CASE 2645: Application of PIONEER PROD. CORP. for compulsory pooling in the Basin Dakota Gas Pool.

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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. 2645 Order No. R-2334

APPLICATION OF PIONEER PRODUCTION CORPORATION 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 September 27, 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 18th day of October, 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, Pioneer Production Corporation, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool in the S/2 of Section 2, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has made diligent effort to identify and to locato all owners of interest in the proposed proration unit.
- (4) That each non-consenting interest owner whose identity and address is known has been offered an opportunity to join with the applicant.
- (5) That although the applicant 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.

-2-CASE No. 2645 Order No. R-2334

- (6) 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.
- (7) That the applicant proposes to dedicate the subject proration unit to a well to be located in the NE/4 SW/4 of said Section ?.
- (8) That the applicant should be allowed 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.
- (9) 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.
- (10) That the applicant should furnish the Commission and each known 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.
- (11) 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.
- (12) That any non-consenting working interest owner not electing to pay his share of well costs within 30 days from the data 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.
- (13) 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.
- (14) That Pioneer Production Corporation should be designated the operator of the subject well and unit.

-3-CASE No. 2645 Order No. R-2334

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 2, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit. Said unit shall be dedicated to a well to be located in the NE/4 SW/4 of said Section 2.
- (2) That Pioneer Production Corporation is hereby designated the operator of the subject well and unit.
- (3) That Pioneer Production Corporation is hereby authorized to withhold 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 Pioneer Production Corporation 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 known 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 Pioneer Production Corporation within 30 days from the date the schedule of well costs is furnished him by Pioneer Production Corporation, 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

-4-CASE No. 2645 Order No. R-2334

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, Chairman

B. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretar,

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DRAFT

JMD/esr October 11, 1962

> 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. 2645

Order No. R- 2334

APPLICATION OF PIONEER PRODUCTION CORPORATION 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 September 27, 1961, 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_ day of October , 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, ___, 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, Pioneer Production Corporation, scoks an order pooling all mineral interests in the Basin-Dakota Gas Pool in the S/2 of Section 2, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.
- That the applicant has made diligent effort to identify and to locate all owners of interest in the proposed proration unit.
- (4) That the applicant has made fair and reasonable offers to lease or to communitize with respect to each non-consenting interest owner whose identity and address is known has been officed an appartunity to join with the applicant.

 (5) That although the applicant has made fair and reason.

able 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.

- (6) 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.
- (7) That the applicant proposes to dedicate the subject proration unit to a well to be located in the NE/4 SW/4 of said Section 2.
- (8) 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 125 percent thereof as a charge for the risk involved in the drilling of the well.
- (9) 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.
- (10) That the applicant should furnish the Commission and each known 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.
- (11) 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.
- (12) 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 125 percent thereof as a reasonable charge for the risk involved in the drilling of the well.
- (13) 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.

(14) That Pioneer Production Corporation 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 2, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit. Said unit shall be dedicated to a well to be located in the NE/4 SW/4 of said Section 2.
- (2) That Pioneer Production Corporation is hereby designated the operator of the subject well and unit.
- (3) That Pioneer Production Corporation is hereby authorized to withhold 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 125 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 Corporation the subject well, and Pioneer Production Gempany 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-eights (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 known 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 Pioneer Production

Corporation within 30 days from the date the schedule of well costs is furnished him by Pioneer Production Corporation, 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.

PIONEER PRODUCTION CORPORATION AMARILLO, TEXAS

(COPY)

September 27, 1962

1962 Held Order To 10-8 by for

ERTIFIED - RETURN RECEIPT REQUESTED

Century Drilling Company 405 Enterprise Building Tulsa 3, Oklahoma

Gentlemen:

We understand that you hold an oil and gas lease from James F. Hum covering an undivided 2 interest in the following described land in San Juan County, New Mexico:

"A tract of land in the NE¹/₄ SE¹/₄ of Section 2-T29N-R13W, N.M.P.M., beginning at a point which is 215.4 feet North and 265 feet West of the SE corner of said NE¹/₄ of SE¹/₄, thence West 75 feet, thence North 75 feet, thence East 75 feet, thence Couth 75 feet to the point of beginning, containing 0.129A, more or less."

We have acquired oil and gas leases on the majority of the acreage comprising the S_2^1 of said Section 2 and are making plans to drill a well to the Dakota Formation on a unit which will comprise this S_2^1 or Section 2.

Please advise whether you are interested in joining us in drilling this well. In this connection, if you do not desire to join us, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Exeminer, State of New Mexico Oil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said S¹/₂ of Section 2, Township 29 North, Range 13 West, N.M. P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

Yours very truly,

(GRIGINAL) Wm. L. DARRAIE

Wm. L. Darrah

fs

oc: Mr. Elvis A. Utz

AMARILLO, TEXAS

(COPY)

September 27, 1962

CERTIFIED - RETURN RECEIPT RECUESTED

Mr. "Buzz" Leyendecker Farmington, New Mexico

> Re: Addresses of Elliott W. Locke and Orin J. Meyrell (last address known as 3103 Cliffside Drive, Farmington, New Mexico).

Dear Mr. Leyendecker:

As a result of the hearing held by The New Mexico Oil Conservation Commission today we have been required to immediately notify certain parties of our desire to obtain oil and gas leases from them since these parties were not notified in our original group of letters circulated. Our failure to notify such parties was due to our absence of information concerning their ownership.

Among the parties to whom we are required to givenotice are the two (2) named above. We do not have the addresses of the above named parties but understand that it would be possible for you to obtain such addresses and get the letters to them.

Enclosed are four (4) copies of such letters, two to be mailed or delivered to each of the above parties. Please obtain the addresses of these parties if you do not already have them and see that these letters are promptly delivered to them if they live in Fermington or mailed to them if they do not live in Fermington. Also, please advise as to whether you are able to make such delivery or mailing. Mailing should be by certified mail with return receipt requested.

Thanking you, I am

Yours very truly,

(DRIGINAL) Wm. L. DARRAH Wm. L. Darrah

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Enclosures

bc: Mr. Elvis A. Utz Examiner State of New Mexico Oil Conservation Commission Santa Fe, New Mexico

P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Elliott W. Looke

Dear Mr. Locke:

We are acquiring oil and gas leases on the majority of the acreage comprising the $S^{\frac{1}{2}}$ of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this $S^{\frac{1}{2}}$ of said Section 2.

According to our records, you own a portion of the minerals under a part of the $S^{\frac{1}{2}}$ of Section 2. We are making all of the unleased mineral owners the following offers:

- (1) We will pay for an oil and gas lease at the rate of \$50.00 per net acre and the lease will provide for the usual 1/8th, or
- (2) We will accept an oil and gas lease and pay no cash and have such lease provide for a $\frac{1}{4}$ royalty in lieu of the usual 1/8th.

We have had excellent cooperation from many of the small tract owners and will appreciate very much your indicating which of the above offers you would prefer by checking one and returning this letter to us in the enclosed stamped and self-addressed envelope.

As soon as we receive your reply, we will forward to you an appropriate lease for your execution or you will be contacted by one of our representatives.

