

CASE 2590: Application of J.GLENN
TURNER for force pooling interests
in the BASIN-DAKOTA GAS POOL.

to
be
for
the
production
of
gas
in
the
basin
dakota
gas
pool
J. Glenn Turner

Case 10.
2540

Application, Transcript,
and Exhibits, Etc.

Memorandum

From

E. A. UTZ
GAS ENGINEER

To

Case 2590

Interest owner of
Tractor Machine

Address is

Barbara Ann Witten

535 E. 80th St.

MO.

Solinger & Company

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. 2590
Order No. R-2276

APPLICATION OF J. GLENN TURNER
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 June 28, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of July, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, J. Glenn Turner, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool in the S/2 of Section 14, Township 29 North, Range 10 West, NMPN, San Juan County, New Mexico.

(3) That the applicant has made fair and reasonable offers to lease or to communitize with respect to each non-consenting interest owner.

(4) That although the applicant has made fair and reasonable offers and has been diligent in its efforts to form the proposed proration unit, there remain non-consenting interest owners in the subject proration unit who have not agreed to the pooling of 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.

CASE No. 2590
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(6) That the applicant proposes to dedicate the subject proration unit to its Hare Unit Well No. 1-14 located in the SE/4 SW/4 of said Section 14.

(7) That the applicant seeks permission to withhold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of the costs of said well has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.

(8) That \$65.00 per month should be fixed as the 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.

(9) That the applicant should furnish the Commission and each non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date of completion of the subject well.

(10) That any non-consenting working interest owner should be afforded the opportunity to pay his share of well costs within 30 days from the date the schedule of well costs is furnished him by the applicant in lieu of paying his share of costs out of production.

(11) That any non-consenting working interest owner not electing to pay his share of well costs within 30 days from the date said schedule is furnished him should have his share of the well costs withheld from production plus 25 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

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

(13) That J. Glenn Turner should be designated the operator of the subject well and unit.

IT IS THEREFORE ORDERED:

(1) That all mineral interests, whatever they may be, in the Basin-Dakota Gas Pool in the S/2 of Section 14, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit. Said unit shall be dedicated to the Hare Well No. 1-14 located in the SE/4 SW/4 of said Section 14.

(2) That J. Glenn Turner is hereby designated the operator of said well and unit.

-3-

CASE No. 2590
Order No. R-2276

(3) That J. Glenn Turner is hereby authorized to collect the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of well costs has been recovered, plus 25 percent thereof as a charge for the risk involved in the drilling of the well.

(4) That \$65.00 per month is fixed as the cost of operating the subject well, and J. Glenn Turner is hereby authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

(5) 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.

(6) 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.

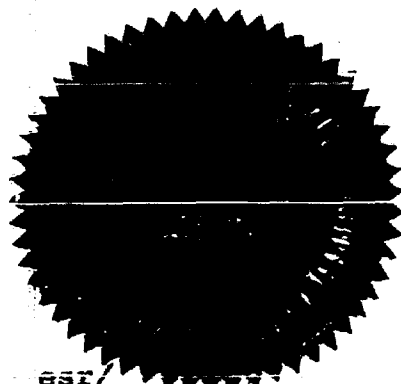
(7) That the applicant shall furnish the Commission and each non-consenting working interest owner in the subject unit an itemized schedule of well costs within 30 days following the date of completion of the subject well.

(8) That any non-consenting working interest owner shall have the right to pay his share of well costs to J. Glenn Turner within 30 days from the date the schedule of well costs is furnished him by J. Glenn Turner, in lieu of paying his share of well costs out of production. In the event any such owner elects to pay his share of well costs as provided for in this paragraph, he shall remain liable for operating costs but shall not be liable for risk charges.

(9) 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. The Commission shall be notified as to the name and address of said escrow agent.

(10) 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

Edwin L. Mechem
EDWIN L. MECHEM, Chairman

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

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

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



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

P. O. BOX 871
SANTA FE

July 17, 1962

Re: Case No. 2590
Order No. R-2276
Applicant:
J. Glenn Turner

Mr. Fred Hannahs
Seth, Montgomery, Federici & Andrews
Attorneys at Law
Box 828
Santa Fe, New Mexico

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.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC x

OTHER Mr. Saul A. Yager
902 Enterprise Building
Tulsa 3, Oklahoma

100-11100-000

1952 JUN 16 PM 4:22

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

In the Matter of the Application of
J. GLENN TURNER for an Order to Force
Pool the S $\frac{1}{2}$ of Section 14, Township
29 North, Range 10 West, N.M.P.M.,
San Juan County, New Mexico.

