



Case No.

2101

---

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF CITIES SERVICE OIL COMPANY FOR  
AN ORDER FORCE POOLING ALL INTERESTS  
FOR THE FORMATION OF A STANDARD  
DRILLING AND PRORATION UNIT IN THE  
SOUTHWEST GLADIOLA-DEVONIAN OIL POOL ✓

Case No. 2101

A P P L I C A T I O N

Comes now Cities Service Oil Company and applies to the Oil Conservation Commission of the state of New Mexico for an order force pooling all of the interest including royalty interest in and under the S $\frac{1}{2}$ SW $\frac{1}{4}$ , Section 27, Township 12 South, Range 37 East, N.M.P.M., for the formation of a standard drilling and proration unit as provided by the pool rules for the Southwest Gladiola-Devonian Oil Pool under the provisions of Order No. R-1724, and in support thereof would show:

1. That all of the owners of the working interests underlying the S $\frac{1}{2}$ SW $\frac{1}{4}$  have agreed to the pooling and unitization of said tract, and Cities Service Oil Company is the operator thereof.

2. That all of the royalty interests in the minerals underlying said proposed unit have not agreed to pooling and unitization of their interests in said unit, although applicant has sought such agreement.

3. That unless said interests are force pooled, applicant will be deprived of its right to recover its just and equitable share of the oil and gas underlying said lands.

4. That the names and addresses of the royalty owners who have not agreed to the pooling and unitization agreement, together with their interests therein, are as follows:

SE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 27:

B. F. Turner, et ux, Lucile (7/16 interest)  
4854 North Lindhurst  
Dallas, Texas

*Dooherty*  
*10-5-60*  
*gh*

Clark & Judge Properties, a partnership comprised of Elizabeth W.  
Clark & John F. Judge, her son. (7/16 interest)  
C I Life Building  
Houston, Texas

Harry J. Kaindl and wife Mary (5/80 interest) (1/42)  
3836 Maplewood St.  
Dallas, Texas

Hugh O. Sears, and wife Florence (5/80 interest)  
2027 Drexel  
Houston, Texas

SW $\frac{1}{4}$  SW $\frac{1}{4}$  Section 27:

B. F. Turner, and wife Lucile (5/120 interest)  
4854 North Lindhurst  
Dallas, Texas

Zesser Nae Koch and husband George C. Koch (5/120 interest)  
5506 Falls Road  
Dallas, Texas

WHEREFORE applicant pray that this application be set for  
hearing at as early a date as possible, and that after notice and  
hearing as required by law, the Commission enter its order force  
pooling the interests in the proposed unit, including royalty  
interests.

Respectfully submitted

CITIES SERVICE OIL COMPANY

By Jason W. Kellahin  
Attorney

Kellahin & Fox  
P. O. Box 1713  
Santa Fe, New Mexico

Attorneys for Applicant

CLASS OF SERVICE  
This is a fast message  
unless its deferred char-  
acter is indicated by the  
proper symbol.

# WESTERN UNION TELEGRAM

SYMBOLS  
DL=Day Letter  
NL=Night Letter  
LT=International  
Letter Telegram

W. P. MARSHALL, PRESIDENT

1220  
(R 11-54)

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt STANDARD TIME at point of destination.

DA171 SSC275

1960 OCT 18 PM 4:46

1 RWA082 LONG PD-ROSWELL NMEX 18 321P MST= 1960 OCT 18 PM 4 05  
NEW MEXICO OIL CONSERVATION COMMISSION=  
STATE CAPITOL BLDG SANTA FE NMEX=