In this connection, if you do not desire to accept our offer, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Examiner, State of New Mexico Oil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said $S_{\overline{z}}^{\frac{1}{2}}$ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

ec: Mr. Elvis A. Utz

Yours very truly, Wm. L. Darrah

P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Orin J. Merrell

Dear Mr. Merrell:

We are acquiring oil and gas leases on the majority of the acreage comprising the S_2^1 of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this S_2^1 of said Section 2.

According to our records, you own a portion of the minerals under a part of the $S^{\frac{1}{2}}$ of Section 2. We are making all of the unleased mineral owners the following offers:

- (1) We will pay for an oil and gas lease at the rate of \$50.00 per net acre and the lease will provide for the usual 1/3th, or
- (2) We will accept an oil and gas lease and pay no cash and have such lease provide for a $\frac{1}{4}$ royalty in lieu of the usual 1/8th.

We have had excellent cooperation from many of the small tract owners and will appreciate very much your indicating which of the above offers you would prefer by checking one and returning this letter to us in the enclosed stamped and self-addressed envelope.

As soon as we receive your reply, we will forward to you an appropriate lease for your execution or you will be contacted by one of our representatives.

In this connection, if you do not desire to accept our offer, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Examiner, State of New Mexico Oil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said S_2^1 of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

ec: Mr. Elvis A. Utz

Yours very truly,
Wm. L. Darrah

P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Beth Tanner 2511 Apple Lane Farmington, New Mexico

Dear Ms. Tanner:

We are acquiring oil and gas leases on the majority of the acreage comprising the S^{1}_{2} of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this S^{1}_{2} of said Section 2.

According to our records, you own a portion of the minerals under a part of the $S^1_{\overline{2}}$ of Section 2. We are making all of the unleased mineral owners the following offers:

- (1) We will pay for an oil and gas lease at the rate of \$50.00 per net acre and the lease will provide for the usual 1/8th, or
- (2) We will accept an oil and gas lease and pay no cash and have such lease provide for a \(\frac{1}{4}\) royalty in lieu of the usual 1/8th.

We have had excellent cooperation from many of the small tract owners and will appreciate very much your indicating which of the above offers you would prefer by checking one and returning this letter to us in the enclosed stamped and self-addressed envelope.

As soon as we receive your reply, we will forward to you an appropriate lease for your execution or you will be contacted by one of our representatives.

In this connection, if you do not desire to accept our offer, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Examiner, State of New Mexico Oil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said $S^{\frac{1}{2}}$ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

-cc: Mr. Elvis A. Utz

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P. O. BOX 2542 AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. W. E. Thompson 2114 Huntsinger Avenue Farmington, New Mexico

Dear Mr. Thompson:

We are acquiring oil and gas leases on the majority of the acreage comprising the $S^{\frac{1}{2}}$ of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this S_2^1 of said Section 2.

According to our records, you own a portion of the minerals under a part of the $S^{\frac{1}{2}}$ of Section 2. We are making all of the unleased mineral owners the

- (1) We will pay for an oil and gas lease at the rate of \$50.00 per net acre and the lease will provide for the usual 1/8th,
- (2) We will accept an oil and gas lease and pay no cash and have such lease provide for a $\frac{1}{4}$ royalty in lieu of the usual 1/8th.

We have had excellent cooperation from many of the small tract owners and will appreciate very much your indicating which of the above offers you would prefer by checking one and returning this letter to us in the enclosed stamped and self-addressed envelope.

As soon as we receive your reply, we will forward to you an appropriate lease for your execution or you will be contacted by one of our representatives.

In this connection, if you do not desire to accept our offer, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Examiner, State of New Mexico Oil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said $S_{\overline{2}}$ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

oc: Mr. Elvis A. Utz

Yours very truly, Wm. L. Darrah

P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. James E. Letta 2121 Fairview Farmington, New Mexico

Dear Mr. Letta:

We are acquiring oil and gas leases on the majority of the acreage comprising the S_2^1 of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this S_2^1 of said Section 2.

According to our records, you own a portion of the minerals under a part of the $S^{\frac{1}{2}}$ of Section 2. We are making all of the unleased mineral owners the following offers:

- (1) We will pay for an oil and gas lease at the rate of \$50.00 per net acre and the lease will provide for the usual 1/8th, or
- (2) We will accept an oil and gas lease and pay no cash and have such lease provide for a $\frac{1}{4}$ royalty in lieu of the usual 1/8th.

We have had excellent cooperation from many of the small tract owners and will appreciate very much your indicating which of the above offers you would prefer by checking one and returning this letter to us in the enclosed stamped and self-addressed envelope.

As soon as we receive your reply, we will forward to you an appropriate lease for your execution or you will be contacted by one of our representatives.

In this connection, if you do not desire to accept our offer, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Examiner, State of New Mexico Oil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said $S_{\overline{2}}^{1}$ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

ec: Mr. Elvis A. Utz

Yours very truly, Wm. L. Darrah

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P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Christine F. Puckett 504 E. La Plata Farmington, New Mexico

Dear Ms. Puckett:

We are acquiring oil and gas leases on the majority of the acreage comprising the S_2^1 of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this S_2^1 of said Section 2.

According to our records, you own a portion of the minerals under a part of the $S^{\frac{1}{2}}$ of Section 2. We are making all of the unleased mineral owners the following offers:

- (1) We will pay for an oil and gas lease at the rate of \$50.00 per net acre and the lease will provide for the usual 1/8th, or
- (2) We will accept an oil and gas lease and pay no cash and have such lease provide for a $\frac{1}{4}$ royalty in lieu of the usual 1/8th.

We have had excellent cooperation from many of the small tract owners and will appreciate very much your indicating which of the above offers you would prefer by checking one and returning this letter to us in the enclosed stamped and self-addressed envelope.

As soon as we receive your reply, we will forward to you an appropriate lease for your execution or you will be contacted by one of our representatives.

In this connection, if you do not desire to accept our offer, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Examiner, State of New Mexico Oil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said $S^{\frac{1}{2}}$ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

ec: Mr. Elvis A. Utz

Yours very truly, Wm. L. Darrah

P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Robert J. White 2317 Fairview Farmington, New Mexico

Dear Mr. White:

We are acquiring oil and gas leases on the majority of the acreage comprising the $S^{\frac{1}{2}}$ of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this $S^{\frac{1}{2}}$ of said Section 2.

According to our records, you own a portion of the minerals under a part of the $S^{\frac{1}{2}}$ of Section 2. We are making all of the unleased mineral owners the following offers:

- (1) We will pay for an oil and gas lease at the rate of \$50.00 per net acre and the lease will provide for the usual 1/8th, or
- (2) We will accept an oil and gas lease and pay no cash and have such lease provide for a $\frac{1}{4}$ royalty in lieu of the usual 1/8th.

We have had excellent cooperation from many of the small tract owners and will appreciate very much your indicating which of the above offers you would prefer by checking one and returning this letter to us in the enclosed stamped and self-addressed envelope.

As soon as we receive your reply, we will forward to you an appropriate lease for your execution or you will be contacted by one of our representatives.

