

CASE 1187: OCC own motion for an order  
changing the name and information on  
C-128 as established by Rule 1127.

Case No.

1187

Application, Transcript,  
Small Exhibits, Etc.

Before the  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

In the matter of:

Case No. 1187

January 18, 1957

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE - SANTA FE  
3-6691 2-2211

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 16, 1957

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IN THE MATTER OF: )  
: )  
:

Application of the New Mexico Oil Conservation:  
Commission upon its own motion for an order )  
changing the name and information required on :  
Form C-128, as established by Rule 1127 of ) Case No.  
the Commission Rules and Regulations. Appli- : 1187  
cant, in the above-styled cause, seeks an )  
order changing the name of Form C-128 to "Well:  
Location and Proration Plat" and to change )  
c certain of the information required to be re- :  
ported thereon. )  
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BEFORE:

Honorable Edwin L. Mechem  
Mr. A. L. Porter  
Mr. Murray Morgan.

TRANSCRIPT OF HEARING

MR. PORTER: We will take up the next case, Number 1187.

MR. GURLEY: Application of the New Mexico Oil Conserva-  
tion Commission upon its own motion for an order changing the name  
and information required on Form C-128, as established by Rule 1127  
of the Commission Rules and Regulations. Mr. Cooley will be the  
witness for the Commission.

W. J. COOLEY,

called as a witness, having been first duly sworn, testified as  
follows:

DIRECT EXAMINATION

By MR. GURLEY:

Q Would you state your name and occupation, please?

A W. J. Cooley, attorney for the Oil Conservation Commission of New Mexico.

Q Are you the same Mr. Cooley who testified before concerning your Form C-128?

A I am.

Q Have you had an opportunity to further study the situation involving this rule, sir?

A I have in the past month, since this case, the case came on for hearing, and we suggested that the various operators in the state submit their recommendations, and we forwarded a copy of our proposed form to them. We have had very good response and I think the form should possibly be revised somewhat from that form that it took when we sent it out to you. The first recommendation I think would be in the title of it again. It has been suggested that we designate it as "Well Location and/or Acreage Dedication Plat" which would cover both the situation of the drilling block and the proration plat. Acreage dedication I think would probably better depict the precise use of this form rather than proration plat alone. Secondly, it has been suggested, and I think it is a very good idea, to take the registered engineers or surveyors certification off of the front and put it on the back with the rest of this miscellaneous information that we are requiring, make it clear that the surveyors certification of the precise location of the well, as well as the information required concerning the lease ownership be required only once, and that is when the form is submitted with the C-101; that any time that the plat is submitted

subsequently thereto, in accordance with other of the the Commission Rules and Regulations, that this would not be required. Of course, if there is an increased dedication of acreage, why it would be necessary then to again fill out the information concerning lease ownership, but assuming that the acreage dedication remains the same, then there would be no requirement of filling it out again every time the form was submitted.

It has been brought to our attention that we had no place on the form as proposed, for the operators signature. I think that is very definitely necessary. In view of the fact that the form will be submitted, especially with reference to gas wells, as required by Rule 1107, where only the front will be filled in, I think possibly, since we have taken this information off the front, this surveyors certificate, that we possibly should put a place there for the operators to sign on the front. Then, again, after the information concerning lease ownership has been filled in, we should again have a place for the operator to sign and certify that the information is true and correct to the best of his knowledge.

It has also been suggested that the second question appearing on the reverse side of the form which did read "If the answer to question 1 is no, have all the owners entered into communitization agreement", it has been suggested that that be altered in view of the fact that there are other methods of consolidation. First, you can have forced pooling to consolidate which would satisfy the requirement. Secondly, you could have an operating agreement whereby the right to drill has been granted to just one of the

owners, and then there would, consequently, not fall within the true definition of communitization agreement. I thought in terms of revising it to read as follows: "If the answer to Question 1 is no, have the interests of all the owners been consolidated by pooling agreement or otherwise". This terminology is quite similar to that used in our Order R-110, and it seems to be satisfactory in that particular instance.

I have further recommendations regarding this form, but I would certainly appreciate any suggestions that any of you here might have.

Q Mr. Cooley, have you a space there, on that point bring out, has the interest been consolidated by communitization, or otherwise, have you room there to show just how it has been consolidated?

A No, it is just a "Yes" or "No".

Q Would it not be wise to have, perhaps, a short statement as to how it is consolidated?

A Oh, it's my thought that all we're interested in, we are really not interested in how. If the operators feel that would be advantageous, we can certainly provide a space for it.

#### CROSS EXAMINATION

By MR. MANKIN:

Q Is it still your intent to leave the same third question which you previously had on the proposed form as to the ownership?

A That would be my recommendation. It has been suggested, to facilitate the reproduction of this form by the operators, that we identify the ownership of the various leasehold interests by

inserting the name of the owner in the appropriate area on the plat itself. However, there, it still leaves a question, has it been consolidated, unanswered. That's the particular thing that I am interested in.

Q I'll also ask you if, from an operating standpoint, would it not be advisable to have all the information which an operator has to give on one side of a sheet, so that it doesn't require typing on the back, because the operators have to reproduce this, even if it requires a long sheet?

A I think that's probably very advisable. I understand they have a very serious problem in the reproduction of this, that it would require filling out each one individually, while at the present time they fill out one and reproduce them.

Q Would you be agreeable to putting all the information on the front of this sheet that requires filling out, and instructions on the back, so that the operator may have to use only one side?

A All I'm interested in is getting the information. How it appears on the form is quite immaterial as far as I am concerned.

Q Would you be agreeable to presenting this again in a more finished product, with these recommendations sent to the industry for their comments and to finalize it at the next hearing?

A I think that we have had sufficient opportunity for the operators to submit their suggestions and, as I said, we have had a very good response to it. I think we know how they feel about this pretty well, and I would be opposed to postponing it for another month. I think we can make out the form. We realize their

problems and certainly we want to accommodate them to the greatest extent of our ability and still get the information that we are interested in. I think that probably we can accommodate our interest and theirs as well; in the manner of how far this information is going to be presented on the form can be left up to our clerical personnel, who, I am sure, can handle it in a satisfactory manner.

Q It was your recommendation, was it not, to put a certification both as to the well location by the registered surveyor and by the operator as well, was it not?

A It had been suggested by one of the operators and I thought it was a good idea. I realize that we would like to get it all on the front. If there is no objection to using a 13-inch form rather than an 11-inch, I imagine we can get it on the front.

Q Would it not appear to you that it would be necessary to use the long form to get this all on the front page?

A I am sure it would.

MR. PORTER: Does anyone else have a question?

MR. MALONE: Ross Malone, speaking for Ross Malone. I have a long standing allergy to the term "and/or". It seems to me that it is a lazy man's device to get out of a situation that shouldn't exist. If this plat is a well location and an acreage dedication plat, I suggest we strike the slant or and call it that.

