

- a sa / No.

2610

plication, Transcript,
all Exhibits, Etc.

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. 2610
Order No. R-2297

APPLICATION OF SOUTHWEST PRODUCTION
COMPANY FOR A FORCE-POOLING ORDER,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 26, 1962, 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 2nd day of August, 1962, 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, Southwest Production Company, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 9, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has made diligent effort to identify and to locate all owners of interest in the proposed proration unit.
- (4) That the applicant has made fair and reasonable offers to lease or to communitize with respect to each non-consenting interest owner whose identity and address is known.
- (5) That although the applicant has made fair and reasonable offers and has been diligent in its efforts to form the proposed proration unit, there remain non-consenting interest owners in the subject proration unit who have not agreed to the pooling of their interests.

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(6) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in the Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(7) That the applicant proposes to dedicate the subject proration unit to its Fay Burdette Well No. 1, located 1520 feet from the North line and 1450 feet from the East line of said Section 9.

(8) That the applicant seeks permission to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of the costs of said well has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.

(9) That \$75.00 per month should be fixed as the cost of operating the subject well and each non-consenting working interest owner should be assessed with his share of such cost, to be paid out of production.

(10) That the applicant should furnish the Commission and each known non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date of this order.

(11) That any non-consenting working interest owner should be afforded the opportunity to pay his share of well costs within 30 days from the date the schedule of well costs is furnished him by the applicant in lieu of paying his share of costs out of production.

(12) That any non-consenting working interest owner not electing to pay his share of well costs within 30 days from the date said schedule is furnished him should have his share of the well costs withheld from production plus 25 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(13) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership.

(14) That Southwest Production Company should be designated the operator of said unit.

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IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool in the E/2 of Section 9, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit. Said unit shall be dedicated to the Fay Burdette Well No. 1, located 1520 feet from the North line and 1450 feet from the East line of said Section 9.

(2) That Southwest Production Company is hereby designated the operator of said unit.

(3) That Southwest Production Company is hereby authorized to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of well costs has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.

(4) That \$75.00 per month is fixed as the cost of operating the subject well, and Southwest Production Company is hereby authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(5) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(6) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(7) That the applicant shall furnish the Commission and each known non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date of this order.

(8) That any non-consenting working interest owner shall have the right to pay his share of well costs to Southwest Production Company within 30 days from the date the schedule of well costs is furnished him by Southwest Production Company, in lieu of paying his share of well costs out of production. In the event any such owner elects to pay his share of well costs as provided for in this paragraph, he shall remain liable for operating costs but shall not be liable for risk charges.

(9) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow

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in San Juan County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership. The Commission shall be notified as to the name and address of said escrow agent.

(10) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

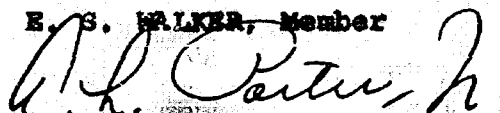
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



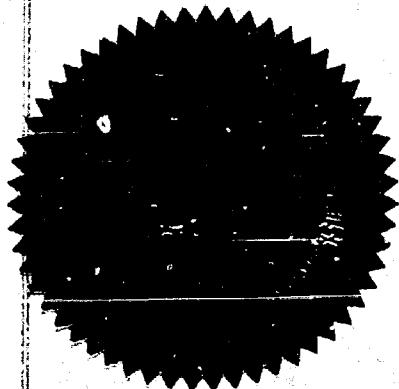
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



est/

Case 2610

Heard. 7-26-62

Rec. 7-27-62

1. Grant Southwest's request for
forced pooling of the $\frac{1}{2}$ sec. 9-30 N-
11W. The dedicated well will be.
Thein Jay Burdette #1, 1520/U, 1450/E,
9-30-11.

2. 125% of \$5⁰⁰ for operating costs.

3. SW. owns. 275 Ac. 46.83. owned
by 106 people who refused to com-
munities or where a title not known.

Thos H. H.

VERITY, BURR & COOLEY

ATTORNEYS AND COUNSELORS AT LAW

SUITE 152, PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO

GEO. L. VERITY
JOEL B. BURR, JR.
WM. J. COOLEY

NORMAN S. THAYER
RAY B. JONES

July 2, 1962

TELEPHONE 325-1702

*cover
letter
for 4
applications*

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Southwest Production Company's Application
for Force Pooling Order for S $\frac{1}{2}$ of Section
5, E $\frac{1}{2}$ of Section 8, W $\frac{1}{2}$ and E $\frac{1}{2}$ of Section 9,
All in Township 30 North, Range 11 West,
N.M.P.M., San Juan County, New Mexico.

Gentlemen:

Enclosed please find original and two copies of Southwest Production
Company's application in each of the above four Sections.

We will appreciate your setting these applications for hearing as soon
as possible.

