

Case No.

1432

Application, Transcript,  
Small Exhibits, Etc.

CASE 1432: King Oil Co. application for  
[REDACTED]  
[REDACTED]

EXAMINER HEARING  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 6, 1958

IN THE MATTER OF: Case No. 1432

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
3-6691 5-9546

EXAMINER HEARING  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
May 6, 1958

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IN THE MATTER OF:

Application of King Oil Company for approval of  
three unorthodox gas well locations. Applicant,  
in the above-styled cause, seeks an order author- ) Case 1432  
izing the unorthodox gas well locations for the )  
following described wells: )

Navajo A-1 Well, located 2310 feet from the )  
South line and 2310 feet from the West line of )  
Section 4, Township 30 North, Range 17 West; )

Navajo A-2 Well, located 1650 feet from the )  
North line and 330 feet from the East line of )  
Section 4, Township 30 North, Range 17 West; )

Navajo B-2 Well, located 660 feet from the )  
South line and 660 feet from the East line of )  
Section 34, Township 31 North, Range 17 West, )

all in San Juan County, New Mexico. )  
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BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: We will take next Case 1432.

MR. PAYNE: Case 1432: Application of King Oil Company  
for approval of three unorthodox gas well locations.

MR. SIMMS: If the Examiner please, for the record, John  
Simms, Jr., for King Oil Company, Applicant. I would like to make  
a brief statement before we swear any witnesses, if they become  
necessary.

MR. NUTTER: Would you proceed?

MR. SIMMS: This situation arose last fall by virtue of the fact that all three of these wells were commenced and projected as oil well completions on 40-acre spacing. Proper permits were obtained from the Supervisor of District 3, and on or about December 12, 1957, King Oil Navajo A-1 was completed in production, and we had approximately three days in order to make that production pay and get it into line without losing the base lease. The Commission and the Commission's attorney were contacted, the surface pipe was laid in order to save the lease, and the Commission gave us temporary permission to produce the well, provided that we do two things for them: Number one, that we went back to the Texas Company, who owned the base lease for the Navajo Tribe and allocated proper acreage so that we would have standard units of 160; and, two, that we applied to this Commission for unorthodox well locations.

I have in my file as proposed exhibits, if the Examiner desires them, the allocation of the acreage by the Texas Company so that each of the three units is now a standard unit, but which lease is for the second, unless a burdensome question of an unorthodox location within those 160's.

I have with me Virgil Glenn, who has not been sworn. He is a representative of the King Oil; he is not a geologist and not an engineer.

I have the original executed documents that I would prefer

not to put in the testimony until they have been filed with the Tribe. I have them here to offer to the Examiner to answer any questions that you gentlemen may have.

There are no other offset owners except the Texas Company. There have been no protests filed. Here is the farmout and here is the sub-lease. For reasons other than those that appear in the hearing, I prefer not to file the lease.

MR. UTZ: Why were the locations unorthodox?

MR. SIMMS: They started out, they were orthodox on 40-acre spacing, but now that the spacing has been allocated to the 160, this is a file copy, they started out in these green 40's, then were completed as gas wells and then the standard units were allocated to them, and that leaves them in the proper position for 160.

MR. NUTTER: Are there any other appearances to be made in Case 1432? Does anyone care to see these documents?

MR. SIMMS: I'll be glad to furnish the Commission with photostats of them at the proper time.

MR. NUTTER: Okay. As I understand it, these wells were originally located as proposed oil wells on 40-acre tracts?

MR. SIMMS: They were. The original permits are shown in green on the little plat there.

MR. NUTTER: Would you put your witness on the stand, Mr. Simms.

MR. SIMMS: Yes, I will. I think he hasn't been sworn yet.

(Witness sworn.)

MR. SIMMS: Do you want me to qualify him?

MR. NUTTER: He is going to testify as a landman.

VIRGIL E. GLENN

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

DIRECT EXAMINATION

By MR. SIMMS:

Q Would you state your name and by whom employed?

A Virgil E. Glenn. I am employed by King Oil Company.

Q Where do you live, Mr. Glenn?

A I live in Albuquerque.

Q How long have you been with the King Oil Company?

A Approximately two years.

Q Were you employed by the King Oil Company during the period of 1957 and 1958 which is covered by this application?

