

CASE 3048: Application of E. L.
FUNDGINSLAND for compulsory pool-
ing, San Juan County, N. Mex.

Handwritten notes in cursive script, likely a signature or address, located in the bottom left corner of the document.

CASE No.

3048

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

Memo

From
FRANK T. CHAVEZ
District Supervisor

To Dick

I think this may belong
in the case file, ~~the~~ a
royalty owner complained and
in checking this out I found
that the operator had not
paid anybody. We're straight
now.

Frank

Case # 3048
R-7709

E. L. FUNDINGSLAND

ATTORNEY AND COUNSELOR

P. O. BOX 1157

LITTLETON, COLORADO 80120

JAN 28 1985
OIL CON.
DIST. 2

January 23, 1985

Mr. Frank Chavez
New Mexico Oil Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

RE: Sunical 10-SD
S/2 Section 3 T29N R13W
San Juan County, New Mexico

Dear Mr. Chavez:

Please find enclosed the following information regarding the captioned well.

1. Itemized drilling and completion expenses.
2. Four pages detailing income and expenses from the period of first production in February 1965 through December 1984.
3. Summary sheet displaying drilling and completion cost, non-consent participation penalty of 25%, and total revenue through December 1984 to be applied proportionately to the non-consent working interest owners.

The four pages detailing the income and expenses include 100% gross revenues from both gas and oil income as well as 100% of the taxes and oil marketing costs. The gross value to the working interest represents 87½% of the gas and oil income, taxes and marketing costs. The operation expenses constitute the \$75.00 per month as provided in the Oil Conservation Commission Force Pooling Order plus any additional expenses paid for outside labor, repair, maintenance and replacement of well equipment.

Our records indicate that there is a total of 3.0595888% attributed to non-consent working interest owners.

If you have any questions or inquiries from these working interest owners, please advise.

Sincerely,

E. L. Fundingsland, Jr.
E. L. Fundingsland, Jr.

ELF:dmm
Encs.

E.L. FUNDINGSLAND

SUNICAL 10-3D

S/2 SECTION 3 T29N R13W SAN JUAN COUNTY, NEW MEXICO

DRILLING AND COMPLETION EXPENSES

PAYEE	DATE	ITEM OR SERVICE PURCHASES	TOTAL
RAYCO DRILLING CO	11-16-64	DRILLING CONTRACTOR	42630.00
RAY B. JONES	08-12-64	FILING DRLG PERMIT WITH TOWN	75.00
RAY B. JONES	09-25-64	TITLE OPINION	52.00
RAY B. JONES	05-29-64	FORCE POOLING HEARING	532.86
TOWN OF FARMINGTON	06-04-64	PUBLICATION FOR REZONING	6.67
TOWN OF FARMINGTON	07-15-64	PUBLICATION FOR REZONING	8.78
VERITY, BURR, COOLEY	05-01-64	FILING DRLG PERMIT WITH TOWN	36.40
BASIN TITLE CO	01-19-65	ABSTRACTS	3566.32
LANE WELLS	11-13-64	ELECTRIC LOG	981.73
RAYCO DRILLING CO	11-23-64	COMPLETION RIG	3982.64
F. J. RAY	11-23-64	ENGINEERING SERVICES	360.50
E.L. FUNDINGSLAND, JR	11-30-64	GEOLOGICAL SERVICES	1000.00
PRODUCTION EQUIP	04-22-65	3 PHASE HEATING SEPARATOR	1030.00
FRANKLIN SUPPLY CO	11-30-64	STRIPPER RUBBER	114.00
FRANKLIN SUPPLY CO	11-27-64	RAM RUBBERS, ETC	105.18
FRANKLIN SUPPLY CO	10-30-64	SURFACE CASING	769.20
BLACKMON CEMENTING	10-26-64	CEMENT SURFACE CASING	433.11
ARCHIE T BLACK	10-01-65	SURVEYOR	239.20
ASSOCIATED LAND SV	04-19-65	SURVEYOR	302.64
PANHANDLE STEEL	02-15-65	STORAGE TANK	1344.18
POLYGON, INC	02-08-65	CATHODIC PROTECTION	1544.20
FRANKLIN SUPPLY CO	02-08-65	VALVES, ETC	318.38
FRANKLIN SUPPLY CO	02-17-65	LINE PIPE, ETC	589.26
FRANKLIN SUPPLY CO	02-19-65	FENCE & WIRE	693.30
FRANKLIN SUPPLY CO	02-19-65	FENCE POSTS, ETC	268.58
FRANKLIN SUPPLY CO	02-19-65	LINE PIPE, ETC	428.64
B & R SERVICE	11-21-64	RUN & PULL TUBING CHOKE	152.44
PANHANDLE STEEL	01-30-65	PRODUCTION UNIT & TANK	6174.26
THE WESTERN CO	11-16-64	FRAC TREAT WELL	9949.27
MCNUTT TOOL CO	01-17-65	2 3/8 SLIPS	86.05
LARGO MANAGEMENT	02-10-65	LABOR TO INSTALL SURFACE EQUIP	866.92
LARGO MANAGEMENT	02-19-65	LABOR TO INSTALL FENCE	728.15
DEAN PLUMLEE	02-02-65	BLADE LOCATION	31.20
DOWELL	11-14-64	CEMENT PRODUCTION CASING	1992.02
FRANKLIN SUPPLY CO	12-07-64	PADLOCKS	12.07
FRANKLIN SUPPLY CO	12-31-64	STAGE CEMENT COLLAR	486.34
FRANKLIN SUPPLY CO	12-08-64	TUBING HEAD, ETC	971.31
FRANKLIN SUPPLY CO	12-09-64	3 7/8 TRICONE BIT	108.22
FRANKLIN SUPPLY CO	12-10-64	OVERSHOT, SUBS, ETC	259.82
FRANKLIN SUPPLY CO	12-10-64	STRIPPER RUBBER	46.62
FRANKLIN SUPPLY CO	12-10-64	RENTAL/ELEV, ADAPTER FLG, ETC	127.56
G. O. WIRE LINE SV	11-16-64	BOND LOG, PERF, BRIDGE PLUG	1939.12
GOODNO WELDING	01-29-65	LABOR TO TIE WELL TO SEPARATOR	25.24
FRANKLIN SUPPLY CO	11-23-64	GUIDE SHOE, CENTRALIZERS, ETC	187.15
FRANKLIN SUPPLY CO	11-25-64	TUBING DISC	2.61
FRANKLIN SUPPLY CO	11-30-64	PRODUCTION CASING	8786.49
FRANKLIN SUPPLY CO	11-30-64	TUBING	4584.47
FRANKLIN SUPPLY CO	11-12-64	CASING HEAD	215.81
FRANKLIN SUPPLY CO	11-10-64	UNIONS, ELLS, ETC	87.45
WHITE, RODES & MCCAL	04-10-65	PROFESSIONAL SERVICES	5279.86
VERITY, BURR, COOLEY	05-01-64	PROFESSIONAL SERVICES	82.50
RAY B. JONES	07-30-64	PROFESSIONAL SERVICES	769.73
TRANS WESTERN TKS	11-30-64	HAUL WATER FROM LOACTION	324.45
		TOTAL	105689.90

E. L. FUNDINGSLAND

SUMICAL 10-30

S/2 SECTION 3 T29N R13W SAN JUAN COUNTY, NEW MEXICO

SUMMARY OF EXPENSES AND REVENUES

DRILLING AND COMPLETION EXPENSES	105689.9
NON-CONSENT WORKING INTEREST PENALTY OF 25%	25422.48

TOTAL COST TO NON-CONSENT WI OWNERS	132112.38
REVENUE TO CREDITED TOWARD NON-CONSENT WI COST	173796.63

NET REVENUE TO DETERMINE NON-CONSENT WI VALUES	41684.25
FOR THE PERIOD FEB 1965 THROUGH DEC 1984 TO BE	
DISTRIBUTED ACCORDING TO THEIR WORKING INTEREST %	