A I concur about any lawyer that has come across that tricky little problem is against it.

By MR. COUCH:

Q I have one question. It has occurred to me, and perhaps

you have already considered this matter, that Rule 1127 would probably require an amendment to coincide with the new designation for this form, and I think the call of the hearing is broad enough to include it.

A It was my thought that the recommendations would be incorporated in the writing of a new 1127.

MR. PORTER: Does anyone else have a question? Any comment on the case? We will take it under advisement. The witness may be excused.

(Witness excused.)

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO )

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 31st day of January, 1957.

  
Notary Public - Court Reporter

My Commission Expires:

June 19, 1959

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE - SANTA FE  
3-6691 2-2211

11-9751  
BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1187

December 13, 1956.  
DEARNLEY & MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE - SANTA FE  
3-6691 2-2211

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
December 13, 1956.

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IN THE MATTER OF:  
  
Application of the New Mexico Oil Conservation  
Commission upon its own motion for an order  
changing the name and information required on  
Form C-128, as established by Rule 1127 of the  
Commission Rules and Regulations. Applicant,  
in the above-styled cause, seeks an order  
changing the name of Form C-128 to "Well  
Location and Proration Plat" and to change  
certain of the information required to be re-  
ported thereon.  
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Case 1187

BEFORE:

Mr. A. L. Porter  
Mr. E. S. (Johnny) Walker

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: We have made another slight change in the docket.  
Mr. Cooley is our witness in Case No. 1187, and like the Governor,  
he has been having some trouble with his throat, so we will take  
up Case 1187.

MR. GURLEY: Case 1187. Application of the New Mexico Oil  
Conservation Commission upon its own motion for an order changing  
the name and information required on Form C-128, as established by  
Rule 1127 of the Commission Rules and Regulations.

WILLIAM JACK COOLEY

a witness, of lawful age, having been first duly sworn on oath,  
testified as follows:

DIRECT EXAMINATION

By MR. GURLEY:

Q State your name and position.

A William Jack Cooley, attorney for the Oil Conservation Commission, New Mexico.

Q Mr. Cooley, in your official capacity as attorney for the Oil Conservation Commission of New Mexico, have you had an opportunity to investigate the proposed changing of the name and the information required on Form C-128?

A I have.

Q What is the results of your investigation and study of that form?

A In perusing the Commission Form C-128 and discussing it with the District Offices who have had more opportunity to determine the efficacy of its use in its present form, we find, first, that that information in the lower left-hand corner of the form concerning dual completions to be superfluous at this time. My first recommendation is, then, that that information just referred to be deleted from the form.

My second recommendation is that the title of the form be changed. It is now entitled "Well Location and/or Gas Proration Plat". I would recommend that the title of the form be changed to "Well Location and Proration Plat", in that we are presently in the process of establishing more and more 80-acre oil pools and it is, of course, necessary to outline the 80-acres dedicated to the particular well drilled on that unit.

It is my recommendation that all oil well units, both 40-acre

and 80-acre units, be outlined, that they merely outline the 40 acres or 80 acres that is to be dedicated to the proposed well. Thus it would actually be a well location and proration plat for both oil and gas.

Further, I have discovered that no place in the Commission records do we have any information as to the ownership of the leases which are dedicated to a given well on our Form C-128. I think it's highly material and desirable for the Commission to have this information. The most convenient place to do so would be in this space which has just been vacated by the dual completion information. I would recommend that we put a statement in this part of the form, something to the effect, "Does the operator own the acreage dedicated as outlined above", possibly with an asterisk and a definition, our statutory definition of owner being placed along the bottom of the form, that being the person having the right to drill into and produce from the oil pool, take the production for himself, or for himself and another. If the answer to the question one, that is, "Do you own the dedicated acreage?" is "No", then the second question would be something to the effect, "Has this acreage been pooled or has it been communitized?" If that question, too, is answered in the negative, then I would require a listing of the ownership and their interest on the back of the form. Thus the Commission would have available to it information concerning the ownership of the leases which have been dedicated to the wells in which they are requesting approval of either 101's or the application for proration. If this information is not made available to the Commission, we can in no way determine

whether the required dedicated acreage is owned by the operator, or whether he is entitled to a full allowable; so with this I terminate my recommendations.

Q Anyone have a question of Mr. Cooley? Mr. Walker.

MR. WALKER: Don Walker, with Gulf Oil.

CROSS EXAMINATION

By MR. WALKER:

Q Mr. Cooley, would you anticipate this form being filed <sup>with</sup> ~~one~~ 101 on all wells, as well as gas wells, and also indicate at that time ownership and whether or not unitized or so forth?

A Yes, sir, it would be my recommendation that it be filed with the 101 and that the acreage for all, all dedicated acreage be outlined and these questions answered.

Q Wouldn't it be possible if you required it be filed with the C-128 for lands to be unitized before you started the well, that sometimes we might lose a well while we are trying to get a royalty owner in California signed up?

A This is a question of Commission policy that I really do not feel is at issue here. The necessity for the information is apparent. Whether Commission policy is to shift to require that the acreage be communitized prior to approval of a 101 is a matter of Commission policy. I think that would be determined henceforth and not in connection with this form. Certain of our rules and regulations require that an operator, that no 101 will be approved unless the acreage has been communitized. An example of that is our order R-110 concerning the Blanco-Mesaverde Pool. Practice, however, has been in many cases not in the pools to require this,

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but to make the point of reckoning, so to speak, when the allowable is assigned to the well. Certainly it cannot be later than that date. An allowable cannot be assigned to an operator on land he does not own. Whether the Commission is to take the former or the latter course I believe is not here involved.

Q Certainly we well know that we have gotten in trouble by not having the unitization completed sometimes when we file our plat, but to jump into something without giving it very thorough study, I am a little reluctant to say just what for sure we need in that case.

A This particular hearing would not affect any Commission policy as to whether to or not to approve 101's in the absence of communitization or 100 percent ownership by the operator. This would merely require additional reporting of information.

MR. PORTER: I believe you had a question, Mr. Smith.

MR. SMITH: <sup>Shadler</sup> Mr. Walker pretty well covered the same subject matter I had in mind. At this time I think it would be inappropriate to make request for information from the Commission. It would appear to me that the objection that Mr. Walker has voiced was well taken. In some instances we have situations with small mineral interest or small mineral acreage in the unit is owned by someone that cannot be found, which requires forced unitization. In some instances we didn't have information to drill the well until late in the life of the lease. I think the Commission should give serious consideration in allowing acreage to be assigned on acreage ownership. Go ahead and assign the allowable based on the acreage which is owned by the person drilling the well, and then

permit us to go in and attempt to find the owner or to eventually, perhaps, go into forced unitization of that interest with a carried interest representing that mineral ownership until such a time as that person shows up, or perhaps it may be that the person is reluctant to sign and we are negotiating, and those negotiations may be protected for a period of time. If it requires a formal hearing in order to get a well approved, in order to carry the thing forward, we may be carried past the expiration date of the lease. It may result in losing the lease. I would suggest that the Commission adopt a policy and let the operators know about it, whereby you can get acreage commensurate, that the driller of the well has the time to drill the well, and let us drill the well. You have no objection to that, Mr. Cooley?