A Yes, I was.

Q Are you familiar with the facts surrounding the circumstances of this application in Case No. 1432?

A Yes, sir.

MR. SIMMS: Go ahead, Mr. Nutter.

CROSS EXAMINATION

By MR. NUTTER:

Q Mr. Glenn, when was the first well of these three wells commenced, as far as actual drilling operations is concerned?

A Application was made on the 11th of October and actual drilling was commenced on or about the 6th of November.

Q Actual drilling on the 6th of November?

A Yes, sir, on or about that date.

MR. SIMMS: 1957.

A Yes, sir, 1957. It was very wet that time, we were delayed getting back in there.

Q Which well was the first well commenced?

A The A No. 1.

Q The A No. 1?

A Yes, sir.

Q When was that well completed?

A It was finally, pipe was set on the 14th day of November and we finally completed it; in other words, we must have completed approximately a week after that, on or about the 21st of November.

Q When was it known that this well would be productive of gas rather than oil?

A Well, it wasn't really known until we had a report from an outfit that conducted the test on it, and on December 10th, we run a production test and at that time 327,000 feet of gas was shown and no oil except, say, for five gallon of liquid in the separator.

Q What was the second well that was drilled in this area, the Navajo A No. 2?

A Yes, sir.

Q When was it commenced and completed?



A Spudded on the 15th day of November, total depth reached on the 23rd of November.

Q When was it known that this well was productive of gas rather than oil?

A At the present time it's shut-in and hasn't been -- in other words, when we drilled into the pay zone we got a show of gas and the gas -- it will make gas, but we don't know to what extent or anything. It's presently shut-in.

Q At what time did you ascertain that it would be a gas well rather than an oil well, however?

A Well, approximately there at the time that we drilled into Tocito Gallup section, and of course, that would have been around the 23rd of November, and it had a gas show at that time estimated between 20 and 75,000 cubic feet.

Q Now the Navajo B No. 2 well was commenced on what date, please?

A 2-B was commenced on the 24th of November and total depth reached on December 3rd. It's presently shut-in likewise. It had the same condition as the Navajo A No. 2 had, a 25,000 to 100,000 estimated gas flow. However, at that time we didn't know what was going to happen to the lease, in that we commenced these, as Mr. Simms stated, for oil, and it was not thought that we could market gas in that area in sufficient time to hold the lease even if we got gas wells. So we had thought that we would lose the lease, perhaps, if it wasn't an oil completion. So we, of course, tested

the No. 1 and after it didn't come up with any oil to speak of our next problem was to try to do some marketing or something to hold this lease that was running out the 15th day of December before trying to complete any additional wells. Even at this time there's no market for gas, only token amounts to Shiprock, until El Paso gets a line in there.

Q Now a line has been run to one of these wells, however, has it not?

A Yes, sir, Navajo A-1.

Q Were any of these wells, any of the later wells, commenced after it was known that the general area would be productive of gas rather than oil?

A No, sir. In other words, there was no well commenced after our test that showed that this would be a gas situation. In other words, we started them rather simultaneously and we were so short of time there, weather and all, our farmout originally was for four wells.

Q You mean although you had had gas shows in the first wells that were drilled, you didn't definitely establish that this would be a gas zone until you took the test in December?

A That is true, yes, sir. As a matter of fact, it was thought that this would produce oil even then, even up to the time of test and we were really surprised when it only yielded six gallon of fluid.

MR. SIMMS: I might say that the Commission records will

reflect that in an effort to save this lease, it was so close, weather and tests and all, that we were in communication with Mr. Porter and Mr. Cooley, I believe those lines that made the token payment was laid the night of the 12th and the 13th and we delivered some gas on the 14th before sundown. It was awful close. We agreed with the Commission to come back and dedicate more acreage and apply for this unorthodox location.

MR. NUTTER: Each of the wells does have 160 acres dedicated to it at this time?

A Yes, we had to go back to Texas Company and go back and get more acreage to comply with the request that the Commission wanted us to get more acreage.

MR. NUTTER: Have the forms been filed showing a dedication of the 160 acres for each of the wells?

MR. SIMMS: I believe they have. They're coming from the Denver office. If not, I think we would be glad for the order to be conditional on their being filed.