DATE	GAS GROSS	OIL GROSS	OIL/GAS TAXES	OIL MARKETING	NET	GROSS	WORKING TAXES	INTEREST MKTG.	OPER.	NET
FEB. 1965	1803.78	2425.10	305.73		3923.15	3700.27	267.51	0.00	587.65	2845.11
MARCH	2588.99	2406.87	364.31		4631.55	4371.38	267.77	0.00	577.08	3475.53
APRIL	1684.55	1583.35	236.75		3036.25	2863.88	207.16	0.00	565.70	2091.02
MAY	434.58	453.73	118.72		769.59	777.27	103.88	0.00	86.30	587.09
JUNE	333.09	0.00	25.37		307.72	291.45	22.20	0.00	109.39	159.86
JULY	1257.22	794.33	156.33		1895.22	1795.11	136.79	0.00	75.00	1583.32
AUG.	505.43	770.95	104.95		1272.43	1205.21	91.83	0.00	75.00	1038.38
SEPT.	1040.28	961.27	152.45		1849.10	1751.36	133.39	0.00	75.00	1542.97
OCT.	965.90	749.41	131.65		1583.66	1500.90	115.19	0.00	84.75	1300.96
NOV.	1265.98	1121.39	181.87		2205.50	2088.95	159.14	0.00	96.63	1835.18
DEC.	945.50	282.08	93.52		1134.16	1074.22	81.83	0.00	75.00	917.39
JAN. 1966	833.75	736.65	119.63		1450.77	1374.10	104.68	0.00	75.00	1194.42
FEB.	467.18	367.63	63.58		771.23	730.46	55.63	0.00	75.00	599.83
MARCH	589.17	430.11	77.66		941.62	891.87	67.95	0.00	103.84	720.08
APRIL	794.95	395.77	82.85		1107.87	1041.88	72.49	0.00	75.00	894.39
MAY	572.81	403.05	74.34		901.52	853.88	65.05	0.00	75.00	713.83
JUNE	456.29	421.50	66.86		810.93	768.07	58.50	0.00	75.00	634.57
JULY	543.92	411.43	80.39		974.96	923.43	70.34	0.00	75.00	778.09
AUG.	709.08	370.94	82.25		997.77	945.02	71.97	0.00	233.05	640.00
SEPT.	694.98	816.10	112.64		1398.44	1322.20	98.56	0.00	75.00	1148.64
OCT.	662.21	0.00	49.36		612.85	579.43	43.19	0.00	75.00	461.24
NOV.	545.24	435.80	73.11		907.93	858.41	63.97	0.00	75.00	719.44
DEC.	673.82	474.76	85.50		1062.98	1005.01	74.90	0.00	75.00	855.11
JAN. 1967	439.83	0.00	32.79		407.04	384.85	28.69	0.00	103.84	252.32
FEB.	441.33	432.82	65.15		809.00	764.88	57.01	0.00	209.39	498.48
MARCH	372.50	0.00	27.77		344.83	326.03	24.30	0.00	75.00	226.73
APRIL	455.04	518.30	68.18		846.70	851.67	59.66	51.15	75.00	665.85
MAY	598.42	462.05	75.12		932.84	927.91	65.73	45.95	75.00	741.23
JUNE	538.10	0.00	40.10		498.00	470.84	35.09	0.00	75.00	360.75
JULY	427.86	489.20	64.34		799.16	802.43	56.30	46.87	122.02	577.24
AUG.	555.88	488.51	81.29		1009.22	1001.34	71.13	47.15	75.00	808.06
SEPT.	390.52	476.16	60.63		753.92	758.35	53.05	45.61	75.00	584.69
OCT.	608.96	489.75	77.82		967.27	961.37	68.09	46.92	75.00	771.36
NOV.	671.34	485.95	82.24		1022.23	1012.63	71.96	46.22	141.95	752.50
DEC.	498.32	489.10	69.58		864.68	863.99	60.88	46.52	126.50	630.09
JAN. 1968	635.01	514.61	79.85		992.58	1005.92	69.87	67.54	193.45	675.06
FEB.	480.79	510.61	68.14		846.67	867.48	59.62	67.02	141.95	598.89
MARCH	653.09	509.07	80.86		1004.94	1016.89	70.75	66.82	141.95	737.37
APRIL	612.43	0.00	45.60		566.83	535.88	39.90	0.00	163.58	332.40
MAY	550.93	502.24	73.56		914.27	930.27	64.37	65.92	158.71	641.27
JUNE	560.56	508.95	74.05		920.46	935.82	64.79	65.63	81.25	724.15
JULY	514.03	0.00	38.26		475.77	449.78	33.48	0.00	141.95	274.35
AUG.	439.38	509.47	65.05		808.72	830.24	56.92	65.70	241.95	465.67
SEPT.	524.32	510.18	68.93		890.39	905.19	60.31	65.78	110.02	669.08
OCT.	590.08	0.00	42.40		547.68	516.32	37.10	0.00	137.62	341.60
NOV.	563.25	514.28	72.00		929.74	942.84	63.00	66.32	141.95	671.57
DEC.	557.60	509.47	71.28		920.71	933.69	62.37	65.70	132.68	672.94
JAN. 1969	501.60	0.00	36.06		465.54	438.90	31.55	0.00	406.95	0.40
FEB.	378.42	577.41	62.57		808.17	836.35	54.75	74.45	141.95	565.20
MARCH	499.78	0.00	35.91		463.87	437.31	31.42	0.00	224.92	180.97
APRIL	477.86	549.85	68.41		883.58	899.25	59.86	66.26	75.00	698.13
MAY	506.09	0.00	36.38		469.71	442.83	31.83	0.00	276.50	134.50
JUNE	261.14	600.91	55.99		723.31	754.29	48.99	72.41	184.20	448.69
JULY	564.26	0.00	40.55		523.71	493.73	35.48	0.00	75.00	383.25
AUG.	511.73	591.30	73.41		948.19	965.15	64.23	71.25	142.60	687.07
SEPT.	475.43	0.00	33.90		441.53	416.00	29.66	0.00	87.27	299.07
OCT.	470.76	578.92	69.11		900.85	918.47	60.47	69.76	108.28	679.96
NOV.	344.64	0.00	24.55		320.09	301.56	21.48	0.00	75.00	205.08
DEC.	420.59	610.55	64.74		882.32	902.25	56.65	73.57	75.00	697.03

DATE	GAS		OIL		OIL/GAS		OIL		NET	-----WORKING INTEREST-----				
	GROSS	TAXES	GROSS	TAXES	GROSS	TAXES	GROSS	TAXES		MARKETING	NET	GROSS	TAXES	MARKTG.
JAN 1970	374.88	0.00	26.72	0.00	348.16	328.02	23.38	0.00	315.55	-10.92				
FEB	371.35	0.00	26.47	0.00	344.89	324.94	23.16	0.00	257.00	44.78				
MARCH	457.17	605.75	72.52	83.42	906.99	930.06	63.46	72.99	121.80	671.81				
APRIL	315.83	0.00	22.51	0.00	293.32	276.35	19.70	0.00	224.98	31.67				
MAY	388.65	605.15	64.87	83.33	845.61	869.58	56.76	72.91	192.78	547.13				
JUNE	409.31	0.00	29.16	0.00	380.15	358.15	25.52	0.00	192.78	139.85				
JULY	358.65	593.13	61.97	81.68	808.13	832.81	54.22	71.47	192.78	514.34				
AUG.	392.55	0.00	27.95	0.00	354.59	343.48	24.47	0.00	121.80	197.21				
SEPT.	282.24	0.00	20.11	0.00	262.13	246.96	17.60	0.00	215.51	13.85				
OCT.	397.97	591.12	62.18	81.40	845.51	865.45	54.41	71.23	121.80	618.01				
NOV.	422.78	0.00	30.18	0.00	392.60	369.93	26.41	0.00	133.66	209.86				
DEC	400.38	0.00	28.57	0.00	371.81	350.33	25.00	0.00	233.20	92.13				
JAN 1971	370.12	681.02	68.81	86.68	895.65	919.75	60.21	75.85	166.52	617.17				
FEB.	330.20	0.00	23.56	0.00	306.64	288.93	20.62	0.00	121.80	29.97				
MARCH	418.25	0.00	29.85	0.00	388.40	365.97	26.12	0.00	121.80	218.05				
APRIL	398.18	676.20	73.05	86.06	915.27	940.08	63.92	75.30	146.50	654.36				
MAY	374.07	0.00	26.73	0.00	347.34	327.31	23.39	0.00	189.86	114.06				
JUNE	454.43	0.00	32.39	0.00	422.04	397.63	28.34	0.00	160.55	208.74				
JULY	317.01	672.92	64.51	85.39	840.03	865.19	56.45	74.72	160.55	574.47				
AUG.	373.15	0.00	26.64	0.00	346.51	326.51	23.31	0.00	145.55	157.65				
SEPT.	355.85	0.00	25.43	0.00	330.42	311.37	22.25	0.00	245.55	43.57				
OCT.	378.53	632.67	63.78	80.28	867.14	884.80	55.81	70.25	145.55	613.19				
NOV.	270.96	0.00	19.32	0.00	251.64	237.09	16.91	0.00	145.55	74.63				
DEC	419.39	0.00	29.97	0.00	389.42	366.97	26.22	0.00	145.55	195.20				
JAN 1972	265.45	0.00	18.96	0.00	246.49	232.27	16.59	0.00	145.55	70.13				
FEB.	380.62	694.61	70.52	88.14	916.57	940.83	61.71	77.12	145.55	656.45				
MARCH	372.76	0.00	26.64	0.00	346.12	326.17	23.31	0.00	159.68	143.18				
APRIL	344.14	0.00	24.56	0.00	319.58	301.12	21.49	0.00	146.55	133.08				
MAY	354.15	741.77	71.54	94.12	930.26	958.93	62.60	82.36	179.98	633.99				
JUNE	728.05	0.00	51.84	0.00	676.21	637.04	45.36	0.00	161.66	430.02				
JULY	524.51	0.00	37.45	0.00	487.06	458.95	32.77	0.00	188.55	237.63				
AUG.	710.08	0.00	50.71	0.00	659.37	621.32	44.37	0.00	245.55	331.40				
SEPT.	586.72	622.05	78.71	0.00	1,051.13	1,057.67	68.87	69.06	146.65	773.09				
OCT.	649.20	0.00	45.22	0.00	603.98	568.05	39.57	0.00	146.65	381.83				
NOV.	387.34	0.00	26.97	0.00	360.37	338.92	23.60	0.00	146.65	168.67				
DEC	450.08	0.00	31.36	0.00	418.72	393.82	27.44	0.00	266.63	99.75				
JAN 1973	439.57	792.02	78.81	100.50	1,052.28	1,077.64	68.96	87.94	146.65	774.09				
FEB.	584.94	0.00	40.75	0.00	544.19	511.82	35.66	0.00	174.00	302.16				
MARCH	568.73	0.00	39.63	0.00	529.10	497.64	34.68	0.00	174.00	288.96				
APRIL	487.94	0.00	33.99	0.00	453.95	426.95	29.74	0.00	153.30	243.91				
MAY	706.90	844.18	101.12	99.59	1,350.37	1,357.20	88.48	87.14	136.80	1,044.78				
JUNE	587.26	0.00	40.91	0.00	546.35	513.85	35.80	0.00	133.38	344.67				
JULY	597.65	0.00	41.63	0.00	556.02	522.94	36.43	0.00	166.75	319.76				
AUG.	619.69	0.00	43.17	0.00	576.52	542.23	37.77	0.00	396.65	107.81				
SEPT.	620.66	0.00	43.89	0.00	576.77	543.08	38.40	0.00	146.65	358.03				
OCT.	770.91	0.00	54.50	0.00	716.41	674.55	47.69	0.00	173.60	453.26				
NOV.	811.08	0.00	57.34	0.00	753.74	709.70	50.17	0.00	146.65	512.88				
DEC	777.16	0.00	54.94	0.00	722.22	680.02	48.07	0.00	146.65	485.30				
JAN 1974	786.99	2,049.59	194.25	88.65	2,553.68	2,482.01	169.97	77.57	146.65	2,087.82				
FEB.	581.45	0.00	41.11	0.00	540.34	508.77	35.97	0.00	146.65	326.15				
MARCH	727.66	0.00	51.45	0.00	676.21	636.70	45.02	0.00	146.65	445.03				
APRIL	742.34	0.00	52.48	0.00	689.86	649.55	45.92	0.00	146.65	456.98				
MAY	738.36	1,947.15	183.90	84.22	2,417.39	2,349.82	160.91	73.69	180.92	1,934.30				
JUNE	589.10	0.00	41.64	0.00	547.46	515.46	36.44	0.00	146.65	332.37				
JULY	444.84	0.00	37.00	0.00	407.84	389.24	32.38	0.00	146.65	210.21				
AUG.	825.90	0.00	68.71	0.00	757.19	722.66	60.12	0.00	163.65	498.89				
SEPT.	836.30	0.00	69.44	0.00	766.86	731.76	60.76	0.00	156.20	514.80				
OCT.	711.50	2,165.37	231.54	88.30	2,557.03	2,517.26	202.60	77.26	146.65	2,090.75				
NOV.	842.11	0.00	69.92	0.00	772.19	736.85	61.18	0.00	147.35	528.32				
DEC	796.53	0.00	66.14	0.00	730.39	696.96	57.87	0.00	147.35	491.74				
JAN 1975	3,000.50	14,011.77	3,230.00	1,301.50	41,274.61	40,150.41	2,625.31	1,216.01	10,332.27	25,762.97				

