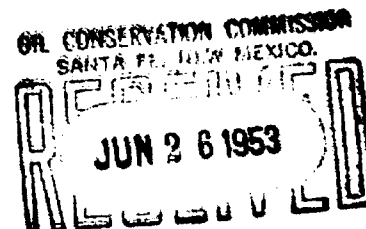


Case No.

542

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO



CASE 542:

In the matter of the application of W. P. Carr for approval of two unorthodox drilling units in exception to Rule 104, Paragraph 'd', of the Commission's Rules and Regulations, these being (a) a unit of less than 160 acres in NW/4, Sec. 10, Township 30 North, Range 11 West, NMPM; and (b) a unit of less than 160 acres in NE/4, Sec. 9, Township 39 North, Range 11 West, NMPM, both units being in San Juan County, New Mexico.

TRANSCRIPT OF HEARING

June 16, 1953

Date

BEFORE: Honorable Ed. L. Mechem, Governor
Honorable E. S. Walker, Land Commissioner
Honorable R. R. Spurrier, Director, OCC

STATE OF NEW MEXICO)

ss

COUNTY OF BERNALILLO)

I HEREBY CERTIFY That the within transcript of proceedings before the Oil Conservation Commission is a true record of the same to the best of my knowledge, skill, and ability.

DONE at Albuquerque, N. M., this 23d day of
June 1953.

My Comm. Ex.:
August 4, 1956

E. E. Greeson
E. E. Greeson
Notary - Reporter

COM. SPURRIER: The next case on the docket is
Case 542.

(Mr. Graham reads the advertisement.)

MR. KELLAHIN: I am Jason Kellahin, appearing for
the applicant W. P. Carr.

We have one witness we would like to have sworn.

(Witness sworn)

MR. KELLAHIN: If the Commission please, this
application is for unorthodox drilling units due to inability
of the operator to secure a lease on the entire 160 acres,
which is required under the present rules and regulations
of the Commission. We will show what effort has been made
in this regard, and what acreage is available.

W. P. CARR

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A W. P. Carr.

Q Are you the applicant in Case 542?

A Yes, sir.

Q Mr. Carr, have the efforts in attempting to secure
leases in the two quarter sections involved in this hearing
been under your personal direction and supervision?

A Yes, sir.

Q Mr. Carr, I hand you what has been marked as Exhibit 1, and ask you to state what that is.

A Well, that is a map showing the corporate limits of the town site of Aztec and the leases which we have obtained in sections 9 and 10 of township 30 North, Range 11 West, San Juan County.

Q Does that show the leases you have obtained?

A Yes, sir.

Q In the NE/4 of Sec. 9, Township 30 North, Range 11 West?

A With one small exception.

Q And how are those shown on the plant? The leases you have obtained?

A They are colored in pink.

Q And what is the area that has been colored in blue, Mr. Carr?

A That is the city limits of the town of Aztec.

Q Within the NE/4, Sec. 9-30-11, has any portion of that been subdivided into city lots or small tracts?

A Yes, sir, it looks like approximately 30 acres.

Q And what is the size of those tracts, approximately?

A Well, I don't know that they are all uniform in size. We don't have any plats of those subdivisions. But it looks like some are probably 50 -- 100 ft. lots.

Q Mr. Carr, within the NE/4 section of Sec. 9 have you made an effort to obtain other leases?

A Yes, sir, we have.

Q Will you describe to the Commission what efforts you have made, and what the results have been?

A We have made an effort to obtain every lease that is within the corporate limits of the town, with the exception of one little strip that looks like it is about 100 ft. wide that runs east and west along the north side of that town site. We have obtained 4, 5, leases in that quarter section. We thought we had one other lease. We took the description and tried to put it on the map, and were unable to do so. We are going to have to have a survey to get a corrected description of the acreage.

Q But was a lease signed on that acreage, Mr. Carr?

A Yes, sir, a lease was signed on it.

Q Approximately how many acres does that cover?

A Well, I believe -- let me see if I have it on here. Is it on here?

Q No.

A As I recall, it was about 13 acres. I don't know if it was all in that quarter or some in the other quarter section.

Q Mr. Carr, I hand you what has been marked on Exhibit 2, and ask you if that is the correct description of

have secured in the NE/4 of Sec. 9?