MR. NUTTER: Anyone have a question?

MR. UTZ: I have a question.

MR. NUTTER: Mr. Utz.

By MR. UTZ:

Q Any of the three 40-acre tracts, could you drill anywhere that you wanted to drill?

A What was this, please?

Q Could you drill anywhere you wanted to drill?

A Yes, we could have drilled anywhere on the lease that we wanted to. The locations were, of course, made and recommended by our geologist for all the locations.

Q Why didn't he recommend the other corner of the 40-acre tracts? Then you would have had standard locations on all of them.

A Well, that is a good question. As a matter of fact, there is a heavy faulting in that area, as far as that is concerned. Perhaps he thought it was going to get him on a fault or something.

Q The geologists pin that down pretty close?

A That's right, they don't always hit.

MR. UTZ: That's all I have.

MR. NUTTER: Any further questions of the witness? If not, he may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further?

MR. SIMMS: There is nothing else.

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1432? If not, we will take the case under advisement.

\* \* \* \* \*

C E R T I F I C A T E

STATE OF NEW MEXICO     )  
                                  ) ss  
COUNTY OF BERNALILLO    )

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 New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

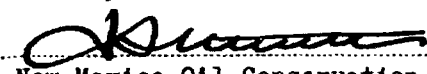
WITNESS my Hand and Seal this 12<sup>th</sup> day of May, 1958,  
in the City of Albuquerque, County of Bernalillo, State of New Mexico.

  
NOTARY PUBLIC

My commission expires:

June 19, 1959.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No 1432,  
heard by me on 5-6, 1958.

, Examiner  
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

June 2, 1958

C  
O  
P  
Y

Mr. John F. Simms, Jr.  
P.O. Box 88  
Albuquerque, New Mexico

Dear Mr. Simms:

On behalf of your client, King Oil Company, we enclose two copies of Order R-1184 issued May 28, 1958, by the Oil Conservation Commission in Case 1432, which was heard on May 6th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encls.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 1432  
Order No. R-1184

APPLICATION OF KING OIL COMPANY FOR  
APPROVAL OF THREE (3) UNORTHODOX GAS  
WELL LOCATIONS IN AN UNDESIGNATED  
TOCITO GAS POOL, 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 May 6, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, herein-after referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 28<sup>th</sup> day of May, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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, King Oil Company, is the owner and operator of the following described wells:

Navajo A-1 Well, located 2310 feet from the South line and 2310 feet from the West line of Section 4, Township 30 North, Range 17 West;

Navajo A-2 Well, located 1650 feet from the North line and 330 feet from the East line of Section 4, Township 30 North, Range 17 West;

Navajo B-2 Well, located 660 feet from the South line and 680 feet from the East line of Section 34, Township 31 North, Range 17 West,

all in San Juan County, New Mexico.

(3) That the three above-described wells were completed as gas wells in the Tocito formation.

(4) That under the terms of Rule 104 of the Commission Rules and Regulations, the locations of the three above-described wells are orthodox for oil well completions, but unorthodox for gas well completions.

(5) That the above-described wells were projected as oil wells, however, upon completion said wells proved to be gas wells rather than oil wells.

(6) That the applicant requests approval of unorthodox gas well locations for its said Navajo A-1 Well, Navajo A-2 Well, and Navajo-B-2 Well.

(7) That approval of the subject application will not cause waste nor impair the correlative rights of any other operator in the area.

(8) That unless the subject application is approved, the applicant will be denied the opportunity to recover its just and equitable share of the gas in place in the Tociito formation underlying the SE/4 of said Section 34 and the NE/4 and SW/4 of said Section 4.

IT IS THEREFORE ORDERED:

That the three (3) unorthodox gas well locations of the King Oil Company in the Tociito formation as described below be and the same are hereby approved;

Navajo A-1 Well, located 2310 feet from the South line and 2310 feet from the West line of Section 4, Township 30 North, Range 17 West;

Navajo A-2 Well, located 1650 feet from the North line and 330 feet from the East line of Section 4, Township 30 North, Range 17 West;

Navajo B-2 Well, located 660 feet from the South line and 660 feet from the East line of Section 34, Township 31 North, Range 17 West,

all in San Juan County, New Mexico.