A In respect to Order R-110, which is a gas well in Mesaverde that would require a change in R-110. It says no well shall be drilled or no notice of intention to drill will be approved until they have complied with certain conditions, one of which is that all interests have been pooled.

MR. SMITH: I understand that, Mr. Cooley; you recognize the legal implications?

A Yes.

MR. SMITH: From that standpoint, I think they are valid. I believe that perhaps you would agree with me on that. I am suggesting to the Commission while amending R-110 is beyond the scope of the particular hearing, that consideration be given to such an amendment.

A I think that the considerations you have just pointed out

bear out the necessity even for most change in this 128, in that we have no way of knowing what the ownership of the operator is at the present time. He outlines 160 acres or 320 and so far as we know, we can only take him at face value that he owns all of it. Unfortunately, we have found that is not true in many cases. In this case, we could readily determine what acreage is owned by the operator, and if your recommendations are followed, it will be very easy to calculate his allowable then.

MR. SMITH: Stanolind Oil and Gas has no objection to supplying the information, but the hearing did point up a matter which I think the Commission should consider so that we can get some relief in some of the hardship cases without going to the necessity of a formal hearing, and asking for forced unitization which requires appropriate giving of notice and time relationship to it. That is all I have to offer.

MR. PORTER: Mr. Kellahin.

MR. KELLAHIN: Jason Kellahin. If the Commission please, at this moment speaking for myself, I have had a recent experience in provisions of R-110. I want to strongly second the statement made by Mr. Walker and Mr. Smith, and if the Commission staff feels it is necessary that R-110 or any of the other pool rules be amended to allow approval of the C-101 prior to pooling or communitization, I would strongly urge that the Commission set that for hearing at some future date, in order that the operators can go ahead and drill the acreage when it is necessary for them to do so in order not to lose their leases.

MR. PORTER: Mr. Woodruff.

MR. WOODRUFF: Norman Woodruff with his name Natural Gas Company. In this form that will be used as an oil well gas proration plat or gas well proration plat, I think it will be well to designate whether it is an oil or gas well. There is no place to show that on here at this time. In some pools we have both oil and gas wells producing from the same pool.

MR. PORTER: Mr. Mankin, do you have a question?

MR. MANKIN: Mr. Cooley, is it not true that in the northwest most of the pools presently require a submission of the C-128 when the well is intended to drill, or C-101, is that not true?

A I think a great majority of the rules require the submission of the 128 with the 101.

MR. MANKIN: Is it not also true in most of the gas pools of the northwest that is not required, as far as the gas proration plat is concerned, until the 104 is submitted?

A That is right.

MR. MANKIN: Would it be your recommendation, then, that by some future change of rules in those pools, that possibly the C-128, which would be the proration plat and the location plat, be submitted with the 101, rather than with the 104?

A The call of this hearing is to amend 1127 and I think in that rule, in 1127, we should require that the Form C-128 be submitted with the 101 in all cases.

MR. MANKIN: Would it not also require changing certain other rules that relate to the submission, to the C-104 and C-101, in addition to the 1127?

A It might very well. In line with Mr. Woodruff's recommenda-

tion, I wonder if it wouldn't be advisable to, with reference to the top of the form "Well Location and Preparation Plat", to leave a blank there, Well Location, and then insert oil or gas at that point.

MR. WOODRUFF: That would be very satisfactory.

MR. BUSHNELL: I wonder if there would be any objections to you proceeding with preparing a form subject to the preparation of the changes you have suggested, and sending copies to the industry and let us examine it and at some future date, we meeting with you and there the suggestions would be considered.

A It would be perfectly agreeable with me.

MR. WALKER: You make that in form of a motion?

MR. BUSHNELL: I would so move.

MR. ARNOLD: I would like to ask Mr. Cooley if it is his recommendation that this plat also be submitted with wildcat oil wells in the acreage dedicated at that time. What I was thinking of is where you don't have pool rules setting up the spacing. Would you recommend that they dedicate forty acres on all wildcats?

A I think the dedication of wildcats is covered by 104, is it not? That a wildcat oil well is dedicated to forty acres.

MR. ARNOLD: In the event that the operator submits 128 on wildcat and dedicates eighty acres, what action would you recommend that the District Office take in that case?

A Well, it is superfluous, it seems to me. You can't dedicate but forty acres to a wildcat oil well.

MR. ARNOLD: Should we return the plat and refuse notice of intention to drill until he corrects the notice of dedication?

A I think it would be necessary to determine which acreage had been dedicated to the well.

MR. ARNOLD: We have had that question arise.

MR. PORTER: Mr. Nutter.

MR. NUTTER: Mr. Cooley, would you recommend that the rule change in 1127 be such as to specifically require the 128 to be submitted with the Federal Form 9331-A, notice of intention to drill?

A Does the Federal Government have any plat they submit at all?

MR. NUTTER: They are using our State form; however, it is not required in the rule at the present time.

A I think it should be so required. I think it should be submitted with every well drilled in the State.

MR. CURRY: Max Curry with Buffalo Oil Company. I would like to ask Mr. Cooley what he would suggest in the way of reallocation of acreage at a later date; what would be the procedure if you wish to readjust the acreage on a wildcat well.

A Readjust the acreage?

MR. CURRY: Yes.

A I don't understand.

MR. CURRY: In drilling a wildcat well, at the time it is drilled, of course, it would be forty acres or whatever the Rule C-104 outlines; then, if at a later date you should get the gas well and you wish to use larger acreage, say either 160 or 320.

A I think you would be required, if it is a wildcat situation, you projected an oil well, you dedicate at the time of your projection

and the filing of your 101 forty acres; however, if you encounter gas rather than the oil, the dedicated acreage for wildcat gas wells leaves 160. I think upon discovery of gas, you would be required to file an amended 128.

MR. GURRY: Many times it is impossible to determine whether you have wished to develop that acreage on 320 or 160. There are many factors involved there which you are able to determine on the first well and possibly the second or third well.

A If I may interrupt you at this point, I don't believe there is any choice in the matter until pool rules would be promulgated, because in the absence of pool rules to the contrary, it would be 160-acre spacing.

MR. GURRY: Then it would not be through administrative approval that this be done, but through a hearing on pool rules?

A That is correct. The only way you could get greater than 160-acre spacing would be through the promulgation of pool rules.

MR. WALKER: Let me ask you, Mr. Cooley, between now and the next regular hearing would it be possible for you to distribute this proposed change to the industry and give them ample time to make a study of it so they can come back next month and discuss it further?