A Yes, sir.

Q Was that exhibit prepared under your supervision and direction?

A Yes, sir.

Q And does it show the total number of acres you have secured leases on?

A Yes, sir, to the best of my knowledge.

Q And what is the total number of acres, approximately?

A Well, there is about 93 acres. One tract that is included there of 13 acres apparently lies about half in the NE/4 and about one-half in the SE/4 of Sec. 9, which would be roughly 87 acres in the NE/4 of Sec. 9.

Q But in addition to that will you have a lease of approximately 13 acres more once a survey is made of the other tract you referred to?

A Yes, sir. There is also about 3 acres in that quarter section. It is a part owned by the City of Aztec. We have made application, and I understand it will be put up for bid sometime this month. And there is another three-acre tract which is owned by a minor, and I understand it takes a court order and a guardian before the minor can execute a lease on that. That is a tract of about 3 acres in there. If you want me to ramble on a little?

Q Go ahead and tell them.

A There is a tract owned by a man named Martinez that contains 23 acres. It is mortgaged to a man named Gerber. Mr. Martinez is willing to execute an oil and gas lease and let the bonus money go to Mr. Gerber to apply on that mortgage. Mr. Gerber, I have been told, would rather that Mr. Martinez default the mortgage. And he refuses to subrogate or do anything about the mortgage as to that 23 acres.

There are two other tracts, one of 5 acres that is owned by a Noland estate that is on a tract of 5 acres. I don't know that I have been told how many heirs there are, but some of them would sign a lease and some of them won't sign a lease.

There is another tract of 5 acres owned by a man named Bacon who absolutely refuses to sign a lease.

We have had a broker that has worked in this area about a year, and he has contacted all these people quite a few times, and he has been unable on those three tracts, which represent the greatest part of the acreage that we do not have under lease outside the town site limits, and he has been able to make no progress with any of them at all.

Q I hand you what has been marked Exhibit 3, and ask you what that shows, Mr. Carr? Is that a schedule of the leases you now hold in the NE/4 of Sec. 10?

A The NW/4 of Sec. 10.

Q The NW/4 of Sec. 10.

A Yes, sir.

Q And is that an accurate listing of acreage under lease in that section?

A Yes, sir, it is.

Q How many acres do you have under lease in that quarter now?

A Well, there are approximately 140 acres here. No, let's see. 107 acres.

Q Is there a railroad right-of-way through that quarter?

A Yes, sir, Denver and Rio Grande.

Q Do you have a lease on that land?

A No, sir, we don't but we have applied for a lease and have been informed we would obtain it. It should take about 30 days longer for that to go through and be approved by the railroad company.

Q Will you describe to the Commission the condition as to the other lands on which you do not hold a lease, as to the NW/4 of Section 10?

A The corporate limits of the town of Aztec in the S₂ of the NW/4 of Sec. 10 appear to cover somewhat more than 30 acres. There is about 7 acres in the N₂ of that quarter lying west of the Denver and Rio Grande right-of-way

that is cut up into 7 or 8 small tracts that I understand range from less than an acre to around two acres. And in the S $\frac{1}{2}$ of the quarter, and east of the Denver and Rio Grande right-of-way there is approximately 5 or 6 acres that is similarly chopped up into small tracts.

Q Now, have you made any estimate of what it would cost to check titles on the small tracts involved in these two quarter sections?

A Well, based on what it has cost per tract on the other tracts that we have procured titles on in that area, and assuming that the tracts are averaged sized for that location, which might run from 3 to 6 or 7 lots to the acre, it would probably cost a minimum of \$200, and maybe as much as 7 or 8 or 9 hundred an acre to abstract and do title work on the small tracts in the town site.

Q And would it take a long time to do that?

A Yes, sir, it would.

Q Mr. Carr, you understand if the Commission sees fit to grant your application, in the event of prorating your allowable for any wells drilled there it might be reduced?

A Yes, sir.

Q And would you be willing to have the Commission embody in its order a provision that anyone who has not leased to you can commit his acreage to any wells drilled

there on payment of your costs?

A Yes, sir, I would.

MR. KELLAHIN: I offer Exhibits 1, 2 and 3 in evidence.

COM. SPURRIER: Without objection, they will be received.