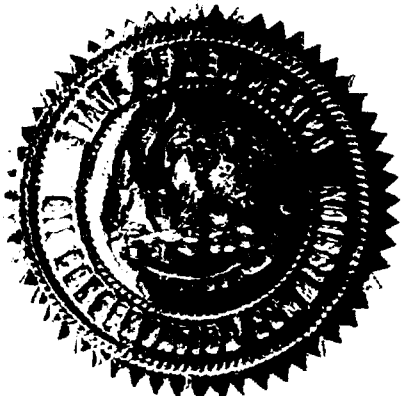
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*  
EDWIN L. MECHEM, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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





*may  
Exam Hearing*

BEFORE THE NEW MEXICO  
OIL CONSERVATION COMMISSION

Number 1432

IN THE MATTER OF THE KING OIL COMPANY'S  
APPLICATION FOR UNORTHODOX GAS WELL LOCATION  
AS AN EXCEPTION TO RULE 104 (b) (2)

Applicant, King Oil Company, with home offices in Denver, Colorado, respectfully applies to the Commission for an order granting an exception under Rule 104 (b) (2) of the New Mexico Oil Conservation Commission rules approving the applicant's unorthodox gas well location and as reasons therefor states:

1. That heretofore the applicant, with the approval and permission of the District Supervisor of District Number 3, projected as potential oil well completions the following described wells located in the places set opposite each well description on proposed 40 acre spacings as follows:

a. King Oil Navajo A-1 - 2,310 feet from the South line and 2,310 feet from the West line of the  $SE\frac{1}{4}$  of Section 4, Township 30 N, Range 17 W, San Juan County, New Mexico (40 acre permit -  $NE\frac{1}{4}$   $SW\frac{1}{4}$ , Section 4, Township 30 N, Range 17 W, San Juan County, New Mexico).

b. King Oil Navajo A-2 - 330 feet from the East line and 1,650 feet from the North line of the  $NE\frac{1}{4}$  of Section 4, Township 30 N, Range 17 W (40 acre permit  $SE\frac{1}{4}$   $NE\frac{1}{4}$ , Section 4, Township 30 N, Range 17 W, San Juan County, New Mexico).

c. King Oil Navajo B-2 - 660 feet from the East line and 660 feet from the South line of Section 34, Township 31 N, Range 17 W (40 acre permit  $SE\frac{1}{4}$   $SE\frac{1}{4}$ ).

2. That all of the said above described three wells have been subject to gas completions rather than oil completions originally applied for with the possible exception of the King Oil Navajo A-2

well which is now capped and which your applicant believes will be completed as a gas well after some additional work.

3. That your applicant to the best of its knowledge and belief states that the only offset owner concerned with this application is the Texas Company who have full knowledge of this application and who have, in order to accommodate this applicant, allotted additional acreage to these three wells so that this applicant now is in a position to allocate the following acreage to the following wells; a location plat being attached hereto:

(1) King Oil Navajo A-1 SW $\frac{1}{4}$ , Section 4, Township 30N, Range 17 W, 160 acres.

(2) King Oil Navajo A-2 NE $\frac{1}{4}$ , Section 4, Township 30 N, Range 17 W, 160 acres.

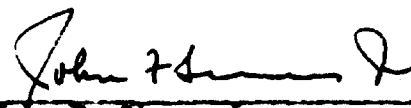
(3) King Oil Navajo B-2 SE $\frac{1}{4}$ , Section 34, Township 31 N, Range 17 W, 160 acres.

Wherefore applicant prays for an order of the Commission as follows:

- a. The setting of this application at an early Examiner Hearing.
- b. An order of the Commission approving on behalf of this applicant unorthodox gas well locations in the above described 160 acre tracts.
- c. For such other and proper relief as the Commission may deem advisable.

