

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 28, 1961

EXAMINER HEARING

Case 2324

TRANSCRIPT OF HEARING

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 28, 1961

EXAMINER HEARING

IN THE MATTER OF:)

Application of Aztec Oil & Gas Company)
for an order force-pooling a standard)
320-acre gas proration unit, San Juan)
County, New Mexico. Applicant, in the)
above-styled cause, seeks an order)
force-pooling all mineral interests in)
a standard 320-acre gas proration unit)
in the Basin-Dakota Gas Pool, consisting)
of the N/2 of Section 2, Township 29)
North, Range 12 West, San Juan County,)
New Mexico.)

Case
2324

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: We will call Case Number 2324.

MR. MORRIS: Application of Aztec Oil & Gas Company
for an order force-pooling a standard 320-acre gas proration unit,
San Juan County, New Mexico.

MR. VERITY: George L. Verity appearing on behalf of
the Applicant. We have one witness to be sworn in the case.

(Witness sworn.)

MR. VERITY: In this case, the Applicant owns all of
the working interest in the north half of Section 2, Township 29,

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



Range 12 West, San Juan County. They desire to drill a well in the northwest quarter thereof. They have communicated with Mr. Harry W. Young and wife, Margaret W. Young, endeavoring to get them to pool their royalty interest underlying the northwest quarter of the mentioned Section 2. These people have refused to do so. We have the letters to offer as evidence.

MR. UTZ: Let the record show appearances were requested and there were none.

L. M. STEVENS

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

DIRECT EXAMINATION

BY MR. VERITY:

Q Mr. Stevens, will you please tell us whether or not Aztec Oil and Gas Company has written the first of those letters and sent it to Mr. Young and received the second one in reply?

A Yes, sir.

MR. VERITY: We offer Exhibits 1 and 2 in evidence and call the Commission's attention to the fact that this is a Basin Dakota gas pool of 320 acres and it is necessary that we have a 320-acre location.

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

MR. MORRIS: The only interest not dedicated to the unit of Harry W. Young?

A Yes, sir; that is correct.



MR. VERITY: And wife.

MR. MORRIS: And wife, Margaret W. Young. How do you spell that?

THE WITNESS: M-A-R-G-U-E-R-I-T-E.

MR. MORRIS: And they own the entire royalty interest in the northwest quarter of Section 2?

THE WITNESS: That is correct.

MR. MORRIS: Thank you.

MR. VERITY: Since receiving that letter of refusal, we have called them on the telephone and he has further refused to join.

MR. UTZ: They have -- Mr. and Mrs. Young have refused to join the unit as royalty owners or has he offered to sell his royalty?

THE WITNESS: He offered to sell the royalty, but he said he would consider selling his royalty if we made him an offer that was much more than he had been offered, or a substantial increase of what he had been offered before, and we feel like the price that he would ask would be completely out of reason.

MR. UTZ: Are there any other questions?

MR. VERITY: We offer these into evidence.

MR. UTZ: Exhibits 1 and 2 will be accepted into the record. If there are no other questions, the witness may be excused.

(Witness excused.)



MR. UTZ: Are there any other statements in this case?

The case will be taken under advisement.

The Hearing will be adjourned until 8:30 A. M. tomorrow morning.

(Testimony concluded for the day at 5:30 P. M.)

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