In this connection, if you do not desire to accept our offer, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Examiner, State of New Mexico Oil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said $S_{\frac{1}{2}}$ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

cc: Mr. Elvis A. Utz

Wm. L. Darrah

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Strate Committee Committee

PIONEER PRODUCTION CORPORATION P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Clement F. Aimes 2313 Fairview Farmington, New Mexico

Dear Mr. Aimes:

We are acquiring oil and gas leases on the majority of the acreage comprising the S_2^1 of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this S_2^1 of said Section 2.

According to our records, you own a portion of the minerals under a part of the $S^1_{\mathbb{Z}}$ of Section 2. We are making all of the unleased mineral owners the following offers:

- (1) We will pay for an oil and gas lease at the rate of \$50.00 per net acre and the lease will provide for the usual 1/8th, or
- (2) We will accept an oil and gas lease and pay no eash and have such lease provide for a \frac{1}{4} royalty in lieu of the usual 1/8th.

We have had excellent cooperation from many of the small tract owners and will appreciate very much your indicating which of the above offers you would prefer by checking one and returning this letter to us in the enclosed stamped and self-addressed envelope.

As soon as we receive your reply, we will forward to you an appropriate lease for your execution or you will be contacted by one of our representatives.

In this connection, if you do not desire to accept our offer, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Examiner, State of New Mexico Oil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said $S_2^{\frac{1}{2}}$ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

cc: Mr. Elvis A. Utz

is A. Utz Yours, very truly, wm. L. Darrah

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P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Harry W. Buchanan, Jr. 2800 Edgecliff Drive Farmington, New Mexico

Dear Mr. Buchanan:

We are acquiring oil and gas leases on the majority of the acreage comprising the $S_2^{\frac{1}{2}}$ of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this $S_2^{\frac{1}{2}}$ of said Section 2.

According to our records, you own a portion of the minerals under a part of the S_2^1 of Section 2. We are making all of the unleased mineral owners the following offers:

- (1) We will pay for an oil and gas lease at the rate of \$50.00 per net acree and the lease will provide for the usual 1/8th, or
- (2) We will accept an oil and gas lease and pay no cash and have such lease provide for a $\frac{1}{4}$ royalty in lieu of the usual 1/8th.

We have had excellent cooperation from many of the small tract owners and will appreciate very much your indicating which of the above offers you would prefer by checking one and returning this letter to us in the enclosed stamped and self-addressed envelope.

As soon as we receive your reply, we will forward to you an appropriate lease for your execution or you will be contacted by one of our representatives.

In this connection, if you do not desire to accept our offer, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Examiner, State of New Mexico Oil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said $S_2^{\frac{1}{2}}$ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

ec: Mr. Elvis A. Utz

Wm. L. Darrah

P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. William L. Been Box 318 Naturita, Colorado

Dear Mr. Been:

We are acquiring oil and gas leases on the majority of the acreage comprising the $S^1_{\overline{z}}$ of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this $S^1_{\overline{z}}$ of said Section 2.

According to our records, you own a portion of the minerals under a part of the S^1_2 of Section 2. We are making all of the unleased mineral owners the following offers:

- (1) We will pay for an oil and gas lease at the rate of \$50.00 per net acre and the lease will provide for the usual 1/6th,
- (2) We will accept an oil and gas lease and pay no cash and have such lease provide for a $\frac{1}{4}$ Poyalty in lieu of the usual 1/8th.

We have had excellent cooperation from many of the small tract owners and will appreciate very much your indicating which of the above offers you would prefer by checking one and returning this letter to us in the enclosed stamped and self-addressed envelope.

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In this connection, if you do not desire to accept our offer, you are hereby notified that a hearing was held before Mr. Elvis A. Utz, Examiner, State of New Mexico Cil Conservation Commission on this 27th day of September, 1962 in Cause No. 2645, Application for Compulsory Pooling, of said $S_2^{\frac{1}{2}}$ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is remixed from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

cc: Mr. Elvis A. Utz

Yours, very truly, Wm. L. Darrah

îs

P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Drexel D. Allred 2117 Fairview Farmington, New Mexico

Dear Mr. Allred:

We are acquiring oil and gas leases on the majority of the acreage comprising the $S^{\frac{1}{2}}$ of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this $S^{\frac{1}{2}}$ of said Section 2.

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Thanking you, I am

co: Mr. Elvis A. Utz

Yours, very truly,
Wm. L. Darrah

P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. L. C. Gabehart 2408 Hutton Avenue Farmington, New Mexico

Dear Mr. Gabehart:

We are acquiring oil and gas leases on the majority of the acreage comprising the S^1_2 of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North are of the Town of Farmington. We are making plans to drill a will in the Dakota Formation on a unit which will comprise this S^1_2 of said Section 2.

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Thanking you, I am

cc: Mr. Elvis A. Utz

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Yours very truly, Wm. L. Darrah

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P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Amos A. Anderson, Jr. 2615 Mossman Farmington, New Mexico

Dear Mr. Anderson:

We are acquiring oil and gas leases on the majority of the acreage comprising the $S^{\frac{1}{2}}$ of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this $S^{\frac{1}{2}}$ of said Section 2.

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Thanking you, I am

c: Mr. Elvis A. Utz

Wm. L. Darrah

P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

r. James S. Burger 1413 Simms Building Albuquerque, New Mexico

Dear Mr. Burger:

We are acquiring oil and gas leases on the majority of the acreage comprising the $S^{\frac{1}{2}}$ of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this $S^{\frac{1}{2}}$ of said Section 2.

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The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

cc: Mr. Elvis A. Utz

Yours very truly,
Wm. L. Darrah

P. O. BOX 2542

AMARILLO, TEXAS

September 27, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. John Franchini 614 Zuni Asteo, New Mexico

Dear Mr. Franchini:

We are acquiring oil and gas leases on the majority of the acreage comprising the $S^{\frac{1}{2}}$ of Section 2, 29 North, 13 West, San Juan County, New Mexico which partially lies within the North area of the Town of Farmington. We are making plans to drill a well in the Dakota Formation on a unit which will comprise this $S^{\frac{1}{2}}$ of said Section 2.

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The issuance of such order in said Cause will be withheld 10 days from the date of this letter in which time you may object to the issuance of such order. If no objection is received from you within said time by the Oil Conservation Commission, such order as the commission deems advisable will be issued in said Cause.

Thanking you, I am

ec: Mr. Elvis A. Utz

Yours very truly,
Wm. L. Darrah

LAW OFFICES HERVEY, DOW & HINKLE HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE M. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR. HINKLE BUILDING ROSWELL, NEW MEXICO Post of GE Box 10 September 4, 1962 CONRAD E. COFFIELD New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico Attention: Mr. A. L. Porter, Jr. Gentlemen: We are enclosing the original and two copies of the application for forced pooling of the S½ Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico covering gas in the Basin-Dakota Gas Pool. Please place this in line for hearing at your earliest convenience. Yours very truly, HERVEY, DOW & HINKLE HCB: jy Encls.

Case 2645

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

October 15, 1962

Narvey, Dow & Hinkle Attorneys at Law Hinkle Building P. O. Bow 10 Roswell, New Maxico

Attention: Mr. Lewis C. Cox, Jr.

