

CASE 2005: Application of ARGO OIL  
CORP for order force-pooling all mineral  
interests within vertical limits of Jalmat  
Gas Pool.

Case No.

2005

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Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
in the  
STATE CORPORATION COMMISSION  
HEARING ROOM, BASEMENT  
CAPITOL BUILDING  
Santa Fe, New Mexico  
July 6, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Argo Oil Corporation for an  
order force-pooling the interests in a 160-  
acre non-standard gas proration unit in the  
Jalmat Gas Pool. Applicant, in the above-  
styled cause, seeks an order force-pooling  
all mineral interests within the vertical  
limits of the Jalmat Gas Pool in a 160-acre  
non-standard gas proration unit consisting  
of the E/2 NE/4 of Section 21 and the W/2  
NW/4 of Section 22, both in Township 25  
South, Range 37 East, Lea County, New Mexico.

Case 2005

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2005.

MR. PAYNE: Application of Argo Oil Corporation for an  
order force-pooling the interests in a 160-acre non-standard gas  
proration unit in the Jalmat Gas Pool.

MR. CAMPBELL: This Transcript contains some Exhibits  
which reflect the ownership in this area, and the plats that were  
introduced in that case. I have one witness and possibly I will  
have to testify. After this witness finishes I will take up that



matter with the Examiner to see what you wish to do in that regard.

(Witness sworn.)

CLAUDE NEELEY

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

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Will you state your name, please?

A Claude Neeley.

Q By whom are you employed, Mr. Neeley?

A Argo Oil Corporation.

Q In what capacity?

A As Division Landman for the Midland Division.

Q And you reside in Midland, do you?

A Yes, sir.

Q Mr. Neeley, would you state to the Examiner what the records of the Argo Oil Land Department reflect with regard to the ownership of the East 1/2, Northeast 1/4 of Section 21, and West 1/2, Northwest 1/4 of Section 22, Township 25 South, Range 37 East, Lea County, New Mexico?

A Our records indicate that Argo owns a one-half mineral interest under the East 1/2 of the N. E. 1/4 of Section 21 in the West 1/2 of the N. W. 1/4 of Section 2, Township 25 South, Range 37 East. Argo also owns a lease, a one-half interest under the East 1/2 of the N. E. 1/4 of Section 21 in the N. W. 1/4 of the N. W. 1/4



of Section 22. Argo also owns a lease on 43/128 under the S. W. 1/4 under the N. W. 1/4 of Section 22. By virtue of the Supreme Court Decision of New Mexico of December the 26th, 1957, the heirs of B. T. Lanehart, Deceased, own a 21/128 under the S. W. 1/4 of the N. W. 1/4 of Section 22.

MR. UTZ: What was that location again?

THE WITNESS: S. W. 1/4 of the N. W. 1/4 of Section 22.

Q (BY MR. CAMPBELL) Mr. Neeley, how many heirs are there involved in that Estate, to your best knowledge?

A To my best knowledge, there are forty-six known heirs.

Q And, there has been no determination of heirship in that Estate, has there?

A No, sir.

Q And, has Argo Oil Corporation obtained from this Commission an order of establishing a non-standard gas proration unit consisting of the East 1/2, N. E. 1/4 of Section 21, and the West 1/2, N. W. 1/4 of Section 22?

A Yes, sir.

MR. CAMPBELL: That is all the questions I have of this witness. I might review that ownership. The fact is that Argo Oil Corporation owns a one-half mineral interest. Argo also owns a one-half leasehold interest on all except the Southwest of the Northwest 1/4 of Section 22. It owns a leasehold interest on that forty acre tract on 43/128 and the 21/128 interest that was determined by the Supreme Court to be owned by the heirs of B. T. Lanehart. I might



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explain, for the benefit of the attorneys for the Commission, that the case involved a determination or construction of a Mineral Deed by which B. T. Lanehart conveyed to John Lanehart as lessor or Argo Oil Corporation. In other words, it was one of those mineral conveyances that involved the fractional  $1/8$  in the Mineral Deed, and the Supreme Court overruled the District Court that conveyed the  $1/16$  interest rather than the  $1/2$  interest in the minerals. I have letters which I would like to offer in evidence when you finish with this witness, which I have communicated with the attorney for the majority of these forty-six heirs, advising them of the circumstances and if there are questions of this witness, of course, I will wait.

MR. PAYNE: I have one question. Does Argo have the 160 dedicated to this well now?

THE WITNESS: Yes, sir.

MR. PAYNE: And, actually Argo is not the entire working interest owner of that 160, of all the 160?

THE WITNESS: Not of all the 160, no.

MR. UTZ:  $21/128$  interest under the 160 acres is computed. In other words, there is a  $21/128$  interest under the North of the unit.

MR. PAYNE: It may be that the Commission was in error in assigning the allowable based on this entire 160 prior to communitization or forced pooling.

MR. CAMPBELL: That, perhaps, is correct. However, there



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is a minor amount of base involved because of both of the fractional interests, and because of the fact this well, as the Commission will recall, was over-produced and is now producing on the very limited schedule, making up the over-production over a longer period of time because of liquid difficulties. So if that adjustment is required under the Commission Rules, it would not involve loss of allowable to anyone else, and would merely be a matter of adjustment as between the owner of the property.

MR. PAYNE: I see, thank you.

