receipt for Registered Article: No. **7820**

Postmaster per _____

POSTMARK

Fee paid 25 cents. Class postage 1st

Declared value _____ Surcharge paid, \$ _____

Return Receipt fee 1 Spl. Del'y fee _____

Delivery restricted to addressee: _____

In person _____ or order _____ Fee paid _____

Accepting employee will place his initials in space indicating restricted delivery. _____

cc-16-13(33-6) GPO

NOTICE TO SENDER: Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of application for indemnity.

Hurley, William - 1327

(Name of addressee) (P. O. and State of address)

Form 8808-S (Rev. 3-37)

Receipt for Registered Article No. **7821**

Postmaster per _____

POSTMARK

Fee paid _____ cents. Class postage _____

Declared value _____ Surchage paid, \$ _____

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee: _____

In person _____ or order _____ Fee paid _____

Accepting employee will place his initials in space indicating restricted delivery. _____

07-16-1943

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

Mrs. M. B. Bell - 193 Clark

(Name of addressee) _____ (P. O. and State of address) _____

Form 3806-S (Rev. 2-57)

Receipt for Registered Article No. **7822**

Postmaster per _____

POSTMARK

Fee paid 25 cents. Class postage 101

Declared value _____ Surcharge paid, \$ _____

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee:

In person _____ or order _____ Fee paid _____

Accepting employee will place his initials in space indicating restricted delivery.

c7-16-19433-6. GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

Mrs. H. L. ...

(Name of addressee)

...

(P. O. and State of address)

Form 3806-S (Rev. 2-32) 7823

Postmaster, per _____

RECEIPT FOR REGISTERED ARTICLE NO. _____

POSTMARK

Fee paid _____ cents. Class postage _____

Declared value _____ Surcharge paid, \$ _____

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee:

in person _____ or order _____ Fee paid _____

Accepting employee will place his initials in space indicating restricted delivery.

67-16-19433-6 GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

(Name of addressee)

(P. O. and State of address)

Form 3806-S (Rev. 3-37)

7824

Postmaster pay _____

POSTMARK

Receipt for Registered Article No. _____

Fee paid _____ cents. Class postage _____

Declared value _____ Surcharge paid, \$ _____

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee:

in person _____, or order _____ Fee paid _____

Accepting employee will place his initials in space indicating restricted delivery.

07-10-1936-0. GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

Wm. H. Holmanway, 223 S

(Name of addressee) (P. O. and State of address)

Form 3506-S (Rev. 2-52)

7825

Receipt for Registered Article No. _____

Postmaster per _____

Fee paid _____ cents. Class postage _____

Declared value _____ Surcharge paid, \$ _____

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee: _____

In person _____ or order _____ Fee paid _____

Accepting employee will place his initials in space
indicating restricted delivery: _____

NOTICE TO SENDER Enter below name and address of addressee as on identification. Preserve and submit
this receipt in case of inquiry or application for indemnity.

(Name of addressee) _____ (P. O. and State of address) _____

Form 3900-S (Rev. 2-57)

7826

Postmaster Payable to Order of _____

POSTMARK

Fee paid _____ cents. Class postage _____

Declared value _____

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee: _____

in person _____ or order _____ Fee paid _____

Accepting employee will place his initials in space indicating restricted delivery.

67-16-19433 6 GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

(Name of addressee) _____

(P. O. and State of address) _____

Form 8806-S (Rev. 2-27)

Receipt for Registered Article No. 7815

Postmaster pay _____

POSTMARK

Fee paid _____ cents. Class postage _____

Declared value _____ Surcharge paid, \$ _____

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee:

In person _____ or order _____ Fee paid _____

Accepting employee will place his initials in space

Indicating restricted delivery _____

NOTICE TO SENDER—Enter below name and address of addressee as on this receipt in case of inquiry or application for address.