CASE NO. 2578

APPLICATION

Comes now the applicant, J. GLENN TURNER, and states:

1. That he is the operator of a proposed communitized area, consisting of the S $\frac{1}{2}$ of Section 14, Township 29 North, Range 10 West, N.M.P.M., San Juan County, New Mexico.

2. That the applicant contemplates drilling a test well in the Dakota Formation.

3. That the applicant contemplates that all of the working interest owners covering the area involved will execute the communitization agreement, with the exception of the owners of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 14, whose names and addresses are as follows:

Saul A. Yager
902 Enterprise Building
Tulsa 3, Oklahoma

Morris Mizel
Kennedy Building
Tulsa, Oklahoma

Sam Mizel
Enterprise Building
Tulsa 3, Oklahoma

M. E. Gimp
1919 East 30th place
Tulsa, Oklahoma

*Doc. & Mailed
6/12/52
[Signature]*

Mrs. Barbara Ann Witten
4631 North Garrison
Tulsa, Oklahoma

4. That applicant has made numerous attempts to include the interests within the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 14 within the unit; however, the mineral interest owners have refused to join.

5. That the forced pooling order requested herein is necessary in order to prevent waste and to protect the correlative rights of the parties.

WHEREFORE, Applicant asks that this application be set down for hearing at an early date, that due notice thereof be given in accordance with the Rules of the Oil Conservation Commission of the State of New Mexico and the Laws of the State of New Mexico, and that after hearing and from the evidence, that this Commission enter its order to force pool the S $\frac{1}{2}$ of Section 14, Township 29 North, Range 10 West, N.M.P.M., San Juan County, New Mexico; and the applicant further asks that this Commission enter its order permitting the applicant to produce from the full unit area and to take and receive all production had from the above described well until such time as he has been reimbursed in an amount equal to 125 per cent of his actual costs of drilling, completing, equipping and operating said well, plus a reasonable compensation for the supervision thereof.

Respectfully submitted,

J. GLENN TURNER
By:

SETH, MONTGOMERY, FEDERICI & ANDREWS

By: *Wm. Federici*
His Attorneys
Santa Fe, New Mexico.

Case 2500

Heard 6-28-62

Rec. 6-28-62

Grant J. Glen Durnie's request
for a forced postal exhibit
for Dec. 14, 51 & 29A-10W.

Grant in accordance with
development well policy.
65.00 Mon. operating cost.

Thurs. 12/14/62

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FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 28, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of J. Glenn Turner for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order of the Commission force-pooling all mineral interests in the Basin-Dakota Gas Pool in the S/2 of Section 14, Township 29 North, Range 10 West, San Juan County, New Mexico.

CASE 2590

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 2590.

MR. MORRIS: Application of J. Glenn Turner for compulsory pooling, San Juan County, New Mexico.

MR. HANNAHS: Fred Hannahs with Seth, Montgomery, Federici and Andrews, Santa Fe, representing J. Glenn Turner. I have one witness.

(Witness sworn.)

MR. UTZ: Are there other appearances in this case?

MR. YAGER: Well, I'm Saul Yager from Tulsa, representing myself; and as far as the other owners who are associated with me, I don't represent them as attorney, but they authorized me to say that any order the Commission enters as far as I'm concerned may be entered as far as they're concerned.



WILLIAM G. WEBB

called as a witness, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. HANNAHS:

Q Would you please state your name, address, and occupation?

A William G. Webb, Dallas, Texas, attorney.

Q Will you please state the nature of your association with the application in this case?

A Partner in the law firm of J. Glenn Turner, and a joint venture with he and Mr. Schulz in the acreage which is the subject of this application.

Q In your connection with the acreage concerned in this application, did you have anything to do with the assembling of the acreage and the procurement of the leases and the communitization of the lease ownership?

A I had, or rather I participated as a principal and as an attorney in the farmout agreement whereby Messrs. Schulz, Turner, Webb, acquired the acreage which they're dedicating to this unit, and I conducted the investigation to determine the balance of the lease ownership which will comprise the subject unit.

Q You are familiar with the application filed in this case are you not?

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A Yes, sir.

Q Will you briefly state the nature of the application?

A The application asks that the Commission force pool the working and mineral interest ownership covering the entire South Half of Section 14, Township 29 North, Range 10 West, San Juan County, New Mexico, for the production of gas and associated liquid hydrocarbons from the Dakota formation. All of the working interest owners in the South Half of Section 14 have joined a communitization agreement which would so pool their interests, with the exception of the mineral interest owners covering the Southwest Quarter of such Section 14.

Q Do you have the names and addresses of those owners?

A Yes, sir, I do. I believe they are set forth in the application. Those who have not executed the communitization agreement and who are mineral owners in the Southwest Quarter of the Southwest Quarter of Section 14 are Messrs. Saul Yager, Morris Mizel, Sam Mizel, M. E. Gimp, and Barbara Ann Witten.

