CASE 2450: Application of TEXACO for exception to Rule 309-A to permit prod. from State "AB" lease.

2450

shotion, Transcript,

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. 2450 Order No. R-2145

APPLICATION OF TEXACO INC. FOR AN EXCEPTION TO RULE 309-A, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 11, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereimafter referred to as the 'Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of December, 1961, 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, Texaco Inc., is the owner and operator of the State "AB" Lease, comprising the SZ/4 of Section 6, Township 18 South, Range 35 Mast, NMPM, Lea County, New Mexico, and the State "R" (NCT-1) Lease, comprising in pertinent part the NE/4 of said Section 6.
- (3) That the applicant seeks permission to transport, prior to measurement, the Abo production from the above-described State "AB" Lease to a tank bettery on the above-described State "R" (MCT-1) Lease.
- (4) That commingling of production from the two leases will not result, and there will be no intercommunication of the batteries designated to each lease.
- (5) That the location of the proposed battery will not result in waste nor will it impair correlative rights.

-2-CASE No. 2450 Order No. R-2145

IT IS THEREFORE ORDERED:

- (1) That the applicant, Texaco Inc., is hereby authorized to transport, prior to measurement, the Abo production from its State "AB" Lease to a tank battery on its State "R" (NCT-1) Lease, both leases being located in the E/2 of Section 6, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.
- (2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO OIL COMSERVATION COMMISSION

BONTH L. MECHEM, Chairman

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

QST/

EDWIN L. MECHEM

State of New Mexico Oil Conservation Commission

LAND COMMISSIONER E. S. JOHNNY WALKER MEMBER



STATE GEOLOGIST

A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871

December 21, 1961

	Re:	CASE NO	2450	
Mr. Summer S. Koch Gilbert, White & Gilbert Bishop Building		ORDER NO	R-2145	
Santa Fe, New Mexico		Texaco Inc	7	

Dear Sir:

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

A. L. PORTER, Jr.
secretary-Director

Carbon copy of order also sent to:

Hobbs OCC_______
Artesia OCC______
Aztec OCC______
OTHER____

DOCKET: EXAMINER HEARING - MONDAY - DECEMBER 11, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

CASE 2447: (Continued)

Application of Humble Oil & Refining Company for approval of a pressure maintenance project in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project in the Cha Cha-Gallup Oil Pool by the injection of water into certain wells located on the Navajo Indian Reservation in Sections 13 through 29 and 33 through 36, Township 29 North, Range 14 West, San Juan, New Mexico. Applicant further seeks the promulgation of special rules and regulations governing said project.

CASE 2429: (Continued)

Application of Standard Oil Company of Texas for approval of the Jurnegan Point Unit Agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Jurnegan Point Unit Agreement embracing 10,240.84 acres, more or less, of State and fee lands in Township 24 South, Ranges 24 and 25 East, Eddy County, New Mexico.

CASE 2450:

Application of Texaco Inc. for an exception to Rule 309-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 309-A to permit the Abo production from its State "AB" Lease, located in Section 6, Township 18 South, Range 35 East, Lea County, New Mexico, to be transported prior to measurement on said lease to applicant's State "R" (NCT-1) Lease, located in said Section 6.

CASE 2462:

Application of Texaco Inc. for three triple completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the triple completion of its V. M. Henderson Well Nos. 7, 8 and 9, located in Units F, E, and G, respectively, Section 30, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of oil from each well from the Penrose-Skelly, Paddock, and Drinkard Pools through parallel strings of 2 3/8-inch tubing cemented in common well hores.

CASE 2451:

Application of The Ohio Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Lea Unit Well No. 6, located in Unit J of Section 11, Township 20 South, Range 34 East, Lea County, New Mexico. as a dual completion (conventional) adjacent to the Lea-Pennsylvanian Gas and Lea-Devonian Pools, with the production of gas from the Pennsylvanian formation and the production of oil from the Devonian formation through parallel strings of 2 3/8-inch tubing.

CASE 2452:

Application of Southwest Production Company for an order pooling all mineral interests in the Basin-Dakota Gas Pool in the W/2 of Section 7, Township 30 North, Range 11 West, San Juan County, New Mexico. Interested parties include Maleta Y. Brimhall, Phoenix, Arizona, and Barbara Brimhall Burnham, Aztec, New Mexico.