Q (BY MR. UTZ) Mr. Neeley, other than the 21/128 interest under the S. W. of the N. W. of 22, which I understand belongs to the forty-six B. T. Lanehart heirs, is there any portion which you are desiring to force-pool, or does that include all of it?

A That includes all of it, yes.

MR. CAMPBELL: I expect a forced pooling order, Mr. Examiner, that is a legal point and I think might have the effect of pooling the John Lanehart lease on the 43/128 under the S. W. 1/4 of the N. W. 1/4 of Section 22, which John T. Lanehart owns a 28/128 interest, those are two separate leases, however. The John T. Lanehart on the S. W., N. W. of Section 22 contains a pooling clause subject to the approval of this Commission. Argo is actually seeking this pooling as owner under the individual one-half mineral rights under the S. W., N. W. 1/4 of Section 22.

MR. UTZ: Let's be sure we have this, at least in my mind. I am sure it's in the record, the description of these two leases.



The B. T. Lanehart lease is what Section?

MR. CAMPBELL: The John T. Lanehart lease is, as of February the 17th, 1955, covers the S. W. 1/4 of the N. W. 1/4 of Section 22, Township 25 South, Range 37 East.

MR. UTZ: O. K. What's the other one?

THE WITNESS: The other lease covers the other 120 acres.

MR. UTZ: Yes, sir.

THE WITNESS: The original lease was Humble Oil and Gas, and we took it on a farm-out from them. I don't remember the date of the lease.

MR. CAMPBELL: I have it, Mr. Examiner. The lease is dated May the 7th, 1936, and Humble assigned it to Harry Leonard Reserve 1/16 overriding royalty interest, and subsequently assigned to Argo Oil Corporation, subject to over 1/16 under the 120 acres. That interest, I presume, would be pooled.

MR. PAYNE: Does each of the two leases involved contain a pooling clause?

MR. CAMPBELL: The old lease does not.

MR. UTZ: That is the balance of the 120 acres?

MR. CAMPBELL: That is right, half interest.

MR. UTZ: Are there other questions?

Mr. Neeley, I note that our records reflect that the South 1/2 of the Southwest of Northwest, Section 22, is not dedicated to any unit in the Jalmat Gas Pool, are you familiar with that?

THE WITNESS: No, sir, I am not.





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MR. CAMPBELL: What was that description again?

MR. UTZ: The South 1/2 of the Southwest of the Northwest.

MR. CAMPBELL: That is in our unit. South 1/2 of the Southeast of the Northeast.

MR. UTZ: I mean the Southeast, I'm sorry. That acreage, according to our records, is not dedicated to anything. You were not aware of that?

THE WITNESS: The South 1/2, no, sir, I was not aware of that.

MR. UTZ: I presume that your Company would not be interested in trying to communitize that particular area, since you haven't made any attempt to.

THE WITNESS: I am sure that is correct, yes, sir.

MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

MR. CAMPBELL: I have some documentary evidence from my files, which I would like to offer in the record in this case for the purpose of evidencing the effort by Argo Oil Corporation to obtain a voluntary pooling agreement. I would be glad to be put under oath if the Examiner desires, in order to identify these letters.

MR. PAYNE: Inasmuch as there are some court cases involved, maybe we better.

(Whereupon, Exhibits 1 through 5 were marked for identification.) (Witness sworn.)



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JACK CAMPBELL

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

DIRECT EXAMINATION

BY MR. PAYNE:

Q Mr. Campbell, would you explain to the Examiner what these documents are, and the significance of them?

A Mr. Examiner, you will recall hearing of this non-prorated unit, and has been reflected in the Transcript which I made a part of the record in this case. I indicated to the Commission that we would attempt to obtain a Voluntary Pooling Agreement after a determination of heirship, and if we are unable to do so, we might be forced into seeking a compulsory pooling order. Based upon that statement I contacted, by letter of February 12, 1960, which is Exhibit Number 1 in this case, G. T. Hanners in Lovington, who represented a majority, a considerable majority of the heirs in the litigation over the Quiet Title that went to the Supreme Court. The letter of February 12, is my first communication to them. Do you desire for me to read that letter, or do you wish to have me explain it?

MR. PAYNE: You may explain, in general, what it is.

A I simply wrote Mr. Hanners, we advised the order re-creating the gas proration unit, and asked him if he would attempt to get a determination of heirship in the B. T. Lanchart Estate, and they attempted to do so in that Quiet Title suit in the Supreme Court,



and they refused to permit the counter-claim, the Quiet Title sought on the basis of getting statutory action, and I pointed out there are a large number of heirs involved, and the best way to handle the situation would be for him to obtain a determination of heirship and furnish Argo with that information so that we can either prepare a Voluntary Pooling Agreement for signature by all the heirs, or ask the Oil Conservation Commission to combine pooling these interests. Inasmuch as there is no production from the S. W. 1/4, N. W. 1/4 of Section 22, and since the heirs have a working interest, it would appear to me it is definitely to the advantage of the heirs to make the necessary arrangements to participate in the production from the Argo well. Then I pointed out to him the well was on the restricted allowable. Then I told him also, that until the interests of the B. T. Lanehart was pooled, we would simply have to hold the revenues that accrued to the benefit of those heirs in suspense.