A I think we should be able to have sufficient copies of this proposed change in their hands within, say, ten days, which would give them ample time to peruse the form and make any suggested changes that they have and present them here at our January hearing and possibly this hearing should be continued to that date to receive any suggestions that the industry might have.

MR. PORTER: Will that conform with your motion, Mr. Bushnell?

MR. BUSHNELL: Yes.

MR. WALKER: Don Walker; I would like to second Mr. Bushnell's motion.

MR. PORTER: Mr. Smith.

MR. SMITH: I would like to suggest that if it is continued to the next hearing date that the matter be readvertised and the matters suggested by Mr. Walker and Mr. Kellahin and myself be included within the scope of the hearing at that time, so that it may be explored as to the possibility of changing the rules to permit the assignment of the acreage that the well owner may have and go ahead and let him drill his well so it won't be held up pending complete 100 percent unitization.

MR. BUSHNELL: I would concur in Mr. Smith's proposal.

A You would have no objection to making that a completely separate case?

MR. SMITH: I think the matters are so closely joined together that it should be considered in the one case. The action of the Commission with respect to improving the form or changing the rules could be considered separately or in the same case. I think they ought to be consolidated and considered at the same time.

MR. NUTTER: Are you proposing that the pool rules be considered for change at the next hearing?

MR. SMITH: I am not making any recommendation as to what the change should be made at this time. I think the pool should be considered, to take care of the hardship situations as outlined.

MR. NUTTER: In other words, the pool rule would be considered for change at the same time that the amended form should be considered?

A That could be advertised as another case and consolidated at the next hearing.

MR. MANKIN: I had one other question.

MR. PORTER: Mr. Mankin.

MR. MANKIN: Apparently, from the questions involved here, some of the operators feel there might be hardships brought about by requiring complete communitization prior to approval of 101. Would it not be possible to approve 101 even though the answer to the question was "No" in both cases on 128 -- would it not be possible for the operator to get the approval and the well drilled and in production contingent on certain interpretation --

A (Interrupting) It is my -- this requires interpretation of our orders. My interpretation says it is not possible.

MR. MANKIN: Would you feel that certain orders might, could be changed to allow for the situation to be satisfied?

A Well, they, of course, can be amended as suggested by Mr. Smith.

MR. GURLEY: I would like to recommend at this time that we go ahead and continue the case on the motion as so stated, and rather than trying to include Mr. Smith's points in this particular case, that we make a separate case of the possible change of the rules that he has suggested.

MR. WALKER: Then you don't mean to, intend to do it according to the motion; the man that made the motion agreed with

Mr. Smith. He amended his motion to agree with Mr. Smith.

MR. GURLEY: Recommend, then, that the motion be denied and that we continue the case as it stands now until the next hearing.

MR. BUSHNELL: I will withdraw my motion and go back to my original one, that Mr. Walker suggested, that it be reproduced and set out to the industry and this continued another month to study the forms.

MR. PORTER: The Commission will continue this particular case to the regular January hearing. It may be possible, it may be necessary to advertise our case covering the questions which have been raised here by Mr. Smith and Mr. Walker and others, but I think that possibly should be further considered at the January hearing.

We will recess until 1:15.

(Recess).

C E R T I F I C A T E

STATE OF NEW MEXICO     )  
                              : ss  
COUNTY OF BERNALILLO    )

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand and seal this 28th day of December, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

  
Notary Public

My commission expires:  
June 19, 1959.

Rough  
draft  
  
WJC/ir  
March 25

NEW MEXICO OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

## MEMORANDUM:

TO: All Operators in The State of New Mexico  
FROM: A. L. Porter, Jr., Secretary-Director  
SUBJECT: Revised Form C-128, Well Location and Acreage  
Dedication Plat.

Attached hereto is a copy of Order R \_\_\_\_\_ which revises Commission Form C-128. The revision is effective May 1, 1957, and no old forms will be accepted by the Commission after that date.

No Notice of Intention to Drill (Form C-101) on State or fee lands will be approved after May 1, 1957, unless it is accompanied by three copies of the revised Form C-128 completed in full.

The Supervisor of the United States Geological Survey in this area has advised the Commission that the information required by the revised Form C-128 must be submitted with each copy of the Notice of Intention to Drill (Form 9-331 a or b) on lands in New Mexico under USGS supervision.

*revised*  
No new allowable will be assigned to any well after May 1, 1957, whether it be on fee, state, or federal acreage, unless there is a revised Form C-128 completed in full on file with the Commission.

An amended Form C-128 must be filed when there is a change in any of the information required thereon. The most common reason for filing an amended Form C-128 will be when the operator desires to increase the acreage to be dedicated to a well.

The revised Form C-128 should be filled out in the following manner:

1. Operator completes all blanks in the heading.
2. Operator answers questions in Section "A" regarding the ownership of the acreage dedicated to the unit well. (More fully explained below.)

3. Operator outlines the dedicated acreage on the Plat in Section "B" for both oil and gas wells.
4. Operator certifies that information in Section "A" is correct.
5. Registered surveyor or engineer plots exact location of the unit well showing the distances from the Section lines and certifies the same to be correct.

In order to answer the questions in Section "A" regarding the ownership of the acreage dedicated to a well it is essential that the operator have a clear understanding of what is meant by the term "owner" as it is used in those questions.

An "owner" is defined in 65-3-29(e) New Mexico Statutes Annotated (1963 Comp.) as, "the person who has the right to drill into and produce from any pool, and to appropriate the production either for himself or for himself and another."

Thus, the question of whether a particular person is an "owner" or not may be answered in any given case by determining whether that person has the right to drill a well on any portion of the dedicated acreage outlined on the plat.

Ordinarily oil and gas lessees and holders of unleased acreage have the right to drill and are, therefore, "owners" as defined above. Conversely, holders of royalty interests are not "owners" since they do not have the right to drill.

If the operator is the only person entitled to drill a well on the dedicated acreage outlined on the plat, he should answer question No. 1 in Section "A" of Form C-128 in the affirmative. In which case questions No. 2 and 3 are not applicable and need not be answered.

In the event that the operator is not the only person entitled to drill a well on the acreage outlined on the plat, he should then proceed to answer question No. 2 concerning consolidation. If all the "owners" (persons having a right to drill) have entered into an agreement to consolidate their interests for purposes of forming a single proration unit, question No. 2 should be answered

in the affirmative.

If the answer to questions No. 1 and 2 is in the negative, the operator should list all the "owners" and their respective interests in the acreage outlined on the plat in Section "B". If the several owners hold separate tracts within the unit, the legal description of each tract should be listed opposite the owner's name. If the ownership is joint, the fractional part held by each owner should be shown.

If the ownership in the unit is divided vertically, the depth ranges owned by each person should be set out.