CASE 2453:

Application of Southwest Production Company for an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 7, Township 3C North, Range 11 West, San Juan County, New Mexico. Interested parties include Harold Marion Brimhall and his wife, Maleta Y. Brimhall, both of Phoenix, Arizona.

CASE 2454:

Application of Socony Mobil Oil Company, Inc., for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303 (a) to permit the commingling of the production from the Denton-Devonian and the Denton-Wolfcamp Pools on its T. D. Pope lease, comprising the S/2 of Section 26 and the W/2 of Section 36, Township 14 South, Range 37 East, Lea County, New Mexico. Applicant proposes to meter the production from one pool only and to allocate production to the other pool according to the subtraction method; the API gravity of the crude from one of the pools is greater than 45°.

CASE 2455:

Application of Hondo Oil & Gas Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Empire Abo Pool 660 feet from the East line and 2590 feet from the North line of Section 25, Township 17 South, Range 28 East, Eddy County, New Mexico.

-3-

Docket No. 33-61

CASE 2131: (Reopened)

In the matter of the application of Robinson Brothers Oil Producers for the establishment of 320-acre gas proration units in the TV-Pennsylvanian Gas Pool, Chaves County, New Mexico. Case 2131 will be reopened pursuant to Order No. R-1839 to permit the applicant and other interested parties to appear and show cause why the TV-Pennsylvanian Gas Pool should not be developed on 160-acre proration units.

CASE 2456:

Application of Great Western Drilling Company for a unit agreement and for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Malmar Unit Agreement, covering 1,360 acres, more or less, in Township 17 South, Ranges 32 and 33 East, Lea County, New Mexico. Applicant further seeks authority to institute a waterflood project in the Maljamar (Grayburg-San Andres) Pool by the injection of water into the Grayburg-San Andres formation initially through six wells located in Sections 7 and 18, Township 17 South, Range 33 East, and in Sections 12 and 13, Township 17 South, Range 32 East, Lea County, New Mexico, said project to be governed by the provisions of Rule 701.

CASE 2457:

Application of Murphy H. Baxter for a waterflood project in the Maljamar (Grayburg-San Andres) Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Maljamar (Grayburg-San Andres) Pool in Section 13, Township 17 South, Range 32 East and Sections 17 and 18, Township 17 South, Range 33 East, Lea County, New Mexico, with the injection of water initially to be through four wells located in Section 18, Township 17 South, Range 33 East; said project is to be governed by Rule 701.

CASE 2458:

Application of Zapata Petroleum Corporation for a waterflood project in the Maljamar (Grayburg-San Andres) Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Maljamar (Grayburg-San Andres) Pool in Sections 17 and 20, Township 17 South, Range 33 East, Lea County, New Mexico, with the injection of water initially to be through three wells located in said Sections 17 and 20; said project is to be governed by Rule 701.

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

November 17, 1961

Texaco Inc. P. O. Box 728 Hobbs, New Mexico

Attention: Mr. W. B. Hubbard, District Superintendent

Gentlemen:

Reference is made to your application dated November 8, 1961, for administrative permission to store the Abo production from Texaco's State "AB" Lease in storage facilities located on your State "R" (NCT-1) Lease, both leases being located in Section 6, Township 18 South, Range 35 East, Lea County, New Mexico.

In view of the fact that Rule 309 of the Commission Rules and Regulations provides a procedure for administrative approval of lease commingling facilities only, your application for off-lease storage, without commingling being involved, is being set for hearing on December 11, 1961, before one of the Commission's examiners.

A copy of your application is being furnished Mr. Joe Ramey, District Supervisor of the Commission's Hobbs office, so that he may grant temporary approval until such time as the matter can be handled at hearing.

Please advise in the event the date for which this matter is being set for hearing is not suitable to you, or if I can be of any further assistance to you.

Very truly yours,

J. E. WHITFIELD Logal Assistant

JEM/esz

cc: Mr. Joe Ramey, District Supervisor Oil Conservation Commission Hobbs, New Mexico

TEXACO E THE CO.