I heard nothing from Mr. Hanners, and on May 16th I wrote him again. This is Exhibit Number 2. Making reference to my prior letter, and asking him whether there had been a determination of heirship so we could prepare a Voluntary Pooling Agreement, and then I said I would appreciate it very much if he would advise me as to the status of this matter, as I would like to prepare a Voluntary Pooling Agreement, if the heirship has been determined, or I would like to proceed with a filing of an application before the Oil Conservation Commission for the pooling of the acreage.

Again I heard nothing from Mr. Hanners, and on June 9th I



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wrote him again, prior to the actual filing of this application, making reference to my prior letters, and then I said: Inasmuch as I have not heard from you, I assume that you do not plan to seek such a determination of heirship at this time and I have, therefore, prepared an application before the Oil Conservation Commission for an order pooling the interests under the gas proration unit. Of course, it is difficult to see how Argo can make any payments to the B. T. Lanehart heirs until there is a determination of heirship and until proper arrangements are made for the heirs' participation in the cost of the well and its operation. Should you have any suggestions about the procedure being used in this matter, I would appreciate hearing from you.

Exhibit 4, which is a letter of June 9th to Mr. Bryce Parker of Argo, is simply to confirm the application. I did send Mr. Hanners a copy of this application before the Commission. I have heard nothing from Mr. Hanners with regard to this matter and such royalty or other interests that may accrue, or have accrued, since the granting of an allowable to this entire unit is, of course, held in suspense by Argo, and will be held in suspense until such time as there is a determinable heirship and until the parties are able to work out arrangements for their participation in the cost of the well in the operation of the well on the unit.

Q (BY MR. PAYNE) There is no way the heirs can actually be hurt by this allowable?

A It would appear to me, unless their interest is pooled and



the proration unit is continued in its present form, that they simply will be drained by the virtue of the well on the 120 unit and the surrounding gas wells in that area.

Q Their interest is so small that it would hardly be feasible for them to drill a well.

A It would certainly seem to me economically unfeasible for them to drill a well on the 21/123 under a 40 acre tract, inasmuch as it apparently would be a gas well.

MR. UTZ: Are you expecting them to share the cost of the well?

A We certainly do, Mr. Examiner, I think initially, at least. We will later have negotiations between the parties. We are not asking the Commission, at this time, to include in its order any requirements with regard to that. We believe that it should be worked out, if at all possible, through negotiations between the parties. In the event that proves impossible, and if there is a sizable amount involved, of course, where we have a right, I assume, to ask the Commission under statutory power to make such orders as it sees fit in that regard. I don't anticipate that will be necessary.

MR. UTZ: Any other questions? If not, the witness may be excused.

(Witness excused.)

MR. CAMPBELL: I would like to offer in evidence Applicant's 1, 2, 3 and 4.

MR. UTZ: Without objection, they will be accepted into



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the record.

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MR. CAMPBELL: You might observe, I have been before the Commission many times, but this is the first time under oath.

MR. UTZ: The Examiner, at this time, will incorporate 1794 in the record as 2005.

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I N D E X

<u>WITNESS:</u>		<u>PAGE:</u>
CLAUDE NEELEY	Direct Examination by Mr. Campbell	2
JACK CAMPBELL	Direct Examination by Mr. Payne	8

E X H I B I T S

<u>Number</u>	<u>Exhibits</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
Appl 5	1,2,3,4,5	7	11	11-12



STATE OF NEW MEXICO     )  
                                       ) ss  
 COUNTY OF BERNALILLO    )

I, LEWELLYN NELSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 18 day of July, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lewellyn F. Nelson  
 NOTARY PUBLIC

My Commission Expires:

June 14, 1964

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Examiner hearing of Case No. 2005.  
 heard by me on July 6, 1960.  
[Signature], Examiner  
 New Mexico Oil Conservation Commission

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ALBUQUERQUE, NEW MEXICO





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. 2005  
Order No. R-1715

APPLICATION OF ARGO OIL CORPORATION  
FOR AN ORDER FORCE-POOLING THE  
INTERESTS IN A 160-ACRE NON-STANDARD  
GAS PRORATION UNIT IN THE JALMAT GAS  
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 6, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 15th day of July, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Argo Oil Corporation, is the operator of a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the E/2 NE/4 of Section 21 and the W/2 NW/4 of Section 22, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, which unit was established by Order No. R-1520.

(3) That the applicant has obtained the consent of all owners of interest within said unit to a voluntary gas pooling agreement, except for a 21/128 mineral interest in the SW/4 NW/4 of said Section 22, which interest is owned by the heirs of B. T. Lanehart in amounts that will remain indefinite until a judicial determination of heirship is obtained.

(4) That inasmuch as such determination of heirship has not been accomplished, the owners of said 21/128 interest have not consented to the proposed gas pooling agreement.

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CASE No. 2005  
Order No. R-1715

(5) That inasmuch as the applicant, after diligent effort, has been unable to secure approval of all interest owners to said pooling agreement, it seeks an order force-pooling all interests in the above-described unit.

(6) That this case was duly advertised as provided by law, and no objection was received to the application from the non-consenting interest owners.

(7) That denial of the subject application would tend to deprive those persons having an interest in the SW/4 NW/4 of said Section 22 of the opportunity to recover their just and equitable share of the hydrocarbons in the Jalmat Gas Pool.