S. L. FUNDINGSLAND - SUNICAL 10-SD										-----WORKING INTEREST-----										PAGE 3																		
GAS					OIL					OIL/GAS TAXES					OIL MARKETING					GROSS TAXES					MKTG.					OPER.		NET						
GROSS					GROSS					TAXES					MARKETING					GROSS					TAXES					MKTG.					OPER.		NET	
JAN 1975	572.93	0.00	0.00	47.56	0.00	0.00	525.37	501.31	41.62	0.00	147.35	312.34	JAN 1975	779.41	0.00	0.00	64.71	0.00	0.00	714.70	631.98	56.62	0.00	147.35	478.01	JAN 1975	758.91	2,405.55	0.00	255.33	89.41	2,819.83	641.26	2,769.00	223.41	78.23	147.35	2,320.01
FEB.	779.41	0.00	0.00	64.71	0.00	0.00	714.70	631.98	56.62	0.00	147.35	478.01	FEB.	758.91	0.00	0.00	58.06	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	FEB.	699.32	0.00	0.00	51.41	0.00	0.00	193.11	303.61	518.78	198.62	2,567.38	
MARCH	699.32	0.00	0.00	58.06	0.00	0.00	641.26	611.91	50.80	0.00	147.35	413.76	MARCH	699.32	0.00	0.00	51.41	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	MARCH	713.48	0.00	0.00	59.24	0.00	0.00	155.68	416.78	518.78	198.62	2,567.38	
APRIL	699.32	0.00	0.00	58.06	0.00	0.00	641.26	611.91	50.80	0.00	147.35	413.76	APRIL	699.32	0.00	0.00	51.41	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	APRIL	894.50	0.00	0.00	74.62	0.00	0.00	198.62	518.78	518.78	198.62	2,567.38	
MAY	699.32	0.00	0.00	58.06	0.00	0.00	641.26	611.91	50.80	0.00	147.35	413.76	MAY	699.32	0.00	0.00	51.41	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	MAY	909.92	2,563.73	0.00	85.72	0.00	0.00	213.10	622.71	622.71	0.00	2,701.92	
JUNE	699.32	0.00	0.00	58.06	0.00	0.00	641.26	611.91	50.80	0.00	147.35	413.76	JUNE	699.32	0.00	0.00	51.41	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	JUNE	977.65	0.00	0.00	80.51	0.00	0.00	147.35	637.64	637.64	0.00	483.28	
JULY	699.32	0.00	0.00	58.06	0.00	0.00	641.26	611.91	50.80	0.00	147.35	413.76	JULY	699.32	0.00	0.00	51.41	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	JULY	785.41	0.00	0.00	64.68	0.00	0.00	147.35	483.28	483.28	0.00	653.67	
AUG.	699.32	0.00	0.00	58.06	0.00	0.00	641.26	611.91	50.80	0.00	147.35	413.76	AUG.	699.32	0.00	0.00	51.41	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	AUG.	969.79	0.00	0.00	79.88	0.00	0.00	125.00	653.67	653.67	0.00	2,701.92	
SEPT.	699.32	0.00	0.00	58.06	0.00	0.00	641.26	611.91	50.80	0.00	147.35	413.76	SEPT.	699.32	0.00	0.00	51.41	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	SEPT.	875.52	2,733.49	0.00	289.96	88.38	0.00	125.00	2,701.92	2,701.92	0.00	538.56	
OCT.	699.32	0.00	0.00	58.06	0.00	0.00	641.26	611.91	50.80	0.00	147.35	413.76	OCT.	699.32	0.00	0.00	51.41	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	OCT.	826.41	0.00	0.00	58.06	0.00	0.00	125.00	538.56	538.56	0.00	459.31	
NOV.	699.32	0.00	0.00	58.06	0.00	0.00	641.26	611.91	50.80	0.00	147.35	413.76	NOV.	699.32	0.00	0.00	51.41	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	NOV.	727.73	0.00	0.00	59.94	0.00	0.00	125.00	459.31	459.31	0.00	157.71	
DEC.	699.32	0.00	0.00	58.06	0.00	0.00	641.26	611.91	50.80	0.00	147.35	413.76	DEC.	699.32	0.00	0.00	51.41	0.00	0.00	567.68	611.91	50.80	0.00	147.35	413.76	DEC.	352.09	0.00	0.00	28.99	0.00	0.00	125.00	157.71	157.71	0.00	106.50	
JAN 1976	320.82	0.00	0.00	26.42	0.00	0.00	294.40	280.72	23.12	0.00	151.00	106.50	JAN 1976	320.82	0.00	0.00	26.42	0.00	0.00	294.40	280.72	23.12	0.00	151.00	106.50	JAN 1976	320.82	0.00	0.00	26.42	0.00	0.00	151.00	106.50	106.50	0.00	689.53	
FEB.	1,014.44	0.00	0.00	83.55	0.00	0.00	930.89	887.54	73.11	0.00	125.00	689.53	FEB.	1,014.44	0.00	0.00	83.55	0.00	0.00	930.89	887.54	73.11	0.00	125.00	689.53	FEB.	320.82	0.00	0.00	26.42	0.00	0.00	151.00	106.50	106.50	0.00	689.53	
MARCH	253.27	0.00	0.00	20.87	0.00	0.00	232.40	221.61	18.26	0.00	156.09	47.26	MARCH	253.27	0.00	0.00	20.87	0.00	0.00	232.40	221.61	18.26	0.00	156.09	47.26	MARCH	1,014.44	0.00	0.00	83.55	0.00	0.00	125.00	689.53	689.53	0.00	47.26	
APRIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	APRIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	APRIL	875.52	2,733.49	0.00	289.96	88.38	0.00	125.00	2,701.92	2,701.92	0.00	538.56		
MAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	MAY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	MAY	826.41	0.00	0.00	58.06	0.00	0.00	125.00	538.56	538.56	0.00	459.31		
JUNE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	JUNE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	JUNE	727.73	0.00	0.00	59.94	0.00	0.00	125.00	459.31	459.31	0.00	157.71		
JULY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	JULY	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	JULY	352.09	0.00	0.00	28.99	0.00	0.00	125.00	157.71	157.71	0.00	106.50		
AUG.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	AUG.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	AUG.	320.82	0.00	0.00	26.42	0.00	0.00	151.00	106.50	106.50	0.00	689.53		
SEPT.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	SEPT.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	-125.00	SEPT.	1,014.44	0.00	0.00	83.55	0.00	0.00	125.00	689.53	689.53	0.00	47.26		
OCT.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0																													