PETROLEUM PRODUCTS



P. O. Box 728 Hobbs, New Mexico

DOMESTIC PRODUCING DEPARTMENT MIDLAND DIVISION

November δ , 1961

APPLICATION OF TEXACO INC. FOR EXCEPTION TO STATEWIDE RULE 309 (a)

State of New Mexico "AB" Lease - State

State of New Mexico "R"

Ld. #B1031, State of New Mexico "R"

NOTE: 1 10222 - State Ld. #B1306 Lea NCT-1 Lease - State Ld. #B1306, Lea County, New Mexico

A. L. Porter, Jr., Secretary and Director New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

TEXACO Inc. hereby requests administrative approval for excep-TEXACO Inc. hereby requests administrative approval for exception to statewide rule 309 (a) permitting the movement of Abo production, tease to available measurement, from Texaco's State "AB" Lease to available measurement, from Texaco's About Texaco's adjacent State "AB" Lease to available measurement, from Texaco's About Texaco's Dear Sir: "B" NCT Lease in Section 6, Township 10 south, Range 55 east, Least in Section 6, Township 10 south, Range 55 east, Least in Section 6, Township 10 south, Range 55 east, Least 1961.

County, New Mexico. TEXACO Inc.'s Abo production was recently established recently established 1961.

With the completion of State of New Mexico anticipated on Texaco's State of New Mexico additional Abo development is anticipated on Texaco's State of New Mexico. With the completion of State of New Mexico "AB" Well No. 2 October 25, 1901 Additional Abo development is anticipated on Texaco's State of New Mexico Leases "AB", "R" NCT-1 and adjacent leases.

This request is made since separate measuring, treating and This request is made since separate measuring, treating and storage facilities are presently available on the "R" lease that can be storage facilities are presently available on the gradient the cost of the solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, thus eliminating and the used solely to handle only Abo production, thus eliminating and the used solely to handle only Abo production, thus eliminating and the used solely to handle only Abo production, thus eliminating and the used solely to handle only Abo production, thus eliminating and the used solely to handle only Abo production, thus eliminating and the used solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, thus eliminating the cost of used solely to handle only Abo production, the cost of used solely t pipeline connection are not connected in any manner to similar adjacent facilities now handling San Andres production from the two subject leases. Tactitues now nanging san andres production from the two subject lease the San Andres production and the Abo production will not be commingled and could not be commingled since the two facilities are not connected The San Andres production and the Abo production will not be commingled and could not be commingled since the two facilities are not connected.

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A. L. Porter, Jr., Secretary and Director

- 2 -

November 8, 1961

The attached plat shows the location of the two 160 acre leases comprising the east half of Section 6, the location of the available tank battery and well locations.

Since this request involves State of New Mexico land, a letter identical to this one is being sent to Mr. Ted Bilberry of the State Land Office to obtain their approval. We requested that the State Land Office send you a copy of their approval.

Yours very truly,

W. B. Hubbard

District Superintendent

CLW-MSV ERF.Jr.

Attachment

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P. O. Box 728 Hobbs, New Mexico

November 8, 1961

APPLICATION OF TEXACO INC. FOR EXCEPTION TO STATEWIDE RULE 309 (a) State of New Mexico "AB" Lease - State Ld. #81031, State of New Mexico "R" NCT-1 Lease - State Ld. #81305, Lea County, New Mexico

A. L. Porter, Jr., Secretary and Director New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Dear Sir:

TEXACO Inc. hereby requests administrative approval for exception to statewide rule 309 (a) permitting the movement of Abo production, before measurement, from Texaco's State "AB" Lease to available measuring, treating and storage facilities located on Texaco's adjacent State "R" NCT-1 Lease in Section 6, Township 18 south, Range 35 east, Leacounty, New Mexico. TEXACO Inc.'s Abo production was recently established with the completion of State of New Mexico "AB" Well No. 2 October 25, 1961. Additional Abo development is anticipated on Texaco's State of New Mexico Leases "AB", "R" NCT-1 and adjacent leases.