Re: Case No. 2645

Gentlemen:

We have your letter of October 9, 1962, inquiring as to whether or not the Commission still desires an affidavit that newly discovered interest owners had been notified of the above force-pooling case.

The Commission does not feel that an affidavit will be necessary prior to entry of the order as you have forwarded to our office copies of your letters to the parties.

Very truly yours,

JAMES M. DURRETT, Jr., Attorney

TO STATE OF THE PROPERTY OF TH

JMD/esr

Pioneer Production Corporation
P. O. Box 2542
Amarillo, Texas
Attention: Mr. Wm. L. Darrah

LAW OFFICES HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

October 9, 1962

TELEPHONE 622-6510 AREA CODE 505 POST OFFICE BOX 10

Oil Conservation Commission State Land Office Building P. O. Box 871 Santa Fe, New Mexico

CONRAD E. COFFIELD

Attention: Mr. Durrett, Legal Department

Case No. 2645

Application of Pioneer Production Corporation

Our No. 151-11

Gentlemen:

In connection with the captioned matter, it is my recollection that we agreed to furnish you with an Affidavit of Mailing to the persons who had not previously been notified of the hearing.

In view of the fact that copies of each of the letters as mailed were furnished to you, I am wondering if you still would like to have the Affidavit, executed by one of the proper persons in Pioneer's organization.

Please advise.

Yours very truly,

HERVEY, DOW & HINKLE

By Suris C. Carl,

LCC/ea

cc: Pioneer Production Corporation P. O. Box 2542 Amarillo, Texas

Attention Mr. Wm. L. Darrah

Docket No. 28-62

CASE 2645:

Application of Pioneer Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Basin Dakota Gas Pool to form a 320-acre gas proration unit comprising the S/2 of Section 2, Township 29 North, Range 13 West, San Juan County, New Mexico.

CASE 2646:

Application of Texaco Inc., for permission to dispose of salt water, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to dispose of salt water into the Devonian formation through the Shell State of New Mexico "A" Well No. 3, located 990 feet from the South line and 660 feet from the West line of Section 2, Township 11 South, Range 37 East, Echols (Devonian) Pool, Lea County, New Mexico.

CASE 2647:

Application of Carper Drilling Company for a tubingless completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Baetz Well No. 1, located in the SE/4 SW/4 of Section 35, Township 14 South, Range 27 East, Chaves County, New Mexico, as a tubingless gas well completion producing through perforations from 8182-8270' in 2 7/8 inch casing.

CASE 2648:

Application of El Paso Natural Gas Company for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Canyon Largo Unit Well No. 118 at a point 1090 feet from the South line and 800 feet from the East line of Section 8, Township 24 North, Range 6 West, Devils Fork Gallup Pool, Rio Arriba County, New Mexico.

CASE 2649:

Application of Tidewater Oil Company for two triple completions, (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Wells Nos. 11 and 12, located in Unit F and Unit K respectively of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Both of said wells are presently Tubb-Drinkard and Fusselman dual completions.

CASE 2650:

Application of Tidewater Oil Company for a triple completion, (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 14, located in Unit G of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a Tubb-Drinkard and Montoya dual completion.

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 27, 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 2622: (Continued)

Application of Cactus Drilling Company for a non-standard gas unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 120-acre non-standard gas unit comprising the E/2 NE/4 and NW/4 NE/4 of Section 11, Township 18 South, Range 36 East, Arkansas Junction-Queen Gas Pool, Lea County, New Mexico.

CASE 2642:

Application of Phillips Petroleum Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Cap Queen Sand Unit Agreement embracing 1,680 acres, more or less, of State, Federal and fee lands in Township 14 South, Range 31 East, Caprock Queen Pool, Chaves County, New Mexico.

CASE 2643:

Application of Phillips Petroleum Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a waterflood project on its proposed West Cap Queen Sand Unit Area, Caprock Queen Pool, Chaves County, New Mexico, by the injection of water into the Queen formation through 17 wells located in Sections 8, 17, 20, and 21, Township 14 South, Range 31 East. Applicant proposes to operate the waterflood project under the provisions of Rule 701.

CASE 2644:

Application of Pan American Petroleum Corporation for a dual completion (oil production and salt water disposal), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its U. S. G. Section 19 Well No. 13, located 2050 feet from the North line and 1810 feet from the East line of Section 19, Township 29 North, Range 16 West, Hogback Pennsylvanian Pool, San Juan County, New Mexico, in such a manner as to dispose of salt water into a former gas producing zone (6514-6524') and to produce oil from a lower zone (6620-6632') through the casing-tubing annulus and through tubing, respectively.

-3-Docket No. 28-62

CASE 2651:

Application of Tidewater Oil Company for a triple completion (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 16, located in Unit O, of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a Tubb-Drinkard and McKee dual completion.

CASE 2652

Application of Tidewater Oil Company for a triple completion (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 20, located in Unit A, of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a McKee and Ellenburger dual completion.

CASE 2653:

Application of Tidewater Oil Company for a triple completion (conventional), Lea County, New Mexico. Applicant, in the the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 21, located in Unit J of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a Montoya-McKee dual completion.

Docket No. 28-62

CASE 2645:

Application of Pioneer Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Basin Dakota Gas Pool to form a 320-acre gas proration unit comprising the S/2 of Section 2, Township 29 North, Range 13 West, San Juan County, New Mexico.

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Application of Tidewater Oil Company for two triple completions, (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Wells Nos. 11 and 12, located in Unit F and Unit K respectively of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Both of said wells are presently Tubb-Drinkard and Fusselman dual completions.

CASE 2650:

Application of Tidewater Oil Company for a triple completion, (conventional), Loa County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 14, located in Unit G of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a Tubb-Drinkard and Montova dual completion.

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 27, 1962

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

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Application of Phillips Petroleum Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a waterflood project on its proposed West Cap Queen Sand Unit Area, Caprock Queen Pool, Chaves County, New Mexico, by the injection of water into the Queen formation through 17 wells located in Sections 8, 17, 20, and 21, Township 14 South, Range 31 East. Applicant proposes to operate the waterflood project under the provisions of Rule 701.

CASE 2644:

Application of Pan American Petroleum Corporation for a dual completion (oil production and salt water disposal), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its U. S. G. Section 19 Well No. 13, located 2050 feet from the North line and 1810 feet from the East line of Section 19, Township 29 North, Range 16 West, Hogback Pennsylvanian Pool, San Juan County, New Mexico, in such a manner as to dispose of salt water into a former gas producing zone (6514-6524') and to produce oil from a lower zone (6620-6632') through the casing-tubing annulus and through tubing, respectively.

Docket No. 28-62

CASE 2651:

Application of Tidewater Oil Company for a triple completion (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 16, located in Unit O, of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a Tubb-Drinkard and McKee dual completion.

CASE 2652

Application of Tidewater Oil Company for a triple completion (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 20, located in Unit A, of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a McKee and Ellenburger dual completion.

CASE 2653:

Application of Tidewater Oil Company for a triple completion (conventional), Lea County, New Mexico. Applicant, in the the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 21, located in Unit J of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a Montoya-McKee dual completion.

