

CASE 2961: Application of AMERADA
for an order force-pooling mineral
interests, Lea County, N. Mex.

CASE No.
2961

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

DRAFT
JMD/esr

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. 2961

Order No. R- 2961

APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR FORCE-POOLING, 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 16, 1963, 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 day of December, 1963, 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, Amerada Petroleum Corporation, seeks an order pooling all mineral interests in the Jenkins-Atoka Gas Pool underlying the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That the applicant has the right to drill and ^{has drilled} ~~propose~~ a well to the Jenkins-Atoka Gas Pool underlying the SE/4 of said Section 19.

(4) That there are royalty interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) 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 Jenkins-Atoka Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant proposes to dedicate the subject proration unit to its S. E. Anderson "A" Well No. 1, located in Unit P of said Section 19.

(7) That the applicant 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 Jenkins-Atoka Gas Pool underlying the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, are hereby pooled to form a 160-acre gas proration unit to be dedicated to the Amerada Petroleum Corporation S. E. Anderson "A" Well No. 1, located in Unit P of said Section 19.

(2) That Amerada Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) 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.

BEFORE THE OIL CONSERVATION COMMISSION OF NEW MEXICO

APPLICATION OF AMERADA PETROLEUM
CORPORATION FOR THE COMPULSORY
POOLING OF ALL INTERESTS IN THE
MORROW OR ATOKA PENNSYLVANIAN
FORMATION COMMON SOURCE OF SUPPLY
UNDERLYING THE SE $\frac{1}{4}$, SECTION 19-
9S-35E, LEA COUNTY, NEW MEXICO.

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A P P L I C A T I O N

Applicant Amerada Petroleum Corporation states:

1. The formation commonly known or designated as the Morrow or Atoka, Pennsylvanian formation, as discovered in applicant's S. E. Anderson "A" No. 1 well, underlying the SE $\frac{1}{4}$ of Section 19, Township 9 South, Range 35 East, Lea County, New Mexico, comprises a common source of supply.

2. Applicant owns and operates the unit well, the S..E..Anderson "A" No. 1, located in the SE $\frac{1}{4}$, Section 19-9S-35E.

3. Applicant has been unable to effect the voluntary pooling of all of the interests in the subject unit.

4. In order to prevent waste, avoid the drilling of unnecessary wells, protect correlative rights, and afford to the owner of each interest in the subject spacing or proration unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas and associated hydrocarbons in the South Bough Atoka Gas Pool, this Commission should:

(a) Pool all unpooled interests in the subect spacing or proration unit; and

(b) Make such other provisions as may be just and reasonable under the circumstances.

Applicant Amerada Petroleum Corporation therefore requests that this matter be set for hearing before the Commission on December 18,

1963, that notice thereof be given as required by law, and that upon conclusion of such hearing this Commission enter an order granting this application.

AMERADA PETROLEUM CORPORATION
P. O. Box 2040
Tulsa Oklahoma

By Thomas W. Lynch
and
KELLAHIN & FOX

By Jason W. Kellahi
P. O. Box 1713
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT

DOCKET NO. 36-63

DOCKET NO. 37-63

DOCKET: EXAMINER HEARINGS DECEMBER 13, 1963 AND DECEMBER 16, 1963

BOTH HEARINGS 9:00 A.M. OIL CONSERVATION COMMISSION CONFERENCE
ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

Examiner: Elvis A. Utz; Alternate Examiner: Daniel S. Nutter

DOCKET NO. 36-63 - DECEMBER 13, 1963:

CASE 2956: Application of United States Smelting Refining and Mining Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 4 of Order No. R-2589 to drill its State "E" Well No. 1 at an unorthodox location 660 feet from the North and West lines of Section 18, Township 19 South, Range 35 East, Scharb Bone Springs Pool, Lea County, New Mexico.

DOCKET NO. 37-63 - DECEMBER 16, 1963:

CASE 2959: Application of Texas Pacific Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 3 of Order No. R-2284, to drill its State AE Well No. 1 at an unorthodox location 2310 feet from the South line and 1980 feet from the West line of Section 10, Township 10 South, Range 36 East, South Crossroads-Devonian Pool, Lea County, New Mexico.

CASE 2960: Application of the British American Oil Producing Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Wilson Deep Unit Area comprising 1,905 acres, more or less, of State land in Township 20 South, Range 36 East, and Township 21 South, Range 35 East, Lea County, New Mexico.