THE UNDERSIGNED MINERAL OWNERS UNDER THE SW1/4SW1/4 OF  
SECTION 27, T. 12 S R37E NMPM OBJECT TO THE REQUEST OF  
CITIES SERVICE IN CASE 2101 AND URGE THE COMMISSION NOT  
TO ENTER ANY ORDER PURPORTING TO FORCE POOL THEIR ROYALTY  
INTERESTS IN THE ABOVE ACREAGE TO FORM ANY 80=ACRE UNIT.  
OUR REASONS FOR OBJECTION ARE: (1) THERE IS NO STATUTORY  
AUTHORITY FOR FORCE POOLING ROYALTY OWNERS (2) ORDER  
NO R=1724 CREATING 80=ACRE PRORATION UNITS IS A TEMPORARY  
ORDER AND UNLESS CAUSE IS SHOWN THE POOL WILL REVERT TO  
STANDARD 40=ACRE PRORATION UNITS ON AUGUST 1 1961 (3) WE  
HAD NO ACTUAL NOTICE OF CASE 2101 IN WHICH TEMPORARY  
80=ACRE PRORATION UNITS WERE AUTHORIZED AND AT THE JULY  
HEARING WE ARE GOING TO APPEAR AND STRONGLY OPPOSE MAKING  
80=ACRE UNITS PERMANENT (4) ORDER NO R=1724 PERMITS THE  
DRILLING OF WELLS ON 40 ACRES DURING THE ONE YEAR PERIOD  
AND THE ATTEMPT OF CITIES SERVICE TO FORCE POOL DURING  
THE ONE YEAR PERIOD IS PURELY A LEASE HOLDING AND  
CONTRACTUAL AVOIDANCE DEVICES (5) UNDER ANY CIRCUMSTANCES  
ANY PURPORTED FORCED POOLING ORDER ISSUED COULD HAVE NO  
EFFECT BEYOND AUGUST 1 1961 AND WOULD HAVE TO BE SO  
LIMITED BY ITS PROVISIONS. UNDER THE CIRCUMSTANCES WE  
STRONGLY URGE THAT THE COMMISSION DENY THE APPLICATION

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

**CLASS OF SERVICE**

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION

## TELEGRAM

W. P. MARSHALL, PRESIDENT

1220  
(R.H. 24)

**SYMBOLS**

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

OF COPIES SERVICE IN CASE 2101. PLEASE MAKE THIS A PART  
OF THE TRANSCRIPT IN CASE 2101  
B F TURNER LUCILLE TURNER, GEORGE C KOCH,  
ZESSER NAE KOCH

SW17ASW17A 27 I 12 S R 37 E NMPM 27 80=ACRE 711 121  
R1724 80=ACRE 40=ACRE 1 151 130 2101 80=ACRE 80=ACRE  
140 R1724 40 151 1 1961 2101 2101

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

# Memo

From

D. S. Nutter  
Chief Engineer

To

OK w/ provision  
that Order is auto-  
matically voided if  
Southwest Gladiola  
Pool reverts to  
40 acre spacing.

CLASS OF SERVICE  
This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS  
DL=Day Letter  
NL=Night Letter  
LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is shown in the date line at point of destination.

LA172 SSM257

Q RWA083 IDNG PD=ROSWELL MEX 18 322P MST=  
NEW MEXICO OIL CONSERVATION COMMISSION=  
STATE CAPITOL BLDG SANTA FE NMEX=

THE UNDERSIGNED MINERAL OWNERS UNDER THE SE1/4SW1/4 OF SECTION 27 T 12 S R37E NMPM OBJECT TO THE REQUEST OF CITTES SERVICE (IN CASE 2101 AND URGE THE COMMISSION NOT TO ENTER ANY ORDER PURPORTING TO FORCE POOL THEIR ROYALTY INTERESTS IN THE ABOVE ACREAGE TO FORM ANY 80=ACRE UNIT. OUR REASONS FOR OBJECTION ARE (1) THERE IS NO STATUTORY AUTHORITY FOR FORCE POOLING ROYALTY OWNERS (2) ORDER NO R=1724 CREATING 80=ACRE PRORATION UNITS IS A TEMPORARY ORDER AND UNLESS CAUSE IS SHOWN THE POOL WILL REVERT TO STANDARD 40=ACRE PRORATION UNITS ON AUGUST 1 1961 (3) WE HAD NO ACTUAL NOTICE OF CASE 2101 IN WHICH TEMPORARY 80=ACRE PRORATION UNITS WERE AUTHORIZED AND AT THE JULY HEARING WE ARE GOING TO APPEAR AND STRONGLY OPPOSE MAKING 80=ACRE UNITS PERMANENT (4) ORDER NO R=1724 PERMITS THE DRILLING OF WELLS ON 40 ACRES DURING THE ONE YEAR PERIOD AND THE ATTEMPT OF CITTES SERVICE TO FORCE POOL DURING THE ONE YEAR PERIOD IS PURELY A LEASE HOLDING AND CONTRACTUAL AVOIDANCE DEVICE (5) UNDER ANY CIRCUMSTANCES ANY PURPORTED FORCED POOLING ORDER ISSUED COULD HAVE NO EFFECT BEYOND AUGUST 1 1961 AND WOULD HAVE TO BE LIMITED BY ITS PROVISIONS. UNDER THE CIRCUMSTANCES WE STRONGLY URGE THAT THE COMMISSION DENY