This request is made since separate measuring, treating and storage facilities are presently available on the "R" lease that can be used solely to handle only Abo production, thus eliminating the cost of installing additional facilities. These existing facilities and the pipeline connection are not connected in any manner to similar adjacent facilities now handling San Andres production from the two subject leases. The San Andres production and the Abo production will not be commingled and could not be commingled since the two facilities are not connected.

Texaco's one Abo well, State of New Mexico "AB" No. 2, is located on the edge of Texaco's lease holdings. Additional development is expected on other nearby leases in the near future at which time a central tank battery and facilities for commingling Abo production from various leases would be desirable. Until then it would be expedient and economical to use already existing facilities.

The attached plat shows the location of the two 160 acre leases comprising the east half of Section 6, the location of the available tank battery and well locations.

Since this request involves State of New Mexico land, a letter identical to this one is being sent to Mr. Ted Bilberry of the State Land Office to obtain their approval. We requested that the State Land Office send you a copy of their approval.

Yours very truly,

W. B. Hubbard

District Superintendent

CLW-MSV ERF, Jr.

Attachment

APPLICATION OF TEXACO INC. FOR EXCEPTION TO SYMMETIDE RULE 309 (a) State of New Mexico C AB Lease - State La. #BIO31 State Of New Mexico C AB Lease - State La. #BIO31 State Of New Mexico C AB Lease - State La. #BIO31 State Of New Mexico C AB Leas	ACULAN Series Part Part Part Part Part Part Part Part	· .		2	المراجع والمراجع المراجع المرا	a classa tyogiagintingsing	Fissoline IPA They CO	1 Clehilligs Shall	1 1990 - 22 2000	5.5 23 KBG (S)
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When 2450

November 14, 1961

Texaco, Inc. P. O. Box 728 Hobbs, New Mexico

Attention: Mr. W. B. Hubbard.

Dear Mr. Hubbard:

Your request to transport the production from your State "AB" Lease to available measuring, treating and storage facilities located on your State "R" NCT-1 Lease in Section 6, T. 18 S., R. 35 E., Lea County, New Mexico, is hereby granted.

We make no objection to your proposed operation, since both leases cover acreage belonging to the common schools of New Mexico and there would seem to be no changes in the specific gravity of the products from the Abo zone.

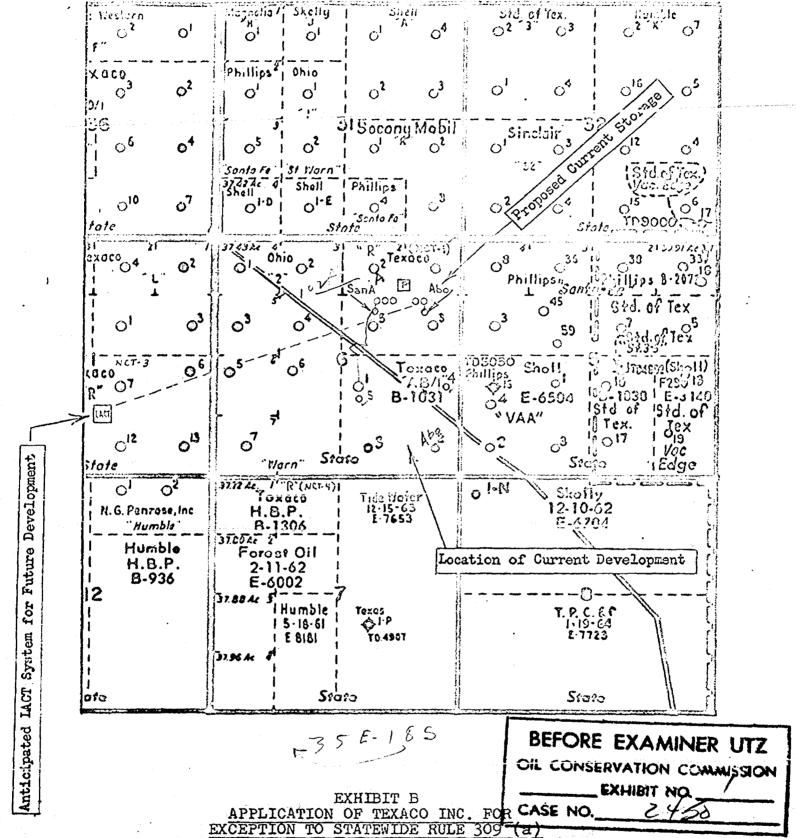
Yours very truly,

E. S. JOHNNY WALKER Commissioner of Public Lands

By: Ted Bilberry, Subarvisor Oil and Gas Division

ESW:TB:eq

cc: Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 871
Santa Pe, New Mexico