Very truly yours,

VERITY, BURR & COOLEY

By

Geo. L. Verity

GLV/kp
Enclosures

*Robert
Mikes
7/13/62
R*

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

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
SANTA FE

August 2, 1962

Mr. George Verity
Verity, Burr & Cooley
Attorneys at Law
152 Petroleum Center Building
Farmington, New Mexico

Re: CASE NO. 2608, 2609, 2610 and 2611
ORDER NO. R-2295, R-2296, R-2297
AND R-2298
APPLICANT:
SOUTHWEST PRODUCTION 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.
A. L. PORTER, Jr.
Secretary-Director

lr/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

OTHER

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 28, 1962

C
O
P
Y

PFC Paul M. Candelaria
547th Ordinance Company (FM)
APO 259
New York, New York

Re: Case No. 2610, Order No. R-2297

Dear Mr. Candelaria:

Reference is made to your letter of September 21, 1962, requesting information concerning the above matter.

Please be advised that Southwest Production Company filed an application to force-pool all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 9, Township 30 North, Range 11 West, NMPH, San Juan County, New Mexico; that the case was duly advertised and heard before an examiner on July 26, 1962. Southwest Production Company presented the case before the examiner and there were no other entries of appearance. Accordingly, Order No. R-2297 granting the application was issued by the Commission on August 2, 1962.

I am enclosing herewith a copy of this order for your records. As the 30-day period within which parties may apply for a hearing de novo has now run, this matter became finalized.

The only development since the entry of the order is that the Commission has received an itemized current schedule of well costs. This will in no way affect you unless you own a working interest in the subject area. If so, you should have received a copy of the well costs and we will furnish the same to you if you have not. You

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

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September 28, 1962

PFC Paul M. Candelaria

are listed on the application as a royalty interest owner and therefore will receive your royalty interest from Southwest Production Company as the well produces.

Allow me to suggest that you furnish Southwest Production Company with your current address and request information from them concerning when you can expect to receive your interest. Southwest Production Company's address is 207 Petroleum Club Plaza, Farmington, New Mexico.

Please advise me if we can be of any further assistance to you.

Very truly yours,

JAMES M. DURRITT, Jr.,
Attorney

JMD/esr
Enclosure

C
O
P
Y

547th Ordinance Company (FM)
APO 259, New York, N.Y.

21 September 1962

State of New Mexico
Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

Dear Sirs:

Reference to Case No. 2610, Order No. R-2297 (Force Pooling,
Faye Burdette Well, E/2, Sec. 9-30N-11W, N.M.P.M., San Juan
County, New Mexico).

*July 26th
Extending*

I would appreciate receiving from you, at your earliest
convenience, as much information as possible concerning the
hearings, order, and any agreements relating to this matter.
I am an interest holder and need such information as a basis
for deciding my future course of action in this matter.

Sincerely yours,

PFC Paul M. Candelaria

PFC Paul M. Candelaria

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

JUL 15 AM 8 21

IN THE MATTER OF:)

THE APPLICATION OF SOUTHWEST)
PRODUCTION COMPANY FOR AN)
ORDER FORCE POOLING THE)
BASIN-DAKOTA FORMATION UNDER-)
LYING THE EAST HALF (E $\frac{1}{2}$) OF)
SECTION 9, TOWNSHIP 30 NORTH)
RANGE 11 WEST, N.M.P.M., SAN)
JUAN COUNTY, NEW MEXICO.)

No. 2610

A P P L I C A T I O N

Comes now the applicant, Southwest Production Company, a co-partnership consisting of Joseph P. Driscoll and John H. Hill, and for its application alleges and states:

1. That it is the owner of numerous oil and gas leases covering portions of the East Half (E $\frac{1}{2}$) of Section 9, Township 30 North, Range 11 West, N.M.P.M., in San Juan County, New Mexico, and that it has drilled and completed a well in the Dakota formation in the Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 9.

2. That there are various parts of the East Half (E $\frac{1}{2}$) of the above described Section 9 that are unleased, whose owners have not agreed to join with the applicant in the drilling, completion and producing of the above described well, and, although the applicant has made a reasonable effort to obtain oil and gas leases and/or the joinder of the owners of the unleased portions of the above described proration unit, it has been unable to obtain such leases and/or the joinder of the owners of the unleased portions of said unit, and the applicant, therefore, desires that the interest of any and all of said persons be force pooled in accord with the statutes of the State of New Mexico and the rules and regulations of the Oil Conservation Commission of the State of New Mexico.

3. That applicant desires to dedicate the Basin-Dakota production from the above described well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$

VERITY, BURR & COOLEY
ATTORNEYS AND COUNSELORS AT LAW
SUITE 152 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO

of the above described Section 9 to the entire East Half (E $\frac{1}{2}$) of Section 9, and that the Commission should constitute the applicant as the "Operator" of the pooled unit.

4. That the applicant has undergone considerable risk in the drilling and completion of the above referred to well, and that under the statutes of the State of New Mexico and the rules and regulations of the Oil Conservation Commission applicant is entitled to, and should be allowed to take and receive 7/8ths of any and all production had from the above referenced well until such time as it has been reimbursed in an amount equal to 125% of its actual cost of drilling, completing and equipping said well, plus a reasonable compensation for the supervision of the drilling and completion thereof, and a reasonable compensation for the operation thereof.

5. That the force pooling order herein requested is necessary in order to prevent waste and in order to protect the correlative rights of the parties.