2. L. FUNDINGSLAND - SUNICAL 10-SD										-----WORKING INTEREST-----										PAGE 4
DATE	GAS GROSS	OIL GROSS	OIL/GAS TAXES	INTG.	WINDFALL PROFIT TAX	NET	GROSS	TAXES	INTG.	NP TAX	OPER.	NET								
JAN 1980.	1167.17	0.00	161.75	0.00	0.00	1005.42	1021.27	141.53	0.00	0.00	205.00	674.74								
FEB.	1117.48	0.00	154.21	0.00	0.00	963.27	977.80	134.93	0.00	0.00	130.00	712.87								
MARCH	1341.40	3356.50	572.53	96.57	576.19	4052.61	4635.66	500.96	84.50	504.17	130.00	3416.03								
APRIL	995.11	0.00	187.31	0.00	0.00	808.80	871.60	163.90	0.00	0.00	130.00	577.70								
MAY	1010.23	0.00	189.10	0.00	0.00	821.13	883.95	165.46	0.00	0.00	168.42	550.07								
JUNE	1423.88	0.00	265.24	0.00	0.00	1158.64	1245.90	232.09	0.00	0.00	130.00	883.81								
JULY	1219.94	0.00	242.13	0.00	0.00	977.81	1067.45	211.86	0.00	0.00	159.31	696.28								
AUG.	1213.85	0.00	249.70	0.00	0.00	964.15	1062.12	218.49	0.00	0.00	130.00	713.63								
SEPT.	866.65	0.00	177.28	0.00	0.00	689.37	758.32	155.12	0.00	0.00	175.33	427.87								
OCT.	1233.75	0.00	250.95	0.00	0.00	982.80	1079.53	219.58	0.00	0.00	209.72	650.23								
NOV.	1466.72	0.00	297.08	0.00	0.00	1169.64	1283.38	259.95	0.00	0.00	130.00	893.43								
DEC.	954.17	6140.48	692.35	96.92	1477.35	4828.01	6207.82	605.82	84.81	1292.69	130.00	4094.50								
JAN 1981	1359.74	0.00	273.55	0.00	0.00	1086.19	1189.77	239.36	0.00	0.00	130.00	820.41								
FEB.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	130.00	-130.00								
MARCH	1621.80	0.00	322.71	0.00	0.00	1299.09	1419.08	282.37	0.00	0.00	130.00	1006.71								
APRIL	904.18	0.00	178.92	0.00	0.00	725.26	791.16	156.56	0.00	0.00	130.00	504.60								
MAY	815.88	0.00	160.79	0.00	0.00	655.09	713.90	140.69	0.00	0.00	130.00	443.21								
JUNE	1342.20	8097.48	908.80	94.47	2305.20	6131.21	8259.72	795.20	82.66	2017.05	135.00	5229.81								
JULY	1007.09	0.00	209.17	0.00	0.00	797.92	881.20	183.02	0.00	0.00	187.00	511.18								
AUG.	806.28	0.00	167.01	0.00	0.00	639.27	705.50	146.13	0.00	0.00	211.50	347.87								
SEPT.	1310.49	0.00	268.40	0.00	0.00	1042.09	1146.68	234.85	0.00	0.00	135.00	776.83								
OCT.	1326.76	0.00	267.99	0.00	0.00	1058.77	1160.92	234.49	0.00	0.00	135.00	791.43								
NOV.	1039.26	0.00	208.71	0.00	0.00	839.55	909.35	182.62	0.00	0.00	135.00	591.73								
DEC.	1476.63	0.00	294.21	0.00	0.00	1182.42	1292.05	257.43	0.00	0.00	531.36	503.26								
JAN 1982	1702.82	7851.95	958.28	96.07	2115.63	6384.79	8360.42	838.50	84.06	1851.18	679.99	4906.69								
FEB.	1229.52	0.00	242.32	0.00	0.00	987.20	1075.83	212.03	0.00	0.00	135.00	728.80								
MARCH	1576.98	0.00	314.76	0.00	0.00	1262.22	1379.86	275.42	0.00	0.00	140.53	963.91								
APRIL	1189.60	0.00	236.08	0.00	0.00	953.52	1040.90	206.57	0.00	0.00	135.00	699.33								
MAY	1314.26	6320.58	759.98	86.81	1509.10	5278.95	6680.49	664.98	75.96	1320.46	135.00	4484.09								
JUNE	1203.58	0.00	237.64	0.00	0.00	965.94	1053.13	207.94	0.00	0.00	205.14	640.05								
JULY	795.21	0.00	167.14	0.00	0.00	628.07	695.81	146.25	0.00	0.00	135.00	414.56								
AUG.	685.83	0.00	143.77	0.00	0.00	542.06	600.10	125.80	0.00	0.00	135.00	339.30								
SEPT.	680.14	0.00	140.05	0.00	0.00	540.09	595.12	122.54	0.00	0.00	135.00	337.58								
OCT.	385.45	0.00	79.15	0.00	0.00	306.30	337.27	69.26	0.00	0.00	215.12	52.89								
NOV.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135.00	-135.00								
DEC.	1399.16	0.00	285.96	0.00	0.00	1113.20	1224.27	250.22	0.00	0.00	135.00	839.05								
JAN 1983	453.87	6496.01	582.03	86.39	1549.08	4732.38	6081.15	509.28	75.59	1355.45	2670.69	1470.14								
FEB.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135.00	-135.00								
MARCH	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135.00	-135.00								
APRIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	135.00	-135.00								
MAY	2403.08	0.00	484.77	0.00	0.00	1918.31	2102.70	424.17	0.00	0.00	2224.74	-546.21								
JUNE	1030.88	0.00	207.28	0.00	0.00	823.60	902.02	181.37	0.00	0.00	135.00	585.65								
JULY	1241.23	0.00	267.29	0.00	0.00	973.94	1086.08	233.88	0.00	0.00	135.00	717.20								
AUG.	602.65	0.00	129.47	0.00	0.00	473.18	527.32	113.29	0.00	0.00	201.82	212.21								
SEPT.	142.22	0.00	31.14	0.00	0.00	111.08	124.44	27.25	0.00	0.00	135.00	-37.81								
OCT.	666.51	0.00	143.34	0.00	0.00	523.17	583.20	125.42	0.00	0.00	191.93	265.85								
NOV.	250.26	0.00	115.57	0.00	0.00	134.69	218.98	101.12	0.00	0.00	135.00	-17.14								
DEC.	410.80	0.00	89.29	0.00	0.00	321.51	359.45	78.13	0.00	0.00	135.00	146.32								
JAN 1984	1444.13	0.00	313.15	0.00	0.00	1130.98	1263.61	274.01	0.00	0.00	150.00	839.60								
FEB.	459.58	0.00	99.44	0.00	0.00	360.14	402.13	87.01	0.00	0.00	150.00	165.12								
MARCH	383.91	0.00	81.45	0.00	0.00	302.46	335.92	71.27	0.00	0.00	866.24	-601.59								
APRIL	1575.56	0.00	333.66	0.00	0.00	1241.90	1378.62	291.95	0.00	0.00	2923.52	-1836.85								
MAY	849.49	0.00	182.33	0.00	0.00	667.16	743.30	159.54	0.00	0.00	306.12	277.64								
JUNE	1760.44	0.00	377.00	0.00	0.00	1383.44	1540.39	329.88	0.00	0.00	150.00	1060.51								
JULY	1837.32	6501.02	932.81	93.57	1311.96	6000.00	7296.05	816.21	81.87	1147.97	285.90	4964.10								
AUG.	1852.23	0.00	397.35	0.00	0.00	1454.88	1620.70	347.68	0.00	0.00	190.00	1083.02								
SEPT.	1420.58	0.00	303.36	0.00	0.00	1117.22	1243.01	265.44	0.00	0.00	150.00	827.57								
OCT.	1374.16	4286.12	639.40	75.20	762.48	4183.20	4952.75	559.48	65.80	667.17	742.63	2917.67								
NOV.	1691.27	0.00	359.69	0.00	0.00	1331.58	1479.86	314.73	0.00	0.00	150.00	1015.13								
DEC.	2071.54	0.00	439.45	0.00	0.00	1632.09	1812.60	384.52	0.00	0.00	150.00	1278.08								
JAN 1985	5505.02	10550.14	15774.30	726.00	11507.00	83648.75	98561.61	14677.55	635.25	10156.14	19852.01	54340.56								

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. 3048
Order No. R-2709

APPLICATION OF E. L. FUNDGINSLAND
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 May 27, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, E. L. Fundginsland, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well in the S/2 of said Section 3 to be projected to the Basin-Dakota Gas Pool.

(4) That there are 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

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CASE No. 3048

Order No. R-2709

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.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 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.

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

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled by E. L. Fundginsland in the S/2 of said Section 3.

(2) That E. L. Fundginsland is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

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

(10) 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.