CASE 2961: Application of Amerada Petroleum Corporation for force pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Morrow, or Atoka, zone of the Pennsylvanian formation underlying the SE/4 of Section 19, Township 9 South, Range 35 East, Lea County, New Mexico, to be dedicated to its S. E. Anderson "A" Well No. 1, a gas well located in Unit P of said Section 19.

CASE 2962: Application of Texaco Inc. for an oil-oil-salt water disposal triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the triple completion (tubingless) of its State of New Mexico "BZ" (NCT-10) Well No. 2 located in Unit N of Section 2, Township 25 South, Range 37 East, North Justis Field, Lea County, New Mexico, to produce oil from the North Justis-Blaine and North Justis-Drinkard Pools through parallel strings of 2 7/8-inch casing and to dispose of produced salt water into the interval from 4310 to 4390 feet, San Andres formation, through a third string of 2 7/8-inch casing. All casing strings would be cemented in a common well bore.

KELLAHIN AND FOX
ATTORNEYS AT LAW
54 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

Nov. 22, 1963

RECEIVED
NOV 22 1963

See 3961

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

Att'n: Mr. J. M. Durrett, Jr.

Gentlemen:

Enclosed is the application of Amerada Petroleum Corporation for an order force pooling a common source of supply underlying the SE $\frac{1}{4}$ of Section 19-9S-35E, Lea County, New Mexico.

The same acreage is the subject of a nomenclature hearing presently scheduled for hearing before the Commission's examiner on December 4, and it is this source of supply, and unit, that Amerada seeks to force-pool in this application.

Your scheduling this case for hearing at the regular December 18 hearing of the Commission will be appreciated.

Yours very truly,

Jason W. Kellahin
Jason W. Kellahin

JWK:ss
Encl.

DOCKETED FILED

12-403
[Signature]

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 16, 1963

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

IN THE MATTER OF:
Application of Amerada Petroleum Corporation
for force-pooling, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks an
order force-pooling all mineral interests in the
Morrow, or Atoka, zone of the Pennsylvanian
formation underlying the SE/4 of Section 19,
Township 9 South, Range 35 East, Lea County, New
Mexico, to be dedicated to its S. E. Anderson
"A" Well No. 1, a gas well located in Unit P of
said Section 19.

Case No. 2961

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING



MR. UTZ: The next case is Case Number 2961.

MR. DURRETT: Application of Amerada Petroleum Corporation for force-pooling, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, representing the Applicant. We will have two witnesses I would like to have sworn, please.

(Witnesses sworn.)

JOE B. DENTON, called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Joe B. Denton.

Q By whom are you employed, and in what position?

A Amerada Petroleum Corporation, Midland, Texas. I am Assistant District Landman.

Q Have you ever testified before the Oil Conservation Commission of New Mexico?

A No, sir.

Q For the benefit of the Examiner, would you briefly outline your education and experience as Assistant Landman?

A I am a graduate of the University of Missouri with a B.

A. I have been in land work for approximately 25 years.

Q Where was this experience?

A In Texas, Illinois, North Dakota and New Mexico,



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principally.

Q How long have you worked with Amerada in Midland?

A I have been there twelve years.

Q In connection with your duties as landman at the Midland office, have you had anything to do with the formation of the proposed unit involved in this application?

A I have.

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

Q Referring to what has been marked as Exhibit Number 1, would you identify that exhibit, please, and discuss the information shown on it?

A The area is located in Lea County and outlined in red; it is the southeast quarter of Section 19, Township 9 South, Range 35 East. We propose to pool the north half of the southeast and the south half of the southeast into a unit to produce gas from what is known as the Amerada Anderson "A" 1.

Q Would that form a standard unit in the newly created Jenkins Atoka Gas Pool?

A As I understand, yes, sir.

(Whereupon, Applicant's Exhibit No. 2 marked for identification.)

Q Referring to what has been marked Exhibit Number 2, would you identify that?

A That is a list of the working interest and royalty interest ownership under what is known as the north half of the south



half and the south half-south half of Section 19, 9 South, 35 East

Q Have all of the working interest owners agreed to the pooling of this acreage?

A No, sir.

Q The working interest owners, I say.

A Excuse me, the working interest, yes.

Q Are you asking at this time that the Commission pool the royalty interest that has not yet agreed?

A That is correct.