Q Have you been advised of a change of address of Mrs. Witten?

A I understand that she is now residing in New York City, address 535 East 86th Street.

Q And you have an exhibit which was prepared at your request and under your supervision?

(Whereupon, Applicant's Exhibit A marked for identification.)



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A Yes, it has been marked Applicant's Exhibit No. A, which is a plat of the area involved showing the lease ownership and offsetting wells, if any, as well as the proposed location of the Dakota well to be drilled on it.

Q What is the proposed location of this well to be drilled?

A 1630 feet from the west line and 925 feet from the south line of Section 14, 29 North. 10 West.

Q And what is the date of your drilling application on that well?

A July 4.

Q Of this year?

A Yes, sir.

Q Have you made a diligent effort, in your opinion, to identify and locate all the owners of the mineral interests in the acreage concerned?

A Yes, I believe we have.

Q Will you describe the attempts and measures that you have taken to induce the non-joining interests to join in the communitization agreement?

A Yes, sir. On December 19, 1961, I talked to Mr. Saul A. Yager by long distance telephone at his office in Tulsa. At that time I was advised by Mr. Yager that while he didn't represent the other mineral owners in the Southwest Quarter of the Southwest Quarter, that he, in effect, would convey our thoughts to them. We advised that he could either join in the unit as a



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participant, or that we would take a farmout from him and the other mineral interest owners. The basis of such farmout, in the event they elected not to join in the drilling of the well, was to be that they would execute a standard form oil and gas lease reserving a standard one-eighth royalty plus an additional 3.5 percent overriding royalty; and in addition to that overriding royalty, if the well, after same was drilled, had an initial potential of less than 2,000 MCF of gas per day, they would receive an overriding royalty of one-sixteenth of seven-eighths. In the event same was more than two million cubic feet of gas per day, they would receive an overriding royalty of one-eighth of seven-eighths. After recovery by the drilling parties of said parties, non-joining parties cost of drilling the well, said overriding royalty, the same, the sixteenth or an eighth of seven-eighths, would convert to a fifty percent working interest.

On January 10 I wrote to Mr. Yager, January 10, 1962, I wrote to Mr. Yager outlining this proposal. No reply was received to that letter. On February 8 and 9 I attempted to reach Mr. Yager by telephone, failing in which a telegram was sent to him advising that unless some answer was received or a farmout proposal or an affirmative agreement reached to join in the drilling of the well, that forced pooling proceedings would have to be instituted.

On February 12, 1962, a letter was received from Mr.



Yager advising that his group would reach a decision on the matter during the week of February 19, 1962. On February 21, 1962, a letter was received from Mr. Yager's secretary advising that he was ill, but that the decision would be reached as soon as he had recovered and returned to the office.

On March 14, 1962, by telephone conversation with Mr. Yager, I was advised that they would execute an oil and gas lease on the basis outlined in our letter of February 10, 1962. On March 23, 1962, an oil and gas lease to be executed by Mr. Yager and his associates was forwarded to Mr. Yager, containing the reservations referred to above. No reply was received from Mr. Yager following the transmittal of such lease.

By telephone conversation on April 5, 1962, Mr. Yager advised that he and his associates had elected to join in the drilling of the subject well.

On April 11, 1962, a standard form communitization agreement and operating agreement which had been executed, or which had been agreed to be executed by the other working interest owners was forwarded to Mr. Yager for his execution and the execution of the balance of the parties owning the mineral interests in the Southwest Quarter of the Southwest Quarter, and an A.F.E. was forwarded to Mr. Yager estimating the total cost of the subject well to be \$81,000.00, making the Yager's group proportionate part thereof \$10,125.00. No reply was received to this communication.

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On May 15, 1962, a telegram was sent to Mr. Yager advising that if either the lease forwarded under date of March 23, 1962, or the communitization agreement and operating agreement forwarded under date of April 11, 1962, was not executed by May 21, 1962, forced pooling proceedings would be instituted.

Under date of May 16, 1962, Mr. Morris Mizel, one of the Yager group, was advised to the same effect. On May 21, 1962, by telephone conversation with Mr. Yager, I was advised that he was attempting to secure the execution by his associates of one or the other of the above referred to documents. No further communication has ever been received from Mr. Yager or any of his associates.

Under date of June 6, 1962, subject forced pooling proceedings were instituted. I believe that we went as far as we could go. July 4, 1962, our drilling date, was approaching.

Q Do you have reason to believe that the entire acreage under consideration will be productive of gas?

A Yes.

Q What are your expected operating costs per month on this well?

A For the total well, \$65.00 is general and administrative overhead, plus direct operating charges.