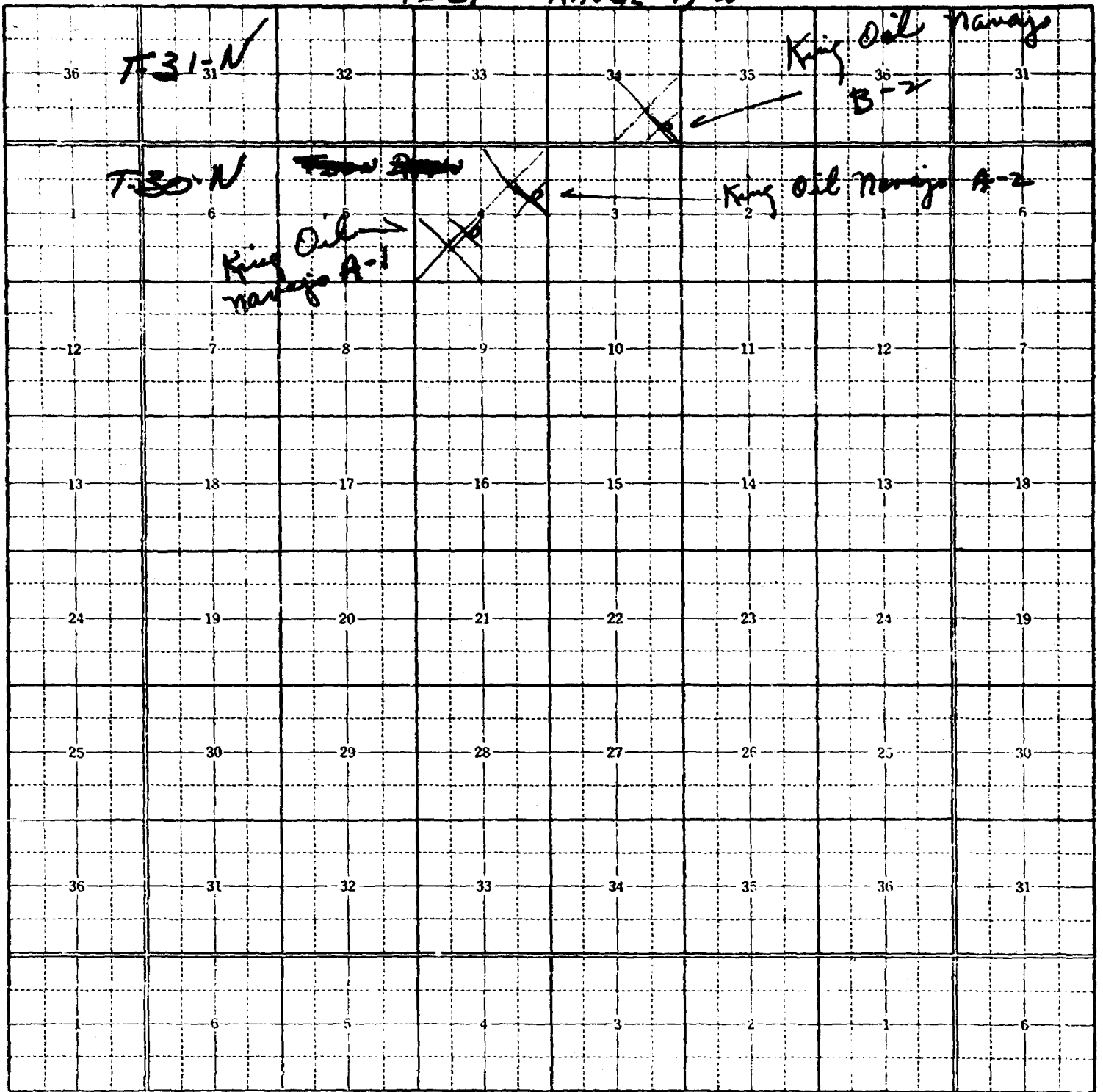
Respectfully submitted,

KING OIL COMPANY

By   
John F. Simms, Jr.  
Attorney at Law  
Post Office Box 88  
Albuquerque, New Mexico

Island Township Plat

~~T-31-N~~ - RANGE 17 W



X - actual ground  
X - proposed location

DOCKET: EXAMINER HEARING MAY 6, 1958

OIL CONSERVATION COMMISSION 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE, NM

The following cases will be heard before Daniel S. Nutter, Examiner:

- CASE 1425: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the E/2 E/2 of Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Lockhart B-14 "A" Well No. 2, located 660 feet from the South and East lines of said Section 14.
- CASE 1426: Application of Neville G. Penrose for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the S/2 SE/4 and SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Percy Hardy No. 1 Well, located 660 feet from the South line and 1980 feet from the West line of said Section 17.
- CASE 1427: Application of Pan American Petroleum Corporation for approval of a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the N/2 and SE/4 of Section 24, Township 20 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's O. J. Gillully "A" No. 4 Well, located 660 feet from the North line and 1980 feet from the East line of said Section 24.
- CASE 1428: Application of E. G. Rodman for the approval of a communitization agreement and for a forced pooling order. Applicant, in the above-styled cause, seeks an order approving a communitization agreement embracing the NW/4 and the W/2 NE/4 of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico, as to dry gas and associated liquid hydrocarbons produced from said tract from the Eumont Gas Pool; and further, for an order force pooling the interests of all persons in the above-described tract who have not voluntarily subscribed to above-referenced communitization agreement.
- CASE 1429: Application of Standard Oil Company of Texas for a dual completion and for permission to commingle the production from two common sources of supply. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its V. L. Leavitt No. 2 Well, located 1650 feet from the North line and 2310 feet from the West line of Section 13, Township 18 South, Range 26 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Atoka-Grayburg Pool and oil from the Atoka (San Andres Pool through parallel strings of tubing; and further, for permission to commingle the production from the said V. L. Leavitt No. 2 Well from both of the above-described pools in common tankage

CASE 1429  
Continued

after separately measuring the oil from each of said pools by means of volume type meters.

CASE 1430:

Application of El Paso Natural Gas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the W/2 of Partial Section 6 and the NW/4 of Partial Section 7, Township 30 North, Range 8 West, San Juan County, New Mexico, said unit to be dedicated to the applicant's Howell No. 2-G Well located 990 feet from the South and West lines of said Section 6.

CASE 1431:

Application of Skelly Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its P. L. Davis Well No. 1, located 990 feet from the North and East lines of Section 26, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup gas pool and gas from an undesignated Dakota gas pool underlying the above-described area.

CASE 1432:

Application of King Oil Company for approval of three unorthodox gas well locations. Applicant, in the above-styled cause, seeks an order authorizing the unorthodox gas well locations for the following described wells:

Navajo A-1 Well, located 2310 feet from the South line and 2310 feet from the West line of Section 4, Township 30 North, Range 17 West;

Navajo A-2 Well, located 1650 feet from the North line and 330 feet from the East line of Section 4, Township 30 North, Range 17 West;

Navajo B-2 Well, located 660 feet from the South line and 660 feet from the East line of Section 34, Township 31 North, Range 17 West,

all in San Juan County, New Mexico.

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- CASE 1433: Application of Graridge Corporation to expand a pilot water flood project in the Caprock Queen Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order permitting the expansion of the pilot water flood project authorized by Order No. R-972 in the North Caprock Queen Unit in the Caprock-Queen Pool, Lea County, New Mexico, to include eight additional water injection wells in Sections 30, 31, and 32 of Township 12 South, Range 32 East, Lea County, New Mexico.
- CASE 1434: Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Coates "C" Well No. 11, located 1980 feet from the North line and 1650 feet from the West line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard formation adjacent to the Justis-Drinkard Pool and oil from the Justis-Fusselman Pool through parallel strings of tubing.
- CASE 1435: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 5 and the NE/4 of Section 8, all in Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Hawk A-8 No. 2 Well located 660 feet from the North line and 1980 feet from the East line of said Section 8.
- CASE 1436: Application of Amerada Petroleum Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Bagley-Upper Pennsylvanian Gas Pool consisting of the SE/4 of Section 3 and the NE/4 of Section 10, all in Township 12 South, Range 33 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Amerada Mathers No. 2 Well located in the SE/4 SE/4 of said Section 3.
- CASE 1437: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 7, Township 23 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Stevens B-7 Unit Well No. 1 located 990 feet from the North and West lines of said Section 7.
- CASE 1438: Application of Monsanto Chemical Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location for its Viersen Well No. 1 at a point 660 feet from the North and East lines of Section 19, Township 30 North, Range 13 West, San Juan County, New Mexico.

ir/

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 5/9/58

CASE NO. 1432

HEARING DATE 9:00 A.M. May 6 - DSN at SF

My recommendations for an order in the above numbered case(s) are as follows:

I recommend the approval of the non-standard locations for the three wells as requested by the applicant in this case. While it is possible that applicant could have staked locations which would have conformed to the gas well location rule, applicants testimony in this hearing indicated that there was no reason to believe that gas would be encountered <sup>from the Tooto formation</sup> until all three of the locations had been staked and drilling operations commenced. No objections were received to the approval of the locations at the hearing.

