

CASE 2124: Application of TEXAS NAT'L
FOR AN ORDER FORCE POOLING A STANDARD
320-ACRE GAS UNIT IN BASIN-DAYOTA.

2/21/61
J. H. Smith
J. H. Smith
J. H. Smith

Case No.

2124

Application, Transcript,
Small Exhibits, Etc.

SUPPLEMENTAL DOCKET: REGULAR HEARING, WEDNESDAY, NOVEMBER 16, 1960

Oil Conservation Commission - 9 a.m. - Mabry Hall, State Capitol, Santa Fe

CASE 2124:

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

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN RE: APPLICATION OF TEXAS NATIONAL
PETROLEUM COMPANY FOR AN ORDER TO POOL
THE PRODUCTION FROM THE DAKOTA FORMATION
UNDERLYING THE NORTH HALF ($N\frac{1}{2}$) of SECTION
TWENTY-TWO (22), TOWNSHIP TWENTY-NINE (29)
NORTH, RANGE TWELVE (12) WEST, IN SAN JUAN
COUNTY, NEW MEXICO.

CASE NO.

2124

A P P L I C A T I O N

Comes now TEXAS NATIONAL PETROLEUM COMPANY, the applicant,
and states:

1. That Texas National Petroleum Company is the Operator
of the Northeast Quarter ($NE\frac{1}{4}$) of the above described Section 22,
Township 29 North, Range 12 West, in said San Juan County, New
Mexico, and desires to drill a well to the Dakota formation under-
lying said acreage. That the North Half ($N\frac{1}{2}$) of said Section 22,
Township 29 North, Range 12 West, has been spaced for production
from the Dakota producing interval on 320-acre units, and appli-
cant desires to join the Northeast Quarter ($NE\frac{1}{4}$) of the above de-
scribed Section 22 with the Northwest Quarter ($NW\frac{1}{4}$) thereof so as
to form one (1) drilling and spacing unit for production from the
Dakota producing interval underlying the North Half ($N\frac{1}{2}$) of the
above described Section 22.

2. That applicant is entitled to have this Commission enter
an order declaring the North Half ($N\frac{1}{2}$) of the above described Sec-
tion 22, Township 29 North, Range 12 West, to be one (1) drilling
and spacing unit for the production of gas and other hydrocarbons
from the Dakota producing interval underlying said 320-acre tract
with provision in said order that the parties owning rights to
produce minerals from said 320-acre unit participate in the pro-
duction from the one (1) well located on the Northeast Quarter ($NE\frac{1}{4}$)
of said Section 22 on a prorata basis of the ratio of the acreage

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which they own to the ratio of the entire acreage in the unit. That such order should further provide that applicant be the "Operator" of said well.

3. That all interested parties in the above described 320-acre requested unit are set out in Exhibit "A", attached hereto and made a part hereof.

WHEREFORE, applicant prays that this application be set down for hearing; that due notice thereof be given in accord with the laws of the State of New Mexico and the rules and regulations of this Commission; that upon hearing thereof, from the evidence to be adduced, this Commission enter an order pooling all production from the Dakota producing interval underlying the above described requested 320-acre unit, make proper provision for participation in the production therefrom on an acreage basis, constitute the applicant as "Operator" thereof, and grant such further order as may be necessary.

TEXAS NATIONAL PETROLEUM COMPANY,
Applicant.

By (Geo. L. Verity) Its Attorney
152 Petroleum Center Bldg.
Farmington, New Mexico

INTERESTED PARTIES

1. Tom Bolack ✓
1010 North Dustin
Farmington, New Mexico;
2. Pan American Petroleum Corporation ✓
Oil and Gas Building
Fort Worth, Texas;
3. Texaco, Inc. ✓
Midland, Texas;
4. H. K. Riddle ✓
P. O. Box 1985
Salt Lake City, Utah;
5. Monsanto Chemical Company ✓
1401 South Coast Building
Houston, Texas.