TEXACO

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT DENYER DIVISION



P. O. BOX 2100 DENVER 1, COLORADO

J. F. NEILL, ASSISTANT DIVISION MANAGER

September 21, 1962

Air Mail

NEW MEXICO EXAMINER HEARINGS SEPTEMBER 27, 1962 - CASE 2645

Mr. A. L. Porter, Jr. New Mexico Oil Conservation Commission State Land Office Building Sante Fe, New Mexico

Dear Sir:

This is in regard to Examiner Hearings scheduled for September 27 in which Texaco has an interest:

Case 2645

Texaco has not committed its interest in tracts comprising about 6.6 acres in the SE/4 Section 2, Township 29 North, Range 13 West. Texaco is not contesting force-pooling of interests in Basin Dakota gas pool in S/2 Section 2, Township 29 North, Range 13 West.

Very truly yours,

J P. Neill

JTT-NC

OF THE STATE OF NEW MEXICO

APPLICATION OF PIONEER PRODUCTION CORPORATION FOR AN ORDER POOLING A 320-ACRE GAS PRORATION UNIT IN THE BASIN-DAKOTA GAS POOL, THE STORY OF SECTION 2, TOWNSHIP 29 NORTH, RANGE 13 WEST, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO.

Case No. 2645

APPLICATION

New Mexico Oil Conservation Commission Santa Fe, New Mexico

COMES NOW Pioneer Production Corporation and applies to the Commission for an Order pooling all mineral interests in the Basin-Dakota Gas Pool in the S½ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, to form a 320-acre gas proration unit to be dedicated to a well to be drilled by Pioneer Production Corporation in the NE½SW½ of Section 2, Township 29 North, Range 13 West, N.M.P.M.

In support thereof, Applicant states:

- 1. That he has made diligent effort to identify and to locate all owners of interest in the proposed proration unit.
- 2. That he has made fair and reasonable offers to each nonconsenting interest owner whose identity and address are known.
- 3. That, although he has made fair and reasonable offers and has been diligent in his efforts to form the proposed proration unit, there are non-consenting interest owners in the subject proration unit who have not agreed to the pooling of their interests. A list of the names and addresses, to the best of Applicant's knowledge and belief, of such non-consenting interest owners is attached to this application as Exhibit "A".

4. That, to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in the 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, all interests in the proration unit should be pooled.

WHEREFORE, Applicant requests:

- 1. This application be set for hearing before an Examiner at the earliest possible date.
- 2. That upon hearing, the Commission enter its order pooling all interests in the Basin-Dakota Pool in the S½ of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, to form a 320-acre gas proration unit to be dedicated to a well to be drilled by Pioneer Production Corporation in the NE½SW½ of Section 2, Township 29 North, Range 13 West, N.M.P.M.
- 3. That Pioneer Production Corporation be designated the operator of the said unit.
- 4. That Pioneer Production Corporation be authorized to with-hold the proceeds from production attributable to each non-consenting working interest until such time as each interest's share of costs have been recovered, plus 50% thereof as a charge for the risk involved in the drilling of the well.
- 5. That the Commission determine the cost of operating the subject well and that Pioneer Production Corporation be authorized to withhold from production the proportionate share of such cost attributable to each non-consenting working interest.

6. For such other and further order of the Commission as is necessary to pool all interests in the Basin-Dakota Gas Pool in the S_2^1 of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

Respectfully submitted, Pioneer Production Corporation

HERVEY, DOW & HINKLE P. O. Box 10

Roswell, New Mexico Attorneys for Applicant

EXHIBIT "A"

Names and Addresses of Non-Consenting Interest Owners

R. A. Collett Waterflow New Mexico

Mary Roberts Berry 208 Washington Street Washington, Iowa

Grace Baptist Church Farmington New Mexico

C. C. Spencer 1800 East 20th Farmington, New Mexico

Ralph Ferguson 2500 Sullivan Avenue Farmington, New Mexico

John B. Colin P. O. Box 2512 Odessa, Texas

Wayne E. Hill

Four Corners Const. Corp. c/o Four Corners Savings & Loan 424 West Broadway Farmington, New Mexico

Charles H. Burg, Jr. 2113 Fairview Farmington, New Mexico

Horace A. Moffitt L. L. Lambrizht 1085 Chaco Avenue Farmington, New Mexico

Richard F. Clayton 2102 Lee Street Farmington, New Mexico Boyd Tanner 2511 Apple Lane Farmington, New Mexico

Orin J. Merrill 3103 Cliffside Drive Farmington, New Mexico

L. L. Brady 2109 Camino Rio Farmington, New Mexico

J. T. Renshaw 2603 Maple Drive Farmington, New Mexico

L. J. Lillywhite Avery Lane Farmington, New Mexico

James L. Capp & Bobby Self 2705 Cliffside Farmington, New Mexico

Town of Farmington Farmington New Mexico

Zoe Patrum 3700 Peace Valley Road Farmington, New Mexico

Texaco, Inc. Farmington (P. O. Box 810) New Mexico

J. P. Gibbins Midland Tower Midland, Texas

3 miles 12 miles

Case 2645

Heard. 9-2762

Rec. 10-8-62

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Polonier conseiding of 5/2-2-29N13W5J. C.

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State of New Wexico of il Conservation Commission

LAND COMMISSIONER E. S. JOHNNY WALKER MEMBER



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

P. O. BOX 87

October 19, 1962

Re:

Mr.	Lev	ds	Co	x			
Her	vey,	Do	W	&]	lin	k1e	
Att	orne	ys	at	L	W		
Box	10						
Ross	well	. 1	av	M	exid	70	

Case No. 2645
Order No. R-2334
Applicant:

Pioneer Production Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

A. L. PORTER, Jr.
Secretary-Director

ir/					
Carbon copy	of	order	also	sent	to:
Hobbs OCC _	>	<u> </u>			
Artesia OCC					
Aztec OCC	×		• .		1 <i>j</i> *

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

October 24, 1962

Hervey, Dow & Hinkle Attorneys at Law P. O. Box 10 Roswell, New Maxico

Attention: Mr. Lewis C. Cox, Jr.

Gentlemen:

In accordance with your letter of October 22, 1962, I am enclosing herewith a certified copy of Order No. R-2334.

Please contact me if we can be of further help to you.

Very truly yours,

JAMES M. DURRETT, Jr., Attorney

JMD/esr Enclosure

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

CERTIFICATE

I hereby certify that the attached copy of Order No. R-2334 is true and correct.

A. L. PORTER, Jr., Secretary-Director Oil Conservation Commission

October 24, 1962

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 24th day of October, 1962.

Notary Public

My Commission Expires: September 22, 1965

LAW OFFICES
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROSWELL, NEW MEXICO
October 22, 1962

TELEPHONE 622-6510
AREA CODE 505
POST OFFICE BOX IO

Oil Conservation Commission State Land Office Building P. O. Box 871 Santa Fe, New Mexico

Attention: Mr. Durrett

CONRAD E. COFFIELD HAROLD L. HENSLEY, JR.

PI

Legal Department

Re: Case No. 2645

Order No. R-2334

Applicant: Pioneer Production

Company

Gentlemen:

Will you please send us a certified copy of the Order in the captioned matter.

Thank you.