→ This change in procedure will not affect the existing policy on Communitization Agreements. The Commission will continue to assign allowables to communitized tracts, when all the working interest owners have signed the agreement. It should be noted however that the Commissioner of Public Lands for the State of New Mexico will not recognize a communitization agreement which includes state lands until it has been submitted for his approval in accordance with Section 7-11-39 et. seq. NMSA 1953 Comp.

Since the revised Form C-128 will supply all the information desired by the Commission concerning communitization, it will not be necessary to file an Affidavit of Communitization after May 1, 1957.

Since the Commission will rely on the Form C-128 as a basis for assigning allowables, the operator should be especially careful to complete it correctly.

A supply of the revised Form C-128 may be obtained from the District Offices or will be furnished by this office upon request.

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

May 1, 1957

C  
O  
P  
Y

Mr. Terrell Couch  
Ohio Oil Company  
P.O. Box 3128  
Houston 1, Texas

Dear Sir:

We enclose a copy of Order R-985 issued April 29, 1957, by the Oil Conservation Commission in Case 1187, which was heard on December 13, 1956, and January 16, 1957.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encl.

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

May 1, 1957

Mr. Ross Malone  
P.O. Box 867  
Roswell, New Mexico

Dear Sir:

We enclose a copy of Order R-985 issued April 29, 1957, by the Oil Conservation Commission in Case 1187, which was heard on December 13, 1956, and January 16, 1957.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encl.

C  
O  
P  
Y

GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

**New Mexico**  
**OIL CONSERVATION COMMISSION**

LAND COMMISSIONER, MURRAY E. MORGAN  
MEMBER

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



~~XXXXXXXXXX~~  
Astec, New Mexico  
120 East Chaco  
March 25, 1957

Mr. A. L. Porter  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Pete:

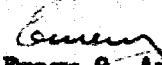
This morning we received in our office a copy of bulletin #1957-1 which has been distributed by the Commissioner of Public Lands, Mr. Murray E. Morgan. In part this bulletin relates to State Land Office requirements for copies of Oil Conservation Commission forms C-101, C-105 and C-128 on wells drilled on State lands or on land contained within unit agreements.

It has been my understanding in the past that our instructions to the operator should be to file sufficient copies of C-101 and C-105 on wells drilled on State lands with this office so that approved copies could be sent to the State Land Office. Insofar as Form C-128 is concerned I do not believe we have been sending a copy of this to the State Land Office as we were not aware that they required a copy. Paragraph 5 of the above-mentioned bulletin states that copies of Form C-101 and C-105 should also be filed on all wells drilled within unit agreement boundaries regardless of whether the wells were drilled on State lands. I had not been aware of this requirement previously. Also as you knew on wells drilled on Federal lands within unit agreements we have been receiving Federal Forms 9-331 and 9-330 in lieu of our Forms C-101 and C-105. We never receive more than two copies of the above forms from the USGS and I am sure that the State Land Office has not been receiving copies of our forms on these wells.

From the above information it may easily be determined that there is a conflict in requirements as between the Oil Conservation Commission and the State Land Office. On Wells drilled on State lands I believe that we can assure the State Land Office that we can require sufficient copies of C-101, C-105 and C-128 to be filed with this office so that approved copies may be forwarded to them. However to straighten out the requirements on wells drilled on Federal lands within unit agreements containing State lands will be more difficult as we are not at present requiring OCC forms C-101 and C-105 on these wells.

I am writing this letter to point out what the problem seems to be so that possibly you and Mr. Morgan might discuss the matter and come up with a solution. If I can be of any assistance in the matter, please let me know.

Yours very truly

  
Emory C. Arnold  
Supervisor, District #3

EC:aks

cc: Mr. Murray E. Morgan  
State Land Office  
Santa Fe, N.M.



TIDEWATER OIL COMPANY

P. O. BOX 1231

MIDLAND, TEXAS

January 24, 1957

*Case  
file 1187*

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Sir:

The revised copy of Form C-128 as proposed by the Commission has been called to my attention. If the Form is approved with any data on the back then it will become necessary for each plat to be drafted instead of drafting one plat and then reproducing it as is now the common practice.

I am sure you can see the increase in work this would place on all of us as Surveyors and Engineers whose duty it is to prepare these Forms.

We hope you will give this matter your careful consideration before the Revised Form is approved if, in your opinion, it has any merit.

Yours very truly,

TIDEWATER OIL COMPANY

By *J. M. Amis*  
J. M. Amis

JMA:ge



Well Location and/or ~~Operation~~ *ACREAGE DEDICATION* Plat Form C-128

Well No.	Section	Township	Range	NMPM
----------	---------	----------	-------	------

County, New Mexico. G. L. Elevation

Name of Producing Formation	Pool	Dedicated Acreage
-----------------------------	------	-------------------

~~(Note: All distances must be from outer boundaries of Section)~~

		SUBJECT WELL IS LOCATED <u>450</u> FEET FROM <u>SECTION</u> LINE AND <u>100</u> FT FROM <u>LINE</u>	
		NAME OF PRODUCING FORMATION <u>                    </u> " " POOL <u>                    </u> DEDICATED ACREAGE <u>                    </u>	

SCALE: F-1000

~~WELL LOCATIONS (All Dedicated Acreage must be outlined on above plat)~~

**This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.**

**Date Survey**

**ACKNOWLEDGEMENT CERTIFICATION:**

Registered Engineer and/or Land Surveyor

Registered Engineer &  
(PREVIOUSLY RECORD INSTRUCTIONS)  
(Fill in required information on reverse side)

1127

ONLY

1. Is the operator the sole owner of the dedicated acreage outlined on reverse side? Yes      No
2. IS THE OPERATOR A JOINT OWNER OF THE DEDICATED ACREAGE.
3. If the answer to question one is "no," have all the owners entered into a communitization agreement? Yes      No
4. If the answer to question two is "no," list all the owners and their respective interests below.

<u>Owner</u>	<u>Description</u>

\* "Owner" means the person who has the right to drill into and produce from any pool, and to appropriate the production either for himself or himself and another. (65-3-29(e) NESA 1953 Comp.)

INSTRUCTIONS

1. ALL DISTANCES MUST BE SHOWN FROM OUTER BOUNDARY OF SECTION
2. OUT LINE ALL OF THE DEDICATED ACREAGE ON PLAT
3. IF OPERATOR IS ONLY OWNER OF ALL DEDICATED ACREAGE SHOW THIS FACT ~~BY~~ BY ENTERING OPERATORS NAME ON SAID ACREAGE.
4. IF OPERATOR IS A JOINT OWNER AND OWNERSHIP OF ALL OF THE DEDICATED ACREAGE <sup>(COMMON)</sup> SHOW SAME BY ENTERING ALL OWNERS NAMES & RESPECTIVE INTERESTS ON DEDICATED ACREAGE.
5. IF OWNERSHIP VARIED BETWEEN INDIVIDUAL TRACTS IN ~~THE DEDICATED AREA~~ THE DEDICATED AREA THEN SHOW THOSE INDIVIDUAL OWNERS NAMES ON EACH TRACT MARKING UP THE DEDICATED ACREAGE. (NO ALLOWABLE WILL BE ASSIGNED UNTIL COMMISSIONS CERTIFICATE OF COMMUNITIZATION IS FILED WHEN OWNERSHIP OF INDIVIDUAL TRACTS WITHIN THE DEDICATED ACREAGE VARIES.