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE



**CLASS OF SERVICE**  
This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1220  
(R 11-54)

**SYMBOLS**  
DL=Day Letter  
NL=Night Letter  
LT=International Letter Telegram

The filing time shown to the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

THE APPLICATION OF THIS SERVICE IN CASE 2101. PLEASE  
MAKE THIS A PART OF THE TRANSCRIPT IN CASE 2101.

B F TURNER, LUCILE TURNER, HUGH O SEARS, FLORENCE  
SEAR, HARRY J KAMNDL, MARY KAMNDL, CLARK & JUDGE  
PROPERTIES, A CO-PARTNERSHIP COMPOSED OF ELIZABETH  
WYMOND CLARK AND JOHN F JUDGE.

SE 1/25/174 27 12 S R37E NMPM 2101 80 (11) (21) R=1724  
80 40 1 1961 (31) 2101 80 80 (41) R=1724 40 (51) 1 1961  
2101 2101.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DOCKET: EXAMINER HEARING, WEDNESDAY, OCTOBER 19, 1960

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, Attorney, as Alternate Examiner:

CASE 2099:

Application of Continental Oil Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the Eunice Pool production from all wells presently completed or hereafter drilled on the Meyer B-4 Lease consisting of the E/2 and the E/2 W/2 of Section 4, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 2100:

Application of Continental Oil Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the Maljamar Paddock Pool production from all wells presently completed or hereafter drilled on the William Mitchell "A" Lease consisting of the N/2 of Sections 19 and 20, Township 17 South, Range 32 East, Lea County, New Mexico.

CASE 2101:

Application of Cities Service Oil Company for an order force-pooling all mineral interests in a standard 80-acre oil production unit. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests within the vertical limits of the Southwest Gladiola-Devonian Pool in a standard 80-acre unit consisting of the S/2 SW/4 of Section 27, Township 12 South, Range 37 East, Lea County, New Mexico. The non-consenting royalty owners include B. F. Turner and wife, George C. Koch and wife, Hugh O. Sears and wife, Harry J. Kaindl and wife, and Clark and Judge Properties, a partnership.

CASE 2102:

Application of Amerada Petroleum Corporation for permission to commingle the production from several separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry, Drinkard, and Fusselman production from all wells on its Ida Wimberley lease comprising portions of Sections 24, 25 and 26, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

- CASE 2103: Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Vinson-Ramsay "B" Well No. 6, located in Unit K, Section 36, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinebry Pool and the production of oil from an undesignated Tubb Pool through parallel strings of 1½ inch tubing.
- CASE 2104: Application of Shell Oil Company for permission to commingle the production from separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Drinkard Pool and Tubb Pool production from all wells located in Section 4, Township 22 South, Range 37 East, Lea County, New Mexico, after separately metering the production from the Tubb Pool only.
- CASE 2105: Application of Shell Oil Company for permission to commingle the production from two separate pools from several separate leases and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Eunice and Eumont Pool production from all wells on four leases in Section 1, Township 21 South, Range 36 East, and Section 6, Township 21 South, Range 36 East, Lea County, New Mexico. Applicant further seeks authorization to install an automatic custody transfer system to handle said commingled production.
- CASE 2106: Application of Texaco Inc. for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the State "BH" Well No. 3, located in Unit E, Section 11, Township 12 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Wolfcamp Pool and the production of oil from an undesignated Pennsylvanian Pool through parallel strings of tubing.
- CASE 2107: Application of Pan American Petroleum Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Denton (Devonian) and Denton (Wolfcamp) Pool production from two wells on the W. H. Fort "A" lease comprising the E/2 of Section 25, Township 14 South, Range 37 East, Lea County, New Mexico, without separately metering the production from each pool.

