

Case 1441

TURNER, WHITE, ATWOOD, McLANE AND FRANCIS

ATTORNEYS AND COUNSELORS AT LAW

1900 MERCANTILE DALLAS BUILDING

DALLAS 1, TEXAS

April 23, 1958

J. GLENN TURNER
W. D. WHITE
FELIX ATWOOD
ALFRED E. McLANE
EDWARD L. FRANCIS
JULIAN M. MEER
JAMES B. FRANCIS
TREVOR REES-JONES
HARRY S. WELCH
THOS R. HARTNETT III
JOHN L. HAUER
H. L. HITCHINS, JR.
WILLIAM L. MEINERNEY
WILLIAM G. WEBB
LEWIS CHANDLER
SNOWDEN M. LEFTWICH, JR.
WILLIAM C. HERNDON, JR.
B. THOMAS MELROY
C. SIDNEY McLAIN
DAVID P. SMITH
GEO. E. FLANNIGAN
LANCASTER SMITH
THOMAS G. CROUCH
ALPHONSO RAGLAND III

*May Regular
Hearing*

Mr. A. L. Porter, Jr.
Oil Conservation Commission
of the State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Re: In the Matter of the Application of
Pubco Petroleum Corporation for
Temporary Order Recognizing the Verde-
Gallup Oil Pool, San Juan County, New
Mexico, and Other Related Matters

Dear Sir:

Please find enclosed herewith, in triplicate, Applica-
tion of Pubco Petroleum Corporation in connection with the cap-
tioned matter, which, it is our understanding, will be set down
for hearing before the Commission at the Commission's May, 1958,
Hearing.

With best wishes, we are

Yours very truly,

TURNER, WHITE, ATWOOD, McLANE
and FRANCIS

By *William G. Webb*
William G. Webb

WGW:mch
Enclosures
cc: Mr. Frank D. Gorham, Jr.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
PUBCO PETROLEUM CORPORATION FOR A
TEMPORARY ORDER RECOGNIZING THE VERDE-
GALLUP OIL POOL, SAN JUAN COUNTY, NEW
MEXICO, AS A SINGLE COMMON SOURCE OF
SUPPLY, ESTABLISHING UNIFORM EIGHTY
ACRE PRORATION UNITS AND WELL SPACING,
AND PROMULGATING SPECIAL RULES AND
REGULATIONS FOR SAID POOL

CASE NUMBER 1441

TO THE HONORABLE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO:

Comes now PUBCO PETROLEUM CORPORATION and respectfully
alleges, states and would show the Commission as follows:

I

That the Commission has heretofore created and recog-
nized the Verde-Gallup Oil Pool covering lands situated in San
Juan County, New Mexico.

II

That the Gallup Formation underlying the said area as
heretofore recognized is productive of oil and gas and consti-
tutes a single common source of supply which should be recog-
nized by the Commission.

III

That applicant and other parties own oil and gas
leases within said area and approximately eighty (80) wells
which are productive of oil and gas from the Gallup Formation
have been drilled therein, and which formation is encountered
at depths ranging from one thousand, seven hundred thirty-two
feet (1,732') to three thousand, eight hundred seventeen feet
(3,817'), due primarily to formation dip rates, but which depth
averages two thousand, seven hundred feet (2,700').

IV

That a well density of no more than one (1) well to each eighty (80) acres has heretofore been maintained in the development of said area.

V

That one (1) well completed in the Gallup Formation will efficiently and economically drain and develop an area of eighty (80) acres; that all wells drilled to and completed in the Gallup Formation within said pool or within one (1) mile of the boundary thereof as the same is presently or may be hereafter delineated should be located on eighty (80) acre proration units comprising two (2) adjacent governmental quarter quarter sections within a single governmental quarter section, which unit should run either North and South or East and West; and that wells projected to or completed in said formation in such proration units should be located on diagonal quarter quarter sections within a governmental quarter section.

VI

That exceptions should be granted to the above described and specified well locations as to all wells which have been heretofore drilled or which may be drilling as of the date hereof which are not drilled or drilling at locations within the limits prescribed by the Commission in any Order issued pursuant to this application.

VII

That such other special rules should be promulgated by the Commission, including, without limitation, provisions for the taking and reporting of proper gas-oil ratio and bottom hole pressure tests, as the Commission may deem advisable.

VIII

That the granting of this application will prevent waste, protect correlative rights and prevent the economic loss attendant to the drilling of an excessive number of wells and

will result in the recovery of the greatest amount of oil and gas from said area.

IX

That a copy of this application has been mailed, of even date herewith, to each of the parties listed on Exhibit "A" hereto, who are all of the parties which the undersigned applicant knows or has reason to believe are interested in this application.

WHEREFORE, applicant prays that this matter be set down for hearing before this Commission at the earliest practicable date, that notice thereof be given according to law and the rules and regulations of this Commission, and, upon hearing of this application, a temporary order be entered recognizing the Verde-Gallup Oil Pool for the production of oil and gas from the Gallup Formation as a common source of supply within the area as heretofore and as the same may be hereafter designated, establishing eighty (80) acre proration units, providing for the location of wells as herein specified, providing for the taking of bottom hole pressure and gas-oil ratio tests as herein requested, and for promulgating such other special rules and regulations as the Commission may deem necessary and proper.

IN WITNESS WHEREOF, this application has been executed by the undersigned applicant this 23rd day of April, 1958.

PUBCO PETROLEUM CORPORATION

By 
William G. Webb, Attorney
1900 Mercantile Dallas Building
Dallas 1, Texas

EXHIBIT "A"

TO

APPLICATION OF PUBCO PETROLEUM CORPORATION
FOR A TEMPORARY ORDER RECOGNIZING THE VERDE-
GALLUP POOL, SAN JUAN COUNTY, NEW MEXICO, AS
A SINGLE COMMON SOURCE OF SUPPLY, ESTABLISHING
UNIFORM EIGHTY ACRE PRORATION UNITS AND WELL
SPACING, AND PROMULGATING SPECIAL RULES AND
REGULATIONS FOR SAID POOL

Mr. Truett Hollis
El Paso Natural Gas Products Company
Post Office Box 1161
El Paso, Texas

Mr. S. H. Letteer
Gulf Oil Corporation
Post Office Box 2087
Denver 1, Colorado

Mr. Patterson Lay
Tennessee Gas Transmission
Post Office Box 1772
Casper, Wyoming

Mr. George W. Selinger
Skelly Oil Company
Post Office Box 1650
Tulsa, Oklahoma

Mr. C. M. Carroll
Carroll Production Company
Post Office Box 337
Farmington, New Mexico

Mr. Paul D. McElroy
Three States Natural Gas Company
1700 Corrigan Tower
Dallas 1, Texas

Mr. Art Grenier
Southern Union Gas Company
Burt Building
Dallas 1, Texas

Mr. J. W. Brown
Pan American Petroleum Corporation
Post Office Box 899
Roswell, New Mexico

Mr. C. N. Segnar
Standard Oil Company of Texas
Post Office Box 1249
Houston, Texas

Mr. Quilman B. Davis
Aztec Oil & Gas Company
Mercantile Securities Building
Dallas 1, Texas

Mr. L. H. Byrd
Humble Oil & Refining Company
Post Office Box 1600
Midland, Texas