MR. KELLAHIN: That completes our presentation. Does the Commission have any questions?

COM. SPURRIER: Are there any questions of the witness? If not, the witness may be excused.

MR. KELLAHIN: If the Commission please, that completes our presentation. And as Mr. Carr as stated, we would have no objection to the Commission embodying in an order a provision along the lines of the provision covering enforced pooling, which I believe is -- which provides anyone which has not joined in my join later upon payment of costs, including costs of supervision upon a proportionate basis based upon his acreage.

Thank you.

COM. SPURRIER: We will take the case under advisement. We will take a five minute recess.

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Memo

Chas. S. ...

From
WILLIAM B. MACEY
Chief Engineer

To: *Mr. Mace*

Re: ...

*... and ...
a reduced ...
...
...
... 237*

W. B. Macey

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. 542
ORDER NO. R-344

THE APPLICATION OF W. P. CARR FOR
APPROVAL OF TWO UNORTHODOX DRILLING
UNITS FOR PICTURED CLIFFS GAS WELLS
IN THE NW $\frac{1}{4}$, SEC. 10, AND NE $\frac{1}{4}$, SEC. 9,
IN TWP. 30N., R. 11 W., N.M.P.M.

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause came on for hearing at 9 o'clock a.m. June 16, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

Now, on this _____ day of July, 1953, the Commission having considered the testimony adduced and exhibits offered at said hearing, 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 Applicant is the owner of oil and gas leases covering lands located in Township 30 North, Range 11 West, N.M.P.M., as follows:

NW $\frac{1}{4}$ Section 10 - 149 acres more or less
NE $\frac{1}{4}$ Section 9 - 93 acres more or less

as more particularly set out and described in exhibits offered at said hearing.

3. That Applicant has made diligent effort to obtain leases upon additional lands in said quarter sections.

4. That additional leases cannot be obtained, or the title to lands involved therein cannot be cleared within a reasonable

10/1/52

PROVIDED HOWEVER, THAT SHOULD PREPARATION
BE INSTALLED, THEN AND IN THAT EVENT THE PRODUCTION
ALLOWABLE SHALL BE IN PROPORTION TO THE RESERVE
ACREAGES HEREIN REFER TO A STANDARD PRODUCTION UNIT.

time.

5. That under the provisions of Commission Rule No. 104(d), it is provided that all wells drilled within a defined gas pool shall be located on a tract consisting of not less than a quarter section consisting of approximately 160 surface contiguous acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys.

6. That parts of the NW $\frac{1}{4}$ Sec. 10, and the NE $\frac{1}{4}$ Sec. 9, Twp. 30 N., R. 11 W., N.M.P.M. lie within the corporate limits of the town of Aztec, New Mexico.

7. That lands within the corporate limits of the town of Aztec, New Mexico, and other lands in the two quarter sections have been subdivided into numerous small tracts and lots, and that it is impractical to secure leases on such tracts and lots or to determine the ownership thereof for the purpose of pooling said tracts and lots.

8. That unless an exception is granted to the provisions of Rule No. 104(d) Applicant will be denied his opportunity to produce his just and equitable share of the oil or gas or both in the Aztec Pictured Cliffs Pool.

9. That approval of these unorthodox drilling units is in the interest of conservation, will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of J. E. Carr for approval of unorthodox drilling units in the NW $\frac{1}{4}$ of Section 10, and the NE $\frac{1}{4}$ of Section 9, both in Twp. 30 N., Rge. 11 W., N.M.P.M. be, and the same hereby are approved.

IT IS FURTHER ORDERED:

1. That Applicant herein may commit to the drilling units approved herein any additional acreage within the quarter sections involved herein upon which he may obtain leases, by notifying the

Secretary and Director of the Commission that such leases have been obtained, and providing a description thereof, which description shall include the total number of acres covered by such leases.

2. That Applicant herein file with the Commission as soon as practical, a description of all leases and assignment of leases held by him, or lands involved herein, or pooled with the lands involved herein.

3. That the owner or holder of the mineral rights to any acreage not committed to said drilling units, but lying within the outer boundaries of said quarter sections, may, at his election, commit such acreage to said drilling units and obtain his equitable, proportionate share in the production from any well or wells drilled thereon, upon such terms as are just and reasonable.

