

2501

tion, Transcript,  
Exhibits, Etc.

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

November 28, 1962

Re: Case No. 2701  
Order No. R-2381  
Applicant:

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

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

ir/

Carbon copy of order also sent to:

Hobbs OCC   x  

Artesia OCC       

Astec OCC   x  

OTHER

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. 2701  
Order No. R-2381

APPLICATION OF SOUTHWEST PRODUCTION  
COMPANY FOR COMPULSORY POOLING, 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 November 20, 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 28th day of November, 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 underlying the W/2 of Section 8, 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 each non-consenting interest owner whose identity and address is known has been offered an opportunity to join with the applicant.
- (5) That portions of the W/2 of Section 8, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, are presently involved in litigation and the applicant is unable to determine the true ownership thereof.
- (6) That although the applicant 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.

(7) 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.

(8) That the applicant proposes to dedicate the subject proration unit to the Glenn Swire Well No. 1, located 790 feet from the South line and 1850 feet from the West line of said Section 8 and completed in the Basin-Dakota Gas Pool.

(9) That the applicant should be allowed 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.

(10) That \$65.00 per month should be fixed as the reasonable 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.

(11) 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.

(12) That any non-consenting working interest owner not presently involved in litigation to determine his interest in the W/2 of said Section 8 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.

(13) That, in lieu of paying his share of costs out of production, any non-consenting working interest owner presently involved in litigation to determine his interest in the W/2 of said Section 8 should be afforded the opportunity to pay his share of well costs within 30 days from the date his interest is finally determined by the courts.

(14) That any non-consenting working interest owner not presently involved in litigation to determine his interest in the W/2 of said Section 8 and 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.

(15) That any non-consenting working interest owner presently involved in litigation to determine his interest in

-3-

CASE No. 2701

Order No. R-2381

the W/2 of said Section 8 not electing to pay his share of well costs within 30 days from the date his interest is finally determined by the courts 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.

(16) 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.

(17) That Southwest Production Company should be designated the operator of the subject well and unit.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the W/2 of Section 8, 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 Glenn Swire Well No. 1, located 790 feet from the South line and 1850 feet from the West line of said Section 8.

(2) That Southwest Production Company is hereby designated the operator of the subject well and 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 \$65.00 per month is fixed as the reasonable 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.

CASE No. 2701  
Order No. R-2381

(8) That any non-consenting working interest owner not involved in litigation to determine his interest in the W/2 of said Section 8 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 any non-consenting working interest owner presently involved in litigation to determine his interest in the W/2 of said Section 8 shall have the right to pay his share of well costs to Southwest Production Company within 30 days from the date his interest is finally determined by the courts, 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.

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

(11) 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



*E. L. Mechem*

EDWIN L. MECHEM, Chairman

*E. S. Walker*

E. S. WALKER, Member

*A. L. Porter, Jr.*

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

esr/

SWP Mercantile Bank, Trustee			
80.00 acs.			
SWP Oliver	SWP Bird	SWP Crandall, et al.	SWP Sterbenz
27.1 acs.	22.9 acs.	17.25 acs	12.75acs.

West Half Section 8, T. 30 N., R.11 W., N.M.P.M.,  
San Juan County, New Mexico  
Operator: Southwest Production Company  
Scale: 1" = 400'  
320.00 acs.

④ Glenn Swire No.1 Well  
790'N & 1850'W (SESW)  
Spudded : 10 - 28 - 61  
Completed : 11 - 15 - 61  
I. P. : 3834 mcf



Case 2701

Heard 11-20-62

Rec. 11-21-62

1. Grant SW Prod. request for forced pooling of  $\frac{1}{2}$  of sec. 8-35 N-11 W.
2. Allow 12.5% sink & 65% no. operating costs.
3. Will Cost to be filed. 30 days after order.
4. Will dedicated to the tract is their Glenn Swine #1 780/S + 1850/W of sec. 8 & is completed

Erin A. Vlt

2701

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

October 22, 1962

TELEPHONE 325-1702

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

NORMAN S. THAYER  
RAY B. JONES

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

Gentlemen:


re: Southwest Production Company's  
Application for Force Pooling Order  
for W $\frac{1}{2}$  of Section 8, T-30-N, R-11-W,  
N.M.P.M., San Juan County, New Mexico

Enclosed please find original and two copies of Southwest  
Production Company's application regarding the above  
referenced lands.