EXHIBIT "A" to Application

*Doyle
Miles
11-7-60
Q*

WESTERN UNION
TELEGRAM
MARSHALL, PRESIDENT
Time of receipt is STANDARD TIME

CLASS OF SYMBOL
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN TELEGRAM
 W. P. MARSHALL, PRESIDENT
 This is a fast message
 unless its deferred character is indicated by the proper symbol.
 The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

DL=Day Letter

DL = Night Letter

NL=Night Letter

LT=International
Letter Telegram

LAO20 SSG010
L AYA103 PD=FAX ALBUQUERQUE NMEX 16 830A MST=
NEW MEXICO OIL CONS COMMISSION=
SANTA FE NMEX=
IN GALLEGOS CANYON

NEW MEXICO STATE
SANTA FE NMEX=
AS WORKING INTEREST OWNER IN GALLEGOS CANYON UNIT
RECOMMEND ORDER BE GRANTED IN CASE 2124 ON TEXAS
NATIONAL APPLICATION TO FORCE POOL NORTH HALF SECTION
22 TWP 29 N R 12W SAN JUAN CT NM=
JOHN J REDFERN JR=

2 124 22 29 N R12W.

29 N R 12W •

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



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

P. O. BOX 871
SANTA FE

November 21, 1960

Mr. George Verity
Attorney at Law
152 Petroleum Center Building
Farmington, New Mexico

Re: Case No. 2124
Order No. R-1823
Applicant:
Texas National Petroleum Co.

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.,
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC x

Other Guy Buell
John J. Redfern Jr.
Tom Bolack
Texaco, Inc.
H. K. Riddle
Monsanto Chemical 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. 2124
Order No. R-1823

APPLICATION OF TEXAS NATIONAL PETROLEUM
COMPANY FOR AN ORDER FORCE-POOLING ALL
MINERAL INTERESTS IN A 320-ACRE GAS PRO-
DUCTION UNIT IN THE BASIN-DAKOTA 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
November 16, 1960, at Santa Fe, New Mexico, before the Oil Conser-
vation Commission of New Mexico, hereinafter referred to as the
"Commission."

NOW, on this 21st day of November, 1960, the Commission,
a quorum being present, having considered the testimony presented
and the exhibits received 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 the applicant, Texas National Petroleum Company,
seeks an order force-pooling all mineral interests in the Dakota
Producing Interval in the N/2 of Section 22, Township 29 North,
Range 12 West, NMPM, Basin-Dakota Pool, San Juan County, New
Mexico.

(3) That the applicant has attempted to secure the consent
of all mineral interest owners in the N/2 of said Section 22 in
order to form a standard 320-acre gas proration unit in the Basin-
Dakota Pool.

(4) That inasmuch as the applicant, after diligent effort,
has been unable to secure the consent of all interested parties
to the formation of the above-described 320-acre gas proration
unit, all mineral interests therein should be force-pooled.

(5) That denial of the subject application would deprive,
or tend to deprive, the owners of some of the tracts in the

-2-

CASE No. 2124
Order No. R-1823

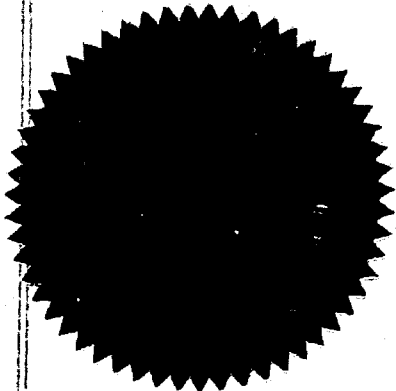
proposed gas proration unit of the opportunity to recover their just and equitable share of the crude petroleum oil or natural gas, or both, in the Basin-Dakota Pool.