State of New Mexico "AB" Lease - State Ld. #B1031 State of New Mexico "R" NCT-1 Lease - State Ld. #B1306 Lea County, New Mexico December 7, 1961

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BEFORE THE OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO December 11, 1961

IN THE MATTER OF:

Application of Texaco Inc. for an exception to Rule 309-A, Lea County, New Mexico. Applicant, in the above-styled) cause, seeks an exception to Rule 309-A to permit the Abo production from its State "AB" Lease, located in Section 6, Township 18 South, Range 35 East, Lea County, New Mexico, to be transported prior to measurement on said lease to applicant's State "R" (NCT-1) Lease, located in said Section 6.

Case 2450

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2450.

MR. WHITFIELD: Application of Texaco Inc. for an exception to Rule 309-A, Lea County, New Mexico.

MR. KOCH: Appearing on behalf of the applicant, Sumner S. Koch, of Gilbert, White and Gilbert, Santa Fe. We have one witness, Mr. Black.

MR. UTZ: Are there other appearances? You may proceed.

(Witness sworn)

DEARNLEY-MEIER REPORTING SERVICE, Inc.

DIRECT EXAMINATION

BY MR. KOCH

- Q Will you state your full name and address, please?
- A I am C. R. Black, I am employed by Texaco, Inc., as a petroleum engineer out of Midland, Texas.
 - Q Have you previously been qualified by the Commission?
 - A Yes, I have.
 - Q As a petroleum engineer?
 - A Yes, sir, I have.
 - Q And your qualifications have been accepted?
 - A They have.
- Q Are you familiar with the application which Texaco makes in Case Number 2450?
 - A Yes, sir, I am.
- Q Would you advise the Examiner, please, what Texaco seeks by its application?
- A This is the application of Texaco, Inc. for an exception to Rule 309-A to allow Texaco to transport Abo production from our State of New Mexico "AB" Lease to existing storage facilities on our State of New Mexico "R" (NCT-1) Lease prior to measurement.
- Q Has the appropriate state agency been notified of this application?
 - A Yes, sir, we have. We have notified the Commissioner



of Public Lands since this does involve state land; and by letter dated November 14, 1961, of which a copy was sent to the Commission, attention Mr. A. L. Porter, Jr., they do approve our application and state that they have no objection since both of these leases are common school lands for the state of New Mexico. We have also received a temporary approval pending the outcome of this hearing from the Conservation District Office in Hobbs.

MR. KOCH: May I ask, Mr. Examiner, does the Commission file contain a duplicate copy of that letter from the State Land Office?

MR. UTZ: Yes, sir, it does.

(Whereupon, Applicant's Exhibit 1 was marked for identification.)

(By Mr. Koch) Mr. Black, would you identify and describe the Exhibit Number 1, Texaco's Exhibit Number 1?

Exhibit Number 1 is a plat showing the two leases involved in Texaco's application. These leases are located in Section 6. I don't have the Township and Range on these. They're located in section 6.

MR. WHITFIELD: Township 18 South, Range 35 East.

Yes, Township 18 South, Range 35 East. The plat shows the State of New Mexico "R" (NCT-1) Lease, the Northeast Quarter of Section 6, and the "AB" Lease which is the Southeast Quarter of Section 6. Well, in October of 1961, Texaco completed



PARMINGTON, N. M. PHONE 325-1182

their State of New Mexico "AB" Number 2 as a Vacuum-Abo producer, this well potentialed in excess of top allowable and is currently producing top allowable of 102 barrels a day. At that time there were existing storage facilities available on our State of New Mexico "R" Lease. These storage facilities consisted of two five hundred tanks and a treater. Texaco desired to use these facilities and therefore made application to the Commission for transfer privileges prior to measurement. We were informed that this could not be handled administratively, and therefore a hearing was set for this, therefore in order to allow us to be able to produce our Abo Will, the Hobbs District Office gave us temporary approval pending the outcome of this hearing.