We will appreciate your setting this application for hear-  
ing as soon as possible.

Very truly yours,

VERITY, BURR & COOLEY

By   
Geo. L. Verity

GLV:mts  
Encs.

DOCKET MAILED

Date \_\_\_\_\_

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

1201 (4-60)

SYMBOLS

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

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

LA108 SL004

NOV 20 AM 10 17

L FRA006 RX PD=FARMINGTON NMEX 20 952A MST

ELVIS UTZ, EXAMINER OIL AND GAS CONSERVATION HEARING ROOM  
OIL AND GAS CONSERVATION COMMISSIONER OFFICE

STATE LAND OFFICE BLDG SANTA FE NMEX

THIS MORNING I WAS MENTIONED BY A FRIEND OF THE  
CONSERVATION HEARING FORCE PULLING SOUTHWEST QUARTER  
SECTION 8 TOWNSHIP 30N R11W REQUESTED BY SOUTHWEST  
PRODUCTION STOP I AM A PRINCIPAL PARTY IN CASE STOP I  
DID NOT RECEIVE ADVANCE NOTIFICATION I KINDLY REQUEST A  
30 DAY POSTPONEMENT ON THE ABOVE CASE IN ORDER TO OBTAIN  
ADEQUATE REPRESENTATION

JUAN MOYA PHONE 325-7811

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
November 20, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Southwest Production Company )  
for compulsory pooling, San Juan County, ) CASE 2701  
New Mexico. Applicant, in the above-styled )  
cause, seeks an order force pooling all )  
mineral interests in the Basin-Dakota Gas )  
Pool underlying the W/2 of Section 8, )  
Township 30 North, Range 11 West, San Juan )  
County, New Mexico. )

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2701.

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

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

MR. DURRETT: Mr. Jones, you are still under oath in  
this case.

MR. UTZ: Are there other appearances in this case?

JACK D. JONES

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

DIRECT EXAMINATION

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

SANTA FE, N. M.  
PHONE 983-3971

ALBUQUERQUE, N. M.  
PHONE 243-6691



BY MR. VERITY:

Q Mr. Jones, you are the same individual who testified in the previous two cases?

A Yes, sir.

Q You are employed by Southwest Production Company to do their land work?

A Yes, sir.

Q In the area of the West Half, Section 8, 30 North, 11 West?

A Yes, sir.

Q Has Southwest Production Company drilled and completed a well in the West Half of Section 8, 11, to the Dakota formation?

A Yes, we have. And on the map we have passed around it is shown as the Southeast of the Southwest Quarter, it is the Glenn Swire No. 1 well, 790 feet, I see North line on the map, but it's the South line, and 1850 feet from the West line, which puts it in the Southeast of the Southwest.

Q Has Southwest endeavored to obtain the joinder of all parties in the drilling and completing of that Dakota well who have any interest in production in the West Half?

A We have leases covering the entire West Half of the section. The North Half of the Northwest, which is the Mercantile Bank lease, is the subject of a suit between John Moyer and

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PAGE 4

M. J. Florence and Mercantile Bank.

MR. UTZ: Which area is that?

A The North Half of the Northwest. It's the 80-acre parcel. Trilon also has a quarter interest in this parcel, and inasmuch as it is the subject of the suit between John Moyer and the Bank and M. J. Florence, we feel that we should force pool those interests so that if the Court decision should be adverse to our claim to the lease we will at least be able to recover our costs from production therefrom.

The lower Court has ruled in favor of Florence and the Mercantile Bank, from whom we have obtained assignments of the lease. However, John has filed notice of appeal in that case and until such time as the Supreme Court has acted, of course, the decision will not be final. We would like to be able to make these lands subject to our mortgage and get our drilling money out of them prior to the time in which the hearing could be held.

MR. UTZ: Would that be the M. J. Florence estate?

A Yes, sir.

Q (By Mr. Verity) Are there other parties that have an interest or claim of interest in this 320 unit?