6. That a list of the interested parties in this application together with their addresses, insofar as the same are known to the applicant, is set out in Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, applicant prays that this application be set down for hearing at the earliest possible date, that due notice thereof be given in accord with the rules and regulations of this Commission, and the laws of the State of New Mexico, and that after hearing, from the evidence to be adduced thereat this Commission enter its order granting the application as above stated.

Respectfully submitted,
VERITY, BURR & COOLEY

By 

Geo. L. Verity
Attorneys for applicant,
Southwest Production Company

NAME AND ADDRESS

1. Dewey H. Cantrell
818 Pioneer Lane
Aztec, New Mexico
 2. Amanda C. Stevens
816 Pioneer Avenue
Aztec, New Mexico
 3. Joe Ash
Route 3, Box 160 C
Abilene, Texas
(Contract sellers are
William & Francis Selph
Durango Highway, Colorado)
 4. Ursula Garcia
Route #1, Box 355
Española, New Mexico
 5. Willie L. Jaquez
Blanco, New Mexico
 6. Genoveva Ferran
P. O. Box 3443
Albuquerque, New Mexico
 7. Thomas D. Martinez
P. O. Box 152
Aztec, New Mexico
 8. Floyd E. Hazen
717 North McCoy Avenue
Aztec, New Mexico
(Ruth Robinson is contract
seller)
 9. Leslie Webb
706 East Zia
Aztec, New Mexico
 10. Lorene Whitley Longwell
1204 Parkland Drive
Aztec, New Mexico
 11. Estate of Santiago Madrid,
Deceased
Attention: James Madrid
1105 Rio Brazos
Aztec, New Mexico
- Heirs: James Madrid
Priscilla Sanchez
Ella Jaquez
Lila Pacheco

*Roche
Marked
4/13/62
an*

12. Cora Ethel Mullins
North McCoy Avenue
Aztec, New Mexico
(Wilber W. Bacon,
North McCoy Avenue,
Aztec, New Mexico, is the
contract seller)
13. Charles C. McGee
P. O. Box 36
Aztec, New Mexico
14. Darwin Wayne Huller
810 McCoy Avenue
Aztec, New Mexico
15. William N. McLaughlin
Ruth E. McLaughlin
808 McCoy Avenue
Aztec, New Mexico
16. Harry A. Lewis
815 Maddox Avenue
Aztec, New Mexico
17. L. H. Pullis
720 North McCoy Avenue
Aztec, New Mexico
18. Church of the Latter Day
Saints
X Leslie Webb, Bishop
706 Zia Street
Aztec, New Mexico
19. Ralph A. Ransom
P. O. Box 221
Aztec, New Mexico
20. The Shamrock Oil and Gas
Corporation
P. O. Box 631
Amarillo, Texas
21. Byrl L. Thompson
802 Baird Drive
Aztec, New Mexico
22. Cantrell, Inc.
P. O. Box 817
Aztec, New Mexico

22. Cont'd.
(Charlene Burns is
the contract seller)

23. J. M. Stiffler
621 North Mesa Verde
Aztec, New Mexico

24. W. J. Wylie
608 White Avenue
Aztec, New Mexico

25. Willis C. Clow
601 Orchard Avenue
Aztec, New Mexico

26. Estate of Pablo Candelaria
Deceased
Heirs: Eulogia C. Candelaria
Widow
603 Orchard Avenue
Aztec, New Mexico

Ophelia C. Montoya, Daughter
4306 Sunningdale, NE
Albuquerque, New Mexico

Orlando Candelaria, Son
1234 Las Vegas Blvd.
Las Vegas, Nevada

Mercedes Candelaria, Daughter
1228 Norview Avenue
Apartment 4-A
Norfolk, Virginia

Pablo Leopoldo Candelaria, Son
Blanco, New Mexico

Cruzelia C. Montoya, Daughter
Blanco, New Mexico

J. Fidel Candelaria, Son
Aztec, New Mexico

Donald R. Candelaria, Son
Aztec, New Mexico

(Minor) Paul M. Candelaria, Pvt., Son
No. RA 18594641
Class 15th L-3-4
Ft. Leonard Wood, Mo.

(Minor) Nickie G. Candelaria, Son
Aztec, New Mexico

27. James Bennie Blend
P. O. Box 764
Aztec, New Mexico

28. Isaac Nixon
500 White Street
Aztec, New Mexico
29. Floripa Lobato
P. O. Box 293
Aztec, New Mexico
30. Clyde A. Ransom
P. O. Box 66
Aztec, New Mexico
31. Harold Steele
Cottonwood, Arizona
32. Richard James Rielly
309 Fairground Street
Aztec, New Mexico
33. C. M. Hallett
510 N. Wall Avenue
Farmington, New Mexico
34. Helen Baker
666 O'Farrell Street #102
San Francisco 9, California
35. Estate of Jose Z. Martinez,
Deceased
308 North Main Street
Aztec, New Mexico
(Could find no probate)
36. Glen A. Ransom
Post Office Box 311
Aztec, New Mexico
37. Gordon Crane
400 North Church Avenue
Aztec, New Mexico
38. Bonnie M. Johnston
309 North Mesa Verde
Aztec, New Mexico
39. Dalton Keeth
321 North Mesa Verde
Aztec, New Mexico