DONE at Santa Fe, New Mexico, on the day and year hereinabove written.

STATE OF NEW MEXICO
~~NEW MEXICO~~ OIL CONSERVATION COMMISSION

Edwin L. Mechem, Chairman

E. S. Walker, Member

R. R. Spurrier, Secretary

(S E A L)

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF W. P. CARR FOR APPROVAL OF
TWO UNORTHODOX DRILLING UNITS
FOR PICTURED CLIFFS GAS WELLS
IN SAN JUAN COUNTY, NEW MEXICO

Case 542

PETITION

Comes now W. P. Carr by his attorney, Jason W. Kellahin, P. O. Box 361, Santa Fe, New Mexico, and petitions this honorable Commission for an order approving, as an exception to Commission Rule No. 104 (d), drilling units of less than 160 surface acres, in the $NW\frac{1}{4}$ of Sec. 10, T.30N., R.11W., N.M.P.M. and the $NE\frac{1}{4}$ of Sec. 9, T.30N., R.11W., N.M.P.M. and in support thereof, would show the Commission as follows:

1. That Petitioner is the holder of oil and gas leases on a total of 116 acres within the boundaries of the $NW\frac{1}{2}$ of Sec. 10, and 96 acres in the $NE\frac{1}{2}$ of Sec. 9, both in T.30N., R.11W., N.M.P.M.

2. That diligent effort has been made to obtain leases on the balance of lands within these two quarter sections, without success.

3. That much of the lands upon which Petitioner has been unable to obtain leases are within the townsite of Aztec, New Mexico, and the owner's thereof are numerous and diverse, making it impractical to obtain leases thereon.

4. That Petitioner is the lessee of the quarter sections adjoining the quarter sections that are the subject matter of this petition, and there are no lessees of lands within the townsite of Aztec, to the best of Petitioner's knowledge and belief.

5. That Petitioner is desirous of drilling wells to the Pictured Cliffs common source of supply upon the lands held by

him, and is unable to commit the entire 160 acres of the NW $\frac{1}{4}$ of Sec. 10, and NE $\frac{1}{4}$ of Sec. 9, as required by Commission Rule No. 104 (d).

WHEREFORE, Petitioner prays this Commission issue its order granting him an exception to the provisions of Rule 104 (d), as to the NW $\frac{1}{4}$ of Sec. 10, and the NE $\frac{1}{4}$ of Sec. 9, in T. 30 N., R. 11W., N.M.P.M.

Together with suitable provision for the protection of correlative rights, as the Commission may determine.