Q And have you made arrangements with the other mineral interest owners so far as their contributions to cost of the well?

A They have all executed the communitization agreement and

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operating agreement.

Q In the event the Commission sees fit to grant this application for forced pooling, do you ask for recovery from the non-consenting working interest owners for their proportionate share of the drilling costs?

A Yes, sir.

Q What would you consider to be reasonable under the circumstances?

A 125 percent.

Q Do you have a percentage allocation for well costs; that would be 100 percent, I presume?

A That's right.

Q What does the other 25 percent represent?

A Risk factor.

Q Do you assign any additional percentage for supervision and control of the well, over and above the 125 percent?

A None in addition to the operating expenses as outlined.

Q Will the Applicant be willing to furnish the Commission and each known non-consenting working interest owner in the unit an itemized schedule of the well costs?

A Yes, sir.

Q Would the approval of the application in this case for pooling all mineral interests avoid the drilling of unnecessary wells, in your opinion?

A Yes, sir.

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Q Would it protect the correlative rights and afford the owner of each interest in the unit to recover or receive, without unnecessary expense, his just and fair share of the gas in the Basin-Dakota Pool?

A In my opinion, yes.

MR. HANNAHS: We move the introduction of the Applicant's Exhibit A.

MR. UTZ: Without objection, Applicant's Exhibit A will be entered into the record of this case.

(Whereupon, Applicant's Exhibit A entered in evidence.)

MR. UTZ: Does that conclude your case? Any questions of the witness?

MR. YAGER: Only one.

CROSS EXAMINATION

BY MR. YAGER:

Q Mr. Webb, as I understand it, you said that you did make an examination of the title?

A Yes, sir.

Q And incidentally, did you find the interest owners, that is, the respective interest that each one of these owners held?

A Yes, sir.

Q You found that Yager owned an undivided quarter interest, and Mrs. Witten one-quarter, and Gimp one-quarter, and Morris Mizel and Sam Mizel one-eighth each, is that correct?



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A That's right.

Q That represented the total unsevered mineral interest in the 40 acres in question?

A Yes, sir.

MR. YAGER: I have no further questions.

MR. UTZ: Any other questions?

MR. MORRIS: Yes, sir.

BY MR. MORRIS:

Q Where is the nearest Dakota production to your proposed unit?

A Approximately two miles to the north and west of the proposed location. I can't give you the exact location of the well, but it's off the plat.

Q And the well in Section 15 which you show on your plat to be a well of Aztec Oil and Gas Company, is that well presently drilling to the Dakota?

A Presently drilling, yes, sir.

MR. UTZ: But they have not reached the Dakota?

A No, sir.

Q (By Mr. Morris) Is there Dakota production to the south and to the east of Section 14?

A Not within six or seven miles.

Q Upon what do you base your opinion, Mr. Webb, that the South Half of Section 14 is productive in the Dakota?

A A general trending of the Dakota production in that area.



coming down from the north and west.

Q Have you been so advised by your geologist?

A Yes, sir.

MR. MORRIS: That's all I have.

MR. YAGER: May I ask one further question?

MR. UTZ: Yes.

MR. YAGER: As I understand it, you propose to commence your well in the next week or so?

A We would like to move the rig this afternoon.

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

(Witness excused.)

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

* * * * *

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

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 Proceedings before the Oil Conservation Commission was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision; that the same contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

WITNESS my Hand and Notarial Seal this 3rd day of July, 1962.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2590... heard by me on June 28, 1962.
[Signature], Examiner
New Mexico Oil Conservation Commission

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No. 19-62

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 28, 1962

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, as alternate examiner:

CASE 2587: Application of Yates Petroleum Corporation for the assignment of an allowable to its Gushwa Well No. 1, located in the S/2 of Section 21, Township 18 South, Range 26 East, Eddy County, New Mexico, for the commencement of gas prorationing in the Atoka-Pennsylvanian Gas Pool July 1, 1961, to the date of connection of said August 12, 1961. Applicant alleges that said well was unreasonably discriminated against by being denied access to a gas transportation facility during said period.

CASE 2588: Application of Waterflood Associates, Inc., for the establishment of a buffer zone, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the SE/4 NE/4 of Section 20, and the W/2 NW/4 of Section 21, all in Township 18 South, Range 28 East, Eddy County, New Mexico, as a buffer zone in its proposed waterflood project in the Artesia Pool with wells in said buffer zone to be assigned capacity allowables.

CASE 2589: Application of Chaco Oil Company for an amendment of Order No. R-1533, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1533 to provide administrative procedures for obtaining approval of unorthodox locations for injection and producing wells in the Red Mountain Oil Pool, McKinley County, New Mexico.