Yours very truly,

HERVEY, DOW & HINKLE

LCC/ea

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

November 20, 1962

Pioneer Production Corporation P. O. Box 2542 Amarillo, Texas

Attention: Mr. Wm. L. Darrah

Re: Case No. 2645, Order No. R-2334

Gentlemen:

We have your letter of November 16, 1962, requesting that the 30-day period for submitting itemized schedule of well costs in Order No. R-2334 be extended to a 90-day period.

As a substantative provision in an order issued by the Commission cannot be altered or amended without notice and hearing, it will not be possible to extend the time for submitting well costs unless you would desire the matter placed on the docket. However, the Commission does not expect the impossible. May I suggest that you make every possible attempt to comply with Order No. R-2334 by submitting to the Commission and each known non-consenting working interest owner an itemized schedule of well costs that you have resided at the end of the 30-day period along with a cover letter stating that some costs have not yet been received but will be tendered immediately upon receipt. Each non-consenting interest owner would then have 30 days from the date of receipt of the final well costs in which to pay his share in lieu of paying out of production.

If you should desire a hearing to amend Order No. R-2334, we will be happy to place a case on the docket upon receipt of such a request.

please advise me if you need any additional information.

Very truly yours,

JAMES M. DURRETT, Jr., Attorney

JMD/esr

PIONEER PRODUCTION CORPORATION

P. O. BOX 2542

AMARILLO, TEXAS

November 16, 1962

Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Attention: Mr. Elvis A. Utz

Re: Case 2645 Order No. R-2334 Pioneer Production Corporation

Gentlemen:

Your order in the above provides that within 30 days following the date of completion of the well, we shall furnish to the Commission and to each non-consenting working interest owner an itemized schedule of the well costs.

While the well has not yet been fully completed in the sense that it has been potentialed, obtaining the potential of the well still needing to be done, we are quite certainst this time that we will not have available to us all of the well costs within 30 days. This is due to the fact that the drilling contractor and others who did work upon the well are not usually able to submit their statements to us this soon. For this reason we request that such 30 day period provided in your order be changed to a 90 day period to give us time to comply.

We would appreciate your advice upon this and also would appreciate your advice as to whether the date the well is potentialed is considered its date of completion for the purpose of your order.

Thanking you, I am

Very truly yours,

Wm. L. Darrah

- (6) 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.
- (7) That the applicant proposes to dedicate the subject proration unit to a well to be located in the NE/4 SW/4 of said
- (8) That the applicant should be allowed 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.
- (9) That \$65.00 per month should be fixed as the cost of operating the subject well and each non-consenting working interpaid out of production.
- (10) That the applicant should furnish the Commission and each known 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.
- (11) 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.
- (12) 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 well.
- (13) 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.
- (14) That Pioneer Production Corporation should be designated the operator of the subject well and unit.

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. 2645 Order No. R-2334

APPLICATION OF PIONEER PRODUCTION CORPORATION 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 September 27, 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 18th day of October, 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, Pioneer Production Corporation, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool in the S/2 of Section 2, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant has made diligent effort to identify and to locate all owners of interest in the proposed proration unit.
- (4) That each non-consenting interest owner whose identity and address is known has been offered an opportunity to join with the applicant.
- (5) That although the applicant 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.

-4-CASE No. 2645 Order No. R-2334

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, Chairman

E. S. WALKER, ME

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

SEAL

-3-CASE No. 2645 Order No. R-2334

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 2, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico, are hereby pooled to form a 320-acre gas proration unit. Said unit shall be dedicated to a well to be located in the NE/4 SW/4 of said Section 2.
- (2) That Pioneer Production Corporation is hereby designated the operator of the subject well and unit.
- (3) That Pioneer Production Corporation is hereby authorized to withhold 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 Pioneer Production Corporation 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 known 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 Pioneer Production Corporation within 30 days from the date the schedule of well costs is furnished him by Pioneer Production Corporation, 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

PIONEER PRODUCTION CORPORATION J. 2645 Care 2645 P. O. BOX 2542

Amarillo, Texas

December 20, 1962

CERTIFIED - RETURN RECEIPT REQUESTED

TO THE OWNERS OF OIL AND GAS IN S_2^1 SECTION 2-29N-13W, N.M.P.M., (SCOTT UNIT) WHO FAILED TO CONSENT BY LEASE OR OTHERWISE TO THE DRILLING BY PIONEER PRODUCTION CORPORATION OF A BASIN-DAKOTA WELL THEREON AND TO THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO:

> Re: Advice of Costs of Basin-Dakota Gas Well caused to be drilled by Pioneer Production Corporation under Order No. R-2334 of Oil Conservation Commission, State of New Mexico.

Gentlemen:

This is to advise pursuant to the above order of the Oil Conservation Commission that the above well has been completed and that to December 18, 1962 the costs thereof charged to Pioneer Production Corporation are as shown by the attached schedule which likewise shows the proportionate part of such costs allocated to the non-consenting owners under the terms of said order. All of the charges for the above well have not as yet been received by Pioneer Production Corporation. When the same are received, you shall be advised as to their amount.

Pursuant to the provisions of said order, each non-consenting owner shall have 30 days therefrom within which to pay his proportionate part of all said costs, and in the event the same is not so paid, all of his proportionate part of said costs shall be recovered by Pioneer Production Corporation from his proportion of the production from said well plus 25% thereof.

> Very truly yours, Com Rarrah

Wm. L. Darrah

ADDRESSES OF NON-CONSENTING OWNERS

John B. Colin P. O. Box 2512 Odessa, Texas

Bobby G. Self 2705 Cliffside Farmington, New Mexico

Orin J. Merrell 3103 Cliffside Drive Farmington, New Mexico

Wayne Edward Hill et ux Ida Lou Hill, Joint Tenants (unknown)

Lenton L. Lambright et ux Naomi R. Lambright 1086 Chaco Avenue Farmington, New Mexico

Horace A. Moffett et ux Beatrice J. Moffett 1086 Chaco Avenue Farmington, New Mexico

J. P. Gibbons Midland Tower Midland, Texas

Beth M. Tanner 2511 Apple Lane Farmington, New Mexico

Boyd Tanner 2511 Apple Lane Farmington, New Mexico

James M. Hum 907 N. Monterey Farmington, New Mexico

Century Drilling Company 405 Enterprise Building Tulsa 3, Oklahoma

Richard F. Clayton 2102 Lee Street Farmington, New Mexico

Texaco, Inc. 101 South Behrend Avenue Farmington, New Mexico John Franchini 614 Zuni Aztec, New Mexico

Leland J. Lillywhite et ux Anna Lou Lillywhite Avery Lane Farmington, New Mexico

Address of:

State of New Mexico Oil Conservation Commission

at

P. O. Box 871 Santa Fe, New Mexico

PIONEER PRODUCTION CORPORATION P. O. BOX 2542

AMARILLO, TEXAS

State Scott Unit Section 130, SAN JUAN COUNTY, NEW MEXICO

NON-CONSENTING OWNERS

	NAME	INTEREST		SHAF	E OF COST
	John B. Colin	1.131406%		•	7.00
	Bobby G. Self	.033906%		\$	599.84
	Orin J. Merrell	.305625%			17.98
	Boyd M. Tanner				162.03
	Beth M. Tanner	.306563%			162.53
	James F. Hum	.306563%			162.53
		.002520%			1.34
	Century Drilling Co.	.017637%			9.35
	John Franchini	.040312%			21.37
	Wayne Edward Hill, et ux			- 1 to 1	
	Ida Lou Hill, Joint Tenants	.536875%	(•)	. * 1	201 61
	Horace A. Moffett, et ux				284.64
	Beatrice J. Moffett	.092813%			1
	Lenton L. Lambright, et ux	•072017/0			49.21
	Naomi R. Lambright	.092813%			
	J. P. Gibbons				49.21
	Leland J. Lillywhite, et ux	3.125000%			1,656.80
	Anna Lou Lillywhite	مان د ماده			
×	Texaco, Inc.	.060625%			32.14
×	Probable of	2.950000%			1,564.01
	Richard F. Clayton	6.250000%			3,313.59
					2,0-2,00
		15.252658%		æ	8,086.57
				π	0,000.57

^{*} Title not yet examined as to the extent of these interests.