(8) That approval of the subject application will neither cause waste nor impair correlative rights, provided that the payments due to the non-consenting interest owners are segregated or placed in escrow pending determination of heirship.

IT IS THEREFORE ORDERED:

(1) That the interests of all persons having the right to drill for, produce, or share in the production of gas and associated liquid hydrocarbons, or either of them, from the Jalmat Gas Pool underlying the E/2 NE/4 of Section 21 and W/2 NW/4 of Section 22, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico be and the same are hereby force-pooled.

(2) That all payments due to the non-consenting mineral owners shall be segregated or placed in escrow pending determination of heirship.

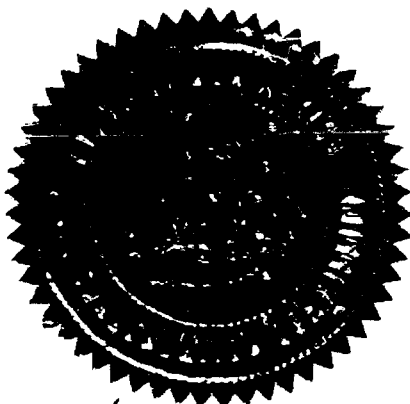
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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



esr/

GOVERNOR  
JOHN BURROUGHS  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
MURRAY E. MORGAN  
MEMBER



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

P. O. BOX 871  
SANTA FE

July 15, 1960

Mr. Jack Campbell  
Campbell & Russell  
Box 766  
Roswell, New Mexico

Re: Case No. 2005  
Order No. R-1715  
Applicant:  
Argo Oil Company

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.,  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC ☒  
Artesia OCC ☐  
Aztec OCC ☐

Other ☐

No. 18-60

DOCKET: EXAMINER HEARING JULY 6, 1960

Oil Conservation Commission - 9 a.m., State Corporation Commission Hearing Room, Basement, Capitol Building, Santa Fe, New Mexico.

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate Examiner:

CASE 2002: Application of Rice Engineering & Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its Skelly State "D" Well No. 3, located 2310 feet from the South line and 660 feet from the East line of Section 1, Township 20 South, Range 36 East, Lea County, New Mexico, with injection to be in the lower San Andres formation with the injection interval from 4,450 feet to 4,950 feet.

CASE 2003: Application of El Paso Natural Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Warren Well No. 1-A (PM) located in Unit K, Section 25, Township 28 North, Range 9 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from the South Blanco-Picared Cliffs Pool and the production of gas from the Blanco Mesaverde Pool through the casing-tubing annulus and 2 inch tubing respectively.

CASE 2004: Application of La Plata Gathering System, Inc., for the establishment of a 345.59 acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool, Rio Arriba County, New Mexico, and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks the establishment of a 345.59 acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool, consisting of all of partial Sections 30 and 31, Township 32 North, Range 5 West, Rio Arriba County, New Mexico. Applicant proposes to dedicate said unit to a well to be drilled on an unorthodox location 990 feet from the North line and 713 feet from the East line of said Section 31.

CASE 2005: Application of Argo Oil Corporation for an order force-pooling the interests in a 160-acre non-standard gas proration unit in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests within the vertical limits of the Jalmat Gas Pool in a 160-acre non-standard gas proration unit consisting of the E/2 NE/4 of Section 21 and the W/2 NW/4 of Section 22, both in Township 25 South, Range 37 East, Lea County, New Mexico.

Docket No. 18-60

CASE 2006:

Application of Pan American Petroleum Corporation for an extension of the no-flare exception granted by Order No. R-1451. Applicant, in the above-styled cause, seeks an extension of the one-year exception to the no-flare provision of the rules for the Otero Gallup Oil Pool, Rio Arriba County, New Mexico, for its Jicarilla 35 Well No. 1, which exception was granted by Order R-1451.

CASE 2007:

Application of Otto Reynolds and John R. Yarbrough for the promulgation of special rules governing gas wells drilled in the Bloomfield-Farmington Oil Pool. Applicant, in the above-styled cause, seeks an order promulgating special rules governing, among other things, the definition, spacing and location of gas wells in the Bloomfield-Farmington Oil Pool, San Juan County, New Mexico. Applicant further seeks approval of unorthodox gas well locations for three wells in said pool.

CASE 2008:

Application of Gulf Oil Corporation for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its Lea-State "CR" (NCT-A) Well No. 3, located 3300 feet from the South line and 1980 feet from the West line of Section 2, Township 16 South, Range 32 East, Lea County, New Mexico, with injection to be in the lower Wolf-camp formation in the interval from 9,911 feet to 10,200 feet.

CASE 2009:

Application of Gulf Oil Corporation for a 200-acre non-standard gas proration unit and for an order force-pooling the interests therein. Applicant, in the above-styled cause, seeks the establishment of a 200-acre non-standard gas proration unit in the Blinebry Gas Pool, consisting of the SW/4 and the SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, Lea County, New Mexico, to be dedicated to the O. I. Boyd Well No. 3, located 1980 feet from the South and West lines of said Section 23. Applicant further seeks an order force-pooling the interests of those in said non-standard gas proration unit who have gas rights within the vertical limits of the Blinebry Gas Pool, including the following named persons or parties who have not consented to the pooling agreement:

W. B. Trammel; Mrs. Carrie Gidwitz; Harry L. Jones and Isabel Jones; Heirs, Devisees and Personal Representatives of William T. Pitt, Deceased; Peter M. Smith; Adam F. Arnold; Cranfill Fowler; George W. Clark; Charles W. Hastings; John E. McConnell, Jr.; Lionel L. Shatford; Ernest O. Knapp, J. Paul Knapp, Gertrude K. Schrecengost, Mildred K. Stoneburner,

Evelyn Neel, and Maude S. Knapp, Jointly; Robert R. McKee; and all other persons or parties owning oil and gas interests in the SW/4 and SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 2010:

Application of Sinclair Oil & Gas Company for permission to commingle production from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the Empire-Abo Pool production from its M. Yates "B" Lease consisting of the S/2, NE/4, S/2 NW/4 and the NE/4 NW/4, with such production from a portion of its State Eddy 32 lease consisting of the NW/4 NW/4 of Section 34 and the SE/4 NW/4 of Section 32, all in Township 17 South, Range 28 East, Eddy County, New Mexico, after separately metering the production from one lease only.

CASE 2011

Application of Socony Mobil Oil Company for a "slim-hole" oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its E. O. Carson Well No. 22, located 1880 feet from the South line and 660 feet from the West line of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock Pool and the production of oil from the Wantz-Abo Pool using parallel strings of 2 7/8 inch tubing cemented in a common well-bore.

CASE 2012:

Application of Max Pray for the creation of a new oil pool for Devonian production and for the promulgation of special rules and regulations for said pool. Applicant, in the above-styled cause, seeks an order creating a new oil pool for Devonian production consisting of the W/2 of Section 27, E/2 of Section 28, NE/4 of Section 33 and the NW/4 of Section 34, Township 12 South, Range 37 East, Lea County, New Mexico. Applicant further seeks the promulgation of special rules and regulations governing said pool including a provision for temporary 80-acre oil proration units

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 7-7-60

CASE 2005 Hearing Date 7-6-60

My recommendations for an order in the above numbered cases are as follows:

1. Grant Argo Oil Corp's. request for forced pooling of  $2\frac{1}{2}\%$  interest of the B.F. Lanchant heirs (46) in the SW NW 22-25-37 Galena Pool.
2. Diligent effort has been made to communicate this interest with no interest shown on the part of Lanchant heirs.
3. Unit is already formed by R-~~1294~~ 1520.

- Ernest W. L.

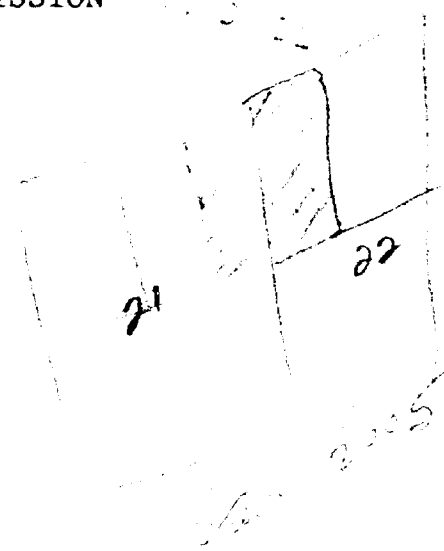
Staff Member



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF )  
ARGC OIL CORPORATION FOR AN ORDER )  
COMPULSORILY POOLING ALL INTERESTS )  
IN THE E $\frac{1}{2}$ NE $\frac{1}{4}$  OF SECTION 21 and THE )  
W $\frac{1}{2}$ NW $\frac{1}{4}$  OF SECTION 22, TOWNSHIP 25 )  
SOUTH, RANGE 37 EAST, LEA COUNTY, )  
NEW MEXICO, BEING IN THE JALMAT GAS )  
POOL. )



APPLICATION

COMES NOW Applicant, Argo Oil Corporation, by its attorneys  
and states:

1. Applicant is the owner of leasehold rights covering  
the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 21 and the NW $\frac{1}{4}$ NW $\frac{1}{4}$  and the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 22,  
Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico,  
and is the owner of an undivided 1/2 interest in the oil, gas and  
other minerals underlying the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 21 and the W $\frac{1}{2}$ NW $\frac{1}{4}$  of  
Section 22, Township 25 South, Range 37 East, N.M.P.M., Lea County,  
New Mexico.

2. By its Order No. 1794, the New Mexico Oil Conserva-  
tion Commission established a gas proration unit within the limits  
of the Jalmat Gas Pool consisting of the E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 21 and  
the W $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 22, Township 25 South, Range 37 East, N.M.P.M.,  
Lea County, New Mexico.

3. Applicant has attempted to obtain a voluntary gas  
pooling agreement from the owners of interest other than those owned  
by Applicant within the limits of the Jalmat Gas Pool under the gas  
proration unit and due to matters beyond the control of Applicant  
such voluntary pooling agreement cannot now be obtained.

*[Handwritten signature]*

WHEREFORE, Applicant requests the Commission to set this matter down before an examiner for the Commission, to publish notice as required by law, and, after hearing, to issue its order pooling all interests under the described gas proration unit within the limits of the Jalmat Gas Pool.