Name of addressee _____ (P. O. and State of address) _____

Postmark: SANTA FE, N.M. MAR 15 1934

Form 3806-S (Rev. 2-57)

Receipt for Registered Article No. **7816**

Postage and Fee **PAID**

Fee paid **30** cents. Class postage **1st**

Declared value _____ Surcharge paid, \$, _____

Return Receipt fee **7** Spl. Del'y fee _____

Delivery restricted to addressee: _____

in person _____ or order _____ Fee paid _____

Accepting employee will place his initials in space indicating restricted delivery. **✓**

67-10-24453-6. GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

Charles H. Korman

(Name of addressee) (P. O. and State of address)

Form 3836-S (Rev. 2-52)

Receipt for Registered Article No. **7817**

Postmark: **COLUMBIA POSTMARK**

Fee paid _____ cents. Class postage _____

Declared value _____ Surcharge paid, \$ _____

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee:

In person _____, or order _____ Fee paid _____
Accepting employee will place his initials in space
indicating restricted delivery.

07-15-1933-S GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

(Name of addressee) _____ (P. O. and State of address) _____

Form 3906-S (Rev. 2-22)

7818

Postmaster Pay

Receipt for Registered Article No. _____

Fee paid _____ cents. Class postage _____

Declared value _____ Surcharge paid, \$ _____

Return Receipt fee _____ Spl. Del'y fee _____

Delivery restricted to addressee: _____

in person _____, or order _____ Fee paid _____

Accepting employee will place his initials in space indicating restricted delivery.

67-16-19433-6 GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

(Name of addressee) _____ (P. O. and State of address) _____

4

Form 100
Rev. 1-1-60

RETURN RECEIPT

I hereby acknowledge the receipt of the Registered or Certified Mail described below, and the contents are in good order and condition.

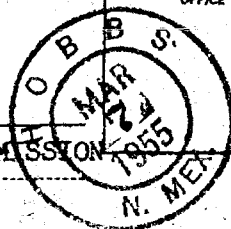
J. E. [Signature]

Date of delivery: _____

CASE 865
Post Office Department
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300
(GPO)

POSTMARK OF DELIVERING
OFFICE



Return to OIL CONSERVATION COMMISSION
(NAME OF BENEFICENT)
Street and Number, or Post Office Box, BOX 871
REGISTERED ARTICLE
7819 Post Office SANTA FE N M
INSURED PARCEL
No. 19-12482 State

POST OFFICE DEPARTMENT
P. O. SANTA FE, N. MEX.
OFFICIAL BUSINESS
No. 4

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, \$300
(PMG)

Out Case
871

8361 Hatillo Avenue
Canoga Park, California
March 12, 1955

Oil Conservation Commission
State of New Mexico
Mr. W. B. Nacey, Secretary

Dear Mr. Nacey:

This is to acknowledge receipt of a copy of Notice of Publication from your office concerning a hearing to be held at 9 o'clock a.m. on March 16, 1955, at Mabry Hall, State Capitol, Santa Fe, New Mexico.

Case 865. (I copy from the statement received)

In the matter of the application of Signal Oil and Gas Company for compulsory pooling of Nw/4 SW/4 Section 6, Township 20 South, Range 38 East, Lea County, New Mexico, Containing 40 acres, more or less.....Applicant, in the above-styled cause, seeks an order directing and compelling the following named individuals and companies, to communitize or pool their respective interests... for the purpose of drilling, developing and operating said 40 acres, as a pooled unit. (end of copy)

In regard to this matter, I wish to state that the application to communitize the respective mineral interests of individuals and companies for the purpose of drilling and developing as a pooled unit has my full consent and approval, so far as the leases are concerned. However, if there is Royalty in return, the money should not be pooled, but paid to the individual owner of each royalty interest.