CASE 2590: Application of J. Glenn Turner for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order of the Commission force-pooling all mineral interests in the Basin-Dakota Gas Pool in the S/2 of Section 14, Township 29 North, Range 10 West, San Juan County, New Mexico.

CASE 2591: Application of Texaco Inc. for an exception to Rule 107 (e), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) to permit the tubingless completion of its State "AT" Well No. 5, located in Unit M, Section 10, Township 14 South, Range 33 East, Lea County, New Mexico. The subject well will be completed

(Case 2591 continued)

in the Wolfcamp Formation and will be produced through a string of 2 7/8 inch casing set at approximately 10,000 feet.

CASE 2592:

Application of Skelly Oil Company for approval of a secondary recovery project, Lea County, New Mexico. Applicant, in above-styled cause, seeks permission to institute a secondary recovery project in the Lovington-San Andres Pool in the Lovington-San Andres Unit Area, comprising portions of Townships 16 and 17 South, Ranges 36 and 37 East, Lea County, New Mexico, by the injection of water into the San Andres formation through 17 wells located in said unit area.

CASE 2593:

Application of Skelly Oil Company for the approval of a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Lovington San Andres Unit Agreement embracing 2470 acres, more or less, of Federal, State and Fee lands in Townships 16 and 17 South, Ranges 36 and 37 East, Lea County, New Mexico.

CASE 2594:

Application of Hill & Meeker for special rules and regulations for the South Crossroads-Devonian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules and regulations for the South Crossroads-Devonian Pool, Lea County, New Mexico, to include provisions for 80-acre oil proration units therein.

DOCKET: EXAMINER HEARING - THURSDAY.- JUNE 28, 1962

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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- CASE 2587: Application of Yates Petroleum Corporation for the assignment of an allowable to its Gushwa Well No. 1, located in the S/2 of Section 21, Township 18 South, Range 26 East, Eddy County, New Mexico, for the commencement of gas prorationing in the Atoka-Pennsylvanian Gas Pool July 1, 1961, to the date of connection of said August 12, 1961. Applicant alleges that said well was unreasonably discriminated against by being denied access to a gas transportation facility during said period.
- CASE 2588: Application of Waterflood Associates, Inc., for the establishment of a buffer zone, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the SE/4 NE/4 of Section 20, and the W/2 NW/4 of Section 21, all in Township 18 South, Range 28 East, Eddy County, New Mexico, as a buffer zone in its proposed waterflood project in the Artesia Pool with wells in said buffer zone to be assigned capacity allowables.
- CASE 2589: Application of Chaco Oil Company for an amendment of Order No. R-1533, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1533 to provide administrative procedures for obtaining approval of unorthodox locations for injection and producing wells in the Red Mountain Oil Pool, McKinley County, New Mexico.
- CASE 2590: Application of J. Glenn Turner for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order of the Commission force-pooling all mineral interests in the Basin-Dakota Gas Pool in the S/2 of Section 14, Township 29 North, Range 10 West, San Juan County, New Mexico.
- CASE 2591: Application of Texaco Inc. for an exception to Rule 107 (e), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) to permit the tubingless completion of its State "AT" Well No. 5, located in Unit M, Section 10, Township 14 South, Range 33 East, Lea County, New Mexico. The subject well will be completed

(Case 2591 continued)

in the Wolfcamp formation and will be produced through a string of 2 7/8 inch casing set at approximately 10,000 feet.

CASE 2592:

Application of Skelly Oil Company for approval of a secondary recovery project, Lea County, New Mexico. Applicant, in above-styled cause, seeks permission to institute a secondary recovery project in the Lovington-San Andres Pool in the Lovington-San Andres Unit Area, comprising portions of Townships 16 and 17 South, Ranges 36 and 37 East, Lea County, New Mexico, by the injection of water into the San Andres formation through 17 wells located in said unit area.

CASE 2593:

Application of Skelly Oil Company for the approval of a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Lovington San Andres Unit Agreement embracing 2470 acres, more or less, of Federal, State and Fee lands in Townships 16 and 17 South, Ranges 36 and 37 East, Lea County, New Mexico.

CASE 2594:

Application of Hill & Meeker for special rules and regulations for the South Crossroads-Devonian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules and regulations for the South Crossroads-Devonian Pool, Lea County, New Mexico, to include provisions for 80-acre oil proration units therein.

WILLIAM G. WEBB

OIL AND GAS INVESTMENTS

1900 MERCANTILE DALLAS BUILDING

DALLAS 1, TEXAS

September 25, 1962

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

Re: Hare-Federal Number 1-14
S/2 of Section 14, T-29-N, R-10-W
San Juan County, New Mexico

Dear Mr. Porter:

This will advise that the captioned well was completed as a producing gas well from the Dakota Formation on September 11, 1962 with an initial potential of 3,149 MCF of gas per day. In accordance with Paragraph Nine of Order Number R-2276 entered by the Commission in Case Number 2590, we have today furnished each non-consenting working interest owner with an itemized schedule of the well costs incurred in drilling, completing and equipping said well as per copies of letters enclosed. We are likewise enclosing herewith for the Commission's files a copy of such total billing showing a total cost to date of \$67,298.99.