Shown on the State of New Mexico "R" Lease are the storage facilities available for the S n Andres and Abo production. The State of New Mexico "AB" Number 1 located in the Northwest Quarter of the Southeast Quarter of Section 6 is a San Andres producer and is currently being commingled with San Andres production on our State of New Mexico "R" Lease. The Abo tank battery or Abo facilities are in no way connected with the San Andres facilities, and therefore there would not be any commingling between the zones.

- Q Did you state when the well was completed?
- A Yes, sir. The State of New Mexico "AB" Number 2 was completed in the latter part of October of this year.



DOUEROUE, N. M. ONE 243.6691 MM. UTZ: That is the Abo well?

A That's our first Abo well in the area, yes. Currently we have two wells drilling, wells Number 3 and 4, which are also shown on this plat or prospective Abo completions of the State of New Mexico "AB" Lease, and well Mumber 5 has been staked.

Q Do you know approximately how much it would cost for new facilities, should that construction be required?

A Yes, sir, if we were required to construct a tank battery on the "R" (NCT-1) Lease at this time, it would necessitate an expenditure of approximately \$5500. Therefore, by utilizing the existing facilities, we can effect a savings of \$6500.

(Whereupon, Applicant's Exhibit 2 was marked for identification)

Q Now, referring to Applicant's Exhibit Number 2, would you please identify and describe that?

A Exhibit Number 2 is a plat showing the general area of the Vacuum-Abo field at this time. It shows the Texaco leaseholdings in this particular area. Ther're denoted or are shaded in yellow. It can be seen that Texaco has considerable leaseholdings in this area, and we expect and anticipate that the Abo development will continue further Westward from where it is currently located and that we should have substantial development on our leases. This additional Abo development



DEARNLEY-MEIER REPORTING SERVICE, Inc.

should be accomplished in the near fature, and at that time we propose to install a central tank battery and construct LACT facilities in order to efficiently handle our production in this area. At that time we will ask for permission to commingle from various leases in the area into this one central tank battery, but until that time, however, it would be expedient and economical for us to use the existing facilities on our State of New Mexico "R" Lease. Therefore, actually our request will be temporary in nature and as soon as the additional development is done on the adjoining leases to the West, we will then, at that time we will ask for permission to commingle the production with other Abo production in the area.

- Mr. Black, werethese Exhibits 1 and 2 prepared by you, or under your supervision?
 - Yes, sir, they were.
- And do they truthfully depict the matters that you have testified to?
 - Yes, sir, they do.

MR. KOCH: We ask that Exhibits 1 and 2 be admitted.

(Whereupon, Applicant's Exhibits 1 and 2 offered in evidence.)

MR. UTZ: Without objections Exhibits 1 and 2 will be entered into the record in this case.

(By Mr. Koch) Is there anything further you wish to state in behalf of the application?



I have nothing further at this time, no sir.

MR. KOCH: Nothing further from the applicant.

CROSS EXAMINATION

BY MR. UTW:

Q Mr. Black, is all the other interest in the South Half of this lease the same as those in the North Half of the lease?

You are speaking of the State of New Mexico "AB" Lease?

yes.

The State of New Mexico --

I'll restate the question. Are the interests in your "AB" Lease the same as they are in the "R" Lease?

Yes, our State of New Mexico "R" Lease and "AB" Lease, we have 100 percent working interest with $87-\frac{1}{2}$ percent royalty interest. The state owns the royalty interest.

No other royalty interest?

No other royalty interest.

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

(Witness Excused)

MR. UTZ: Any statements in this case? We will take the case under advisement.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

STATE OF NEW MEXICO 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 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 lith day of December, 1961, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

NOTARY PUBLIC

My Commission Expires: June 19, 1963.

> I do hereby defrify that the foregoing 18 a complete record of the proceedings in the Examiner hearing of Case No. 2450 heard by me on

New Mexaco Oil Conservation Commission Examiner