CASE 2108: Application of Chambers and Kennedy for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Sinclair State Well No. 1 to be located in an undesignated Abo pool at a point 990 feet from the South line and 200 feet from the West line of Section 35, Township 17 South, Range 28 East, Eddy County, New Mexico.

CASE 2109: Application of Jack S. Reaves for the establishment of a 52-acre non-standard oil proration unit. Applicant, in the above-styled cause, seeks an order establishing a 52-acre non-standard Delaware oil proration unit consisting of lots 3 and 4 of Section 36, Township 26 South, Range 28 East, Eddy County, New Mexico.

CASE 2110: Application of Chambers and Kennedy for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Monterey State Well No. 3, located 660 feet from the North line and 1650 feet from the West line of Section 32, Township 18 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from an undesignated Yates oil pool and the production of oil from the North Shugart-Queen Grayburg Pool through parallel strings of 2-inch tubing.

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

October 24, 1960

Mr. Jason Kellahin  
Kellahin & Fox  
Box 1713  
Santa Fe, New Mexico

Re: Case No. 2101  
Order No. R-1801  
Applicant:  
Cities Service 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 x  
Artesia OCC         
Aztec OCC       

Other Mr. Howard Bratton

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. 2101  
Order No. R-1801

APPLICATION OF CITIES SERVICE OIL  
COMPANY FOR AN ORDER FORCE-POOLING  
ALL MINERAL INTERESTS IN AN 80-ACRE  
OIL PROBATION UNIT IN THE SOUTHWEST  
GLADIOLA-DEVONIAN 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 October 19, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 24th day of October, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Cities Service Oil Company, is the owner and operator of the SE/4 SW/4 of Section 27, Township 12 South, Range 37 East, NMPM, Lea County, New Mexico, and that Max Pray, et al., is the owner and operator of the SW/4 SW/4 of said Section 27.

(3) That the applicant proposes to dedicate the S/2 SW/4 of said Section 27 to a well to be drilled in a standard location in the SE/4 SW/4 thereof.

(4) That a communitization agreement covering the above-described 80-acre unit has been executed, ratified, or consented to by the applicant and Max Pray, and has been submitted to all other mineral interest owners in the S/2 SW/4 of said Section 27.

-2-

CASE No. 2101  
Order No. R-1801

(5) That inasmuch as the applicant, after diligent effort, has been unable to secure the consent of all mineral interest owners, it seeks an order force-pooling all mineral interests within the vertical limits of the Southwest Gladiola-Devonian Pool in the said standard 80-acre unit.

(6) That denial of the subject application would deprive, or tend to deprive the mineral interest owners in the said 80-acre tract of the opportunity to recover their just and equitable share of the crude petroleum oil or natural gas, or both, in the Southwest Gladiola-Devonian Pool.

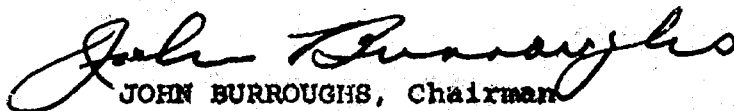
IT IS THEREFORE ORDERED:

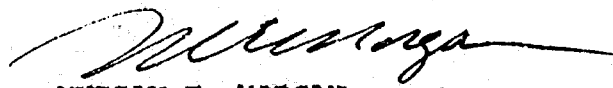
That the interests of all persons having the right to drill for, produce, or share in the production of liquid hydrocarbons from the Southwest Gladiola-Devonian Pool underlying the S/2 SW/4 of Section 27, Township 12 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same are hereby force-pooled to form an 80-acre oil proration unit comprising all of said acreage, which unit shall be dedicated to a well to be located at a standard location in the SE/4 SW/4 of said Section 27.


PROVIDED HOWEVER, That this order shall automatically terminate if and when the Southwest Gladiola-Devonian Pool reverts to 40-acre oil proration units.