40. Mary E. Mackain
Francis Stowers
324 Bannock Street
Denver 23, Colorado
41. Mrs. G. A. White
301 Lovers Lane
Aztec, New Mexico
(Contract sellers John
L. White and Loreen Ann
Doherty)
42. George F. Brulington
310 North Mesa Verde
Aztec, New Mexico
43. J. C. Thompson
318 North Mesa Verde
Aztec, New Mexico
44. R. L. Maddox
411 Bunker Street
Aztec, New Mexico
45. Percy Houston
Winona Houston
409 1/2 Bunker Street
Aztec, New Mexico
46. Isabella Wisdom
407 Bunker Avenue
Aztec, New Mexico
47. Gregory Hawk
405 Lovers Lane
Aztec, New Mexico
(Contract seller is
Margaret Tatman)
48. Mayme Howe Brooks
P. O. Box 532
Brookings, Oregon
49. William R. Levan
405 Sutton Avenue
Aztec, New Mexico
50. Clarence D. Worden
503 Sutton Avenue
Aztec, New Mexico
51. Unknown

52. Louis Sandoval
Rose Sandoval
P. O. Box 291
Aztec, New Mexico

53. Floyd Rhodes
301 South Main
Aztec, New Mexico

54. Gladwin R. Lewis
509 Lovers Lane
Aztec, New Mexico

55. Estate of Nick Spatter
Deceased
% Morgan and Cain
Attorneys at Law
P. O. Box 1612
Farmington, New Mexico

Heirs:
Francis Spatter, Widow.
% Morgan & Cain

Dorothy M. Garth, Step-Daughter
3759 Delta Avenue
Long Beach 10, California

Larry Mills, minor
(Son of Dorothy M. Garth)

Jack Spatter, Son
1521 West Shatto Street
Los Angeles 17, California

56. Melvin Hallett
610 North Allen
Farmington, New Mexico

57. Jessie Mae Fisher
507 Blanco Street
Aztec, New Mexico

58. Fred L. Lawson
P. O. Box 444
Aztec, New Mexico
59. Agnes Herbert
Guy Herbert Sr.
P. O. Box 157
Aztec, New Mexico
60. Vastie Fowler
120 South Church
Aztec, New Mexico
61. W. L. Thurston
P. O. Box 155
Aztec, New Mexico
(Contract seller is
Pearl Watson)
62. Estate of William Brady
Johnson, Deceased
P. O. Box 35
Aztec, New Mexico
Heirs:
William Marion Johnson, Son
Sharon Johnson Pimental, Daughter
Carolyn Johnson Flori, Daughter
Nyles Marvin Johnson, Son

Divorced wife:
Lodee Johnson
2607 17th Street
San Pablo 10, California
63. Cora M. Whitford
P. O. Box 363
Aztec, New Mexico
64. Anna Clark Taft
277 3rd Avenue
Durango, Colorado
(Contract seller is
Wade W. Townsend
918 Baird Avenue
Aztec, New Mexico)
65. Lorena Ruabaugh
221 South Church Avenue
Aztec, New Mexico

66. Adah Goldenberg
P. O. Box 490
Aztec, New Mexico

67. Rhoda Abrams †
P. O. Box 44
Aztec, New Mexico

Aimee Teague Beach †
3165 South Newton Street
Denver, Colorado

Betty Teague Rogers †
310 West Central
Lovington, New Mexico

68. Webb, Rhein & Beaverstock
DBA Peimco
P. O. Box 127
Farmington, New Mexico

69. Jessie Marvin Johnson
P. O. Box 35
Aztec, New Mexico

70. J. D. Bettis
302 East Chuska
Aztec, New Mexico
(Contract seller is
Mary Lena Riecke
302 E. Chuska
Aztec, New Mexico)

71. Ray B. Current
P. O. Box 184
Aztec, New Mexico

72. Martindale Development Corp.
P. O. Box 34
Farmington, New Mexico

73. Estate of Mattie J. Hood
Deceased
X Turner Securities
1057 Main Avenue
Durango, Colorado

74. Mountain States Telephone
and Telegraph Company
931 14th Street
Denver, Colorado

75. Thomas T. Brothers
Oleta Brothers
P. O. Box 365
Aztec, New Mexico

76. Creighton C. Clark, Capt.
534th A.F.N.B.N.
APO #800
New York, New York
(letters returned)

77. J. P. Schaumberg
524 Don Gaspar
Santa Fe, New Mexico
(Donald J. Gay,
1024 Rio Brazos Road
Aztec, New Mexico
is contract seller)
as to Lots 18, 19,
and 20.)
78. Ford C. Webb
P. O. Box 372
Lakeside, Arizona
79. Fern Hott
Belle Macht
P. O. Box 368
Pagosa Springs, Colorado
80. Methodist Church
% Shelby Armstrong
328 South Main
Aztec, New Mexico
81. James F. Ham
James R. Flack
Vernon W. Jack
P. O. Box 1325
Farmington, New Mexico
82. F. T. Hillstrom
Vinta Hillstrom
P. O. Box 665
Aztec, New Mexico
83. M. L. Myers
P. O. Box 863
Aztec, New Mexico
84. Maurice Case
P. O. Box 218
Aztec, New Mexico
85. Myra Palmer
P. O. Box 85
Arizona State College
Flagstaff, Arizona
86. Nadine Bandy
1030 Mac Arlen Way
North Sacramento 15, Calif.