  
Staff Member  
Examiner

NEW MEXICO  
OIL CONSERVATION COMMISSION  
P. O. Box 871  
Santa Fe, New Mexico

Casi 1432

Date April 18, 1958

Mr. John F. Simms, Jr.  
P.O. Box 88  
Albuquerque, New Mexico

Gentlemen:

Your application ~~for~~ on behalf of King Oil Company for approval of three  
unorthodox gas well locations

~~dated~~ received April 6, 1958 has been received, and has been tentatively  
~~scheduled for hearing before~~ an examiner on  
May 6, 1958

A copy of the docket will be forwarded to you as soon as the matter is  
advertised.

Very truly yours,

  
A. L. PORTER, Jr.,  
Secretary-Director

ga



OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

*Case 1432*

April 7, 1958

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P  
Y

Mr. John F. Simms, Jr.  
P.O. Box 88  
Albuquerque, New Mexico

Dear John:

I have examined your application on behalf of King Oil Company and find it to be in good order. There is no reason why you can't get approval for all three wells in the same case.

The subject application will be set for hearing sometime early in May. You will receive official notification when the actual date is set.

If there is anything I can do to help you, please let me know.

Very truly yours,

William J. Cooley  
General Counsel

WJC:bp

LAW OFFICES OF  
**JOHN F. SIMMS, JR.**  
SUNSHINE BUILDING  
ALBUQUERQUE, NEW MEXICO

April 2, 1958

TELEPHONE CHAPEL 2-3298  
POST OFFICE BOX 88

Mr. William J. Cooley  
New Mexico Oil Conservation Commission  
Capitol Building  
Santa Fe, New Mexico

Re: King Oil Company

Dear Jack:

I hand you herewith an original and two copies of an Application for an Exception to Rule 104 (b) (2) which we discussed about a month ago.

I would appreciate your going over these and, before actually filing them, making any suggestions you have as to the appropriateness or conformity with regular Commission procedure.

The thing that had me buffaloed was the fact that we actually have three different wells in one hearing, but actually there is no reason I know of that they couldn't be handled simultaneously because they are all located close together, all of them have the same basic problem, and the Texas Company is the only person concerned with any of the three.

I have in my possession, and will bring to the Examiner Hearing as a matter of proof, the actual farmout agreement and sublease agreements covering these three 160 acre spacing tracts and did not attach them to my pleading for the reason that I do not think the Texas Company particularly wants them made a matter of public record and secondly they are probably a pure matter of proof anyway.

I am sorry that I have been so long on this project, but have actually been busy running down the details and getting the thing straightened out.

Yours very truly,



John F. Simms, Jr.

JFS:ml  
Enclosures  
cc: Mr. Bernard King

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New Mexico  
OIL CONSERVATION COMMISSION  
Aztec, New Mexico

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Conserv.  
file

~~XXXXXXXXXX~~  
129 East Chase  
January 8, 1958

King Oil Company  
610 Patterson Building  
Denver 2, Colorado

Gentlemen:

We have received a telegram from the Texas Company waiving objection to the non-standard location of King Oil Company's #1-A Navajo well, located 2320' from the South and West Lines of Section 24-30N-17W, San Juan County New Mexico.

It is our understanding that the King Oil Company has filed application to the Oil Conservation Commission for a hearing to consider the above matter. Under authority granted me under Rule 1903 of the New Mexico Oil Conservation Commission Rules and Regulations I am approving Form C-110 on this well, subject to findings of the Commission after the above mentioned hearing. We have also notified the Southern Union Gas Company, who are transporting gas from this well, that they may continue to take gas until further notice.

If we can be of further service, please let us know.

Yours very truly

SCA:ks

Emory C. Arnold  
Supervisor, District #3

cc: Mr. Weldon C. Julander  
3010 Monte Vista, N.E.  
Albuquerque, New Mexico

Southern Union Gas Co.  
Dallas, Texas

Oil Conservation Commission  
Santa Fe, N.M.

The Texas Company  
Fort Worth, Texas