Memo No. 51-56

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

12-18-56

MEMORANDUM:

TO: All Operators

FROM: A. L. Porter, Jr., Secretary-Director

RECEIVED

DEC 31 1956

LEGAL DEPT.

The application of the Oil Conservation Commission for the revision of Form C-128 (Case 1187) came on for hearing on December 13, 1956.

At that hearing the Commission received some testimony concerning the proposed revision and continued the case to permit the operators in the State to consider the proposed revisions.

Attached hereto is a copy of the revised Form C-128 as proposed by the Commission staff.

Any comment or suggestion will be welcomed at the hearing on January 16, 1957.

NEW MEXICO  
OIL CONSERVATION COMMISSION

*Acreage Dedication* Form C-128  
Well Location and/or ~~Production~~ Plat Date \_\_\_\_\_

Operator \_\_\_\_\_ Lease \_\_\_\_\_

Well No. \_\_\_\_\_ Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_ NMPM

Located \_\_\_\_\_ Feet From \_\_\_\_\_ Line, \_\_\_\_\_ Feet From \_\_\_\_\_ Line,

\_\_\_\_\_ County, New Mexico. G. L. Elevation \_\_\_\_\_

Name of Producing Formation \_\_\_\_\_ Pool \_\_\_\_\_ Dedicated Acreage \_\_\_\_\_

(Note: All distances must be from outer boundaries of Section)


SCALE: 1" = 4000'

(All Dedicated Acreage must be outlined on above plat)

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Survey \_\_\_\_\_

Registered Engineer and/or Land Surveyor

(Fill in required information on reverse side)

*only 1/2  
dedication  
2007*  
*Put  
on  
back*

consolidated their interest <sup>the interests</sup> by pooling agreement or otherwise. <sup>have all the owners been</sup>

1. Is the operator the sole owner\* of the dedicated acreage outlined <sup>outlined above?</sup> Yes ☐ No ☐ <sup>on the reverse side?</sup>
2. If the answer to question one is "no," have all the owners entered into a communitization agreement? Yes ☐ No ☐ <sup>authorizing applicant to</sup>
3. If the answer to question two is "no," list all the owners and their respective interests below.

<u>Owner</u>	<u>Description</u>

drill  
into or  
produce  
from the  
pool or  
its acreage

#### Operator

\* "Owner" means the person who has the right to drill into and produce from any pool, and to appropriate the production either for himself or himself and another.  
(65-3-29(e) NMSA 1953 Comp.)

when this form is ~~filed~~ initially filed as a well location plat the following certification must be completed:

1. G-101 not advantageous
2. not desirable to gain two forms
3. not inclined to adopt any of the proposed forms until compact book.

**PHILLIPS PETROLEUM COMPANY**

BARTLESVILLE, OKLAHOMA

January 8, 1957

PRODUCTION DEPARTMENT

L. E. FITZJARRALD  
MANAGER

EARL GRIFFIN  
GENERAL SUPERINTENDENT  
JACK TURNER  
TECHNICAL ADVISER TO MGR  
H. S. KELLY  
CHIEF ENGINEER

In re: Memorandum No. 51-56, Case 1187 - Application of the Oil  
Conservation Commission for the Revision of Form C-128

Mr. A. L. Porter, Secretary-Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

We acknowledge receipt of your Memorandum of December 18, 1956, to  
which was attached a copy of proposed revised Form C-128.

You are no doubt aware that the Regulatory Practices Committee of the  
Interstate Oil Compact Commission now has under study a proposed set of model  
forms which will be recommended for use by all of the producing states. Mr.  
Lawrence R. Alley of the Interstate Oil Compact is mailing you three copies of  
this proposed set of forms which were prepared by an industry subcommittee com-  
posed of representatives of 13 major companies. I am also enclosing herewith a  
photostatic copy of the proposed form "Application for Permit to Drill, Deepen  
or Plug Back", and a photostatic copy of the instructions proposed to be printed  
on the back of this form.

It will be noted that, in order to take care of the needs of certain  
states which do not have governmental sections, some additional references are  
made. In this particular form there would be room in the blank space below the  
certificate to incorporate the plat shown on your proposed Form C-128, if you  
so desire, in order to eliminate the requirement of a separate plat. However,  
I believe there are some areas in New Mexico where the sections are irregular,  
so that a special plat might be required in any event.

A considerable number of operators of oil and gas wells have expressed  
interest in securing uniformity of the forms filed in the different states. It  
is believed that such uniform forms, if adopted, would result in a savings of  
many thousands of dollars each year to the operators, with no inconvenience and  
possibly with considerable benefit to the individual state oil and gas regulatory  
authorities.

This, therefore, represents the comments of Phillips Petroleum Company  
and we would appreciate it if these comments and the suggested Interstate Oil  
Compact form would be considered by the New Mexico Oil Conservation Commission  
at the hearing on January 16, 1957.

Very truly yours,

L. E. Fitzjarrald

LEF:OPN:MLT  
Encl.

It's Performance That Counts  
FLITE-FUEL — TROP-ARTIC

# APPLICATION FOR PERMIT TO DRILL OR PLUG BACK

NAME OF COMPANY OR OPERATOR

APPLICATION TO DRILL ☐ PLUG BACK ☐

ADDRESS

CITY

STATE

## DESCRIPTION OF FARM OR LEASE

NAME OF LEASE

SECTION

TOWNSHIP

RANGE

COUNTY

STATE

WELL LOCATION / SURVEY

FIELD / RESERVOIR (IF PADCAT, SO STATE)

WELLS

DIRECTION

FROM NEAREST POST OFFICE OR TOWN

STATUS OF BOND

FEET NEAREST DISTANCE FROM PROPOSED LOCATION TO PROPERTY OR LEASE LINE.  
FEET DISTANCE FROM PROPOSED LOCATION TO NEAREST DRILLING, COMPLETED, OR APPLIED FOR WELL ON SAME LEASE.

I, the undersigned, state that I am the \_\_\_\_\_ of the \_\_\_\_\_ (Company); that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction, and that the facts stated therein are true, correct and complete to the best of my knowledge.