(11) 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.

(12) 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; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

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

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CASE No. 3048

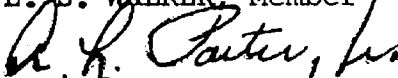
Order No. R-2709

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

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. 3048
Order No. R-2709

APPLICATION OF E. L. FUNDGINSLAND
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 May 27, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, E. L. Fundginsland, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well in the S/2 of said Section 3 to be projected to the Basin-Dakota Gas Pool.

(4) That there are 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 Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 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.

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

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled by E. L. Fundginsland in the S/2 of said Section 3.

(2) That E. L. Fundginsland is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

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

(10) 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.

(11) 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.

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-5-

CASE No. 3048
Order No. R-2709

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

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

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

S E A L

esr/

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OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
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(4) That there are interest owners in the proposed proration unit who have not agreed to pool their interests.

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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.

(6) That the applicant should be designated the operator of the subject well and unit.

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(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 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.

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IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled by E. L. Fundginsland in the S/2 of said Section 3.

(2) That E. L. Fundginsland is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

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(10) 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.

(11) 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.

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

-5-

CASE No. 3048


Order No. R-2709

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

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. 3048
Order No. R-2709

APPLICATION OF E. L. FUNDGINSLAND
FOR COMPULSORY POOLING, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

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(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, E. L. Fundginsland, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well in the S/2 of said Section 3 to be projected to the Basin-Dakota Gas Pool.

(4) That there are 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 Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

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(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

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- (1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled by E. L. Fundginsland in the S/2 of said Section 3.
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(13) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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CASE No. 3048
Order No. R-2709

DONE at Santa Fe, New Mexico, on the day and year herein-
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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

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

A. L. Porter, Jr.
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esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
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THE PURPOSE OF CONSIDERING:

CASE No. 3048
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FOR COMPULSORY POOLING, SAN JUAN
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CASE No. 3048

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(3) That the applicant has the right to drill and proposes to drill a well in the S/2 of said Section 3 to be projected to the Basin-Dakota Gas Pool.

(4) That there are 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 Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 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.

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

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CASE No. 3048

Order No. R-2709

IT IS THEREFORE ORDERED:

- (1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled by E. L. Fundginsland in the S/2 of said Section 3.
- (2) That E. L. Fundginsland is hereby designated the operator of the subject well and unit.
- (3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.
- (4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.
- (5) That the operator is hereby authorized to withhold the following costs and charges from production:
 - (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.
 - (B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.
- (6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.
- (7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

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

(10) 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.

(11) 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.

(12) 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; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

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

-5-

CASE No. 3048


Order No. R-2709

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

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. 3048
Order No. R-2709

APPLICATION OF E. L. FUNDGINSLAND
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 May 27, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, E. L. Fundginsland, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well in the S/2 of said Section 3 to be projected to the Basin-Dakota Gas Pool.

(4) That there are 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

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CASE No. 3048
Order No. R-2709

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.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 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.

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

CASE No. 3048
Order No. R-2709

IT IS THEREFORE ORDERED:

- (1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled by E. L. Fundginsland in the S/2 of said Section 3.
- (2) That E. L. Fundginsland is hereby designated the operator of the subject well and unit.
- (3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.
- (4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.
- (5) That the operator is hereby authorized to withhold the following costs and charges from production:
 - (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.
 - (B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.
- (6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.
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CASE No. 3048

Order No. R-2709

schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

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

(10) 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.

(11) 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.

(12) 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; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

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

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CASE No. 3048


Order No. R-2709

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
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THE PURPOSE OF CONSIDERING:

CASE No. 3048
Order No. R-2709

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FOR COMPULSORY POOLING, SAN JUAN
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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, E. L. Fundginsland, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well in the S/2 of said Section 3 to be projected to the Basin-Dakota Gas Pool.

(4) That there are 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 Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

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CASE No. 3048

Order No. R-2709

IT IS THEREFORE ORDERED:

- (1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled by E. L. Fundginsland in the S/2 of said Section 3.
- (2) That E. L. Fundginsland is hereby designated the operator of the subject well and unit.
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(10) 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.

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CASE No. 3048


Order No. R-2709

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

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. 3048
Order No. R-2709

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

(10) 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.

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CASE No. 3048


Order No. R-2709

DONE at Santa Fe, New Mexico, on the day and year herein-
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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
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(10) 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.

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Order No. R-2709

DONE at Santa Fe, New Mexico, on the day and year herein-
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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

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. 3048
Order No. R-2709

APPLICATION OF E. L. FUNDGINSLAND
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 May 27, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, E. L. Fundginsland, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well in the S/2 of said Section 3 to be projected to the Basin-Dakota Gas Pool.

(4) That there are 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 Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 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.

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

IT IS THEREFORE ORDERED:

- (1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled by E. L. Fundginsland in the S/2 of said Section 3.
- (2) That E. L. Fundginsland is hereby designated the operator of the subject well and unit.
- (3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.
- (4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.
- (5) That the operator is hereby authorized to withhold the following costs and charges from production:
 - (A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.
 - (B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.
- (6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.
- (7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

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

(10) 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.

(11) 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.

(12) 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; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

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

-5-


CASE No. 3048
Order No. R-2709

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

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(3) That the applicant has the right to drill and proposes to drill a well in the S/2 of said Section 3 to be projected to the Basin-Dakota Gas Pool.

(4) That there are 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 Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 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.

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

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled by E. L. Fundginsland in the S/2 of said Section 3.

(2) That E. L. Fundginsland is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

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

(10) 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.

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CASE No. 3048


Order No. R-2709

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OIL CONSERVATION COMMISSION

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

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(3) That the applicant has the right to drill and proposes to drill a well in the S/2 of said Section 3 to be projected to the Basin-Dakota Gas Pool.

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

(10) 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.

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E. S. WALKER, Member

A. L. Porter, Jr.

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

S E A L

esr/

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

Case 3048

May 15, 1964

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P
Y

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

Dear Mr. Verity:

We are enclosing herewith a supply of the docket for the examiner hearing on May 27, 1964, which docket includes your application for force-pooling the S/2 of Section 3, Township 29 North, Range 13 West for E. L. Fundginsland.

Please mail a copy of this docket to each of the interested parties shown in the exhibit attached to your application for force-pooling.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

DOCKET MAILED

Date 5/15/64
R

VERITY, BURR, COOLEY & JONES
ATTORNEYS AND COUNSELORS AT LAW
SUITE 152 PETROLEUM CENTER BUILDING
1834 APR 22 1964
SARASOTA, FLORIDA
ARMINGTON, NEW MEXICO
April 22, 1964

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

TELEPHONE 325-1702

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


Re: E. L. Fundginsland's
Application for force
Pooling Order fro S/2 of
Section 3, Township 29
North, Range 13 West,
N.M.P.M., San Juan County,
New Mexico

Gentlemen:

Enclosed herewith is original and two copies of application for
force pooling order. Will you please file the same and set
this matter for hearing at your earliest convenience.

Very truly yours,

VERITY, BURR, COOLEY & JONES

BY 
Geo. L. Verity

GLV-gp
Encl.

*Check
list - sh*

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 27, 1964

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, Alternate Examiner:

- CASE 3033: (Continued from April 29, 1964 Examiner Hearing)
Application of Cherry Brothers and Cabot Corporation for the creation of a new oil pool and for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Lower Wolfcamp production for its Austin State Well No. 1, located in Unit F of Section 19, Township 14 South, Range 36 East, Lea County, New Mexico, and for the establishment of temporary pool rules therefor, including a provision for 80-acre oil proration units.
- CASE 3046: Application of Marathon Oil Company for a triple completion and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (tubingless) of its State Warn A/c 1 Well No. 3, located in Unit F of Section 31, Township 17 South, Range 35 East, to produce oil from the Glorieta, Wolfcamp, and Abo formations, Vacuum Field, Lea County, New Mexico. Applicant further seeks the approval of a non-standard 80-acre proration unit comprising the SE/4 NW/4 and NE/4 SW/4 of said Section 31 to be dedicated to the aforesaid Wolfcamp and Abo zones in said well.
- CASE 3047: Application of El Paso Natural Gas Company for three non-standard gas proration units and one unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the following three non-standard gas proration units:
A 376.88-acre unit comprising the SE/4 and E/2 SW/4 and Lots 1, 2 and 3 of Section 9 and Lots 3 and 4 and the NW/4 SW/4 of Section 10;
A 357.84-acre unit comprising the SE/4, S/2 SW/4, and NE/4 SW/4 and Lots 1 and 2 of Section 10 and Lots 3 and 4 of Section 11;
A 359.20-acre unit comprising the S/2 and Lots 1 and 2 of Section 11, all in Township 32 North, Range 7 West, Blanco Mesaverde Pool, San Juan County, New Mexico. Applicant further seeks the approval of an unorthodox location for a well to be dually completed in the Mesaverde and Dakota formations at a point 1650 feet from the South line and 825 feet from the East line of said Section 9.
- CASE 3048: Application of E. L. Fundginsland for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, San Juan County, New Mexico.
- CASE 3049: Application of Sohio Petroleum Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Littman San Andres Unit Area comprising 661 acres, more or less, of State and Federal lands in Sections 8, 9, 16, and 17, Township 21 South, Range 38 East, Lea County, New Mexico. The Unit Area also includes 1280 acres of fee land in Sections 5, 6, 7, 14, and 15, Block A-29, PSL, Andrews County, Texas.