Very truly yours,

(Mrs) Chachy H. Fournier
(Mrs.) Chachie H. Fournier

Mrs. C. H. Fournier
8361 Hatillo Avenue
Canoga Park, California

VIA AIR MAIL

SPECIAL DELIVERY

**See Classification by Office
of First Address**

OIL CONSERVATION COMMISSION

BOX 871

MR. W. B. NACEY

SANTA FE, NEW MEXICO

RECEIVED
MARCH 14 1955

UPBm
Case 865

1931 Avalon Street
Los Angeles 39, California
March 12, 1955

State of New Mexico
Oil Conservation Commission
Mabry Hall, State Capitol
Santa Fe, New Mexico

Attention Mr. W. B. Macey, Secretary

Gentlemen:

In reference to Case 865, of public hearing to be held at 9 o'clock a.m. on March 16, 1955, notice of which was mailed to me or was received by me March 11, 1955. (Signal Oil and Gas Company for compulsory pooling of NW/4 SW/4 Section 6, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, containing 40 acres, more or less. Skaggs Pool Area. For the purpose of drilling, developing and operating said 40 acres, as a pooled unit.)

As one of the holders of mineral interests in this area, I wish to approve this pooling of interests for the purpose of drilling and operating my portion of this area.

Very truly yours,

Edith Poole

Mrs. Edith Poole

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SANTA FE - NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder of the following public hearings to be held at 9 o'clock a.m. on March 16, 1955, at Mabry Hall, State Capitol, Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties and persons
having any right, title, interest
or claim in the following cases,
and notice to the public.

CASE 865:

In the matter of the application of Signal Oil and Gas Company
for compulsory pooling of $N\frac{1}{4}$ $S\frac{1}{4}$ Section 6, Township 20 South,
Range 38 East, NMPN, Lea County, New Mexico, containing 40 acres,
more or less.

Applicant, in the above-styled cause, seeks an order directing and
compelling the following named individuals and companies, to whom particular
notice is hereby given, namely:

Mamie Holloway McFarland;
Floy G. Holloway;
Chachie H. Fournier;
Roy B. Holloway;
Edith Holloway Poole;
Winifred Holloway Hill;
Alice Siddall; *you left off me & in my name*
Sam H. Holloway;
Kathryn A. Holloway;
Millie B. Jones;
Tide Water Associated Oil Company;
J. Hiram Moore;
P. J. Danglade;
P. E. Chartier;

to communitize or pool their respective mineral interests, of whatsoever
nature, in all or any part of said $N\frac{1}{4}$ $S\frac{1}{4}$ of Section 6, Township 20 South,
Range 38 East, NMPN, Lea County, New Mexico, which is a part of the Skaggs
Pool area, for the purpose of drilling, developing and operating said 40 acres,
as a pooled unit.

GIVEN under the seal of the Oil Conservation Commission at Santa Fe,
New Mexico, on this 1st day of March, 1955.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

W. B. MACEY,
SECRETARY

Alice Siddall

S E A L

STATE OF California } ss.
County of Los Angeles

ON THIS 7th day of March, A. D., 1955, before me,
Sara Longley
a Notary Public in and for said County and State, personally appeared

Alice Siddall, known to me,
to be the person whose name is subscribed to the within
Instrument, and acknowledged to me that she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal
the day and year in this certificate first above written.

Sara Longley

Notary Public in and for said County and State.

Mary Alice Siddall
700 West 41st Place
Los Angeles 37, Calif.



Air Mail

Gift Conservation Transmission

Box 871

Santa Fe,

New Mexico,

1931 Avalon Street
Los Angeles 39, California

March 12, 1955

Signal Oil and Gas Company
Mid-Continent Division Office
1010 Fort Worth National Bank Bldg.
Fort Worth 2, Texas

Attention: Mr. Wm. B. Townsend, Attorney

Gentlemen:

This is to acknowledge your copy sent to me of letter written by you to Miss Alice Siddall, your files No. 1609-6, 6B, 6J-N and 6U. SW/4 and SW/4 of NW/4 of Section 6, T20S, R38E, Lea County, New Mexico.

I feel certain Miss Siddall will make the proper correction of deeds as referred to by you in this letter.

The leases may be pooled for drilling, but if there is royalty in return the money should not be pooled but paid to the individual owner of the royalty.