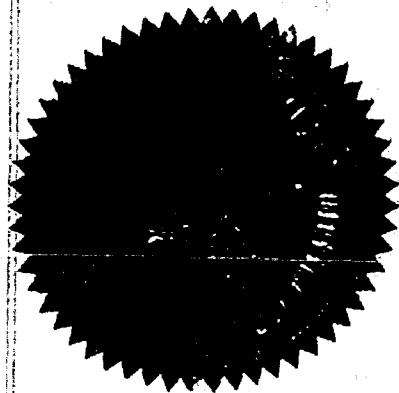
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JOHN BURROUGHS, Chairman

  
MURRAY E. MORGAN, Member

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



esr/

BEFORE THE  
OIL CONSERVATION COMMISSION  
MABRY HALL  
Santa Fe, New Mexico  
October 19, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Cities Service Oil Company for an order force-pooling all mineral interests in a standard 80-acre oil proration unit. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests within the vertical limits of the Southwest Gladiola-Devonian Pool in a standard 80-acre unit consisting of the S/2 SW/4 of Section 27, Township 12 South, Range 37 East, Lea County, New Mexico. The non-consenting royalty owners include B. F. Turner and wife, George C. Koch and wife, Hugh O. Sears and wife, Harry J. Kaindl and wife, and Clark and Judge Properties, a partnership.

Case 2101

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. MORRIS: Application of Cities Service Oil Company for an order force-pooling all mineral interests in a standard 80-acre oil proration unit.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, representing the applicant. We will have one witness, Mr. Emmett Williams.

(Witness sworn.)

EMMETT WILLIAMS

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please.





A Emmett Williams.

Q By whom are you employed and what position, Mr. Williams?

A Cities Service Oil Company, as District Land Man.

Q How long have you held the position of District Land man?

A Since 1951

Q Where are you located at the present time?

A Roswell.

Q Are you familiar with the application in Case No. 2101 now before the Commission?

A Yes, sir.

Q Would you just briefly state what is proposed in this application.

A We propose to drill a Devonian test in the southwest Gladiola-Devonian Pool, to be located in the Southeast Quarter Southwest Quarter of Section 27, Township 12 South, Range 37 East. We want to unitize this with the Southwest Southwest to make an 80-acre spacing unit as authorized by the Commission and in order number R-1724. We have some mineral owners.

Q Before we get to that, what is the working interest, working ownership on this proposed unit, Mr. Williams?

A Cities Service Oil Company is the working interest owner of the Southeast Southwest and Max Pray and others have the working interest on the Southwest Southwest.

Q Has the working interest been pooled?

A Yes, sir; we have agreed on a pooling for the working interest.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-5691

ALBUQUERQUE, NEW MEXICO

Q In the application before the Commission, you are not asking for force-pooling as to the working interest, is that correct?

A That is correct.

Q Now, what is the situation as to the mineral royalty interest?

A We have 5 mineral owners who have refused to sign the pooling agreement. Some 7 or 8 have already signed the pooling agreement.

Q Does that affect both quarter sections?

A Yes, sir.

Q In other words, you have royalty owners in the Southwest of the Southwest of Section 27 you have not signed.

A That is correct.

Q Who are they?

A George C. Koch and wife and B. F. Turner and wife.

Q You also have royalty owners who have not signed as to the Southeast Quarter of the Southwest Quarter, is that correct?

A That is correct.

Q What royalty owners are those?

A That is B. F. Turner, Clark and Judge Properties, Hugh O. Sears and Harry J. Kaindl.

Q What does the ownership amount to on these interests?

A On the Southeast of the Southwest, the four parties mentioned are all of the mineral owners.

Q That would be 1/8?

A That is right.

Q As to the Southwest Southwest, what does that amount to?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A The unsigned interest amount to 1/12 of 1/8.

Q Was any effort made to secure the signatures of these unsigned owners?

A Yes, sir.

Q Would you describe what was done in that capacity.

A Mr. Paul Lobinhiem, of Ft. Worth, represented us in contacting all of these mineral owners and he did get the signature of a good many of them. The ones mentioned refused to sign the pooling agreement.

Q Now, was a pooling agreement presented to them for signatures?

A Yes, sir.

Q On what basis would the reason have been under that pooling agreement as to accounting on an acreage basis or do you know?

A I am sure it would be an acreage basis.

Q Do you know what objection they raised to the pooling of this tract?

A I think their objection was due to the fact that this case is due to be reviewed again in next July by the Commission as to 40 or 80-acre spacing and they preferred not to sign the pooling agreement at this time.

Q Was a second pooling agreement presented to them which would reserve their right to object to the spacing in this pooling?