A Yes. There would be, as I say, in this parcel the suit includes the M. J. Florence, the Mercantile Bank, the Franklin Steel Products Company, which is John G. Polokoff, and John



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PAGE 5

Moyer. Now, Franklin Steel Products and Polokoff have entered disclaimers in their testimony in the case claiming no interest in these lands or the leases therein.

Now, the other lands we have which involve the same parties is the West Half of the East Half of the West Half of the Northeast of the Southwest Quarter. It's the five-acre parcel marked as Cantrell, Inc., in the Northeast of the Southwest there. Now, these lands are mentioned in a suit between John Moyer, M. J. Florence, John G. Polokoff, Franklin Steel Products and M. J. Florence and Florence A. Florence. Nowhere in the chain of title does any interest appear in these parties to this land, but it is mentioned in these two suits. Consequently, we have requested the forced pooling of any interests that they might have, even though the record gives no indication of their having any interest in these lands.

Now, I have approached John Moyer in reference to disclaiming any interest in these parcels and he flatly refuses to do so, and he does so on the basis of the other parties involved until the suits are finished.

MR. VERITY: I believe that's all we have. We offer Exhibit 1 in evidence.

(Whereupon, applicant's Exhibit 1 was offered in evidence.)



MR. VERITY: I have one more question. Excuse me.

Q Mr. Jones, you previously testified that you felt proper risk factor for drilling a well in the Dakota was in excess of 125%, is that your testimony in this case?

A Yes, sir.

MR. VERITY: That's all I have.

MR. UTZ: Exhibit 1 will be entered into the record of this case.

(Whereupon, applicant's Exhibit 1 was admitted in evidence.)

MR. UTZ: Are there questions of the witness?

CROSS EXAMINATION

BY MR. UTZ:

Q All parties listed on the Exhibit A in your application, have they been contacted?

A I have not contacted them except for, well, I have in the case of the North Half of the Northwest Quarter. I contacted the attorney for the Mercantile Bank and the M. J. Florence Estate, and I have talked to John himself; the Mercantile Bank and M. J. Florence are the people through whom we are claiming title, so they have, will have, of course, not disclaim any title in that but in the event of the suit that's the mere reason we have entered them in this because they are parties to that suit,





which John is a party, and John, of course, is claiming an adverse interest and is appealing to the Supreme Court in that matter, and he has been personally, well, we have talked to him several times trying to settle this matter almost, have tried to enter into an agreement with him whereby we would pay him a certain amount if and when he can furnish good title to the lands. He refuses to enter into such an agreement, demanding \$8,000 immediately to give us an assignment of his claim to the lands, and, of course, in the face of the decision of the lower courts and the facts as we know them, we are not willing to enter into any such agreement.

MR. UTZ: Any other questions of the witness? The witness may be excused in this case.

(Witness excused.)

MR. UTZ: Are there statements to be made in this case? We will take the case under advisement.

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ALBUQUERQUE, N. M.  
PHONE 243-6691

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

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

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 13th day of December, 1962.

Ada Dearnley  
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Darnley hearing of Case No. 2701, heard by me on Nov. 20, 1962.  
Thomas A. [Signature], Examiner  
New Mexico Oil Conservation Commission



SOUTHWEST PRODUCTION COMPANY

3108 SOUTHLAND CENTER  
DALLAS 1, TEXAS

JOSEPH P. DRISCOLL

RIVERSIDE 2-8388

JOHN H. HILL

December 22, 1962

*File  
Case 2701*

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

Re: Southwest's SWP-86  
Case No. 2701, Order No. R-2381,  
(Force Pooling, Glenn Swire No. 1 Well,  
W/2, Sec. 8-30N-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 dated November 28, 1962, providing for the force pooling of all mineral interests, whatever they may be, in the Basin-Dakota gas pool in the West Half of Section 8, T-30-N, R-11-W, N.M.P.M., San Juan County, New Mexico, and the dedication of such unit to the Glen Swire No. 1 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 Mail  
Return Receipt Requested

SOUTHWEST PRODUCTION COMPANY  
3108 Southland Center  
Dallas 1, Texas

WELL COSTS  
Forced Pooling, Order No. R-2381

Lease Name:

Glenn Swire No. 1 Well (DK)  
W/2, Section 8-30N-11W  
San Juan County, New Mexico

Invoice No.	Description	Amount
Statement	San Juan Engineering Co., 10-6-62 Stake location and survey elevation 2% New Mexico School Tax	\$ 100.00 2.00 102.00*
189-61	Aspen Drilling Company, 11-14-62 Contract drilling	32,500.00 32,500.00*
S 501780	Halliburton Company, 11-13-61 2-4-1/2" 8R D.V. multi stage cementer W/ 3-stage conversion kit New Mexico State Tax	808.00 16.16 824.16*
BC-607742	Halliburton Company, 11-14-62 600 Cu. ft. Pozmix-S cement New Mexico State Tax	1,532.42 30.65 1,563.07*
CS 782112	Halliburton Company, 11-14-61 Cementing production string to depth of 6687'	942.60 942.60*
BC 607778	Halliburton Company, 11-21-61 800 sks. 20-40 bulk fracturing sand 200 sks. 40-60 bulk fracturing sand 241 sks. Calcium chloride Mileage charge: 894.60 ton miles New Mexico State Tax	1,544.00 386.00 1,867.75 143.14 78.82 4,019.71*
FS 149935	Halliburton Company, 11-22-61 Water fracturing New Mexico State Tax	4,743.15 94.86 4,838.01*
CS 782517	Halliburton Company, 11-24-61 Pumping cementing to depth of 6530' New Mexico State Tax	390.00 7.80 397.80*
T 29570	Industrial Supply Co., 11-21-62 Casinghead 10" S/600X8" Finole type W/F housing Gaskets, studs, nuts, plug valve, ball plug, nipple Frt. chgs. on 301# @ 4.35; 67# @ 3.16 New Mexico State Tax	203.98 96.47 15.21 6.31 321.97*
57126	Industrial Supply Co., 11-13-61 6758' 4-1/2" #J-55 SRTR-2 API Lone- star casing ST/C 212 pcs 120.74 cft Less allowance on 70,959# @ 1.09 CWT Plus Hydrostatic test @ 5.00 N.T. on 35.48 N.T. 2% New Mexico Sales Tax	8,159.61 (773.45) 177.40 151.27 7,714.83*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
T 30120	Industrial Supply Co., 12-29-61 CA slip & seal assy. 10"x4-1/2" incl. Allen wrench 10x4-1/2" R seal assy. Spool tbg. head F. 10x6 S/600 w/2-2" std. outlets 1-3 pilot bit 4-1/2" OD incl. 2 Valve cameron gate F/2x2-1/16 2000# w/P @ 261.00, 1 handwheel 2-1 flange comp 2" 3000# W/P 2" LP @ 12.88 2% New Mexico Sales Tax	247.10 84.01  361.73 27.77  522.00 25.76 25.37 1,293.74*
T 30121	Industrial Supply Co., 12-29-61 1 Plug bull 2" LP tar 1/2" NPT 4 gasket steel ring R-23 @ 2.11 16 studs 5/8x4-3/4 @ .43 32 Hex nuts 5/8" @ .15 2x6 nipple XXLP Tee fem 3000# W/P 2" LP 1 gasket steel ring R-24 12-1x7-1/2" studs @ .81 24-1" hex nuts @ .26 New Mexico State Tax	10.07 8.44 6.88 4.80 3.62 14.10 4.41 9.72 6.24 1.37 69.65*
T 30122	Industrial Supply Co., 12-29-61 Valve tree cameron sgle. string solid block btm. fig. 6" 2000# WP W/prop F HB hanger W/12-1/16" bore master valve std. 2" 2000# W/P top TDD 2" 2000# W/P incl. handwheel Flange comp 2" 2000# W/P THD'D 2-3/8" EUE Gask steel ring R-23 Flange 2" 2000# W/PX2" LP 2% New Mexico Sales Tax	578.00    16.08 2.11 12.88 12.18 621.25*
T 30123	Industrial Supply Co., 12-29-62 Nipples, tee fem, plug bull, gask steel ring, unions, valve needles 8 welds 2000# W/P 2% New Mexico Sales Tax	73.91 42.00 2.32 118.23*
T 30124	Industrial Supply Co., 12-29-62 Valve straight needle 1/2" MXP Gauge PN Marsh 4-1/2" Face 3000" @ 24.82 Swage 2-3/8" EUE PN X1-1/2" reg box Frt. on 1480# @ 4.35 CWT Hanger tbg. #FBB, 6x2-3/8" EUE	7.85 49.64 23.45 64.38 62.92 212.40*
T 29595	Industrial Supply Co., 11-30-61 2" EUE 8RD x 2" 11-1/2 V Thd smls collar, 2" std. smls bull plug 2" EUE 8RD smls tubing spls 265 2" EUE 8RD skinner, iron tubing discs 2" EUE 8RD x4', perf. tbg. pup joint 2% New Mexico Sales Tax	9.95 1.46 5.00 14.50 .62 31.53*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
T 29592	Industrial Supply Co., 11-21-61 4-1/2" OD M&F Baker Differential fill up collar prod #109C \$ 160.00 4-1/2" SO Baker cement guide shoe prod #102 26.45 Kit Baker LOK thread locking com- prod #050 8.50 2% New Mexico Sales Tax 3.90 198.85*	
T 29329	Industrial Supply Co., 11-30-61 3-7/8" (037-520-5) W7 Tricone 112.50 15 #28907 95.63 Frt. chgs. 10# @ 4.35 CWT .44 New Mexico State Tax 1.92 97.99*	
T 29331	Industrial Supply Co., 11-30-61 3-7/8" (037-520-5) W7 Tricones 112.50 225.00 15 #98014-97998 191.25 Frt. chgs. 20# @ 4.43 CWT .89 2% New Mexico Sales Tax 3.84 195.98*	
T 30102	Industrial Supply Co., 12-29-61 4-1/2" OD SRD X 11-1/2V std Larkin swage nipple 4.55 2" FIG #200 Weco 2000# hammer union 7.00 2"x6" XII smls nipple 2.08 34-25 1.03 2" std API line pipe coupling 284.90c 2.65 -10-50 1.46 2" 2000# F.S. tee 4.80 10 4.32 2" std smls bull plug 2.30 2" EUE SRD thd X 2" REG 11-1/2 std smls tubing nipple 5.30 2% New Mexico Sales Tax .52 26.48*	
T 29596	Industrial Supply Co., 12-21-61 2" EUE SRD X 4' 4.7 J-55 pup joint 14.50 3-2" EUE SRD J-55 tbg coupling 531.90c 15.96 50 7.98 Nipple pup joint 2" EUE SRD X 10' J-55 22.60 Nipple pup joint 2" EUE SRD X 2' long J-55 11.80 2% New Mexico Sales Tax 1.14 58.02*	
T 30103	Industrial Supply Co., 12-20-61 2 3/8" 4.70# J-55 EUE SRD thd smls steel tbg. T&C (2 jts.) 62.55 cft 39.56 297 lbs. frt. from mill @ .80 CWT 2.38 New Mexico State Tax .84 42.78*	
T 31085	Industrial Supply Co., 3-22-62 OF 3" API black line pipe 7.70 T & C (1-jt) 110.93 CFT 23.30 2% New Mexico Sales Tax .47 23.77*	
T 31083	Industrial Supply Co., 3-30-62 Nipples, Unions, Elbs, Tees, bull plugs 68.29 2% New Mexico Sales Tax 1.37 69.66*	