87. San Juan Lodge 25
AF and AM
X J. S. Hartman
P. O. Box 5
Aztec, New Mexico
88. Olive R. Sharp
P. O. Box 335
Aztec, New Mexico
89. Charles W. Johnson
P. O. Box 35
Aztec, New Mexico
90. E. E. Lenfesty
House H, 5, Box 322
Uravan, Colorado
(Contract seller is W.
Lenfesty)
91. Vermont Mae Mullins
205 North Mesa Verde
Aztec, New Mexico
92. M. L. Faverino
W. J. Faverino
302 North Main
Aztec, New Mexico
93. Earl Riecke
Cuba Riecke
308 Lovers Lane
Aztec, New Mexico
94. Joe Belarmino Archuleta
Mary Archuleta
316 North Church Avenue
Aztec, New Mexico

95. The Mutual Life Insurance
Company of New York, a
New York Corporation

96. Continental Oil Company
a Delaware Corporation
1710 Fair Building
Fort Worth 2, Texas

97. Safeway Stores, Inc.
P. O. Box 5927
Terminal Annex
Denver 17, Colorado

98. James Holding, Inc.
1813 Florida NE
Albuquerque, New Mexico

99. Hallmac Construction Co.
P. O. Box 13115
Houston, Texas

100. Ford C. Webb
Elsie Webb
Box 372
Lakeside, Arizona

CASE 2607:

Application of Newmont Oil Company for special rules for its Square Lake Pool Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Orders Nos. R-1110, R-1110-A, R-1110-B and R-1110-C defining the horizontal limits of its Square Lake Pool Waterflood Project in Eddy County, New Mexico, establishing rules for the expansion of said waterflood project, and providing for capacity allowables in said project area.

CASE 2608:

Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the S/2 of Section 5, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2609:

Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the E/2 of Section 8, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2610:

Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the E/2 of Section 9, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

CASE 2611:

Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in a gas proration unit comprising the W/2 of Section 9, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

iqg/

DOCKET: EXAMINER HEARING -- THURSDAY, JULY 26, 1962

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:

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CASE 2607: Application of Newmont Oil Company for special rules for its Square Lake Pool Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Orders Nos. R-1110, R-1110-A, R-1110-B and R-1110-C defining the horizontal limits of its Square Lake Pool Waterflood Project in Eddy County, New Mexico, establishing rules for the expansion of said waterflood project, and providing for capacity allowables in said project area.

CASE 2608: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the S/2 of Section 5, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

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CASE 2610: Application of Southwest Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a gas proration unit comprising the E/2 of Section 9, Township 30 North, Range 11 West, Basin-Dakota Gas Pool, San Juan County, New Mexico.

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DOCKET: EXAMINER HEARING - THURSDAY, JULY 26, 1962

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iqg/

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6191

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

July 26, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Southwest Production Com-
pany for compulsory pooling, San Juan
County, New Mexico. Applicant, in the
above-styled cause, seeks an order force-
pooling all mineral interests in a gas
proration unit comprising the E/2 of
Section 9, Township 30 North, Range 11
West, Basin-Dakota Gas Pool, San Juan
County, New Mexico.

CASE NO.
2610

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

EXAMINER UTZ: Case No. 2610

MR. DURRETT: Application of Southwest Production Com-
pany for compulsory pooling, San Juan County, New Mexico.

MR. VERITY: George L. Verity for the Applicant.

EXAMINER UTZ: Let the record show that Mr. Jones has
previously been sworn.

JACK D. JONES,

called as a witness, having been previously duly sworn on oath,
was examined and testified as follows:

DIRECT EXAMINATION



BY MR. VERITY:

Q Will you state your name, please?

A Jack D. Jones.

Q Are you the same Jack D. Jones who testified in the two previous cases?

A Yes, sir.

Q Mr. Jones, are you familiar in detail with the land situation in the East half of Section 9, 30 North, 11 West, San Juan County, New Mexico?

A Yes, sir.

Q Is this tract also within the, or partially within the town of Aztec?

A It is, yes, it is.

Q Has Southwest Production Company drilled and completed a well into the Dakota formation on this half section?

A Yes, we have. The map I had prepared on it has disappeared somewhere along the way, so if you want to take these footages down, it's the Fay Burdett well, which is located 1520 feet from the North line and 1450 feet from the East line of Section 9.

Q That's 1350?

A Fourteen.

Q -- of Section 9, Township 30 North, Range 11 West.

EXAMINER UTZ: Give me those footages again.

A 1520 from the North and 1450 from the East.

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EXAMINER UTZ: Section 9 and --

A Section 9 and 30, 11.

EXAMINER UTZ: And that's spelled Fay Burdett? F-a-y-e?

A F-a-y, I have it.

EXAMINER UTZ: B-u-r-d-e-t-t?

A Yes, E.

MR. VERITY: Put the E on the wrong word.

A The well was spudded on April 29th, 1962, and completed on June 11th, 1962. with an IP of 1927 MCF. It has not yet been put on production.

Q (by Mr. Verity) Can you tell us whether or not you have made an effort to form a 100 percent unit of the East half of Section 9?