A Yes, sir; it was. We added another page to the agreement which provided for that and they refused also to sign that



agreement.

Q Now, is the unit which you are proposing here a standard unit under the present pool rules, under the temporary order?

A It is.

Q The well location you propose, at which you propose to drill a standard location is under the rules.

A Yes, sir.

Q Do you have anything you would like to add to your testimony, Mr. Williams?

A No, I don't think so.

MR. KELLAHIN: That is all I have.

MR. NUTTER: Any questions of Mr. Williams?

(No response.)

CROSS EXAMINATION

BY MR. NUTTER:

Q At the outset of your testimony, you stated that inasmuch as the working interest owners had agreed to pool their interest here that you weren't seeking an order pooling anything but the royalty interests, actually in effect what you are seeking, is it not, is an order pooling all of the interest including royalties.

MR. KELLAHIN: I think I should answer that. That is correct, Mr. Nutter.

Q (By Mr. Nutter) That is the application.

MR. KELLAHIN: That is the application, the working interest owners have agreed, however.

MR. NUTTER: But you are seeking to pool all of it in this



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6601

80 acres.

MR. KELLAHIN: That is correct.

Q (By Mr. Nutter) Does the last page which you added to the agreement provide this in essence, Mr. Williams.

A Would you like for me to read that?

Q No, sir; just briefly tell us what it states.

A It provided what the signers reserve the right to present their contentions at the regular hearing of this Commission in July of '61, in Case 2012, and they reserve a right to urge at such hearing that the 80-acre spacing is not a proper spacing at that time if they so desire.

Q If this provides them with the opportunities of not agreeing to the 80-acre spacing by signing the communitization agreement, by signing it with the reservation they would oppose it in July.

A That is correct.

Q And Cities Service would understand if the Commission would enter an order force-pooling the 80 acres, that order would be negated or nullified at the time the pool reverted to 40 acre spacing, if it should.

A Yes, sir.

Q Now, the well is to be in the Southeast of the Southwest of 27. I understand that all of the royalty owners under that 40 have refused to sign the agreement.

A That is correct, there are 4 of them.

Q You would add the Southwest of the Southwest to that and 1/12 of 1/8 of the total interest in that Section has



refused, of the 40 has refused to sign.

A That is correct. We have 11/12 signed in that 40.

MR. NUTTER: Any other questions of Mr. Williams?

(No response.)

MR. NUTTER: You may be excused.

MR. NUTTER: Do you have anything further?

MR. KELLAHIN: That is all.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2101?

MR. MORRIS: Yes, sir. The Commission has received telegrams from the non-consenting interest owners which I should like to read into the record at this time. "The undersigned mineral owners under the Southwest Quarter Southwest Quarter of Section 27, Township 12 South, Range 37 East, NMPM object to the request of Cities Service in Case 2101 and urge the Commission not to enter any order purporting to force-pool their royalty interest in the above acreage to form any 80-acre unit. Our reasons for objection are: (1) There is no statutory authority for force-pooling royalty owners. (2) Order number R-1724 creating 80-acre proration units is a temporary order and unless cause is shown the pool will revert to standard 40-acre proration units in August 1, 1961. (3) We had no actual notice of Case 2101 in which temporary 80-acre proration units were authorized and at the July hearing we are going to appear and strongly oppose making 80-acre units permanent. (4) Order Number R-1924 permits the drilling of wells on 80 acres during the one year period and the attempt of Cities Service to force-pool during the one year period is purely a



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

least holding and contractual avoidance device. (5) Under any circumstances any purported force-pooling order issued would have no effect beyond August 1, 1961 and would have to be so limited by its provisions. Under the circumstances we strongly urge that the Commission deny the application of Cities Service in Case 2101. Please make this a part of the transcript in case 2101. B. F. Turner, Lucille Turner, George C. Koch, Sesser Mae Koch." Then the other application is verbatim with the exception it's the Southeast Quarter Southwest Quarter of Township 27, 12 South, Range 37 East NMPM 2101. Signed by B. F. Turner, Lucille Turner, Hugh O. Sear, Florence Sear, Harry J. Kaindl, Mary Kaindl, Clark and Judge Properties, a co-partnership composed of Elizabeth Wymond, Clark and Judge Properties.