Respectfully submitted,

W. P. Carr

by Jason W. Kellahin
Jason W. Kellahin, Attorney

Jason W. Kellahin
Box 361
Santa Fe, New Mexico,
Attorney for Petitioner

Handwritten notes:
12-3-55
MMS

NEW MEXICO
OIL CONSERVATION COMMISSION

~~Corrected~~
Gas Well Plat

Date 12-3-55

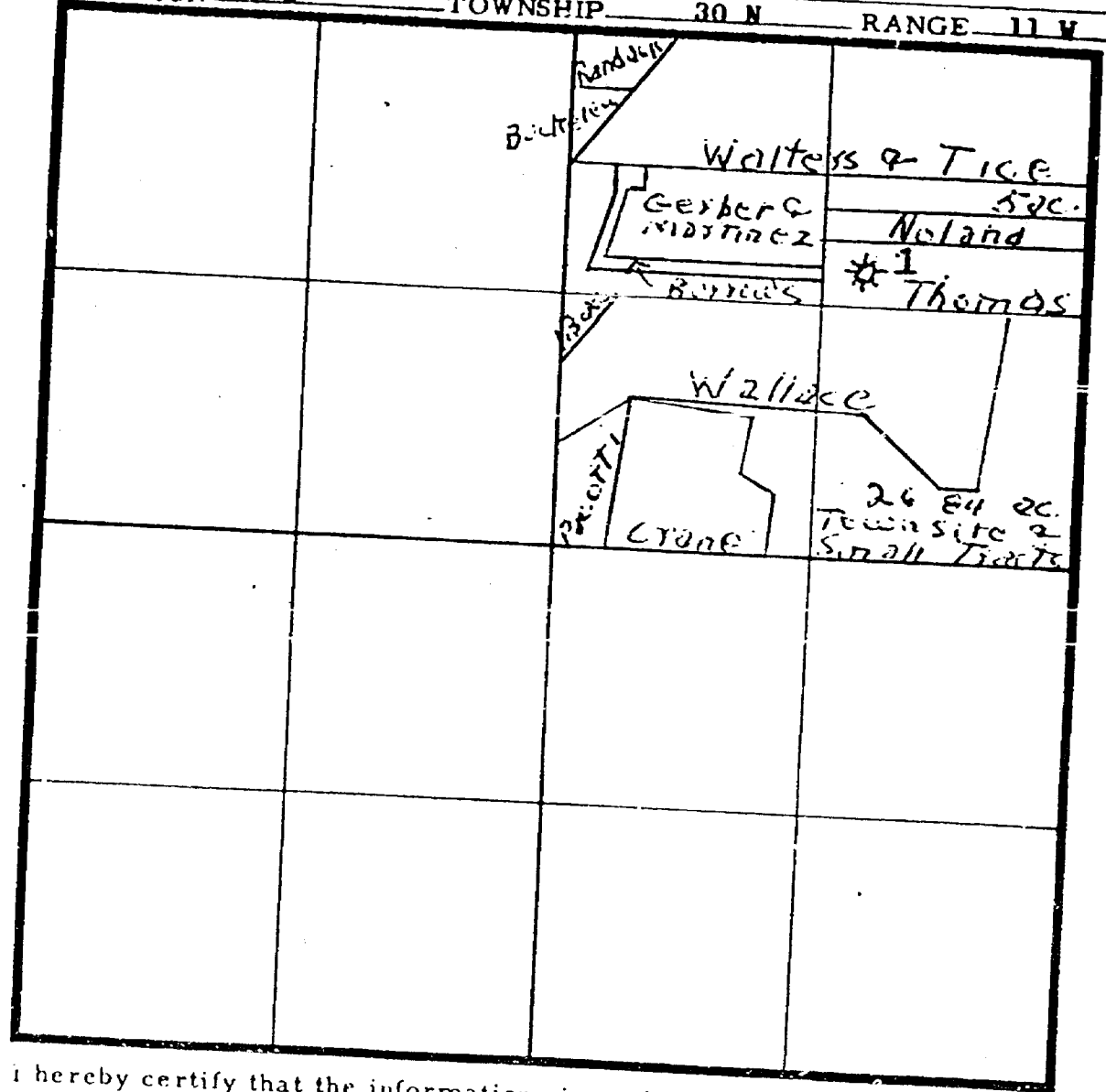
W. P. Carr Operator Thomas Lease #1 Well No.

Name of Producing Formation Pictured Cliffs Pool Aztec Pictured Cliffs

No. Acres Dedicated to the Well 126.36

Indicate land status and show ownership

SECTION 9 TOWNSHIP 30 N RANGE 11 W



Handwritten notes:
130
9
12/1

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name W P Carr
Position Operator
Representing _____
Address 6700 Forest Lane
Dallas 30, Texas

EXHIBIT A

W. P. CARR - NEW MEXICO O.C.C. CASE NO. 542

LEASE OWNERSHIP

NE $\frac{1}{4}$ Sec. 9, Twp. 30 N., R. 11 W., N.M.P.M.

<u>Tract No.</u>	<u>Description</u>	<u>No. Acres</u>	<u>Owner</u>	<u>Lease Date</u>
7	All that part of the N $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$ of Sec. 9, lying East of the Animas River	28	Walters Estate- Bruce Walters, Artemus Walters, Winona Walters Tice, -sole heirs	5/14/53
8	S $\frac{1}{2}$ S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 9	10	H. E. Thomas, et ux	3/13/53
9	Described as beginning at a point in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 9 from which the quarter section stone on the E. side of said Sec. 9 bears S. 72° E. 1042 feet, thence N. 61° 51' W. 715 feet, thence N. 90° W. 990 feet, thence S. 66° 30' W. 510 feet, thence N. 9° W. 282 feet, thence N. 52° 30' E. 976 feet, thence N. 90° E. 1680 feet, thence S. 23° W. 1051 feet, to point and place of beginning; excepting, however at tract described as beginning at a point in Sec. 9 from which the quarter section stone on E. side of Sec. 9 bears S. 72° E. 1042 feet, thence N. 23° 42' E. 352 feet, thence N. 82° 30' W. 709 feet, thence N. 21° E. 168 feet, thence N. 70° 39' W. 104 feet, thence S. 20° W. 322 feet, thence E. 50 feet, thence E. 28° 5' S. 715 feet to point of beginning.	35	Burdette Wallace et ux	2/5/53
10		13	Crane	