- CASE 3050: Application of Sohio Petroleum Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Littman-San Andres Pool by the injection of water into the San Andres formation through 4 wells in Sections 8, 9 and 16, Township 21 South, Range 38 East, Lea County, New Mexico. Said project is to be operated in Lea County, New Mexico. Said project is to be operated in conjunction with applicant's proposed waterflood project in the Littman San Andres Unit in Andrews County, Texas.
- CASE 3051: Application of Pan American Petroleum Corporation to amend Order No. R-2026, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Rules 7 and 10 of Order No. R-2026 to permit the production of more than two times top allowable from wells in its Northeast Hogback Unit Pressure Maintenance Project even though they offset wells outside the project area.
- CASE 3052: Application of The Atlantic Refining Company to amend Order No. R-2210, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Rules 7 and 10 of Order No. R-2210 to permit the production of more than two times top allowable from wells in its Horseshoe Gallup Unit Pressure Maintenance Project even though they offset wells outside the project area.
- CASE 3053: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Maljamar Pool by the injection of water into the Grayburg-San Andres formation through two wells located in Section 12, Township 17 South, Range 32 East, Lea County, New Mexico.
- CASE 3055: Application of Texas Pacific Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its J. P. Collier Well No. 1 located in Unit F of Section 10, Township 11 South, Range 33 East, Lea County, New Mexico, to produce oil from the North Bagley Upper and Lower Pennsylvanian Pools through parallel strings of tubing.
- CASE 3056: Application of Texas Pacific Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State "AF" Well No. 3, located in Unit L of Section 8, Township 18 South, Range 39 East, Lea County, New Mexico, to produce oil from the Abo and Wolfcamp formations, Vacuum Field, through parallel strings of tubing.
- CASE 3057: Application of Charles O. Trimble for an oil treating plant permit, Lea County, New Mexico. Charles O. Trimble, dba Trimble Mud Service, in the above-styled cause, seeks authority pursuant to Rule 302 to install and operate an oil treating plant approximately one mile South and West of Eunice, New Mexico, for the purpose of processing and treating sediment oil.
- CASE 3058: Application of Cities Service Oil Company to establish a special GOR limit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special gas-oil ratio limit of 6000 cubic feet of gas for each barrel of oil produced in the Reeves-Pennsylvanian Pool, Lea County, New Mexico.

- 3 - Wednesday, May 27 Examiner Hearing

- CASE 3059: Application of Frank Darden for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cowntown Unit Area comprising 280 acres, more or less, of State land in Sections 13 and 24, Township 18 South, Range 28 East, Eddy County, New Mexico.
- CASE 3060: Application of Frank Darden for a waterflood, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Artesia Pool in his Cowntown Unit Area, by the injection of water into the Grayburg formation through two injection wells in Sections 13 and 24, Township 18 South, Range 28 East, Eddy County, New Mexico.
- CASE 3061: Application of Kewanee Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Dayton Grayburg Pool by the injection of water into the Grayburg formation through one well in Section 25, Township 18 South, Range 26 East, Eddy County, New Mexico.
- CASE 3062: Application of Kewanee Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Atoka Grayburg Pool by the injection of water into the Grayburg formation through one well in Section 13, Township 18 South, Range 26 East, Eddy County, New Mexico.

Case 3048.

Heard. 5-27-64

Rec. 5-28-64

1. Force Pool, Sundeginsland ^{Basin} Dakota
~~Dakota~~ unit consisting of 5/21

Sec. 3-28N-13W.

2. Grant. 125% for a development
well and. 75⁰⁰ mo. operating
costs.

Thurs 11/1

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

45

IN THE MATTER OF:

THE APPLICATION OF E. L.)
FUNDINGSLAND FOR AN ORDER)
FORCE POOLING THE BASIN-)
DAKOTA FORMATION UNDERLYING)
THE SOUTH HALF (S/2) OF)
SECTION 3, TOWNSHIP 29)
NORTH, RANGE 13 WEST, N.M.P.M.)
SAN JUAN COUNTY, NEW MEXICO)

No. 3042

A P P L I C A T I O N

Comes now the applicant, E. L. Fundginsland, and for its application alleges and states:

1. That it is the owner of numerous oil and gas leases covering portions of the South Half (S/2) of Section 3, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, and that it proposes to drill and complete a well in the Dakota formation in said S/2 of Section 3.

2. That there are various parts of the South Half (S/2) of the above described Section 3 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 proposed well located in the S/2 of the above described Section 3 to the entire South Half (S/2) of Section 3, and that the Commission should constitute the applicant as the "Operator" of the pooled unit.

4. That applicant will undergo considerable risk in the drilling and completing 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 & JONES

By 

Geo. L. Verity

Attorneys for applicant,

E. L. Fundingsland

EXHIBIT TO APPLICATION
FOR FORCE POOLING

Following is a list of the names and addresses of interested parties:

<u>NAME</u>	<u>ADDRESS</u>
Albert Kneals Foutz	904 East 24th Street Farmington, New Mexico
Harvey Pitts	1002 East 26th Street Farmington, New Mexico
Elvin K. Fox	General Delivery Blanco, New Mexico
Luther J. Studdard	2625 Mossman Drive Farmington, New Mexico
Maurice Walters	c/o Great Southern Life Ins. Co. P. O. Box 1972 Houston, Texas
John Edgerton Evarts	2617 Mossman Drive Farmington, New Mexico
Everett W. Dame	1007 East 26th Farmington, New Mexico
Kent W. Cardon Helen M. Cardon	2601 Highland Pl. Farmington, New Mexico
Edward B. David	2602 Highland Farmington, New Mexico
Donald Knight	Box 328 Bloomfield, New Mexico
Marvin L. Matheny	c/o Robert O. Wenzel 2607 Highland Pl. Farmington, New Mexico
C. I. Trigg	2610 Highland Pl. Farmington, New Mexico
Billie C. Pittman	1207 East 27th Street Farmington, New Mexico
Harry G. Bartlett	1208 East 27th Street Farmington, New Mexico
J. P. Gibbins	Box 1032 Midland, Texas
Delbert J. Palmer	2611 Arch Lane Farmington, New Mexico

EXHIBIT "A"

<u>NAME</u>	<u>ADDRESS</u>
Franklin G. Anderson	c/o Jerry L. Stafford 2003 North Mesa Verde Farmington, New Mexico
Herbert J. McDonald	2005 Mesa Verde Farmington, New Mexico
James B. Ratcliff	2007 Mesa Verde Farmington, New Mexico
Earl J. Bangert Edith E. Bangert	2104 North Cochiti Avenue Farmington, New Mexico
Glenwood Heflin	2106 Cochiti Farmington, New Mexico
Frank A. Gibson	2200 Cochiti Farmington, New Mexico
Dean C. Clifton Georgia B. Clifton	705 East 22nd Farmington, New Mexico
Raymond A. Stevens Maurine M. Stevens	709 East 22nd Farmington, New Mexico
Herman Corbitt	713 East 22nd Farmington, New Mexico
Robert O. Ricketts	720 Forrest Place Farmington, New Mexico
H. L. Kendrick	712 Forrest Pl. Farmington, New Mexico
John F. Dudley	704 Forrest Pl. Farmington, New Mexico
Albert P. Blake	700 Forrest Pl. Farmington, New Mexico
Richard E. Short	721 Forrest Pl. Farmington, New Mexico
P. W. Wilcox, Jr.	805 East 22nd St. Farmington, New Mexico
Creighton Brown	1314 Vitalia Santa Fe, New Mexico
W. R. Porter	1405 Laguna Farmington, New Mexico
U. R. Christesson	909 East 22nd Farmington, New Mexico

EXHIBIT "A"

<u>NAME</u>	<u>ADDRESS</u>
Robert S. Pillard, Jr.	717 Forrest Pl. Farmington, New Mexico
Emmett Walling	2301 Cochiti Farmington, New Mexico
W. B. Shropshire	714 Forrest Pl. Farmington, New Mexico
Fred Easterling	2001 Cochiti Farmington, New Mexico
Carl J. Eaton	301 West Apache Farmington, New Mexico
Charles Morris Liles	2107 Cochiti Farmington, New Mexico
Walter W. Wharton	2006 Mesa Verde Farmington, New Mexico
David R. Bradley	2004 Mesa Verde Farmington, New Mexico
Ted Ealey	2002 Mesa Verde Farmington, New Mexico
Leon F. Rice	2000 Mesa Verde Farmington, New Mexico
Troy J. Rogers	2303 Cochiti Farmington, New Mexico
Dennis F. LaChance	2305 Cochiti Farmington, New Mexico
Don Conley	2307 Cochiti Farmington, New Mexico
Bill G. Sours Helen R. Sours	2401 Cochiti Farmington, New Mexico
David O. Vilven	2403 Cochiti Farmington, New Mexico
Kenneth C. Knight	2405 Cochiti Farmington, New Mexico
Murray R. McComas	2407 Cochiti Farmington, New Mexico

EXHIBIT "A"