IT IS THEREFORE ORDERED:

That the interests of all persons having the right to drill for, produce, or share in the production of all hydrocarbons from the Basin-Dakota Pool underlying the N/2 of Section 22, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, be and the same are hereby force-pooled to form a 320-acre gas proration unit comprising all of said acreage.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

esr/

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

IN THE MATTER OF:

APPLICATION OF TEXAS NATIONAL PETROLEUM
COMPANY for an order force-pooling a
standard 320-acre gas proration unit in
the Basin-Dakota Pool. Applicant, in
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among the interested parties: Tom Bolack,
Pan American Petroleum Corporation,
Texaco, Inc., H. K. Riddle, Monsanto
Chemical Company, and the U. S. Geologi-
cal Survey.

CASE

NO. 2124

BEFORE:

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

TRANSCRIPT OF PROCEEDINGS

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

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



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

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

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

(Witness sworn.)

CURTIS LITTLE, a witness, called by the Applicant, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. VERITY:

Q Will you state your name to the Commission, please?

A My name is Curtis Little.

Q Mr. Little, what is your occupation?

A I am a practicing consulting geologist.

Q Are you a graduate geologist, from college?

A Yes, I am. I have a Bachelor of Science degree from Southern Methodist University in 1950.

Q Mr. Little, are you familiar with the reservoir known as the Basin-Dakota Pool, found in San Juan and Rio Arriba Counties, New Mexico?

A Yes, I am.

Q Have you made a study, and are you familiar with the Dakota formation underlying the N/2 of Section 22, T29N, R12W?

A Yes, I am.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

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

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

Q You think that all 320 acres would be productive in the Dakota?

A Yes.

Q Do you know whether or not Texas National Petroleum Company has staked a location in that N/2?

A Yes, they have. They have staked a location in the SE/4 of the NE/4 of that section.

Q I see. Who is the operator of the NE/4 of 22?

A Texas National Petroleum Company.

Q Do you know whether or not they have made an effort to obtain agreement from the other parties who owned mineral and royalty interest in the N/2 of 22, to form a unit of the N/2 for Dakota production?

A Yes, they have.

Q Have they been able to do so, or not?

A They have not.

Q Do you know the expiration date of the Applicant Texas National's lease in the NE/4?

A December of this year, December the 1st of this year.

MR. VERITY: That's all we have, Your Honor.



MR. PORTER: Any questions of the witness?

CROSS-EXAMINATION

BY MR. PAYNE:

Q Mr. Little, has Texas National Petroleum Company made any effort to establish this unit voluntarily?

A They have made an attempt to do that.

Q They have contacted the various parties --

A Yes, sir.

Q -- but time grows short?

A Yes, sir, that's correct.

Q Now, is it your opinion that denial of this application would result in some of the owners, or some of the tracts comprising the 320 acres, that it would deprive them of their right to recover their just and equitable share of the hydrocarbons under this 320-acre tract --

A No, I don't believe it would.

Q -- denial of your application?

A Oh, yes, sir, I do.

MR. PAYNE: Thank you.

MR. PORTER: Any further questions of the witness?

(No response.)

MR. PORTER: You may be excused.

(Witness excused.)

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

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



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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

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

MR. BUELL: I have a statement.

MR. PORTER: Go ahead.

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

MR. PORTER: Anyone else?

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

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

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

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



STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

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

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

Alva Dearnley
 NOTARY PUBLIC.

My Commission Expires:

June 19, 1963.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



I N D E X

WITNESS

PAGE

CURTIS LITTLE

Direct Examination by Mr. Verity

2

Cross Examination by Mr. Payne

4

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



DRAFT

RSM/esr
November 17

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

pmw
11/17
10/17
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2124

Order No. R- 1823

[Signature]
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(5) That denial of the subject application would deprive, or tend to deprive, the owners of some of the tracts in the proposed gas proration unit of the opportunity to recover their just and equitable share of the crude petroleum oil or natural gas, or both, in the Basin-Dakota Pool.

IT IS THEREFORE ORDERED:

That the interests of all persons having the right to drill for, produce, or share in the production of ^{all} ~~liquid~~ hydrocarbons from the Basin-Dakota Pool underlying the N/2 of Section 22, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, be and the same are hereby force-pooled to form a 320-acre gas proration unit comprising all of said acreage.

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