Very truly yours,

Edith Poole

(Mrs.) Edith Poole

7

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 865

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

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

March 16, 1955

IN THE MATTER OF:

Application of Signal Oil and Gas Com-
pany for compulsory pooling of NW/4
SW/4 Section 6, Twp. 20 South, Rge. 38 East,
Lea County, New Mexico, containing 40 acres,
more or less.) Case No. 865

Before: Honorable John F. Simms, E. S. (Johnny) Walker, and
William B. Macey.

TRANSCRIPT OF HEARING

MR. MACEY: The next case is Case 865.

MR. CHRISTY: May it please the Commission, Sam Christy
of Hervey, Dow and Hinkle for Signal Oil and Gas Company. This
is an unusual application in that it asks the Commission to declare
a 40 acre oil pool in the northwest southwest Section 6, Township
20 south, Range 38 east.

I might explain one moment to the Commission why we did not
do it by consent pooling agreements. The persons involved, as
shown at paragraphs four and five of the application, are widely
diversified, some of whom we cannot find and the leases unfor-
tunately do not have pooling clauses. The people involved in
this own only ten acres out of the 40 acre tract. It is necessary
in order to economically produce the area to pool their royalty
interest throughout the 40 acre tract. It is that that is re-
quested in the application. The application also requests an
order to force pool the unleased interest, but we dismissed the

application as to that prayer.

RAYMOND A. DIETLER,
having first been duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. CHRISTY:

Q Would you please state your name?

A Raymond A. Dietler.

Q Where do you live, Mr. Dietler? A In Midland, Texas.

Q What is your occupation? A Geologist.

Q With whom are you employed at the present time?

A Signal Oil and Gas Company.

Q Have you testified before this Commission before?

A No, sir.

Q Where did you attend college?

A University of Wyoming.

Q Do you hold degrees from that college?

A Yes.

Q What degrees? A B. A. and M. A.

Q How long have you been working as a geologist?

A Fifteen years.

Q With whom?

A Papoose Oil Company, Stanolind Oil and Gas Company, and
Signal Oil and Gas Company.

Q Have you been acquainted with the area involved in this
petition, the location? A Yes.

Q For how many years? A Two years.

MR. CHRISTY: Does the Commission have any questions con-
cerning the witness's qualifications?

MR. MACEY: No, sir.

Q Concerning the land involved in this, do you have a surface map of the area?

A I have a subsurface structural map.

Q Yes.

A It is contoured on the top of the Grayburg.

(Marked Signal Oil and Gas Company's
Exhibit No. 1 for identification.)

Q Would you explain to the Commission what this contour indicates as to the 40 acres involved with relation to the top of the apparent pay. That is, is all of the 40 acres within the same apparent structure?

A Yes. The 40 acres under consideration lies within the top closing contour of the structure, and my opinion, no particular portion of the 40 acre would be better located structurally than any other portion.

Q Your exhibit indicates some red lines running north and east and south and west. What are those lines?

A They show the location of one west-east cross section and one north-south cross section.

Q This is your east-west cross section?

A Yes.

Q Would you explain the map with relation to the porosity zone of the area involved in this application?

A Well, this is a subsurface structural cross section which shows that there is a uniform thickness of the Grayburg formation and a uniform thickness of the Grayburg porosity through the acreage in question.

Q Do you have a map showing the north-west of the north-south

line?

A Yes. This is just more of the same.

Q Looking from the other way? A Yes.

Q Does it substantiate the testimony you have just given with relation to the porosity zone in the area in question?

A Yes.

Q Did you prepare the three exhibits A-1, 2 and 3 yourself?

A Yes.

Q They are based on notes that you compiled?

A Yes.

MR. CHRISTY: We move for the introduction of these Exhibits.

MR. WALKER: Any objection to the introduction of the Exhibits? If not, they will be admitted.

Q Mr. Demer, from your knowledge of the area at the present time, do any faults occur through the 40 acres in question?