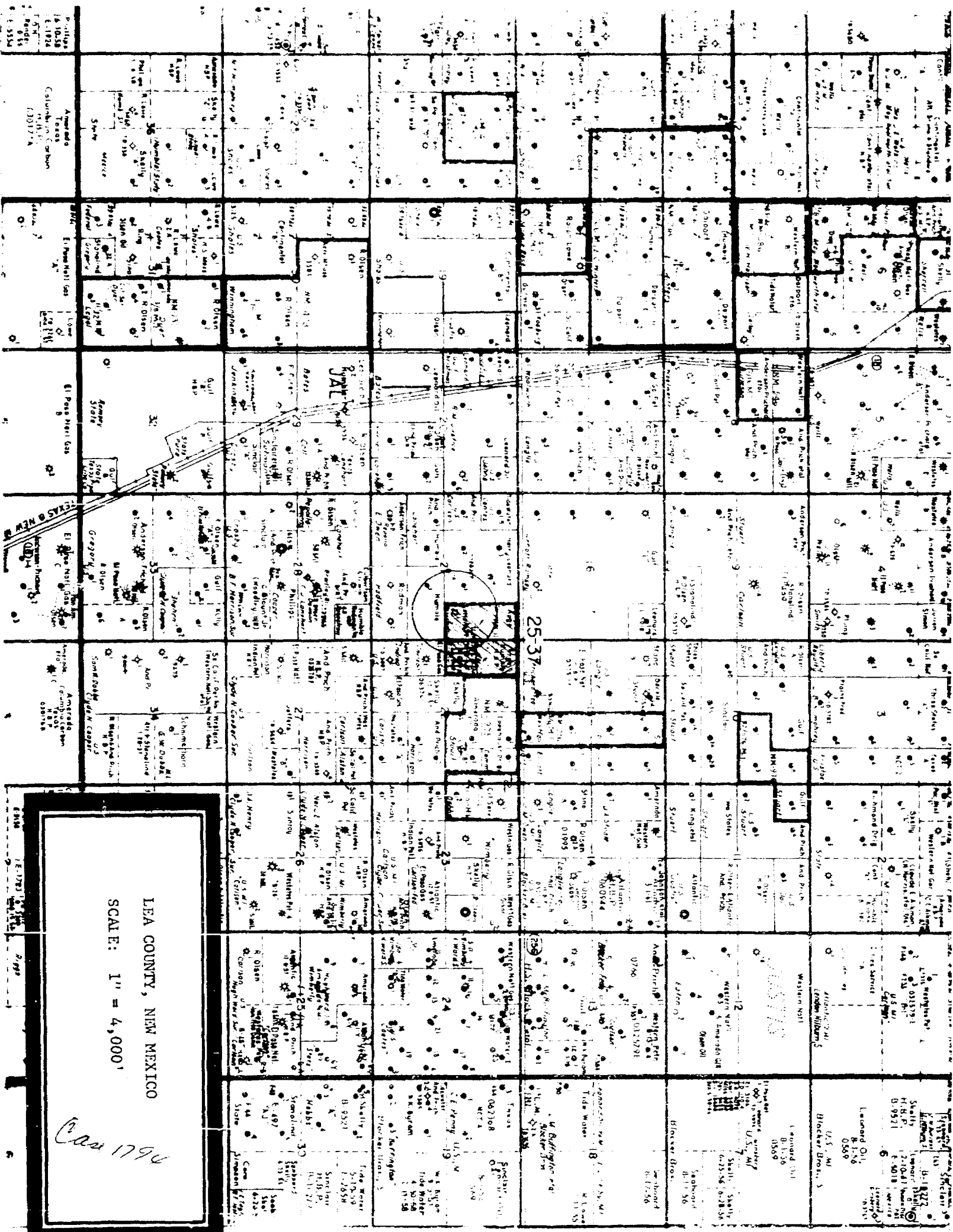
Respectfully submitted,

CAMPBELL & RUSSELL

By Jack M. Campbell  
Jack M. Campbell

Attorneys for Applicant  
P. O. Box 766  
Roswell, New Mexico

June 8, 1960



LEA COUNTY, NEW MEXICO  
SCALE: 1" = 4,000'

Case 1796

Section 3  
Leonard Oil  
B-1-56  
0559  
Blocker Bros. S  
U.S. M  
Leonard Oil  
B-1-56  
0559  
Shelly  
R.B.P.  
2-10-61  
E-4018  
B-9971

Section 4  
Leonard Oil  
B-1-56  
0559  
Shelly  
R.B.P.  
2-10-61  
E-4018  
B-9971

