DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico November 16. 1960

IN THE MATTER OF:

APPLICATION OF TEXAS NATIONAL PETROLEUM COMPANY for an order force-pooling a standard 320-acre gas proration unit in the Basin-Dakota Pool. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Dakota Producing Interval in the N/2 of Section 22, Township 29 North, Range 12 West, Basin-Dakota Pool, San Juan County, New Mexico. The following are among the interested parties: Tom Bolack. Pan American Petroleum Corporation, Texaco, Inc., H. K. Riddle, Monsanto Chemical Company, and the U.S. Geological Survey.

CASE

) NO. 2124

BEFORE:

Hon. John W. Burroughs Mr. A. L. Porter, Examiner Mr. Murray Morgan, Commissioner

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: The Commission will consider the next case. Number 2089 -- Excuse me, just a moment, I called the wrong case. I believe we have a short case that we want to take up first --Case Number 2124.

MR. MORRIS: Case Number 2124. Application of Texas National Petroleum Company for an order force-pooling a standard 320-acre gas proration unit in the Basin-Dakota Pool.



MR. FERRIS: George Verity, appearing on behalf of the Texas National Petroleum Company. Mr. Little, would you take the witness stand, please?

MR. MORRIS: Are there other witnesses to be sworn?

MR. VERITY: I have no other witnesses, no.

(Witness sworn.)

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C U R T I S L I T T L E, a witness, called by the Applicant, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. VERITY:

- Q Will you state your name to the Commission, please?
- A My name is Curtis Little.
- Q Mr. Little, what is your occupation?
- A I am a practicing consulting geologist.
- Q Are you a graduate geologist, from college?
- A Yes, I am. I have a Bachelor of Science degree from Southern Methodist University in 1950.
- Q Mr. Little, are you familiar with the reservoir known as the Basin-Dakota Pool, found in San Juan and Rio Arriba Counties, New Mexico?
 - A Yes. I am.
- Q Have you made a study, and are you familiar with the Dakota formation underlying the N/2 of Section 22, T29N, R12W?
 - A Yes, I am.



Do you know whether or not the N/2 of 22-29-12 is under-Q lain with effective Dakota formations?

Yes. I have made a study of that area, and have concluded that from all the evidence present that it is underlain by commercial production.

- You think that all 320 acres would be productive in the Dakota?
 - A Yes.
- Do you know whether or not Texas National Petroleum Company has staked a location in that N/2?
- Yes, they have. They have staked a location in the SE/4 of the NE/4 of that section.
 - I see. Who is the operator of the NE/4 of 22?
 - Texas National Petroleum Company.
- Do you know whether or not they have made an effort to obtain agreement from the other parties who owned mineral and royalty interest in the N/2 of 22, to form a unit of the N/2 for Dakota production?
 - Yes, they have.
 - Have they been able to do so, or not?
 - They have not.
- Do you know the expiration date of the Applicant Texas National's lease in the NE/4?
 - December of this year, December the 1st of this year. Α MR. VERITY: That's all we have, Your Honor.



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HONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

MR. PORTER: Any questions of the witness?

CROSS-EXAMINATION

BY MR. PAYNE:

- Q Mr. Little, has Texas National Petroleum Company made any effort to establish this unit voluntarily?
 - A They have made an attempt to do that.
 - Q They have contacted the various parties --
 - A Yes, sir.
 - Q -- but time grows short?
 - A Yes, sir, that's correct.
- Q Now, is it your opinion that denial of this application would result in some of the owners, or some of the tracts comprising the 320 acres, that it would deprive them of their right to recover their just and equitable share of the hydrocarbons under this 320-acre tract --
 - A No, I don't believe it would.
 - Q -- denial of your application?
 - A Oh, yes, sir, I do.

MR. PAYNE: Thank you.

MR. PORTER: Any further questions of the witness?

(No response.)

MR. PORTER: You may be excused.

(Witness excused.)

MR. PORTER: You didn't have any exhibits?

MR. VERITY: No, we do not, Your Honor.



PHONE CH 3-6691

MR. PORTER: Does anyone else have anything to offer in this case?

MR. BUELL: I have a statement.

MR. PORTER: Go ahead.

MR. BUELL: Guy Buell, for Pan American Fetroleum Corporation. Pan American Petroleum Corporation is the operator of the Yates-Canyon units. We have no objection to this application, provided that later on the NE/4 of Section 22 is brought into the Yates-Canyon.

MR. PORTER: Anyone else?

MR. PAYNE: We received a communication from Mr. John J. Redfern. Junior, which reads as follows:

"As working owner in Yates-Canyon Unit, I recommend order be granted in Case 2124, in case of Texas National to N/2 of Section 22, T29N, R12W, Basin Dakota Pool, San Juan County, New Mexico."

MR. UNDERWOOD: My name is Rip Underwood, and I have acquired a lease in the NE/4 of Section 22, I acquired it in September -- NW/4, and I have no objection. I recommend the application be granted.

MR. PORTER: If there is no further evidence to be offered in this case, we will take it under advisement.



PHONE CH 3-6691

STATE OF NEW MEXICO SS. COUNTY OF BERNALILLO

I, a Notary Public in and for the County of Bernalillo. State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported in stenotype, and reduced to typewritten transcript, and that the same is a true and correct record to the best of my knowledge, skill, and ability.

WITNESS my hand and seal this 10th day of December, 1960. in the City of Albuquerque, County of Bernalillo, State of New Mexico.

My Commission Expires:

June 19, 1963.



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ALBUQUERQUE, NEW MEXICO

INDEX

WITNESS	PAGE
CURTIS LITTLE	
Direct Examination by Mr. Verity	2
Cross Examination by Mr. Payne	4