Yours very truly,


William G. Webb

WGW:mch
Enclosures

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SCHULTZ, TURNER AND WEBB

1940 Mercantile Dallas Building
Dallas 1, Texas

August 7, 1962

TO:

Billing No. 1
Hare-Federal #1-14

To charge you your pro rata share of the following listed invoices relative to the drilling and equipping of the Hare-Federal #1-14 well, as per copies attached:

	<u>Invoice No.</u>	<u>Intangible</u>	<u>Tangible</u>
Armco Steel Corporation	5235 55454	\$ 13.86	
Ray L. Atchison Const. Co., Inc.	8049	1,196.85	
Beasley's Hot Shot Service	2766	33.92	
Blackmon Cementing Service	1118	155.04	
Blackmon Cementing Service	1117	450.86	
Gardner Bros. Drilling Co., Inc.		27,431.60	
San Juan Engineering Company		102.00	
		<u>\$29,384.13</u>	

Intangible Development Costs	\$29,384.13
Equipment Costs	-0-

OWNERSHIP:

Frank A. Schultz	12.5000%	\$ 3,673.02
J. Glenn Turner	11.8750%	3,489.37
William G. Webb	.6250%	183.65
Aztec Oil & Gas Co.	50.0000%	14,692.07
Fred C. Koch	9.3750%	2,754.76
J. R. Bower, Jr.	3.1250%	918.25
Saul A. Yager	3.1250%	918.25
Morris Mizel	1.5625%	459.13
Sam Mizel	1.5625%	459.13
M. E. Gimp	3.1250%	918.25
Mrs. Barbara Ann Witten	3.1250%	918.25
		<u>\$29,384.13</u>

SCHULTZ, TURNER AND WEBB

1940 Mercantile Dallas Building
Dallas 1, Texas

August 16, 1962

TO:

Billing No. 2

Hare-Federal #1-14

To charge you your pro rata share of the following listed invoices relative to the drilling and equipping of the Hare-Federal #1-14 well, as per copies attached:

	Invoice No.	Intangible	Tangible
Armco Steel Corporation	5235 55566	\$ 12.50	\$
Beasley's Hot Shot Service	2921	15.30	
Beacon Supply Company	FN-7 1317		8,218.17
B. F. Walker, Inc.	6-200		592.15
Gardner Bros. Drilling Co., Inc.		1,206.20	
Halliburton Company	BC-620383	756.55	
Halliburton Company	CS-781864	1,451.87	
Seth, Montgomery, Federici & Andrews		181.35	
		<u>\$ 3,623.77</u>	<u>\$ 8,810.32</u>
Intangible Development Costs		\$ 3,623.77	
Equipment Costs		<u>8,810.32</u>	
		<u>\$12,434.09</u>	

OWNERSHIP:

Frank A. Schultz	12.5000%	\$ 1,554.26
J. Glenn Turner	11.8750%	1,476.55
William G. Webb	.6250%	77.71
Aztec Oil & Gas Co.	50.0000%	6,217.05
Fred C. Koch	9.3750%	1,165.70
J. R. Bower, Jr.	3.1250%	388.57
Saul A. Yager	3.1250%	388.57
Morris Mizel	1.5625%	194.28
Sam Mizel	1.5625%	194.28
M. E. Gimp	3.1250%	388.56
Mrs. Barbara Ann Witten	3.1250%	388.56
		<u>\$12,434.09</u>

SCHULTZ, TURNER AND WEBB

1940 Mercantile Dallas Building
Dallas 1, Texas

September 6, 1962

TO:

Billing No. 3

Hare-Federal #1-14

To charge you your pro rata share of the following listed invoices relative to the drilling and equipping of the Hare-Federal #1-14 well, as per copies attached:

	Invoice No.	Intangible	Tangible
Baker Oil Tools, Inc.	48778	\$ 416.16	
Beacon Supply Company	FN-8 1545		\$ 4,530.32
Beacon Supply Company	FN-7 1387	120.11	
B & W Inc.	101 00	218.21	
Halliburton Company	CS-782620	1,034.28	
Halliburton Company	CS-887851	213.18	
Industrial Supply Company	T 32988	245.19	186.74
Industrial Supply Company	T 32987		875.19
Reliable Anchor Service	392		164.02
Schlumberger Well Surveying Corp.	28573	1,923.91	
Trans Western Tankers, Inc.	5861	888.93	
Trans Western Tankers, Inc.	5864	2,377.62	
		<u>\$ 7,437.59</u>	<u>\$ 5,756.27</u>
Intangible Development Costs		\$ 7,437.59	
Equipment Costs		5,756.27	
		<u>\$13,193.86</u>	