SIGNATURE

ADDRESS

DATE

## INSTRUCTIONS

### READ CAREFULLY AND COMPLY THEREWITH

For the purpose of this designation submit herewith a neat, accurate plat, map or sketch of this lease, section, block or lot locating thereon the proposed site for this location. Plat shall be drawn to a scale which will permit the facile observation of all pertinent data. Show distances of the proposed well from the two nearest lease lines, and from the nearest wells on the same lease completed in or drilling to the same reservoir. If the location requested is not in conformance with the applicable well-spacing rules, show all off-setting wells to the proposed well, and the names and addresses of all adjoining lease or property owners.

In event plat is filed for the purpose of designating the drilling and producing unit, or proration unit, on which the proposed well is to be drilled, the boundaries of such unit shall be shown, also the boundaries of all other such units attributed to other wells on the same lease completed in or drilling to the same reservoir. The acreage contained within each unit shall also be shown.

DO NOT CONFUSE SURVEY LINES WITH LEASE LINES. IF THE SKETCH OR PLAT SHOWS ONLY A SECTION, BLOCK OR LOT OUT OF YOUR LEASE, DESIGNATE SAME AS BEING ONLY THAT PART OF THE LEASE.

DESIGNATE SCALE TO WHICH PLAT OR SKETCH IS DRAWN. ALSO DESIGNATE NORTHERLY DIRECTION ON THE SKETCH OR PLAT.

DOCKET: REGULAR HEARING DECEMBER 13, 1956

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

- ALLOWABLE: (1) Consideration of the oil allowable for January, 1957.
- (2) Consideration of the allowable production of gas from designated pools in Lea County, New Mexico, for January, 1957, consideration of the gas allowable for January, 1957, for the prorated pools of San Juan and Rio Arriba Counties, New Mexico, and also presentation of purchasers' nominations for the 6-month period beginning February 1, 1957, for the prorated pools of San Juan and Rio Arriba Counties.

NEW CASES

CASE 1185:

Application of the Ibex Company for an order authorizing three pilot water flood projects in the Artesia Pool, Eddy County, New Mexico, in exception to Rule 701 of the New Mexico Oil Conservation Commission Rules and Regulations, and further approving the unorthodox location of a number of its old wells in said pool. Applicant, in the above-styled cause, seeks an order authorizing three separate pilot water flood projects in the Premier sand of the Grayburg formation of the Artesia Pool; said projects to be effected by means of water injection through approximately 16 existing wells in Sections 4, 21, 28, and 32, Township 18 South, Range 28 East, Eddy County, New Mexico. Applicant also seeks Commission approval of the unorthodox location of certain of the above referenced wells.

CASE 1186:

Application of El Paso Natural Gas Company for the forced pooling of the N/2 of Section 26, Township 31 North, Range 11 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, or in the alternative, for a 280-acre non-standard drilling and proration unit in the Blanco-Mesaverde Pool. Applicant, in the above-styled cause, seeks an order force pooling the N/2 of Section 26, Township 31 North, Range 11 West, San Juan County, New Mexico, or in the alternative, authorizing a 280-acre non-standard drilling and proration unit in the Blanco-Mesaverde Pool consisting of the NW/4, N/2 NE/4, SE/4 NE/4 of said Section 26.

CASE 1187:

Application of the New Mexico Oil Conservation Commission upon its own motion for an order changing the name and information required on Form C-128, as established by Rule 1127 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order changing the name of Form C-128 to "Well Location and Proration Plat" and to change certain of the information required to be reported thereon.

CASE 1188:

Southeastern New Mexico nomenclature case calling for the creation of new pools and the extension of and deletion of certain areas from existing pools in Lea, Chaves, Eddy and Roosevelt Counties, New Mexico

- (a) Creation of a new oil pool for San Andres production, designated as the West Cave-San Andres, and described as:

Township 17 South, Range 28 East  
Section 12: SE/4

- (b) Creation of a new oil pool for Pennsylvanian production, designated as the Four Lakes-Pennsylvanian Pool, and described as:

Township 12 South, Range 34 East  
Section 1: NW/4  
Section 2: NE/4

- (c) Creation of a new oil pool for Grayburg production, designated as the West Henshaw-Grayburg Pool, and described as:

Township 16 South, Range 30 East  
Section 8: SW/4

- (d) Creation of a new oil pool for Pennsylvanian production, designated as the Leamex-Pennsylvanian Pool, and described as:

Township 17 South, Range 33 East  
Section 23: SW/4

- (e) Creation of a new oil pool for Pennsylvanian production, designated as the Milnesand-Pennsylvanian Pool, and described as:

Township 8 South, Range 35 East  
Section 18: SW/4

- (f) Creation of a new oil pool for Grayburg and San Andres production, designated as the West Square Lake-Grayburg-San Andres Pool, and described as:

Township 16 South, Range 29 East  
Section 25: SE/4 SE/4  
Section 33: NE/4

Township 16 South, Range 30 East  
Section 30: SW/4

- (g) Creation of a new gas pool for Pennsylvanian production, designated as the Welch-Pennsylvanian Gas Pool and described as:

Township 26 South, Range 37 East  
Section 21: NW/4

- (h) Delete from the Blinebry Oil Pool the following:

Township 21 South, Range 37 East  
Section 4: Lot 8

- (i) Delete from the Blinebry Gas Pool the following:

Township 21 South, Range 37 East  
Section 4: Lot 8

- (j) Extension of the Terry-Blinebry Pool to include:

Township 21 South, Range 37 East  
Section 4: Lot 8

- (k) Extension of the Caprock-Queen Pool to include:

Township 14 South, Range 31 East  
Section 35: W/2 NW/4

- (l) Extension of the Eumont Pool to include:

Township 18 South, Range 37 East  
Section 33: N/2

Township 19 South, Range 37 East  
Section 22: W/2 NW/4

Township 22 South, Range 37 East  
Section 15: N/2 NW/4

- (m) Extension of the vertical limits of the Leo Pool to include the Queen formation, and extend the pool boundary to include:

Township 18 South, Range 30 East  
Section 26: W/2 NW/4 and NW/4 SW/4  
Section 27: E/2 NE/4 and NE/4 SE/4

- (n) Extension of the Loco Hills Pool to include:

Township 18 South, Range 29 East  
Section 19: NE/4

- (o) Extension of the North Mason-Delaware Pool to include

Township 26 South, Range 31 East  
Section 24: E/2

- (p) Extension of the vertical limits of the Palmillo Pool to include the Grayburg formation, with the present pool boundary of:

Township 18 South, Range 29 East  
Section 30: S/2

- (q) Extension of the Red Hills-Yates Pool to include:

Township 19 South, Range 30 East  
Section 28: SW/4  
Section 29: S/2

CASE 1189:

Southeastern New Mexico nomenclature case calling for the abolishment of the Hardy Pool in Lea County, New Mexico, and the extension of the Eumont and Penrose-Skelly Oil Pools in Lea County, New Mexico.