PIONEER PRODUCTION CORPORATION COST OF DRILLING SCOTT UNIT S_2^T SEC. 2, 29N, 13W, SAN JUAN COUNTY, NEW MEXICO

INTANGIBLE DEVELOPMENT COST			
Drilling 6,157' @ \$3.75 + Tax		\$	23,319.64
Daywork W/Drill Pipe			246.19
Daywork WO/Drill Pipe			1,461.67
Trucking			548.70
Cementing			560.03
Road, Location and Damages	erika Geografia		1,080.72
Mud and Chemicals	1948 1948		1,992.89
Logging and Tests			3,240.32
Perforating			232.00
Acidize and Frac			5,849.14
Other			131.26
Labor			881.20
Total Intangible		\$_	39,543.76
WELL EQUIPMENT COST			
Casing		\$	8,966.78
Tubing	- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1		2,875.58
Wellhead Fittings			1,423.58
Other			207.74
Total Equipment		\$	13,473.68
100% of Cost to Date (12/18/62)		<u>\$</u>	53,017.44

The following named persons, who were notified of the hearing in Case No. 2645, have now executed 0il and Gas Leases covering lands owned by them in the S_2^{\downarrow} of Section 2, Township 29 North, Range 13 West, N.M.P.M.:

James L. Capp and Bobby Self R. A. Collett
Mary Roberts Berry
L. L. Brady
J. T. Renshaw
Ralph Ferguson
Charles H Burg, Je
L. J. Lilly white

The land descriptions of the property owned by the following coners, who were notified of the hearing in said case, are as follows:

Tracts 2 and 3:

A tract beginning at a point which is South 0° 16' East 451.29 feet from the Southwest corner of the NW\(\frac{1}{2}\)SW\(\frac{1}{2}\) of Section 2, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico; thence North 89° 55' East 417.42 feet; thence South 0° 06' East 208.71 feet; thence South 89° 55' West 208.71 feet; thence South 89° 65' West 208.71 feet to the point of beginning, containing 2 acres, more or less.

Owner: Grace Baptist Church, 1/2 interest

Tract 1:

A tract of land in the SW\(\frac{1}{2}\)SW\(\frac{1}{2}\) of Section 2, Township 29 North, Range 13 West, N.M.P.M., described as, Beginning at the Southwest corner of said SW\(\frac{1}{2}\)SW\(\frac{1}{2}\); thence North 491.4 feet; thence North 80° 45' East 668.7 feet; thence South 604.6 feet; thence North 89° 30' West 660 feet to the point of beginning, containing 8 acres, more or less.

Owner: C. L. Spencer, 1/2 interest

Tract 5:

A tract beginning at the Southwest corner of the tract herein described, which corner is North 0° 13' East 376 feet and South 80° 13' East 25 feet from the Southwest corner of the NW\(\frac{1}{2}\)SW\(\frac{1}{2}\) of Section 2, Township 29 North, Range 13 West, N.M.P.M.; thence from said point of beginning North 0° 13' East 156 feet; thence South 89° 13' East 249 feet; thence South 0° 13' West 156 feet; thence North 89° 13' West 249 feet to the point of beginning, containing .892 acre, more or less.

Owner: Ralph Ferguson, 1/2 interes

BEFORE	EXAMINER UTZ
OIL CONSE	RVATION COMMISSION
	EXHIBIT NO.
CASE NO	2675

Level

Collett Subdivision (7.08 acres)

Owner: John B. Colin, 1/2 interest

EZSEZSEZ Section 2, Township 29 North, Range 13 West, N.M.P.M. (20 acres)

Owner: Richard F. Clayton

Tract 11:

A tract of land beginning at a point 285 feet North of the Southeast corner of NE\(^1\)SE\(^1\) of Section 2, Township 29 North, Range 13 West, N.M.P.M.; thence North 285 feet, more or less, to a point in common with the Southeast corner of the Orin J. Merrell property; thence due West 150 feet; thence South 285 feet, more or less, to a point West of the point of beginning; thence East 150 feet to the point of beginning, containing 2 acres, more or less.

Owner: Boyd Tanner

Tract 10:

A tract of land beginning at a point 571 feet North of the Southeast corner of the NE\(^1\)SE\(^1\) of Section 2, Township 29 North, Range 13 West, N.M.P.M.; thence North 300 feet to a rock set in the South side of a county road; thence in a Southwesterly direction along the South side of the county road South 77° 45' West to a point which is 150 feet West of the East line of said NE\(^1\)SE\(^1\); thence South to a point which is 150 feet due West of the point of beginning; thence East to the point of beginning, containing 1 acre, more or less.

Owner: Orin J. Merrell

Tract 26:

A tract of land in the NE\(\)SE\(\) of Section 2, Township 29 North, Range 13 West, N.M.P.M., beginning at a point which is 340 feet West and 290.4 feet North of the Southeast corner of said NE\(\)SE\(\); thence West 130 feet; thence North 65 feet; thence East 130 feet; thence South 65 feet to the place of beginning, containing .194 acre, more or less.

Owner: L. J. Lillywhite, all interest

Lots 2 and 3, Block 1, Villa Grove Subdivision (.4 acre)

Owner: Town of Farmington

Lot 4, Block 1, Villa Grove Subdivision, containing .25 acre, more or less.

Owner: Zoe Patrum

SW\(\frac{\text{SE\(\frac{1}{2}\)}{\text{SE\(\frac{1}{2}\)}}\) Section 2, Township 29 North, Range 13 West, N.M.P.M., EXCEPT Lots 2, 3, 4, 5 and 6, Block 1, of the Villa Grove Subdivision, containing 6.62 acres, more or less.

Owner: Texaco Inc., Leasehold interest

E½W½SE½SW½ Section 2, Township 29 North, Range 13 West, N.M.P.M., containing 10 acres, more or less.

Owner: J. P. Gibbins

Lots 1, 2 and 3, Block 1, Huntzinger Subdivision, containing 1.508 acres, more or less.

Owner: Wayne E. Hill

Gears!

North 45.5 feet of Lot 10, of the Replat of East 120 feet of Block 2, Huntzinger Subdivision, containing .105 acre, more or less.