OWNERSHIP:

Frank A. Schultz	12.5000%	\$ 1,649.23
J. Glenn Turner	11.8750%	1,566.77
William G. Webb	.6250%	82.46
Aztec Oil & Gas Co.	50.0000%	6,596.93
Fred C. Koch	9.3750%	1,236.93
J. R. Bower, Jr.	3.1250%	412.31
Saul A. Yager	3.1250%	412.31
Morris Mizel	1.5625%	206.15
Sam Mizel	1.5625%	206.15
M. E. Gimp	3.1250%	412.31
Mrs. Barbara Ann Witten	3.1250%	412.31
		<u>\$13,193.86</u>

SCHULTZ, TURNER AND WEBB

1940 Mercantile Dallas Building
Dallas 1, Texas

September 20, 1962

TO:

Billing No. 4
Hare-Federal #1-14

To charge you your pro rata share of the following listed invoices relative to the drilling and equipping of the Hare-Federal #1-14 well, as per copies attached:

	Invoice No.	Intangible	Tangible
Beacon Supply Company	FN-8 1480	\$	\$ 126.24
Beacon Supply Company	FN-9 1660		7.18
Industrial Supply Company	T 33520		1,040.45
Industrial Supply Company	T 33519		621.80
Pan Geo Atlas Corp.	A 17826	1,257.08	
S. S. Reames Well Servicing	480	141.78	
Sayers Well Servicing Co., Inc.	1664-F	202.78	
Sayers Well Servicing Co., Inc.	1653-F	1,648.76	
Trans Western Tankers, Inc.	5978	64.26	
The Western Company	22832	6,126.38	
Waukesha Equipment Company	32208	10.20	
Jesse B. Goodwin		50.00	
J. Glenn Turner	JGT-163	300.00	
Schultz, Turner and Webb	STW-160	690.00	
		<u>\$10,491.24</u>	<u>\$ 1,795.67</u>

Intangible Development Costs
Equipment Costs

\$10,491.24
1,795.67
\$12,286.91

OWNERSHIP:

Frank A. Schultz	12.5000%	\$ 1,535.86
J. Glenn Turner	11.8750%	1,459.07
William G. Webb	.6250%	76.79
Aztec Oil & Gas Co.	50.0000%	6,143.45
Fred C. Koch	9.3750%	1,151.90
J. R. Bower, Jr.	3.1250%	383.97
Saul A. Yager	3.1250%	383.97
Morris Mizel	1.5625%	191.98
Sam Mizel	1.5625%	191.98
M. E. Gimp	3.1250%	383.97
Mrs. Barbara Ann Witten	3.1250%	383.97
		<u>\$12,286.91</u>

WILLIAM G. WEBB

OIL AND GAS INVESTMENTS
1900 MERCANTILE DALLAS BUILDING
DALLAS, TEXAS

September 25, 1962

C Mr. Sam Mizel
Enterprise Building
Tulsa 3, Oklahoma

Re: Hare-Federal Number 1-14
S/2 of Section 14, T-29-N, R-10-W
San Juan County, New Mexico

O Dear Mr. Mizel:

The captioned well was completed as a producing gas well in the Dakota Formation on September 11, 1962 with an initial potential of 3,149 MCF of gas per day.

P In compliance with Paragraph Nine of Order Number R-2276 entered in Case Number 2590 of the New Mexico Oil Conservation Commission, we are enclosing herewith itemized statements of all costs incurred to date in connection with the drilling and completion of said well. We anticipate that some minor additional charges will be incurred but the enclosed charges represent the major portion of the cost of drilling, completing and equipping such well.

Y In the event you desire to now pay your proportionate part of the cost of drilling and completing said well, you are permitted thirty days within which to remit the same to Mr. J. Glenn Turner as operator thereof in accordance with Paragraph Eight of the above referred to Order.

Yours very truly,

William G. Webb

WGW:mch
Enclosures
CC: New Mexico Oil Conservation Commission

WILLIAM G. WEBB

OIL AND GAS-INVESTMENTS
1900 MERCANTILE DALLAS BUILDING
DALLAS 1, TEXAS

September 25, 1962

C

Mr. M. E. Gimp
1919 East 30th Place
Tulsa, Oklahoma

Re: Hare-Federal Number 1-14
S/2 of Section 14, T-29-N, R-10-W
San Juan County, New Mexico

O

Dear Mr. Gimp:

The captioned well was completed as a producing gas well in the Dakota Formation on September 11, 1962 with an initial potential of 3,149 MCF of gas per day.