Q What is that interest; how is it shown on the exhibit?

A The interest is shown as Mrs. Lillian B. Veazey, William C. Veazey, Charles A. Veazey, Mildred L. Hansen and Mary P. Burdick.

Q What efforts have been made to obtain the consent of these royalty owners to pool?

A I have sent to all of these royalty owners an amendment to an oil and gas lease which would include into the oil and gas lease a unitization agreement allowing the unit to be formed, to incorporate the southeast quarter into a unit between the depth of 11,180 feet and 11,675 feet only.

(Whereupon, Applicant's Exhibit No. 3 marked for identification.)

Q Has that proposed amendment been marked as Exhibit Number 3?

A Yes.

Q And that is the proposal that was made to the non-consent-



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ing royalty owners, is that correct?

A That is correct.

Q The acreage involved here is held under two different leases, is it not?

A That is correct.

Q How would you refer to those leases?

A We refer to the Samantha Anderson Lease as our Anderson "A" 1 producing well. It is the south half of the south half.

Q Does that lease contain a pooling clause?

A It does.

Q In the ordinary form?

A It does.

Q Does it permit pooling of this acreage to form the acreage proposed here?

A Yes.

Q As to the north half of the south half, what is the situation?

A It does not contain a pooling agreement.

Q Have all of the owners other than those that you have named agreed to the pooling for the purpose of developing this acreage; all of those other than those non-consenting royalty owners?

A We have not contacted under the Anderson because it is not necessary. The working interest owners have.

Q I am referring to the other lease?



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A The Veazey Lease?

Q The Veazey Lease.

A They have not agreed to it.

Q Those other than the Veazeys have agreed, have they not, Mr. Denton?

A There is no others under it.

Q There is no others under it; Amerada holds the entire working interest?

A That is correct.

Q In addition to submitting the proposed lease amendment, have you made any other effort to contact the non-consenting owners?

A I called Mr. William C. Veazey on Friday the 13th of December, and asked him what their decision regarding this would be. He represented himself as speaking for his mother and his brother and two sisters who are the people, the royalty owners. He stated that they would not be interested in signing it, that they would rather have a well on their lease.

Q Now, at the time that you submitted your proposed lease amendment, was that sent by certified mail?

A It was sent by registered mail with return receipts.

Q Did you receive return receipts from each of the non-consenting owners?

A I did.

Q Then you feel that any further effort to obtain an agree-



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ment from these people would be fruitless?

A Yes, sir.

Q Were Exhibits 1, 2 and 3 prepared by you or under your supervision?

A Exhibit 1 was prepared by our Engineering Department, Exhibit 2 was prepared by me, and Exhibit 3 was prepared by our Legal Department in Tulsa, Oklahoma.

Q But Exhibit 3 is the copy that was sent out by you for the purposes of force-pooling?

A Yes, sir.

MR. KELLAHIN: At this time we will offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection Exhibits 1, 2 and 3 will be entered into the evidence of this case.

(Whereupon, Applicant's Exhibits 1, 2 and 3 were entered in evidence.)

MR. KELLAHIN: That's all the questions I have on direct examination.

CROSS EXAMINATION

BY MR. UTZ:

Q What is the percentage interest of the Veazey Lease?

A What is the percentage?

Q Yes.

A One-eighth.

Q One-eighth?



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A Regular one-eighth royalty.

Q So actually these 64th figures would be 34/64ths of 1/8th?

A Yes, sir.

Q So all the 64-64 which is equal to 1/8 percent, 12½ percent?

A Yes, sir.

Q Were the Veazey's, and in particular William C. Veazey notified that this hearing was going to take place?

A I mentioned to Mr. Veazey that there would be a hearing in Santa Fe today regarding pooling.

Q What was his response?

A None.

MR. KELLAHIN: If the Examiner please, we submit that the advertising as required by law by this Commission is notice; and that they were notified. In addition to any statements that may have been made by Mr. Denton, they had legal notice.

MR. DURRETT: You mean constructive notice?

MR. KELLAHIN: Yes.

A In my letter to them I stated to them that the Commission was expected to authorize 160-acre spacing.

Q (By Mr. Utz) So they have been notified by legal advertisement and orally and by letter?

A Yes, sir, Mr. Utz.

MR. UTZ: Any other questions of the witness?

MR. DURRETT: Yes, sir, I have one.