<u>NAME</u>	<u>ADDRESS</u>
Robert Patterson	2501 Cochiti Farmington, New Mexico
Earl A. Roberts	c/o Dan Jamierson 2503 Cochiti Farmington, New Mexico
William C. Purvis	2505 Cochiti Farmington, New Mexico
Robert Brown	2507 Cochiti Farmington, New Mexico
Calvin C. Griffith	c/o Eula Griffith 909 East 23rd Farmington, New Mexico
Journey Inn Rentals	317 Airport Drive Farmington, New Mexico
Earl M. Oehring	1005 East 26th Farmington, New Mexico
Damon Quintana	2312 North Wagner Farmington, New Mexico
Donald W. Lee	2311 North Wagner Farmington, New Mexico
George E. Martin	2401 North Wagner Farmington, New Mexico
Charline Greer	2312 North Santiago Farmington, New Mexico
Major Oil & Gas Co.	Box 1498 Farmington, New Mexico
Ellsworth Patterson	1813 Laguna Avenue Farmington, New Mexico
B. F. Volkerding	708 East 20th Street Farmington, New Mexico
Charles E. Baker	201 McDonald Road Farmington, New Mexico
Paul F. Douglas	704 East 22nd Farmington, New Mexico
Carl Lewis Brown	708 East 22nd Farmington, New Mexico

EXHIBIT "A"

<u>NAME</u>	<u>ADDRESS</u>
Henry F. Schumann	712 22nd Street Farmington, New Mexico
James Orrin Abrams	714 East 22nd Street Farmington, New Mexico
Chalmer R. Myer Norma J. Myer	716 East 22nd Street Farmington, New Mexico
Luther T. Hamilton	800 East 22nd Street Farmington, New Mexico
Gus G. Omanson	804 East 22nd Farmington, New Mexico
James W. George	808 East 22nd Farmington, New Mexico
Walter R. Donaldson	900 East 22nd Farmington, New Mexico
Bernice Beasley	904 East 22nd Farmington, New Mexico
Dale Gladstone	910 East 22nd Farmington, New Mexico
James E. Botkin	1000 East 22nd Farmington, New Mexico
Frank P. Briggs	1004 22nd Street Farmington, New Mexico
Milton O. Trayer	805 East 24th Farmington, New Mexico
Bill Evans	801 East 24th Farmington, New Mexico
Stanley G. English William B. English J. Kathleen English	1801 Knudsen Farmington, New Mexico
George E. Coleman Barbara Coleman	2215 Cochiti Farmington, New Mexico
Henry M. Wood	812 East 24th Farmington, New Mexico
Donald R. Higgins Nina Gail Higgins	2944 East Main Farmington, New Mexico

EXHIBIT "A"

<u>NAME</u>	<u>ADDRESS</u>
Chester C. Brown	903 East 26th Farmington, New Mexico
Harry Z. Reed Norma Jean Reed	Farmington, New Mexico
Sam H. Carson	516 East Main Farmington, New Mexico
Ronald L. Nation	808 East 25th Farmington, New Mexico
J. D. Worley	2508 Mossman Drive Farmington, New Mexico
Leon C. McMillan	2510 Mossman Drive Farmington, New Mexico
Tabernacle Baptist Church	c/o Rev. Richard Cunningham 2400 Mossman Drive Farmington, New Mexico
Maurine Smith	c/o Dr. Harry McBride 123 North Allen Farmington, New Mexico
Harl Dalton Byrd	333 East Garcia Santa Fe, New Mexico
James E. White	2612 Mossman Drive Farmington, New Mexico
Francis Islas	2616 Mossman Drive Farmington, New Mexico
Evelyn M. Freeman	103 East Tycksen Farmington, New Mexico
Jerrell D. Crisp	1100 East 27th Farmington, New Mexico
Ernest E. Burns	1102 East 27th Farmington, New Mexico
J. W. Zscheile	2302 Cochiti Farmington, New Mexico
Robert E. Swan	2408 Cochiti Farmington, New Mexico
Floyd F. Franks	2205 Ash Las Vegas, Nevada

EXHIBIT "A"

<u>NAME</u>	<u>ADDRESS</u>
Dan U. Machalek	2409 Nathan Farmington, New Mexico
George Foltz	c/o Charles Hughes 2306 Cochiti Farmington, New Mexico
Richard L. Brenchley Thelma Jo Brenchley	2407 Nathan Farmington, New Mexico
Harry Spence	2400 Cochiti Farmington, New Mexico
Allan Reid Rowe	2405 Nathan Farmington, New Mexico
Donald F. Roberts	2402 Cochiti Farmington, New Mexico
Lawrence G. Humphrey	Star Route, Box 165-C Alameda, New Mexico
Thomas C. Kellenaers	2404 North Cochiti Farmington, New Mexico
Thomas Harmon	2406 Cochiti Farmington, New Mexico
Virgil G. Gabriel	1000 East 25th Farmington, New Mexico
Robert L. Smith	1002 East 25th Farmington, New Mexico
Norman O. Fink Betty J. Fink	Farmington, New Mexico
Phillip E. Malberg Marilyn A. Malberg	Farmington, New Mexico
Carl Delbert Robbins	2205 Huntzinger Farmington, New Mexico
Curtis Brown	Box 1980 Farmington, New Mexico
James R. Large	2406 Nathan Farmington, New Mexico
Stuve K. Kermit	2408 Nathan Farmington, New Mexico

EXHIBIT "A"

(Page 7)

EXHIBIT "A"

<u>NAME</u>	<u>ADDRESS</u>
Mossman-Gladden	Box 3068, Station D Albuquerque, New Mexico
Forrest Lumber Company	Drawer 30 Lubbock, Texas
Town of Farmington	Farmington, New Mexico
Joseph Gaglione	Mossman Drive Farmington, New Mexico

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
L. B. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

June 3, 1964

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

Re: Case No. 3048
Order No. R-2709
Applicant:
E. L. FUNDGINSLAND

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

lr/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC x

OTHER All those listed on Exhibit "A" of application.

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. 3048
Order No. R-2709

APPLICATION OF E. L. FUNDGINSLAND
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 May 27, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, E. L. Fundginsland, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes to drill a well in the S/2 of said Section 3 to be projected to the Basin-Dakota Gas Pool.

(4) That there are 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

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CASE No. 3048
Order No. R-2709

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.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 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.

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

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled by E. L. Fundginsland in the S/2 of said Section 3.

(2) That E. L. Fundginsland is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

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

(10) 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.

(11) 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.

(12) 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; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

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

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CASE No. 3048

Order No. R-2709

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

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. 3048

Order No. R- 2729

APPLICATION OF E. L. FUNDGINSLAND
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
May 27, 1964, at Santa Fe, New Mexico, before Examiner 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 June, 1964, the Commission,
a quorum being present, having considered the ~~application, the~~ testimony,
the record, ~~evidence adduced~~ and the recommendations of the Examiner,
-----, 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, E. L. Fundginsland, seeks an order
pooling all mineral interests in the Basin-Dakota Gas Pool under-
lying the S/2 of Section 3, Township 29 North, Range 13 West,
NMPM, San Juan County, New Mexico.

(3) That the applicant has the right to drill and proposes
to drill a well in the S/2

of said Section 3 to be projected to the Basin-Dakota Gas Pool.
~~Dakota Producing Interval.~~

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

P.S. Also we will
get to get these
orders out
soon after entry of 10 days
not more than
I will think

(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 Basin-Dakota Gas Pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(8) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(11) That \$75.00 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.

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

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, unit, are hereby pooled to form a 320-acre gas proration/to be dedicated to a well to be located drilled by E. L. Fundginsland in the S/2- of said Section 3.

(2) That E. L. Fundginsland is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized

schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs.

(6) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(7) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of actual well costs within 30 days following completion of the well; that if no objection to the actual well costs is received by the Commission and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(8) That within 30 days following determination of reasonable well costs any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(9) That \$75.00 per month is hereby fixed as the reasonable cost of operating the subject well, and the operator is hereby

-4-

CASE No. ~~2822~~ 3048
Order No. R-~~2642~~

authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(10) 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.

(11) 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.

(12) 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; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(13) 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, Chairman

E. S. WALKER, Member

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

S E A L

esr/

E. L. FUNDINGSLAND
ATTORNEY AND COUNSELOR

MAIN OFFICE OCC

2004 SECURITY LIFE BUILDING
DENVER, COLORADO 80202

1964 JUL 6 AM 7:42

July 1, 1964

New Mexico Oil & Gas Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.
Secretary

Case 3048
Re: Case No. 3048 - Order No. R-2709
June 3, 1964
Covering Basin-Dakota Gas Pool
underlying S/2 Sec 3, 29N, 13W
NMPM, San Juan Co., New Mexico

Dear Mr. Porter:

Enclosed herewith please find official NOTICE TO NON-
CONSENTING WORKING INTEREST OWNERS calling attention to the
Commission's order in the captioned case, together with the
itemized schedule of estimated costs for the drilling, completion,
and equipping of the subject well.

These notices were air mailed to each of the persons
involved on July 1, 1964.