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
T 31084	Industrial Supply Co., 3-30-62 Tees, pipe plugs, plug valves, locking handle, clips \$ 83.60 1 qt #1 Rector seal compound 2.70 #J-7 nordstrom wrench for 2" 1.53 New Mexico State Tax 1.76 89.64*	
T 31090	Industrial Supply Co., 3-30-62 1 roll 32" 12-1/2 field fence 32.00 1 roll barb wire 16.22 20-6' steel post @ 1.67 33.40 62' 2"x4" #2 NOT 5.92 12-2"x12"-30" SxS NOT #2, 4-2"x12"-6" SxS NOT #2, 2-2"x12"-3" SxS NOT #2 18.20 10 #20 common nails 2.00 2% New Mexico Sales Tax 2.15 109.89*	
T 31093	Industrial Supply Co., 3-30-62 1 Ea. 520 lb net drum Diethylene Glycol .2265 lb 117.78 2% New Mexico Sales Tax 2.36 120.14*	
9557	Little Tool Co., 11-30-61 1-1-1/2" plug, 1-2" plug 23.00 3% New Mexico State Tax .69 23.69*	
	Glenn Swire, 10-61 Surface damages 500.00 500.00*	
43255	Atomic Sign Service, 10-20-61 1 metal sign 12.50 New Mexico State Tax .38 12.88*	
8709	Panhandle Steel Products Co., 11-30-61 210 bbls. API flat bottom welded steel storage tank w/4911ing line, downcomer, tar paper, 4' single tank landing, API stairway, 2" Enardo stack valve 1,448.60 New Mexico State Tax 28.96 1,477.64*	
8794	Panhandle Steel Products Co., 12-30-61 #30-500 PSPCo cold weather gas production unit comb. 30" spherical & 16" vertical, w/3-phase separator, std accessories & 3-phase controls mtd. on 500,000 BTU heater c/w 2" 3000# WP split bundle coil & submerged choke; mtd. & piped on skids 4,581.19 3 reinforced concrete foundation blocks 60.00 2% New Mexico Sales Tax 92.82 4,734.01*	
9353	Panhandle Steel Products Co., 4-26-62 2" Fisher 125P-4102UR hi-low shut down valve and pilot complete installed w/start-up by-pass and manifold 253.89 Minimum charge to install on production unit 25.00 2% New Mexico State Tax 283.98*	