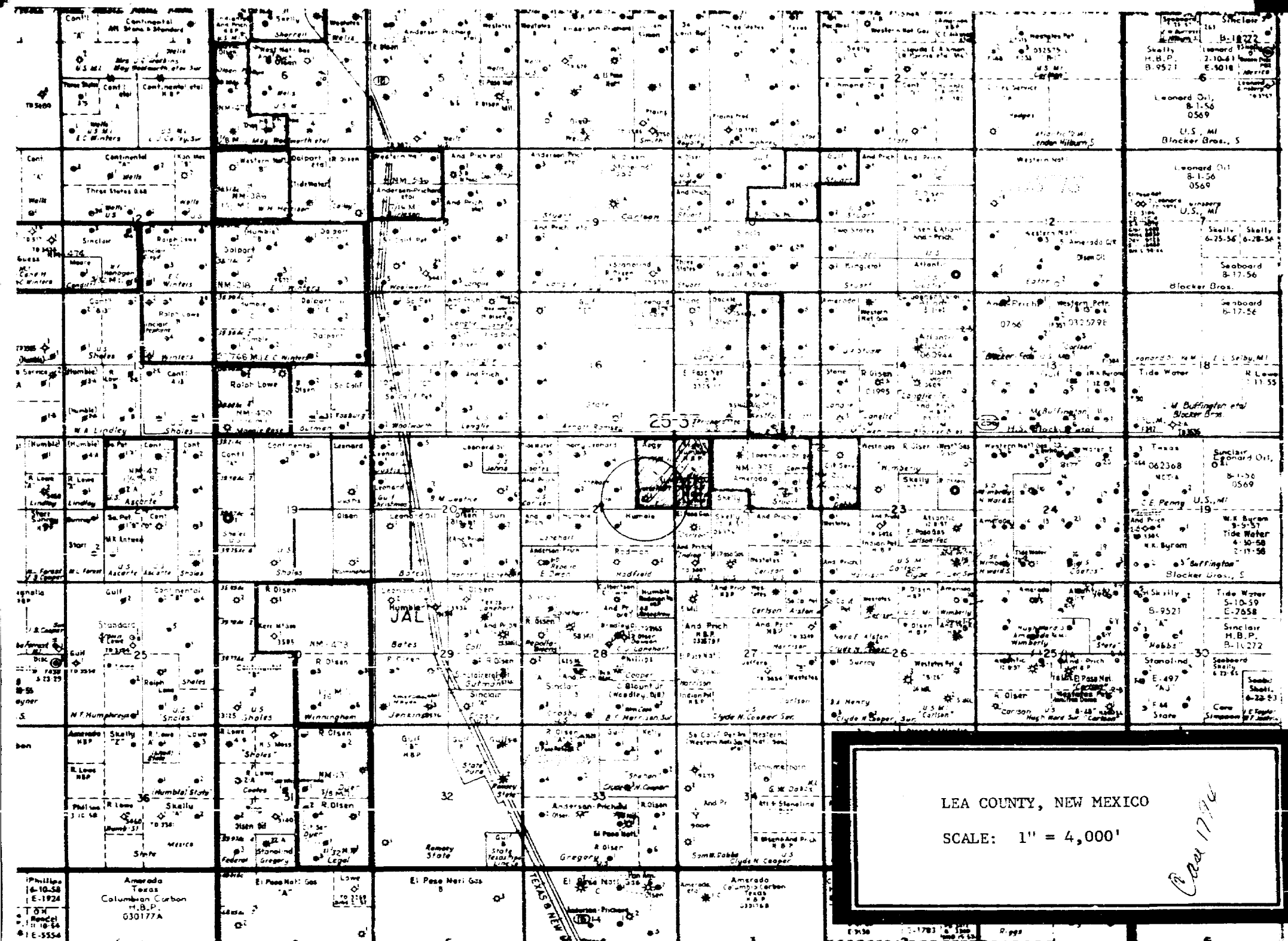
Section 5  
Leonard Oil  
B-1-56  
0559  
Shelly  
R.B.P.  
2-10-61  
E-4018  
B-9971

Section 6  
Leonard Oil  
B-1-56  
0559  
Shelly  
R.B.P.  
2-10-61  
E-4018  
B-9971

Section 7  
Leonard Oil  
B-1-56  
0559  
Shelly  
R.B.P.  
2-10-61  
E-4018  
B-9971

Section 8  
Leonard Oil  
B-1-56  
0559  
Shelly  
R.B.P.  
2-10-61  
E-4018  
B-9971

Section 9  
Leonard Oil  
B-1-56  
0559  
Shelly  
R.B.P.  
2-10-61  
E-4018  
B-9971



February 12, 1960

Mr. G. T. Manners  
Attorney at Law  
Stansell Building  
Lovington, New Mexico

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO. <u>1</u>	CASE NO. <u>2005</u>

*2 pages*

Dear Tom:

I recently represented Argo Oil Corporation in obtaining an order of the New Mexico Oil Conservation Commission creating a gas proration unit consisting of the E $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 21 and the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 22, Township 25 South, Range 37 East, in Lea County, New Mexico.

Sometime ago you represented the heirs of B. T. Lanehart in an action which reached the Supreme Court and which resulted in a determination that the heirs of B. T. Lanehart, other than John T. Lanehart, own a 28/128th interest under the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 22. Argo Oil Corporation owns a 1/2 interest under this tract and John T. Lanehart owns 43/128ths under the tract, part of which he inherited from B. T. Lanehart and the other portion of which he owned prior to the litigation. The interest of the heirs of B. T. Lanehart is, of course, unleased.

Under the order of the Oil Conservation Commission, Argo Oil Corporation is permitted to produce an allowable from a gas well situated in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 21 and is attributing to it all of the acreage in the E $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 21 and the W $\frac{1}{2}$ SW $\frac{1}{4}$  of Section 22. From the effective date of this order the heirs of B. T. Lanehart are of course entitled to participate in the production except that their interest has not been pooled with the other ~~interests~~ interests in the proration unit.