Sincerely yours,

E. L. Fundingstrand
E. L. FUNDINGSLAND

ELF/1s
Enclosure
CC: Ray Jones

NOTICE TO

NON-CONSENTING MINERAL INTEREST OWNERS

In accordance with the New Mexico Oil Conservation Commission ruling in Case No. 3048, Order No. 2-2709 dated June 3, 1964, authorizing compulsory pooling of all mineral interest in the Strip-Balates Oil Pool underlying the S/2 of Section 3, Township 12 North, Range 13 West, 107th S. 3rd East, San Juan County, New Mexico, you are hereby advised of the Commission's Order:

- 1) That all Balates mineral interests underlying said acreage are pooled to form a 10 acre unit dedicated to a well to be drilled and operated by E.L. Fundingsland, O.G. No. 1 (1) (2)
- 2) That within 30 days from the date of the schedule of estimated well costs (herein enclosed and effective the date of this letter) any non-consenting working interest owner shall have the right to pay his share of the estimated well costs to the Operator in lieu of paying his share of the well costs out of production. (Page 3 (4))
- 3) That the Operator is authorized to withhold the following costs and charges from production:
 - a) The pro rata share of the well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs. (Page 3 (3) (A))
 - b) As a charge for the risk involved in the drilling of the well, 15% of the pro rata share of well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs. (Page 3 (5) (A))
 - c) That \$75.00 per month is fixed as the reasonable cost of operating the subject well and the Operator is authorized to hold from production the proportionate share of such cost attributable to each non-consenting working interest. (Page 4 (9))

The following is the itemized schedule of the estimated cost for the drilling, completion, and equipping of subject well. If you have not paid your proportionate share of the well costs within 30 days from this date (July 1, 1964), then your share of the production will be withheld in accordance with the Commission's orders as stated above.

AUTHORITY FOR EXPENDITURE

July 1, 1964

Drill and Equip 6700 Foot Dakota Test

E.L. Fundingsland-Sunical #10 SD

S/2 Sec.3-29N-13W, San Juan Co., New Mexico

<u>Nature of Expenditure</u>	<u>Estimated Cost</u>
Survey location and Location Damages	\$ 1,100.00
Turnkey drilling cost to casing point	42,000.00
6700' of 4-1/2 J-55 10.5 casing	9,520.00
6700' of 2-3/8 J-55 tubing	5,300.00
Well head complete - Series 600	2,500.00
Float, shoe and centralizer	300.00
200 sacks of cement and service for 4-1/2 casing	1,000.00
Engineering and Geological services	1,500.00
Perforating	2,000.00
Sand frac treatment - staged	7,000.00
Rig - daywork for completion	4,000.00
Production unit and tank battery installed	5,500.00
Misc: Welding, rentals, etc.	1,000.00
Level and clean up location and pits after completion - haul out mud	1,500.00
Install required special fence around completed location	1,500.00
Contingencies-testing, squeezing, field supervision	5,780.00
	<u>\$ 91,500.00</u>

If you would prefer to lease your premises for the standard fee of \$5.00 and thereby avoid having to pay your share of drilling and completion costs, call Ray B. Jones, Attorney, 153 Petroleum Center Bldg., Farmington, New Mexico.

We've Moved to

E.L. Fundingsland
E.L. Fundingsland

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 27, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of E. L. Fundginsland for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin Dakota Gas Pool underlying the S/2 of Section 3, Township 29 North, Range 13 West, San Juan County, New Mexico.

Case No. 3048

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 183-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



MR. UTZ: Case 3048.

MR. DURRETT: Application of E. L. Fundginsland for compulsory pooling, San Juan County, New Mexico.

MR. VERITY: This is an application for forced pooling 320 acres in the middle of Farmington, New Mexico. We have a rather complicated land situation. I would like to swear Mr. Ray Jones.

(Witness sworn.)

MR. UTZ: Any other appearances in this case? If there are none, you may proceed.

RAY T. JONES

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. VERITY:

Q Mr. Jones, what is your present occupation?

A I am an attorney in the town of Farmington, New Mexico.

Q Previous to that time, did you have experience in the land business?

A Yes, I was landman for Humble Oil and Refining Company for four years.

Q Are you familiar with the leasing situation in San Juan County generally, and particularly within the town of Farmington and the South Half of Section 3, Township 29 North, Range 13 West?



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A I am.

Q What all have you had to do with this particular Half Section, Mr. Jones?

A Well, I have written title opinions on portions of this land, and I have also purchased numerous oil and gas leases in this area and supervised the purchase of more oil and gas leases.

Q Have you recently been active in this area endeavoring to obtain leases from all parties who had not previously leased their land?

A We have.

Q Have you contacted to the best of your ability all parties that were not leased or had not joined in the lease?

A Yes. We mailed letters to all parties that we could ascertain that owned mineral interests that were unleased, and then we followed up with personal calls upon the people that we could locate in the town of Farmington.

Q To digress just a little bit, approximately two years ago, was a large portion of it leased up?

A From two to four years ago; some of the leases are four years old.

Q Then recently have you been making efforts to lease the balance of it?

A That is correct. We have made efforts to lease the balance and have, in fact, secured leases from approximately



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thirty owners in this area.

Q Are you familiar with Mr. Fundginsland's application in this case?

A I am.

Q And particularly Exhibit A that's attached to it?

A I am.

Q You said you sent out letters. Did you send out letters to all of the parties whose addresses are shown thereon and who are shown in Exhibit A?

A No, we did not. We did not send letters to the persons who we have obtained leases from in the last three weeks, which was after the application was filed, and it appeared to us after this exhibit was made that there were numerous of these lot owners that were already leased, and so we did not send notices to them.

Q But all parties that are named on Exhibit A who have not leased, you did mail a letter to?

A I did.

Q In addition to that, did you also mail out to all parties who had not leased a copy of the docket for this hearing--

A I did.

Q -- containing notice with regard to this hearing?

A I did.

Q I believe there are seven pages, a little over, of names on Exhibit A; how many of those parties have now leased?



A Including the parties who were already leased and parties who have leased since the time of this exhibit, approximately fifty.

Q Did you have aid and assistance in doing this leasing work?

A Yes, I had the aid of Weldon Julander, who is independently in the oil business in Farmington, New Mexico.

Q In your opinion, have the two of you used due diligence to obtain the joinder of all parties in the South Half of Section 3, Township 29 North, Range 13 West?

A Yes. As I say, we contacted everybody in the town of Farmington that we could find, and mailed letters to addresses as shown on the County Assessor's lists.

Q Does Mr. Fundginsland propose to drill a well into the Dakota formation on this tract?

A He does.

Q Do you know approximately when he desires to start?

A Sometime in the month of June, I believe.

Q Have you filed an application for a permit to drill a well, a permit from the town of Farmington?

A We have filed an application for a permit with the town of Farmington, yes, sir.

Q Are you familiar with what is a proper non-participation penalty or provision for a party who owns a lease or owns minerals



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in a tract where a well is being drilled and who does not desire to participate in the well?

A I am.

Q Will you tell us what you think is a proper non-participation factor?

A From 150 to 250 percent.

Q I believe in this application Mr. Fundginsland has only asked for 125 percent?

A That is correct.

Q You feel that more than that would be proper?

A Yes, sir.

Q You believe that it will prevent waste and promote the orderly development of the Dakota formation in this area if the Commission grants this forced-pooling order?

A I do.

MR. VERITY: I believe that's all we have.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Jones, then my arithmetic tells me there are approximately 71 people on this seven-page list that you are asking to be force-pooled?

A That's right.

Q All of those people have been notified of this hearing by a letter from you?



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A By mail from me, yes.

Q Are you asking for specific operating costs for the operation of this well?

MR. VERITY: I would like to answer that. Yes.

MR. UTZ: What is that figure you are asking?

MR. VERITY: We'd like to make a proper showing as to what is proper, but if you are referring to an overhead cost, we would like \$75.00.

MR. UTZ: Any other questions of the witness?

BY MR. PORTER:

Q Is that figure in line with what has been granted in other similar situations up there, do you recall?

A Mr. Verity would have to answer that.

MR. VERITY: I believe that we have had \$75.00 and \$50.00 before, but you have a lot of bookwork where you have this many people, as you can well understand, and I think \$75.00 is pretty reasonable.

MR. PORTER: That's all I have.

MR. DURRETT: I have one question.

MR. UTZ: Mr. Durrett.

BY MR. DURRETT:

Q Am I correct that you are seeking 150 percent or a 50 percent risk factor, is that correct? In other words, 100 percent of cost plus 50 percent risk?



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A Mr. Verity made this application.

MR. DURRETT: Is that correct?

MR. VERITY: That's correct, and I move to amend my application.

MR. UTZ: Your application does ask for 125?

MR. VERITY: Yes, it does.

MR. DURRETT: And you want 75 that we usually designate the cost of supervision?

MR. VERITY: Right.

MR. DURRETT: Thank you.

BY MR. UTZ:

Q Would you consider this a development well?

A Yes, sir.

Q There are wells very near this?

A Yes, there is a well in the North Half of the Section and in the Section 2 immediately to the east.

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

(Witness excused.)

MR. UTZ: Any other statements in this case? The case will be taken under advisement.

We'll take a fifteen-minute recess.

(Whereupon, a short recess was taken.)

* * *



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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 10th day of June, 1964.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Ex. Hearing of Case No. 3048, heard by me on 5-27, 1964.
Thos. A. [Signature], Examiner
New Mexico Oil Conservation Commission