<u>Tract No.</u>	<u>Description</u>	<u>No. Acres</u>	<u>Owner</u>	<u>Lease Date</u>
	Tract in SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Sec. 9, described as beginning at a point whence the center of Sec. 9 bears N. 19°40' W. 226 feet, thence S. 83°53' E. 49.5 feet, thence N. 5°45' E. 876 feet, thence S. 66°30' W. 511 feet, thence N. 10°W. 472 feet, thence S. 80°W. 20 feet, thence S. 10° E. 915 feet, thence E. 143 feet to a cedar post, which post is 2682 feet W. and 26 feet N. from the quarter corner in the E. line of said section, thence S. 1°55' E. 240 feet, thence S. 83°53' E. 131.3 feet to point of beginning.	6-1/7	Mike Pacotti, et ux, and H. H. Knowlton, et ux	6/5/53

EXHIBIT B

W. P. CARR - NEW MEXICO O.C.C. CASE NO. 542

LEASE OWNERSHIP

NW $\frac{1}{4}$ Sec. 10, Twp. 30 N., R. 11 W., N.M.P.M.

<u>Tract No.</u>	<u>Description</u>	<u>No. Acres</u>	<u>Owner</u>	<u>Lease Date</u>
4	Part of NE $\frac{1}{2}$ NW $\frac{1}{4}$ described as follows: beginning at the SW corner of said subdivision running in NEly direction along the W. line of Highway 550 1200 feet; thence E. 175 feet to the E. line of the right of way of the D&RGW RR; thence NEly to the N. line of said subdivision along said right of way; thence E. to the line of said subdivision; thence S. to S. line of said subdivision, thence W. along the S. line of said subdivision to the point of beginning.	27	L. L. Hampton	1/16/53
5	SE $\frac{1}{4}$ NW $\frac{1}{4}$ except D&RGW RR right of way.	38 $\frac{1}{2}$	Mary Ann Shepherd, and Aztec Cemetary Association	11/6/52 3/21/53
6	NW $\frac{1}{4}$ NW $\frac{1}{4}$ and part of NE $\frac{1}{2}$ NW $\frac{1}{4}$ described as follows: beginning 174 feet S. and 6.6 feet E. of the NW corner of said NE $\frac{1}{2}$ NW $\frac{1}{4}$; thence S. 533.28 feet; thence E. 245-1/40 feet; thence N. 533.28 feet; thence W. 245-1/40 feet to the place of beginning; containing in this fractional description, three acres.	43	Charles C. McGee, et ux	12/5/52

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. 542
ORDER No. R-344

THE APPLICATION OF W. P. CARR FOR
APPROVAL OF TWO UNORTHODOX DRILLING
UNITS FOR PICTURED CLIFFS GAS WELLS
IN THE NW/4, SECTION 10, AND NE/4, SECTION
9, IN TOWNSHIP 30 NORTH, RANGE 11 WEST,
NMPM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. June 16, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this *13th* day of July, 1953, the Commission having considered the testimony adduced and exhibits offered at said hearing, 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 Applicant is the owner of oil and gas leases covering lands located in Township 30 North, Range 11 West, NMPM, as follows:

NW/4 Section 10- 149 acres more or less
NE/4 Section 9- 93 acres more or less

as more particularly set out and described in exhibits offered at said hearing.

3. That Applicant has made diligent effort to obtain leases upon additional lands in said quarter sections.

4. That additional leases cannot be obtained, or the title to lands involved therein cannot be cleared within a reasonable time.

5. That under the provisions of Commission Rule No. 104 (d), it is provided that all wells drilled within a defined gas pool shall be located on a tract consisting of not less than a quarter section consisting of approximately 160 surface contiguous acres substantially in the form of a square which shall be a legal subdivision (quarter section) of the U. S. Public Land Surveys.