A Yes, sir; we have. We have contacted all the owners of lands in the area either personally or by mail.

Q Have you been successful in forming such unit?

A No, sir.

Q How much acreage does Southwest Production hold in the 320 acres?

A They own approximately 275 acres.

Q How many people own the remaining acreage in this unit, I believe 46.8315?

A There are, I believe we list a hundred parties, some of whom are estates. I believe there's somewhere in the nature of 140 individual parties involved.



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Q And you have made an effort, either by personal contact or through the mail, to contact each one of these parties?

A Yes, sir.

Q Would the same situation obtain on this well that you testified did on the two previous wells, regarding risk factor incurred in the drilling of it?

A Yes, sir.

Q And do you have the same opinion in regard to a proper allowable for monthly operation cost?

A Yes, sir.

Q Do you have an opinion as to whether or not the granting of this application will prevent waste and protect the correlative rights of the parties?

A I believe it definitely will.

MR. VERITY: That's all we have.

A There is one other problem of description also involved in this.

MR. VERITY: Yes, we have some description problems which are all related to the requirements of forced pooling. Some of the surveys and calls in the town of Aztec are overlapping and probably have vacancies in them, and for this reason it makes it a somewhat confused picture, so if we are going to develop, it is necessary to have a forced pooling order.

A This map shows in red the area that we have not leased or that is involved.



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Q Is this the East half of 9?

A Yes, it also includes some acreage in the West half of 9. It's a blown-up map of the portion of the city of Aztec which we are leasing.

MR. VERITY: Would you like to have this in the record?

(Whereupon Applicant's Exhibit No. 1 marked for identification)

A Part of these lands, approximately in the center of the map, where it says Alpha Investment Company. These lands are leased. We then hold them under lease, but there is a description problem involved in this which a subsequent map will outline.

MR. VERITY: That's all we have.

EXAMINER UTZ: Exhibit No. 1 will be entered into the record of this case. (Whereupon Applicant's Exhibit No. 1 admitted in evidence.)

CROSS EXAMINATION

BY EXAMINER UTZ:

Q Was the Fay Burdett well to be designated as the No. 1 well?

A I believe it is Fay Burdett No. 1. For the record, in the South half of 5, the Rhoda Abrams well is definitely No. 1, as we are currently drilling Rhoda Abrams No. 2 well in Section 5.

Q Will this well be located --

A That well on that map, one north of the -- no, it's just south of the Hampton arroyo there.

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 PHONE 243-6691



Q -- to be in an undeveloped area of Aztec?

A Yes, sir, that's a farming area there, and we have complied with the city ordinances in locating and drilling and completing the well.

EXAMINER UTZ: Are there any other questions?

The case will be taken under advisement. Proceed to Case 2611.

* * * *

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 243-6651

FARMINGTON, N. M.
PHONE 325-1182



STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

I, MARIANNA MEIER, NOTARY PUBLIC in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of proceedings 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.

Marianna Meier
 NOTARY PUBLIC

My Commission Expires:

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of Case No. 7-61-0, heard by me on July 26, 1962.

Shirley H. [Signature], Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
 PHONE 325-1182

ALBUQUERQUE, N. M.
 PHONE 243-6619



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SOUTHWEST PRODUCTION COMPANY

3109 SOUTHLAND CENTER

DALLAS 1, TEXAS

JOSEPH P. DRISCOLL

17
RIVERSIDE 8-8388

JOHN H. HILL

August 22, 1962

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Re: Southwest's SWP-105
Case No. 2610, Order No. R-2297,
(Force Pooling, Faye Burdette Well,
E/2, Sec. 9-30N-11W, N.M.P.M.,
San Juan County, New Mexico)

Gentlemen:

Reference is made to the above-described order of the New Mexico Oil Conservation Commission, which is dated August 2, 1962, providing for the force pooling of all mineral interests, whatever they may be, in the Basin-Dakota gas pool in the East Half of Section 9, T-30-N, R-11-W, N.M.P.M., San Juan County, New Mexico, and the dedication of such unit to the Faye Burdette well located thereon.

Pursuant to such order, there is attached an itemized current schedule of well costs. A copy of this schedule has been sent to each known non-consenting working interest owner in the subject unit, in accordance with such order. Each person has been advised of his right to pay his share of costs in such well.

Sincerely yours,

Joseph P. Driscoll
Joseph P. Driscoll

JPD/a

enclosure

Certified - RRR

SOUTHWEST PRODUCTION COMPANY
3108 Southland Center
Dallas 1, Texas

Cost Statement
Forced Pooling, Order No. R-2297

Lease Name:

Faye Burdette No. 1 Well (Dakota)
E/2, Section 9-30N-11W
San Juan County, New Mexico