MR. NUTTER: Do you have anything further, Mr. Morris?

MR. MORRIS: No, sir.

MR. NUTTER: If there is nothing further in Case 2101 --

MR. KELLAHIN: I would like to make a comment. We have no objection of course to the inclusion of the testimony in the record for whatever it may be worth, but several questions have been raised here which I think should be commented on. First, they raised the question of statutory authority of the Commission to force-pool royalty interests. As the Commission Examiner knows, the Commission has in the past concisely interpreted present statutes as investigating that authority and the Commission has entered force-pooling royalty interests, we contend they do have that authority. As to the temporary nature of the spacing order, I think that was brought out in the hearing



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CR 3-6891

ALBUQUERQUE, NEW MEXICO

and Cities Service realizes that the pool could revert to 40 acres and would certainly have no objection as to limiting this pooling order to coincide with any order entered by the Commission in the future. I do not agree, however, that the order would automatically terminate at the end of the one year period. I submit that the Commission can enter an order force-pooling an 80-acre tract subject to any future spacing order entered by the Commission and in the event it remains on 80-acres, the force-pooling order would remain in effect. As to the lack of notice, on the prior hearing I think that they had notice as required by law and that is not a contention which could be properly raised at this time.

MR. NUTTER: Anything further?

MR. KELLAHIN: That is all, sir.

MR. NUTTER: Does anyone have anything further?

(No response.)

MR. NUTTER: We will take the case under advisement and call 2102.

\*\*\*





I N D E X

WITNESSES

PAGE

EMMETT WILLIAMS

Direct Examination by Mr. Kellahin

1

Cross Examination by Mr. Nutter

5

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO }  
COUNTY OF BERNALILLO } ss

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 1st day of November, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lewellyn J. 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. 2101,  
heard by me on 10/17, 1960.

Arthur, Examiner  
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DRAFT

RSM/esr  
October 19

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. 2101  
Order No. R-1801

APPLICATION OF CITIES SERVICE OIL  
COMPANY FOR AN ORDER FORCE-POOLING  
ALL MINERAL INTERESTS IN AN 80-ACRE  
OIL PRORATION UNIT IN THE SOUTHWEST  
GLADIOLA-DEVONIAN 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  
October 19, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter,  
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 \_\_\_\_\_ day of October, 1960, the Commission,  
a quorum being present, having considered the application, the  
evidence adduced, and the recommendations of the Examiner, Daniel S.  
Nutter, 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, Cities Service Oil Company, is the  
owner and operator of the SE/4 SW/4 of Section 27, Township 12  
South, Range 37 East, NMPM, Lea County, New Mexico, and that  
Max Pray, <sup>et al</sup> is the owner and operator of the SW/4 SW/4 of said  
Section 27.

(3) That the applicant proposes to dedicate the S/2 SW/4  
of said Section 27 to a well to be drilled in a standard location  
in the SE/4 SW/4 thereof.

(4) That a communitization agreement covering the above-  
described 80-acre unit has been executed, ratified, or consented  
to by the applicant and Max Pray, and has been submitted to all  
other mineral interest owners in the S/2 SW/4 of said Section 27.

(5) That inasmuch as the applicant, after diligent effort, has been unable to secure the consent of all mineral interest owners, it seeks an order force-pooling all mineral interests within the vertical limits of the Southwest Gladiola-Devonian Pool in the said standard 80-acre unit.

(6) That denial of the subject application would deprive, or tend to deprive the mineral interest owners in the said 80-acre tract of the opportunity to recover their just and equitable share of the crude petroleum oil or natural gas, or both, in the Southwest Gladiola-Devonian Pool.

IT IS THEREFORE ORDERED:

That the interests of all persons having the right to drill for, produce, or share in the production of liquid hydrocarbons from the Southwest Gladiola-Devonian Pool underlying the S/2 SW/4 of Section 27, Township 12 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same are hereby force-pooled to form an 80-acre oil proration unit comprising all of said acreage, which unit shall be dedicated to a well to be located at a standard location in the SE/4 SW/4 of said Section 27.

PROVIDED HOWEVER, That this order shall automatically terminate if and when the Southwest Gladiola-Devonian Pool reverts to 40-acre oil proration units.

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