Invoice No.	Description	Amount
9430	Little Tool Co., Inc., 11-14-61 6 hours of welding @ 7.00 per hr. New Mexico State Tax	\$ 42.00 .84 42.84*
844	Lohmann Oil Well Service, Inc., 11-30-61 Completion unit November 20 through November 25, 1961 2% New Mexico School Tax	3,659.98 73.20 3,733.18*
37405	Baker Oil Tools, Inc., 12-15-61 Rental, #20-19 Baker model "CC" packer milling tool prod. #747-CC, first job 8 hour period 2% New Mexico State Tax	302.00 6.04 308.04*
Statement	Coan, Inc., 1-8-62 Clean location & build tank pad and dike, 21-1/2 hrs. @ 12.00 New Mexico State Tax	258.00 2.58 260.58*
Statement	F. P. Crum, Jr., 12-4-61 Three stage frac on Dakota; mill- ing plugs and completing well 2% New Mexico School Tax	225.00 4.50 229.50*
187-C-808	El Paso Natural Gas Co., 12-5-61 Rental charge for use of tar facilities from October 30, 1961 through November 15, 1961. 17 days @ 3.00 per day	51.00 51.00*
0-5501	E. L. Farmer & Co., 11-10-61 Haul 212 jts. (6,753') 4-1/2, 10.50# J-55 STC R-2 Casing 940/930 miles, scale weight 21.680# @ 1.00	1,347.50 1,347.58*
J4-5	Material Transfer, 4-30-62 (193 jts) used 8 jts 2" tbgs. to tie in wellhead, 62.55 CFT	120.72 120.72*
J4-6	Material Transfer, 4-30-62 6592' 2" EUE 8RD J-55 tbgs. (208 jts) for production string, 31.275 CFT	2,061.65 2,061.65*
	Material Transfer, 11-13-61 Trsf. 155' 4-1/2" casing (31 jts)	187.15 187.15*
102	Ralph W. Miller, Inc., 3-15-62 Digging ditch & water pit, backfill- ing ditch, cleaning & painting well- head, connecting battery, building fence & steps, servicing vessel & working 1% New Mexico School Tax	591.75 5.92 597.67*
7942	Monarch Construction Co., 12-29-61 Picked up material, delivered to location, laid blow line pit	66.75 66.75*