A No.

MR. CHRISTY: I believe that is all the questions I have of the witness.

MR. MACEY: Anyone have any question of the witness? If not the witness may be excused.

(Witness excused.)

R. C. BLACK

having first been duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. CHRISTY:

Q Would you state your name, address and occupation?

A R. C. Black, petroleum engineer with Signal Oil and Gas,

Fort Worth, Texas.

Q Have you ever testified before this Commission before?

A No.

Q Where did you take your college training?

A University of Southern California.

Q Did you receive a degree, and if so, what degree?

A Bachelor in engineering and petroleum engineering.

Q How long have you been doing petroleum engineering work?

A Six years with Signal Oil and Gas.

Q Have you worked with the area in which this application is involved?

A Yes.

Q For how long?

A About one year.

MR. CHRISTY: Does the Commission accept the witness's qualification?

MR. WALKER: Any objection to the witness's qualification? If not, they are accepted.

Q Mr. Black, in your opinion, will one well efficiently and economically drain the 40 acres involved in this application?

A Yes.

Q Will the one well spacing having an allowable on the full 40 acres not only effectively and efficiently drain the acreage, but will it result in the prevention of waste and the drilling of excessive wells?

A Yes, sir.

MR. CHRISTY: That is all.

MR. MACEY: Any questions of the witness? If not, the witness may be excused.

(Witness excused.)

MR. CHRISTY: That is all our evidence except two letters

which we have received after many attempts to locate and correspond with the royalty owners involved, which I will hand to the Commission.

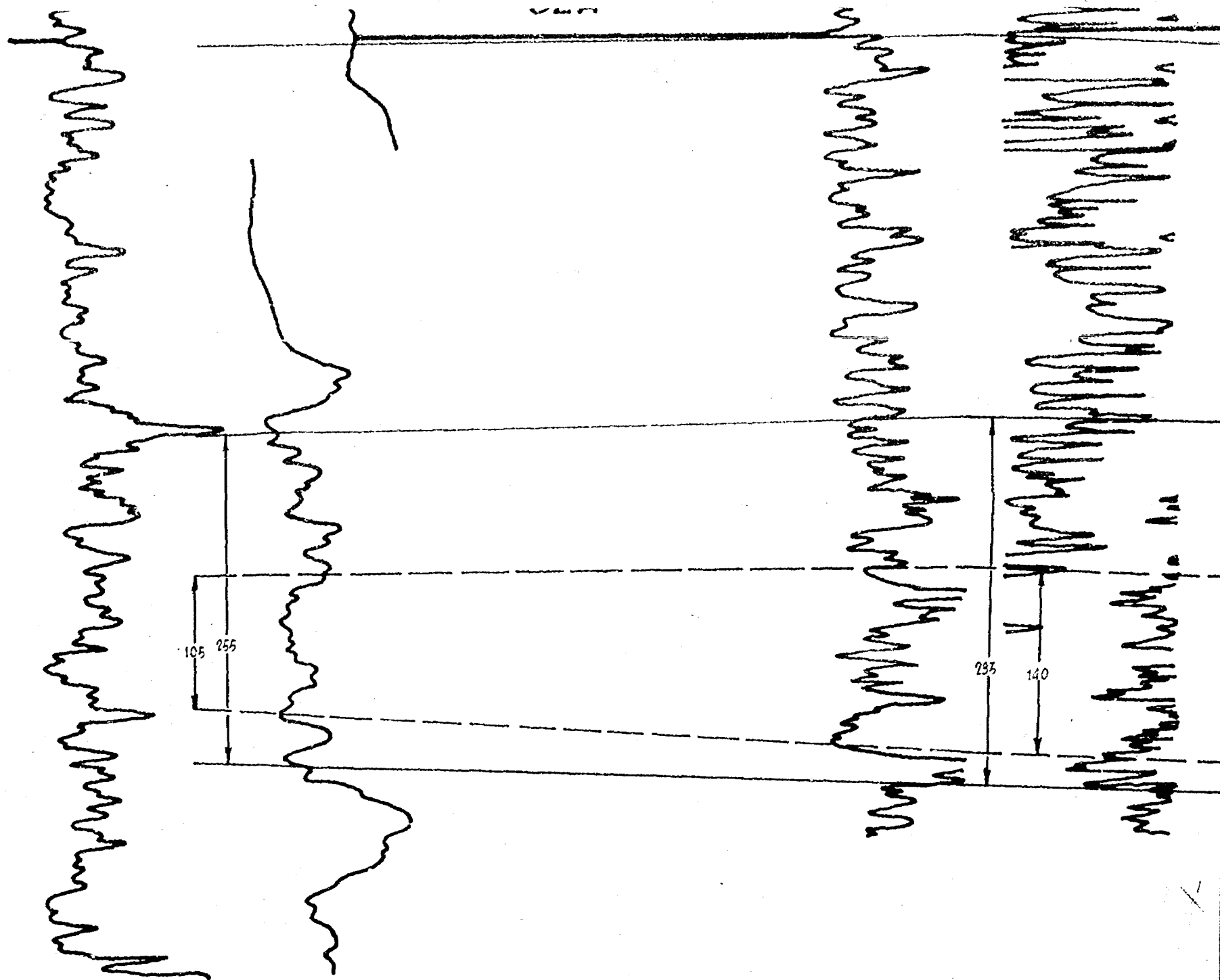
Frankly, I don't understand them too well. They say, "We wish to state that from my viewpoint", this being one of the royalty owners, "the leases may be pooled for drilling and development, but if there is royalty in return, the money should not be pooled but paid to the individual owners of the royalty". I take it from that that these two persons are satisfied to pool the acreage, but they want separate checks, which of course, we would pay them anyway. That is all we have.