6. That parts of the NW/4 Section 10, and the NE/4 Section 9, Township 30 North, Range 11 West, NMPM, lie within the corporate limits of the town of Aztec, New Mexico.

7. That lands within the corporate limits of the town of Aztec, New Mexico, and other lands in the two quarter sections have been subdivided into numerous small tracts and lots, and that it is impractical to secure leases on such tracts and lots or to determine the ownership thereof for the

purpose of pooling said tracts and lots.

8. That unless an exception is granted to the provisions of Rule No. 104 (d) Applicant will be denied his opportunity to produce his just and equitable share of the oil or gas or both in the Aztec Pictured Cliffs Pool.

9. That approval of these unorthodox drilling units is in the interest of conservation, will prevent waste, and will protect correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of W. P. Carr for approval of unorthodox drilling units in the NW/4 of Section 10, and the NE/4 of Section 9, both in Township 30 North, Range 11 West, NMPM, be, and the same hereby are approved.

PROVIDED, HOWEVER, That should proration be instituted, then and in that event production allowable shall be in the proportion that the respective acreages herein bear to a standard proration unit.

IT IS FURTHER ORDERED:

1. That Applicant herein may commit to the drilling units approved herein any additional acreage within the quarter sections involved herein upon which he may obtain leases, by notifying the Secretary (and Director) of the Commission that such leases have been obtained, and providing a description thereof, which description shall include the total number of acres covered by such leases.

2. That Applicant herein file with the Commission as soon as practical, a description of all leases and assignment of leases held by him, or lands involved herein, or pooled with the lands involved herein.

3. That the owner or holder of the mineral rights to any acreage not committed to said drilling units, but lying within the outer boundaries of said quarter sections, may, at his election, commit such acreage to said drilling units and obtain his equitable, proportionate share in the production from any well or wells drilled thereon, upon such terms as are just and reasonable.

DONE at Santa Fe, New Mexico, on the day and year hereinabove written.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

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

R. R. Spurrer
R. R. SPURRIER, Secretary

S E A L

542.

NEW MEXICO
OIL CONSERVATION COMMISSION
AZTEC, NEW MEXICO

December 8, 1955

Mr. Johnston Jeffries
Aztec, New Mexico

Dear Sir:

Reference is made to your letter of November 28, 1955 to the Oil Conservation Commission regarding lease hold interests of Mr. and Mrs. Wilbur Bacon in the NE $\frac{1}{4}$ Section 9-30N-11W. We have examined Commission records and find the following facts to be true:

Case No. 542 was called for open hearing before the Commission June 16, 1953 and had to do with the establishment of non-standard units in the NE $\frac{1}{4}$ Section 9 and the NW $\frac{1}{4}$ Section 10-30N-11W. Applicant was W.P. Carr of Dallas, Texas. Thirty days prior to this hearing the application was published in the Farmington Daily-Times. His application stated that he had made diligent effort to obtain leases upon additional lands in said quarter-sections and had been unable to do so. He requested the establishment of a non-standard unit in the NE $\frac{1}{4}$ Section 9 containing 93 acres, more or less. His application was granted by Order R-344, date of approval being July 13, 1953. On December 3, 1954, Mr. Carr filed a Gas Well Plat with this office showing that subsequent to the hearing he had acquired leases on additional acreage in the NE $\frac{1}{4}$ Section 9 to the extent that 116.57 acres was under lease. The balance of the 160 acres was not leased and includes the 5 acres belonging to Mr. and Mrs. Bacon. Order No. R-344, which granted him this non-standard unit, also states that the owner or holder of mineral rights to any acreage not committed to said drilling unit and lying within the outer boundaries of said quarter-section may at his election commit such acreage to said drilling unit and obtain his equitable share in the production from any well or wells drilled thereon and upon such terms as are just and reasonable. Therefore, if your client is desirous of joining the drilling unit so that he may recover his share of the royalty interest he may do so under terms of the order. The above well was drilled in September and October, 1953 and began delivering gas June 10, 1954.

I hope that you will find the above information of assistance to you. If you need any further help, please let us know.

Yours very truly

EC:aks
cc: Oil Conservation Commission
Santa Fe, N.M.

Erery C. Arnold
Supervisor, District #3