Inasmuch as there are a large number of heirs involved, I was wondering whether the best way to handle the situation would be for you to obtain a Determination of Heirship, if it has not already been done, and to furnish Argo Oil Corporation with this information so that they can either prepare a voluntary pooling

Mr. G. T. Hanners

-2-

February 12, 1960

agreement for signature by all the heirs or ask the Oil Conservation Commission to enter an order pooling these interests. Inasmuch as there is no production from the SW $\frac{1}{4}$  of Section 22, and since the interest of the B. T. Lanehart heirs is a working interest, it would appear to me that it is definitely to the advantage of the heirs to make the necessary arrangements to participate in the production from the Argo well.

Unfortunately the well does not have, at the moment, a very high allowable due to the fact that it has been restricted in its production by virtue of having been overproduced in the past. The reason for this overproduction was partially due to the fact that the well was on an 80-acre proration unit and received only half the normal unit allowable in the area.

Until such time as Argo Oil Corporation is furnished with a Determination of Heirship and the interest of the heirs is pooled in some manner, we will simply have to hold this portion of the production in suspense.

With kindest personal regards, I am

Very truly yours,

Jack M. Campbell

For CAMPBELL & RUSSELL

JMC:np

cc: Mr. Bryce Parker - Argo Oil Corporation - San Antonio  
Mr. Claude E. Neeley - Argo Oil Corporation - Midland, Texas

May 16, 1960

Mr. G. T. Hanners  
Attorney at Law  
Stansell Building  
Lovington, New Mexico

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	2
CASE NO.	2035

Dear Tom:

Reference is made to my letter of February 12 to you concerning the determination of heirs of the B. T. Lanehart heirs.

My clients have inquired as to whether the heirship has been determined and whether the heirs are now in a position to consider the execution of a voluntary pooling agreement in order that they may share in the production of gas from the SW $\frac{1}{4}$  of Section 22, Township 25 South, Range 37 East, Lea County, New Mexico.

I would appreciate it very much if you would advise me as to the status of this matter as I would like to prepare a voluntary pooling agreement if the heirship has been determined or I would like to proceed with a filing of an application before the Oil Conservation Commission for the pooling of the acreage.

Your early attention to this would be very much appreciated.

With kindest personal regards, I am

Very truly yours,

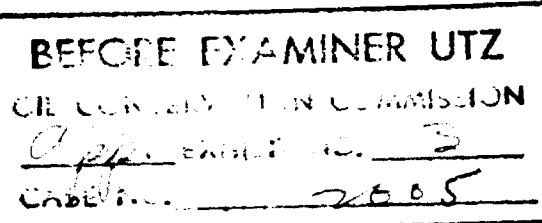
cc: Mr. Bryce Parker  
Manager, Joint Operations  
Argo Oil Corporation  
Milam Building  
San Antonio 5, Texas

Jack M. Campbell

For CAMPBELL & RUSSELL

June 9, 1960

Mr. G. T. Hanners  
Attorney at Law  
Stansell Building  
Livingston, New Mexico



Dear Tom:

Reference is made to my letters of February 12 and May 16 to you concerning the B. T. Lanchart heirs' interest in the gas production unit in the Jalmat Gas Pool consisting of the NE $\frac{1}{4}$  of Section 21 and the NW $\frac{1}{4}$  of Section 22, Township 25 South, Range 27 East. It is still my feeling that a better way to proceed would be to have a determination of heirs of the B. T. Lanchart interest in the NW $\frac{1}{4}$  of Section 22 and then proceed to have a pooling agreement executed.

Inasmuch as I have not heard from you, I assume that you do not plan to seek such a determination of heirship at this time and I have, therefore, prepared an application before the Oil Conservation Commission for an order pooling the interests under the gas production unit. Of course it is difficult to see how Argo can make any payments to the B. T. Lanchart heirs until there is a determination of heirship and until proper arrangements are made for the heirs participation in the cost of the well and its operation.

Should you have any suggestions about the procedure being used in this matter, I would appreciate hearing from you.

With kindest personal regards, I am

Very truly yours,

Jack M. Campbell

For CAMPBELL & RUSSELL

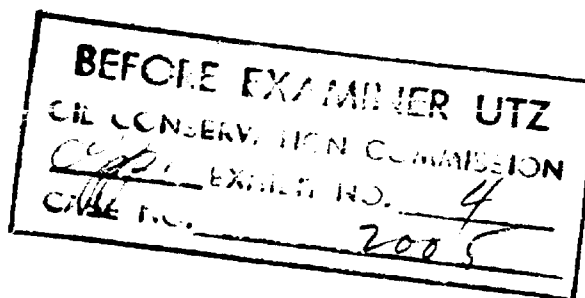
JMC:mp

Enclosure



June 9, 1960

Mr. Bryce Parker  
Manager, Joint Operations  
Argo Oil Corporation  
1728 Milan Building  
San Antonio 5, Texas



Dear Bryce:

I am enclosing herewith a copy of an application which I have this date forwarded to the Oil Conservation Commission for filing. I am enclosing an extra copy as you may desire to furnish a copy to Humble which has an overriding royalty interest.

Inasmuch as I have discussed this matter with G. T. Hanners, attorney for the B. T. Lanehart heirs, I am also sending him a copy.

Very truly yours,

Jack M. Campbell

For CAMPBELL & RUSSELL

ME:mp

Enclosures

cc: Mr. Claude Hoolay  
Argo Oil Corporation  
Midland, Texas

BEFORE EXAMINER UTZ  
CIL COMMISSIONER OF THE DISTRICT OF COLUMBIA  
CASE NO. \_\_\_\_\_