P

In compliance with Paragraph Nine of Order Number R-2276 entered in Case Number 2590 of the New Mexico Oil Conservation Commission, we are enclosing herewith itemized statements of all costs incurred to date in connection with the drilling and completion of said well. We anticipate that some minor additional charges will be incurred but the enclosed charges represent the major portion of the cost of drilling, completing and equipping such well.

Y

In the event you desire to now pay your proportionate part of the cost of drilling and completing said well, you are permitted thirty days within which to remit the same to Mr. J. Glenn Turner as operator thereof in accordance with Paragraph Eight of the above referred to Order.

Yours very truly,

William G. Webb

WGW:mch
Enclosures

CC: New Mexico Oil Conservation Commission

WILLIAM G. WEBB

OIL AND GAS INVESTMENTS
1900 MERCANTILE DALLAS BUILDING
DALLAS 1, TEXAS

September 25, 1962

C

Mr. Morris Mizel
Kennedy Building
Tulsa, Oklahoma

Re: Hare-Federal Number 1-14
8/2 of Section 14, T-29-N, R-10-W
San Juan County, New Mexico

O

Dear Mr. Mizel:

The captioned well was completed as a producing gas well in the Dakota Formation on September 11, 1962 with an initial potential of 3,149 MCF of gas per day.

P

In compliance with Paragraph Nine of Order Number R-2276 entered in Case Number 2590 of the New Mexico Oil Conservation Commission, we are enclosing herewith itemized statements of all costs incurred to date in connection with the drilling and completion of said well. We anticipate that some minor additional charges will be incurred but the enclosed charges represent the major portion of the cost of drilling, completing and equipping such well.

Y

In the event you desire to now pay your proportionate part of the cost of drilling and completing said well, you are permitted thirty days within which to remit the same to Mr. J. Glenn Turner as operator thereof in accordance with Paragraph Eight of the above referred to Order.

Yours very truly,

William G. Webb

WGW:mch
Enclosures
CC: New Mexico Oil Conservation Commission

WILLIAM G. WEBB

OIL AND GAS INVESTMENTS
1900 MERCANTILE DALLAS BUILDING
DALLAS 1, TEXAS

September 25, 1962

C

Mr. Saul A. Yager
902 Enterprise Building
Tulsa 3, Oklahoma

Re: Lease-Federal Number 1-14
S/2 of Section 14, T-29-N, R-10-W
San Juan County, New Mexico

O

Dear Mr. Yager:

The captioned well was completed as a producing gas well in the Dakota Formation on September 11, 1962 with an initial potential of 3,149 MCF of gas per day.

P

In compliance with Paragraph Nine of Order Number R-2276 entered in Case Number 2590 of the New Mexico Oil Conservation Commission, we are enclosing herewith itemized statements of all costs incurred to date in connection with the drilling and completion of said well. We anticipate that some minor additional charges will be incurred but the enclosed charges represent the major portion of the cost of drilling, completing and equipping such well.

Y

In the event you desire to now pay your proportionate part of the cost of drilling and completing said well, you are permitted thirty days within which to remit the same to Mr. J. Glenn Turner as operator thereof in accordance with Paragraph Eight of the above referred to Order.

Yours very truly,

William G. Webb

WGW:mc
Enclosures
CC: New Mexico Oil Conservation Commission

WILLIAM G. WEBB

OIL AND GAS-INVESTMENTS
1900 MERCANTILE DALLAS BUILDING
DALLAS 1, TEXAS

September 25, 1962

C
Mrs. Barbara Ann Witten
535 East 86th Street
New York City, New York

Re: Hare-Federal Number 1-14
S/2 of Section 14, T-29-N, R-10-W
San Juan County, New Mexico

O
Dear Mrs. Witten:

The captioned well was completed as a producing gas well in the Dakota Formation on September 11, 1962 with an initial potential of 3,149 MCF of gas per day.

P
In compliance with Paragraph Nine of Order Number R-2276 entered in Case Number 2590 of the New Mexico Oil Conservation Commission, we are enclosing herewith itemized statements of all costs incurred to date in connection with the drilling and completion of said well. We anticipate that some minor additional charges will be incurred but the enclosed charges represent the major portion of the cost of drilling, completing and equipping such well.

Y
In the event you desire to now pay your proportionate part of the cost of drilling and completing said well, you are permitted thirty days within which to remit the same to Mr. J. Glenn Turner as operator thereof in accordance with Paragraph Eight of the above referred to Order.

Yours very truly,

William G. Webb

WGW:mch
Enclosures

CC: New Mexico Oil Conservation Commission