MR. WALKER: Are there any further statements in this case? If not, the case will be taken under advisement.

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case 865 was taken by me on March 16, 1955, that the same is a true and correct record to the best of my knowledge, skill and ability.

Ada Dearnley
Reporter



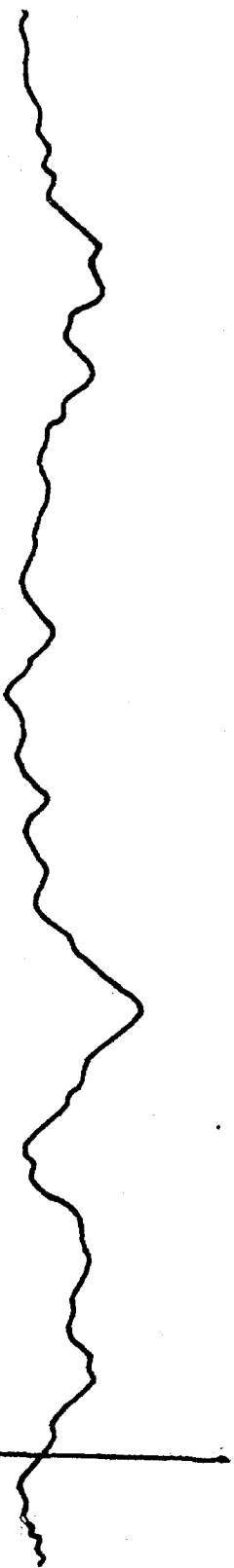
CROSS SECTION NO. 2

Scale

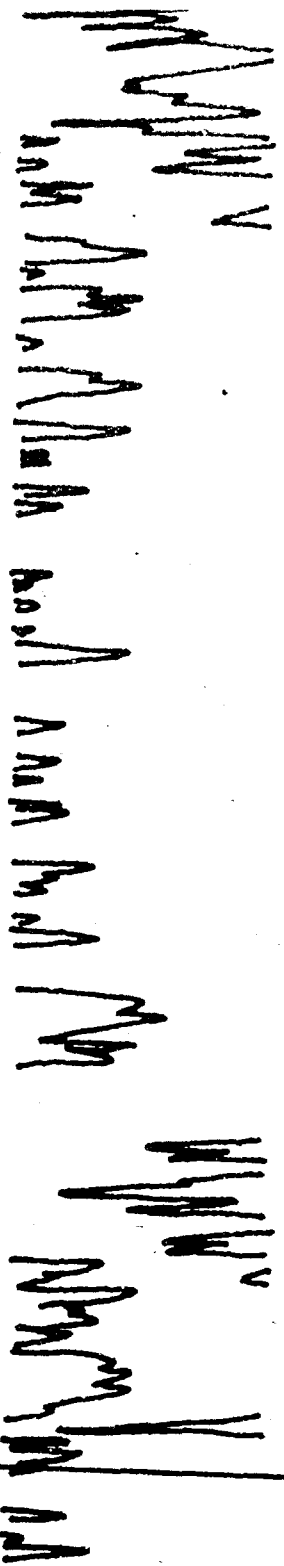
Vertical	1"=100'
Horizontal	1"=500'

TIDEWATER NO.1 SIDALL

SIGNAL NO.1 WEIR



CFA



SIGNAL NO.1 WALKER

TOP YATES

LEVEL



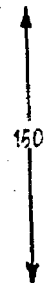
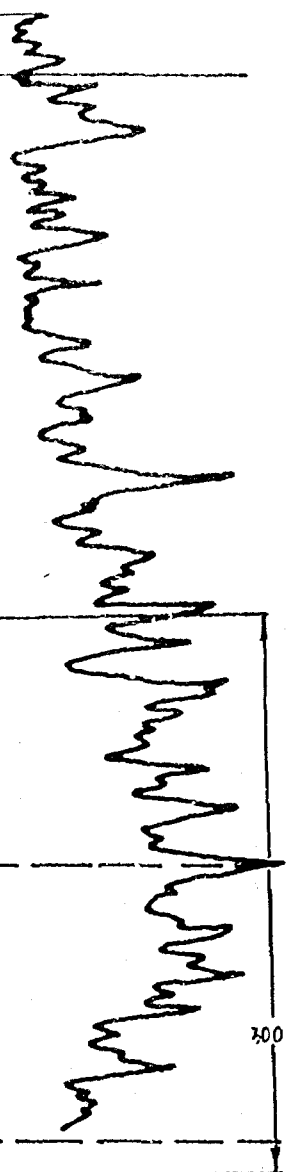
TOP QUEEN

TOP GRAYBURG

TOP GRAYBURG POROSITY

BASE GRAYBURG POROSITY

TOP SAN ANDRES



8361 Hatillo Avenue
Canoga Park, California
March 12, 1955

Signal Oil And Gas Company
Mid-Continent Division Office
1010 Fort Worth National Bank Building
Fort Worth 2, Texas
Mr. W.B. Townsend

Re: Your Files No. 1609-6, 6B, 6J-N
and 6U. SW/4 and SW/4 of NW/4
of Sec. 6, T20S, R38E,
(COPY) Lea County, New Mexico.

Dear Mr. Townsend:

I acknowledge receipt of a copy of a letter sent by you to Miss Alice Siddall, 700 West 41st Place, Los Angeles 37, California, dated March 8, 1955. After considering its contents it is my belief that Miss Siddall will wish to make the proper corrections to the deeds through your office.

In regard to a letter received from the Oil Conservation Commission, Santa Fe, New Mexico, concerning a petition by your Company asking a pooling of interests for the purpose of drilling and developing the NW/4 SW/4 Sec. 6, Township 20 South, Range 38 East, NHPM, Lea County, New Mexico, containing 40 acres, more or less, I wish to state that from my viewpoint, the leases may be pooled for drilling and developing, but if there is Royalty in return, the money should not be pooled but paid to the individual owners of the Royalty.

Very truly yours,

(Mrs) Chachie H. Fournier

(Mrs.) Chachie H. Fournier