Invoice No.	Description	Amount
Statement	San Juan Engineering Company, 1-11-62 Stake location and survey elevation 2% N.M. School Tax	\$ 100.00 2.00 102.00*
116-62	Aspen Drilling Company, 5-14-62 Contract drilling to 6730'	35,000.00 35,000.00*
43640	Atomic Sign Service, 3-19-62 Metal well sign N.M. State Tax	12.50 .37 12.87*
8417	Monarch Construction Company, 3-31-62 Deliver posts and barb wire, build approx. 500' of fence at location 1% N.M. School Tax	80.20 .80 81.00*
31583	Industrial Supply Company, 4-25-62 50 Steel posts w/dyes @ 1.01 1 roll Barbed wire 2% N.M. Sales Tax	50.50 12.06 1.25 63.81*
TL89537	Halliburton Company, 5-8-62 Drill stem test @ 5,912' N.M. State Tax	511.00 10.22 521.22*
1960	M. & H. Trucking, Inc., 5-10-62 Haul acid water 2% N.M. School Tax	42.00 .84 42.84*
4706	Goodno Welding, 5-14-62 Cut off 4-1/2" casing, weld on guide shoe, float collar, scratchers 2% N.M. School Tax	17.50 .35 17.85*
CS 782598	Halliburton Company, 5-14-62 Cement production casing N.M. State Tax	945.40 19.91 964.31*
BC620068	Halliburton Company, 5-13-62 550 cu ft Pozmix S cement N.M. State Tax	1,604.39 32.09 1,636.48*
68561	Valley Steel Products Company, 5-16-62 Sale of thread protector	(20.40) (20.40)*
4704	Goodno Welding, 5-18-62 Cut off 4-1/2" casing 2% N.M. School Tax	10.50 .21 10.71*
32105	Industrial Supply Company, 5-18-62 WF Casing head w/10" 5/600 x 9-5/8 female w/2- 2" LP outlets, ring gasket, studs, nuts 2" Nord. plug valve Nipple, bull plug Freight charge on 301# @ 4.35: 30# @ 3.10 2% N.M. Sales Tax	253.84 41.58 5.03 14.02 6.29 320.76*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
S 520485	Halliburton Company, 5-11-62 2-4-1/2" 8r D.V. Multi stage cementers w/3- stage conversion kit N.M. State Tax	\$ 808.00 16.16 824.16*
3416	Weatherford Oil Tool Co., Inc., 5-23-62 32-5' strips Rotating scratchers 7-4-1/2" Centralizers 2% N.M. Sales Tax	272.00 114.38 7.73 394.11*
84229	Dowell, Inc., 5-26-62 Squeeze job 2% N.M. State Tax	626.33 12.53 638.86*
84228	Dowell, Inc., 5-26-62 TD Pumper to 6670' 2% N.M. State Tax	230.00 4.60 234.60*
CS364175	Halliburton Company, 5-26-62 Chemical service @ 6675' N.M. State Tax	544.00 10.88 554.88*
16264	Pan Geo Atlas Corp., 5-26-62 Dyna jet perforate 32 holes 6670' to 6678' 1% N.M. School Tax	470.60 4.71 475.31*
BC 620113	Halliburton Company, 5-28-62 385 sacks 20-40 Bulk fracturing sand N.M. State Tax	797.45 15.95 813.40*
FS231278	Halliburton Company, 5-28-61 Sand-water fracturing N.M. State Tax	5,080.50 101.61 5,182.11*
16337	Pan Geo Atlas Corporation, 5-28-62 Perforate Dyna Jet 80 holes 6493' to 6591' 1% N.M. School Tax	773.00 7.73 780.73*
32115	Industrial Supply Company, 5-28-62 6804.35' of 4-1/2" 10.50# J-55 ST&C R-2 casing @ 170.74cft Additional test 35.7 tons @ \$5.00 per ton Trucking mill to location 71,446# @ .81cwt 2% N.M. Sales Tax	8,215.57 178.50 578.71 179.46 9,152.24*
32114	Industrial Supply Company, 5-28-62 4-1/2" Filrite Larkin float collar 4-1/2" Slip joint guide shoe 2- 4-1/2" Metal petal baskets Kit of Baker Lok 2% N.M. Sales Tax	82.95 26.30 102.70 8.50 4.41 224.86*
1029	Lohmann Oil Well Service, Inc., 5-31-62 Completion rig for the period May 25 through May 29, 1962 2% N.M. School Tax	3,858.10 77.16 3,935.26*
32112	Industrial Supply Company, 5-31-62 Flanges, nipples, tees, welds, other misc. fittings 2% N.M. Sales Tax	139.13 2.78 141.91*
32111	Industrial Supply Company, 5-31-62 Valve tree cameron single string solid block btm flg. 6" 2000# WP w/prep for HB hanger w/1-2" bore master valve and 1-1-13/16 bore wing valve std 2" 2000# w/p top studded 2" 2000 w/handwheel Gaskets, studs, nuts and other misc. fittings 2% N.M. Sales Tax	578.00 58.21 12.72 648.93*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
32110	Industrial Supply Company, 5-31-62 CA Slip 7 seal assy. 10" x 4-1/2" R Seal assy. 10" x 4-1/2" Spool tubing head 10" x 6" S/600 w/2-2" Std outlets Bit pilot 10" x 4-1/2" retainer wire 2-Valves Cameron gate F 1/2" x 2-1/16" 2000# W/B D/F incl. handwheels 2- Comp. flanges 2" 2000# W/F 2" LP Bull plug 2" LP thd. 1/2" 2% N.M. Sales Tax	\$ 247.17 84.01 361.73 27.77 522.00 25.76 10.07 25.57 1,304.08*