<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
18065	Magcobar Mud Co., 11-23-61 100 C-T Sx salt @ 2.50 Sales tax Trucking	\$ 250.00 5.00 41.82 296.82*
42960	Schlumberger Well Surveying, 11-20-61 Electrical logging run, 6680' depth chg. @ .07, 6680' oper chg. @ .08 Service Charge State Tax	1,002.00 150.00 23.04 1,175.04*
T 65697	Valley Steel Products Co., 11-29-61 Refund of thread protector	(31.20) (31.20)*
1607	Weatherford Oil Tool Co., 11-15-61 16-4-1/2" spiral centralizers @ 17.54 25-4-1/2" lo comb. scratchers @ 7.65 22 solid scratchers @ 5.74 4-4-1/2" spiral-flo cement baskets @ 33.32 New Mexico Sales Tax	280.64 191.25 126.28 133.28 14.63 746.08*
15559	The Western Co., 11-21-61 4-500 bbl frac tanks 2% New Mexico State Tax	676.00 13.52 689.52*
W 10314	Welex, 11-21-61 Dyna jet perforating: 36 holes 6618'-6606', 24 holes 6598'-6590', 12 holes 6576'-6572, 88 holes 6496'-6474', 18 holes 6434'-6428', 42 holes 6422'-6408' Plugs and packers Service charge New Mexico State Tax	1,301.00 1,045.20 150.00 49.92 2,546.12
J10-4	Direct salary and auto expense charges Stake location and survey elevation, 4 hrs. @ 7.41 Auto expense on 52 miles @ .10 Drilling Engineer & Geologist, check samples to TD well, run logs & cement casing, 36 hrs. @ 6.41 Auto expense on 130 miles @ .10 Completion Engineer, perf. & S/WF, 3 stages, 112 hrs. @ 7.41 Auto expense on 364 miles @ .10 Production Foreman, clean well, potential test, clean up location, and set production equipment, 52 hrs. @ 4.43 Auto expense on 104 miles @ .10	29.64 5.20 230.76 13.00 829.92 36.40 230.36 10.40 1,385.68*
J12-7	Estimated additional expenses of clean- ing up location and miscellaneous expenses (subject to submission of final detailed list after work has been per- formed)	1,000.00 1,000.00*
J12-8	Drilling well overhead for the period 10-28-61 through 12-2-61 (35/30 of \$250)	291.65 291.65*
Total		\$ 80,742.71

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF:

THE APPLICATION OF SOUTHWEST PRODUCTION )  
COMPANY FOR AN ORDER FORCE POOLING THE )  
BASIN-DAKOTA FORMATION UNDERLYING THE )  
WEST HALF (W $\frac{1}{2}$ ) OF SECTION 8, TOWNSHIP )  
30 NORTH, RANGE 11 WEST, SAN JUAN )  
COUNTY, NEW MEXICO. )

No. 2701

POOLING APPLICATION

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 oil and gas leases covering portions of the West Half (W $\frac{1}{2}$ ) of Section 8, 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 Southwest Quarter (SE $\frac{1}{4}$ SW $\frac{1}{4}$ ) of said section, 790 feet from the South line and 1850 feet from the West line.

2. That there are various parts of the West Half (W $\frac{1}{2}$ ) of the above described Section 8 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 $\frac{1}{4}$ SW $\frac{1}{4}$  of the above described Section 8 to the entire West Half (W $\frac{1}{2}$ ) of Section 8, and that the Commission should constitute the applicant as the "Operator" of the pooled unit.

4. That 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 on 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

EXHIBIT "A"

Douglas E. Florance

2610 Haines NE ✓  
Albuquerque, New Mexico

James J. Florance

1008 Chama NE ✓  
Albuquerque, New Mexico

Maurice J. Florance

4808 Dunberry Lane ✓  
Minneapolis, Minnesota

Florence A. Florance,  
Maureen E. Koop (formerly  
Maureen E. Florance)  
Katherine Mary Florance

4929 East Sunnyslope Road ✓  
Minneapolis, Minnesota

Trilon Oil Company, Inc.

1406, 1700 Broadway ✓  
Denver, Colorado

John G. Polokoff

5725 South Broadway ✓  
Los Angeles 37, California

Juan J. Moya

725 East Ute ✓  
Farmington, New Mexico

Kindom Uranium

1039 Palomas SE, Apt. A ✓  
Albuquerque, New Mexico

Franklin Steel Products

5725 South Broadway  
Los Angeles 37, California

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11/28/62  
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