- (a) Abolish the Hardy Pool in Lea County, New Mexico.  
(b) Extend the Eumont Pool boundary to include:

Township 20 South, Range 37 East  
Section 25: NW/4 and S/2  
Section 36: E/2

Township 20 South, Range 38 East  
Section 31: All

- (c) Extension of the Penrose-Skelly Pool to include:

Township 21 South, Range 37 East  
Section 4: W/2  
Section 8: NE/4  
Section 9: W/2  
Section 16: NW/4

CASE 1190:

Northwestern New Mexico nomenclature case calling for the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico.

- (a) Extension of the Ballard-Pictured Cliffs Pool to include:

Township 25 North, Range 8 West  
Section 24: NE/4

Township 27 North, Range 8 West  
Section 32: S/2

- (b) Extension of the South Blanco-Pictured Cliffs Pool in San Juan and Rio Arriba Counties, New Mexico, to include:

Township 26 North, Range 6 West  
Section 25: SE/4  
Section 36: NE/4

Township 27 North, Range 9 West  
Section 23: W/2

(c) Extension of the Blanco-Mesaverde Pool to include:

Township 27 North, Range 3 West  
Sections 7, 8 & 9: All (fractional)  
Sections 16, 17, & 18: All

Township 27 North, Range 4 West  
Section 13: All

(d) Extension of the Bisti-Lower Gallup Oil Pool to include:

Township 25 North, Range 12 West  
Section 4: SW/4 SW/4

CONTINUED CASES

CASE 1053:

Application of the Oil Conservation Commission upon its own motion, at the request of the State Engineer, for an order prescribing rules and regulations to govern the disposal of salt water in areas of Lea County, New Mexico. The Commission desires to formulate rules and procedures which will result in the efficient disposal of salt water and which will eliminate the practice of surface disposal of large volumes of oil field brines in order to prevent the contamination of the fresh-water bearing horizons in Lea County, New Mexico.

CASE 1102:

REHEARING Application of the Ohio Oil Company for rehearing in Case 1102, Order R-892 which established pool rules for the Dean Permo-Pennsylvanian and Dean-Devonian Pools, Lea County, New Mexico. Applicant, in the above-styled cause, seeks reconsideration by the Commission of the spacing and allowable provisions for the Dean Permo-Pennsylvanian Pool with particular attention to the allowable for existing wells on 40-acre tracts. Applicant contends that such wells should retain the normal 40-acre allowable rather than one-half of the normal 80-acre allowable as established by Order R-892.

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. 1187  
Order No. R-985

APPLICATION OF THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO UPON ITS  
OWN MOTION FOR AN ORDER CHANGING THE  
NAME AND CERTAIN OF THE INFORMATION  
REQUIRED ON COMMISSION FORM C-128.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 13, 1956 and again at 9 o'clock a.m. on January 16, 1957, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

Now, on this 29<sup>th</sup> day of April, 1957, the Commission, a quorum being present, having considered the application and the evidence adduced and being fully advised in the premises,

FINDS:

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

2. That there is a need for information concerning lease ownership of dedicated acreage in order for the Commission to properly supervise oil and gas operations in the State of New Mexico and that the most convenient method of reporting this information is on Commission Form C-128.

3. That the name of Commission Form C-128 should be changed to "Well Location and Acreage Dedication Plat" in order to properly reflect its true nature.

IT IS THEREFORE ORDERED:

1. That Commission Form C-128, Well Location and/or Gas Proration Plat, shall henceforth be known as "Form C-128, Well Location and Acreage Dedication Plat" where ever the same may appear in the Commission Rules and Regulations or the Special Rules and Regulations for any pool.

2. That the format of Commission Form C-128, Well Location and Acreage Dedication Plat, be as it appears in Exhibit "A" attached hereto and made a part hereof for all purposes.

3. That paragraph 2 of Rule 1104 of the Commission Rules and Regulations commencing with "The information required on Form C-101 shall include. . ." be and the same is hereby revised as follows:

"The information required on Form C-101 shall include the name and number of the well, exact location, status of land (whether federal, state or privately owned), type drilling equipment to be used, drilling contractor, formation to be completed in and approximate depth, casing program, and any other pertinent information. The Form C-101 must be accompanied by three copies of Form C-128, Well Location and Acreage Dedication Plat, showing (a) the exact location of the well with respect to the outer boundaries of the section plotted and certified by a registered professional engineer and/or land surveyor, registered in the State of New Mexico, or a surveyor approved by the Commission, (b) the acreage to be dedicated to the well outlined by the operator on the plat, and (c) all information required in Section "A" of Form C-128 certified by the operator.

4. That Rule 1107 of the Commission Rules and Regulations be and the same is hereby revised as follows:

**"RULE 1107. REQUEST FOR (OIL-GAS) ALLOWABLE (FORM C-104)**

It is necessary that this form be submitted by the operator before an initial allowable will be assigned to any completed oil or gas well. Form C-104 is to be submitted in QUAD-RUPPLICATE to the Commission District Office to which Form C-101 was sent. The allowable will be assigned effective 7:00 a.m. on the date of completion, provided completion report is filed during month of completion. The completion date shall be that date, in the case of an oil well, when oil is delivered into the stock tanks. Provided, however, that a well will not be assigned an allowable unless Form C-128, Well Location and Acreage Dedication Plat, has been filed with the Commission showing the location of the well and the amount and status of the acreage dedicated thereto.

Form C-110, Certificate of Compliance and Authorization to Transport Oil or Natural Gas, shall accompany Form C-104."

5. That Rule 1127 of the Commission Rules and Regulations be and the same is hereby revised as follows:

**"RULE 1127. WELL LOCATION AND ACREAGE DEDICATION PLAT (Form C-128).**

This is a dual purpose form used to show the exact location of the well and the acreage dedicated thereto. The form is also used to show the ownership and status of the dedicated acreage.

Form C-128 shall be submitted in TRIPLICATE with Form C-101 in accordance with Rule 1104.

An amended Form C-128 shall be submitted in the event that there is a change in any of the information required thereon.

-3-

Case No. A187  
Order No. R-985

The well location need not be certified when filing an amended Form C-128."

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Hochen*

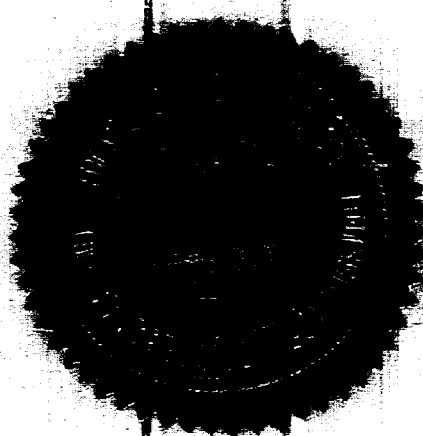
EDWIN L. HOCHEN, Chairman

*Murray E. Morgan*

MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*

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



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