32113	Industrial Supply Company, 5-31-62 2-Marsh pressure gauges 3000# Hanger tubing FBB 6" x 2-3/8" Single needle and straight needle valves, swedge Freight Charges 1480# @ 4.35 2% N.M. Sales Tax	49.64 62.92 39.15 64.38 4.32 220.41*
4531	Pahhandle Steel Products Co., 6-12-62 100 Bbl. flat bottom API welded steel storage tank Outside ladder, set of tar paper 210 Bbl. API flat bottom welded steel storage tank 1" Rolling line, 2" downcomer, set of tar paper, 4' API single tank landing, 15' API stairway, 2" Enardo stack valve Cold weather gas production unit w/16" vertical 3-phase separator 1000# WP c/w std. accessories and controls for 3-phase operation mounted on 170M BTU indirect heater c/w std. accessories and 2" 3000# WO split bundle coil and submerged choke, mounted and piped up Fisher hi-low shut down valve assembly c/w start up by-pass installed 2-Reinforced concrete foundation blocks 2% N.M. State Tax	789.00 14.15 1,181.60 264.66 4,154.19 280.00 40.00 134.47 6,858.07*
32120	Industrial Supply Company, 6-18-62 6-2" 8rd EUE Skinner Bros cast iron tubing discs 2% N.M. Sales Tax	7.50 .15 7.65*
32665	Industrial Supply Company, 6-25-62 2" Nordstrom plug valve 1 Gallon Aluminum paint 2% N.M. Sales Tax	13.20 4.85 .36 18.41*
32133	Industrial Supply Company, 6-25-62 Baker model B C.I. Type, mech. set cement retainer First 8 hours service Rings, seals, packing elements 2% N.M. Sales Tax	311.11 35.00 112.36 9.17 467.64*
32664	Industrial Supply Company, 6-25-62 Ells, tee 2% N.M. Sales Tax	2.02 .04 2.06*
32131	Industrial Supply Company, 6-25-62 2-3-7/8 OW Tricone bits Freight charge 20# @ 4.43 2% N.M. Sales Tax	191.25 .89 3.84 195.98*
32666	Industrial Supply Company, 6-25-62 1/2 Bbl. diethylene glycol N. M. Sales Tax	58.89 1.18 60.07*
32661	Industrial Supply Company, 6-25-62 Nipples, ells, tees, plugs, other misc. fittings 2% N.M. Sales Tax	64.63 1.29 65.92*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
23663	Industrial Supply Company, 6-29-62 84' of 1" Std. black API line pipe T&C 21' of 3" Std. black API line pipe T&C 2% N.M. Sales Tax	\$ 22.05 23.30 .91 46.26*
32669	Industrial Supply Company, 6-29-62 Seal, O ring, packing element for Baker product Repair model R retrievable casing packer 2% N.M. Sales Tax	52.06 35.00 1.74 88.80*
32119	Industrial Supply Company, 6-29-62 27-4-1/2" COT Spin O Lizers 2% N.M. Sales Tax	268.65 5.37 274.02*
205	Ralph W. Miller, Inc., 7-3-62 Hook up battery, dig and bury lines, dress out vessels, build steps for tank grade, rake and clean up 1% N.M. School Tax 1/2% Aztec City Sales Tax	413.35 4.13 2.07 419.55*
8017	Ray L. Atchison Const. Co., Inc., 6-19-62 Smooth up location and build fire walls 1% N.M. State Tax	36.00 .36 36.36*
32670	Industrial Supply Company, 7-20-62 10# 20D box nails 2% N.M. Sales Tax	2.40 .05 2.45*
234	Ralph W. Miller, Inc., 8-9-62 Repair fence around mud pit 1% N.M. School Tax	29.20 .29 29.49*
J 7-4	Direct salary and auto expense charges Stake location and make settlement for surface damages 4 hrs @ 7.41 Auto expense 52 mi @ 10¢ Drilling engineer and geologist, check samples to TD, run log @ 5860', DST, run log @ TD, cement casing 48 hrs @ 6.41 Auto expense 156 mi @ 10¢ Completion engineer, perforate and sand-water frac in 3 stages 106 hrs @ 7.41 Auto expense 338 mi @ 10¢ Production foreman, clean well, potential test, clean up location, set production equipment 52 hrs @ 4.43 Auto expense 104 mi @ 10¢	29.64 5.20 307.68 15.60 785.46 33.80 230.36 10.40 1,418.14*
J 7-5	Material Transfer 248' of 2" EVE J-55 tubing to tie in prod. equip. 100' of 2" Tubing to tie in well head equipment	155.12 62.55 217.67*
J 7-6	Drilling well overhead for the period April 29 through June 29, 1962 (62/30 of \$250)	516.66 516.66*
J 7-7	Material Transfer Rental of drill out string 6849'	500.00 500.00*
J 7-8	Material Transfer 6580' of 2-3/8" 4.70# J-55 SMLS Tubing T&C used @ 31.275cft	2,057.90 2,057.90*
	Estimated additional expenses of installing fence, cleaning up location and miscellaneous expenses (subject to submission of final detailed list after work has been performed.	3,500.00 3,500.00*
	Total	\$81,062.40