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BY MR. DURRETT:

Q Mr. Denton, on your Exhibit Number 2, which sets out the royalty interest --

A Yes.

Q -- you have them marked with an asterisk.

A Yes.

Q Will you explain what the asterisk means? That's probably just an expression of an opinion as far as need for forced pooling.

A I would say that would be correct.

Q They probably wouldn't agree with that?

A Well, if they would sign our amendment, no, we would not need it.

MR. DURRETT: Thank you, that's all I have.

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

(Witness excused.)

LAWRENCE E. THOMAS, called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Lawrence E. Thomas.

Q By whom are you employed and what position?

A District Engineer for Amerada Petroleum Corporation, Hobbs District.



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Q Have you testified before the Oil Conservation Commission before?

A I have.

Q Have you made your qualifications a matter of record?

A Yes.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. UTZ: Yes, sir.

Q Mr. Thomas, did you testify in Case 2950 involving the formation of the Jenkins-Atoka Gas Pool?

A Yes, sir.

Q At that time did you offer testimony in regard to cost of drilling in this area?

A Yes, I did.

Q And the economics of wells drilled to the Atoka in this area?

A Yes, I did.

Q For the benefit of the Examiner, would you briefly review the testimony you gave at that time?

A As to the economics calculated for 160-acre pool or unit we estimated we could recover approximately a billion cubic feet of gas, approximately 78,000 barrels of condensate or distillate, for a gross income of approximately \$350,000.00; for a profit before discount, rate of return on our money and operating cost and so forth, a profit of approximately \$118,000.00, which is about



half of the actual expenditure to drill a well.

Q Would it constitute waste, in your opinion, to drill a well on 80-acres rather than on 160?

A It would not be economically feasible to drill. It would be economic waste.

Q Would correlative rights of all the owners in the area be protected were you to drill on 160 acres?

A With forced pooling we would.

Q Would correlative rights be fully protected if you operated your well solely as an 80-acre unit?

A No, they would not.

Q Why do you say that?

A We feel that we'll drain 160 acres and we would legally only be on 80 acres with this present well.

Q Actually the interests we're seeking to force pool today would not be protected, would they?

A They would not.

Q The advertising in this case refers to the Morrow or the Atoka zone. Where is this well actually completed?

A This well is completed in the Atoka zone in the Pennsylvanian section.

Q So what you are seeking to force pool here then is the Atoka formation?

A Right.

MR. KELLAHIN: That's all the questions I have of the



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witness.

MR. UTZ: Are there any questions of the witness?

MR. DURRETT: I have a question I would like to ask Mr. Kellahin, as far as his client is concerned. Mr. Kellahin, am I correct that you are not seeking any risk costs, since this is royalty only?

MR. KELLAHIN: That is correct.

MR. DURRETT: And no cost of supervision?

MR. KELLAHIN: That is correct.

MR. DURRETT: Thank you.

CROSS EXAMINATION

BY MR. UTZ:

Q In your opinion, is this entire 160 acres productive of gas from the Atoka?

A As we know it now, yes.

Q You really don't have too much control on your contour?

A No.

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

(Witness excused.)

MR. UTZ: Any statements in this case? The case will be taken under advisement and the hearing is adjourned.



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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

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 27th day of December, 1963.

Ada Dearnley
Notary Public - Court Reporter

My Commission Expires:
June 19, 1967

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2861, heard by me on Dec. 16, 1963.
Thurman, Examiner
New Mexico Oil Conservation Commission



AMENDMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned, whether one or more, for and in consideration of One Dollar (\$1.00), the receipt of which is hereby acknowledged, does hereby amend the following oil and gas lease:

Date of Lease:	January 29, 1959
Lessor:	William E. Veazey and his wife, Lillian B. Veazey.
Original Lessee:	William P. Anthony
Present Lessee:	Amerada Petroleum Corporation
Covering:	Lot No. 3 & NE/4 SW/4 & N/2 SE/4 of Section 19-9S-35E, Lea County, New Mexico.
Recorded:	Vol. 173, Page 421 of the Records of Lea County, New Mexico;

to include, either as a supplement to the above lease or as a change of any of its provisions that may be in conflict with, the following:

"Lessee shall have the right and privilege to pool the gas leasehold estate hereby granted, or any portion thereof only as to the productive formation encountered between the subsurface depths of 11,180 feet and 11,675 feet in the Amerada Petroleum Corporation et al Anderson "A" No. 1 Well located on the S/2 S/2 Section 19-9S-35E, Lea County, New Mexico, either before or after production, with any other land, lease or leases when in Lessee's judgment it is necessary or advisable to do so in order to properly develop or operate the premises in compliance with spacing established for such formation by governmental authority having jurisdiction, such pooling to be into units not exceeding 160 acres (plus a 10% tolerance), except that larger units may be created, or existing units enlarged to conform to any spacing or well unit pattern that may be prescribed by governmental authority having jurisdiction. Lessee shall execute and record an instrument identifying and describing the pooled acreage. Production, drilling or reworking operations anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations under this lease. In lieu of the gas royalties elsewhere herein specified, Lessor shall receive from the unit well only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled in the particular unit involved. Lessee may terminate any unit, either before production, or after production ceases, by executing and placing of record a Notice of Termination."

The lease here amended as altered by this agreement shall continue in full force and effect.

For the consideration hereinabove recited the undersigned does hereby grant, lease and let unto the present Lessee, its heirs, successors and assigns, the land described in said lease, for the purposes set forth therein and in accordance with the terms and provisions thereof, as hereby amended.

THIS AGREEMENT may be signed in counterpart and shall be binding upon the undersigned, his or her heirs, successors and assigns, and shall inure to the benefit of the above named present Lessee, its successors and assigns.

EXECUTED this _____ day of _____, 1963.

Mildred L. Hansen

Lillian B. Veazey

Mary P. Burdick

William C. Veazey

Charles A. Veazey

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 2961

2461

Heard 12-16-63

Rec. 12-16-63.

1. Grant Amerade a forced pooling order for SE/4 sec. 19-25-35E. in the Jenkins - Otoker Gas Pool.
2. applicant desires pooling of all O.R. interests for this zone only.

Thurman

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

December 27, 1963

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1713
Santa Fe, New Mexico

Re: Case No. 2961
Order No. R-2631
Applicant:
Amerada Petroleum Corporation

Dear Sir:

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

Very truly yours,

A. L. PORTER, JR.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

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:

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Order No. R-2631

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CORPORATION FOR FORCE-POOLING, 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 16, 1963, 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 57th day of December, 1963, 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, Amerada Petroleum Corporation, seeks an order pooling all mineral interests in the Jenkins-Atoka Gas Pool underlying the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That the applicant has the right to drill and has drilled a well to the Jenkins-Atoka Gas Pool underlying the SE/4 of said Section 19.

(4) That there are royalty interest owners in the proposed proration unit who have not agreed to pool their interests.

(5) 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 Jenkins-Atoka Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

-2-

CASE No. 2961
Order No. R-2631

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(7) That the applicant 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 Jenkins-Atoka Gas Pool underlying the SE/4 of Section 19, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, are hereby pooled to form a 160-acre gas proration unit to be dedicated to the Amerada Petroleum Corporation S. E. Anderson "A" Well No. 1, located in Unit P of said Section 19.

(2) That Amerada Petroleum Corporation is hereby designated the operator of the subject well and unit.

(3) 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


Jack M. Campbell

JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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

esr/

December 12, 1963

WORKING INTEREST AND ROYALTY INTEREST

NM-1632- William E. Veazey Lease

Lot 3, NE/4 SW/4 & N/2 SE/4 Section 19-9S-35E
(Sometimes called N/2 S/2)

Working Interest:

Amerada Petroleum Corporation - All

Royalty Interest:

* Mrs. Lillian B. Veazey	33/64
* William C. Veazey	1/4 of 31/64
* Charles A. Veazey	1/4 of 31/64
* Mildred L. Hansen	1/4 of 31/64
* Mary P. Burdick	1/4 of 31/64

* Need forced Pooling.

NM-1808- Samantha Anderson Lease

Lot. 4, SE/4 SW/4 & S/2 SE/4, Section 19-9S-35E
(Sometimes called S/2 S/2)

Working Interest:

Amerada Petroleum Corporation - 93.125%

Lone Star Producing Company - 6.875%

Royalty Interest:

Samantha Anderson - All

Overriding Royalty Interest:

M. A. Machris	17.50% of 1/16 of 8/8
	LESS
	1% of 8/8

F. W. Lake	1% of 8/8
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Atlantic Refg. Co.,	55% of 1/16 of 8/8
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BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
App. NO.	2
CASE NO.	2961