Owner: Charles H. Burg, Jr.

Lot 3, Block 4, Huntzinger Subdivision, containing .448 acre, more or less.

Owner: Horace A. Moffitt and L. L. Lambright

THE FOLLOWING OWNERS OF THE DESCRIBED LANDS HAVE NOT BEEN NOTIFIED OF THIS HEARING:

L. C. Gabehart 2408 Hutton Avenue Farmington, New Mexico 1/2 interest

Will Lease

If not Gabehart

Douglas Manes

Tract 8-C: Beginning at a point which is 350 feet

North and 30 feet East of the Southwest corner
of the NE\(\)SE\(\) of Section 2, thence East parallel
with the South line of said 40-acre tract 590
feet; thence South 73.8 feet; thence West 590
feet to a point in the East side of a road which
is 73.8 feet South of the point of beginning;
thence North along the East side of the road to
the point of beginning

.999 acre

Beth Tanner 2511 Apple Lane Farmington, New Mexico

Tract 12: Beginning at the Southeast corner of the NE\(\)SE\(\) of Section 2; thence North 285 feet, more or less, to a point in common with the Southeast corner of the Boyad M. Tanner property; thence due West 150 feet on a line in common with the South boundary of the Boyad M. Tanner property; thence South 285 feet, more or less, to a point due West of the point of beginning; thence East 150 feet to the point of beginning.

.981 acre

Amos A. Anderson, Jr. 2615 Mossman Farmington, New Mexico

will line

Tract 13: A part of the NE\(SE\(\) of Section 2, beginning 20 feet North and 150 feet West of the SE corner of the NE\(SE\(\); thence West 75 feet; thence North 115 feet; thence East 75 feet; thence South 115 feet to the point of beginning.

.198 acre

James F. Hum - Lined & Century Arilling Comments
James S. Burger-413 Simms Building, Albuquerque, New Mexico
Farmington, New Mexico

Tract 21-B: A tract of land in the NE\set of Section

2, beginning at a point which is 215.4 feet North
and 265 feet West of the Southeast corner of said
NE\set; thence West 75 feet; thence North 75 feet;
thence South 75 feet to the PERORE EXAMINER UNIZ9 acre
OIL CONSERVATION COMMISSION

	E	XHIGHT NO.	2	
CASE	NO	2115		

John Franchini 614 Zuni Aztec, New Mexico

Tract 22-A: A tract of land in the NE\(\)Section 2, beginning at a point which is 140,4 feet North and 265 feet West of the Southeast corner of said NE\(\)SE\(\); thence West 75 feet; thence North 75 feet; thence East 75 feet; thence South 75 feet to the place of beginning.

.129 acre

Elliott W. Locke

West 163 feet of Lot 7, Block 2, Huntzinger Subdivision, and Lot 7 of replat of East 120 feet of Block 2, Huntzinger Subdivision

.494 acre

James E. Latta
2121 Fairview
Farmington, New Mexico

Lot 8 of replat of East 120 feet of Block 2, Huntzinger Subdivision

.140 acre

Drexel D. Allred
2117 Fairview
Farmington, New Mexico

Lot 9 of replat of East 120 feet of Block 2, Huntzinger Subdivision

.140 acre

Christine F. Puckett 504 E. LaPlata Farmington, New Mexico

Lot 8 and N/2 Lot 9 in West 163 feet of Block 2, Huntzinger Subdivision

.427 acre

W. E. Thompson 2114 Huntzinger Ave. Well lesse Farmington, New Mexico

S/2 Lot 9 and Lot 10 in West 163 feet of Block 2, Huntzinger Subdivision

.427 acre

Robert J. White 2317 Fairview will liase Farmington, New Mexico

Lot 1 of replat of East 120 feet of Block 2, Huntzinger Bubdivision

.23 acre

Clement F. Aimes
2313 Fairview
Farmington, New Mexico

Lot 2 of replat of East 120 feet of Block 2, Huntzinger Subdivision

.138 acre

Harry W. Buchanan, Jr. 2800 Edgecliff Drive Farmington, New Mexico

Lot 3 of replat of East 120 feet of Block 2, Huntzinger Subdivision

.138 acre

William L. Been Box 318 Naturita, Colovado

Lot 7A of replat of East 120 feet of Plock 2, Huntzinger Subdivision

.140 acre

THE FOLLOWING NAMED PERSONS ARE EITHER PURCHASERS OR SELLERS UNDER REAL ESTATE CONTRACTS UPON WHICH OIL AND GAS LEASES HAVE BEEN OBTAINED FROM THE OTHER PARTY TO SUCH CONTRACT. SUCH PERSONS HAVE NOT BEEN NOTIFIED OF THIS HEARING NOR HAVE THEY RATIFIED THE LEASES:

Ralph A. Herrick 909 N. Wall Avenue Farmington, New Mexico

Tract 19: A tract of land in the NE\set of Section 2, beginning at a point which is 467.9 feet North and 265 feet West of the Southeast corner of said NE\set; thence West 75 feet; thence North 112.5 feet; thence East 75 feet; thence South 112.5 feet to the point of beginning.

.194 acre

Billie M. Frey 3402 Colgate Farmington, New Mexico

Tract 20: A tract of land in the NE\(\)SE\(\) of Section 2, beginning at a point which is 355.4 feet North and 265 feet West of the Southeast corner of said NE\(\)SE\(\); thence West 75 feet; thence North 112.5 feet; thence East 75 feet; thence South 112.5 feet to the place of beginning.

Clark Christensen 919 N. Allen Farmington, New Mexico

Tract 29-B: A tract in the NE\(\)SE\(\) of Section 2, beginning at a point which is 510 feet West and 290.4 feet North of the Southeast corner of the NE\(\)SE\(\) of said section; thence West 150 feet; thence North 130 feet; thence East 150 feet; thence South 290 feet to the point of beginning. .448

.448 acre

THE PIONEER PRODUCTION CORPORATION

P. O. BOX 2542

PM 1 24 1933 APR -9

AMARILLO, TEXAS

April 4, 1963

CERTIFIED - RETURN RECEI T REQUESTED

TO THE OWNERS OF THE CIL AND GAS IN ST SECTION 2-29N-13W, N.M.P.M., (SCOTT UNIT) WHO FAILED TO CONSENT BY LEASE OR OTHERWISE TO THE DRILLING BY PIONEER PRODUCTION CORPORATION OF A FASIN-DAKOTA WELL THEREON AND TO THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO:

> Re: Advice of Costs of Basin-Dakota Gas Well caused to be drilled by Pioneer Production Corporation under Order No. R-2334 of Oil Conservation Commission, State of New Mexico.

Gentlemen:

This is to advise pursuant to the above order of the Oil Conservation Commission that the above well has been completed and that to the date shown the costs thereof charged to Pioneer Production Corporation are as indicated by the attached schedule which likewise shows the proportionate part of such costs allocated to the non-consenting owners under the terms of said order.

Pursuant to the provisions of said order, each non-consenting owner shall have thirty (30) days herefrom within which to pay his proportionate part of all said costs and, in the event the same is not so paid, all of his proportionate part of said costs plus 25% shall be recovered by Pioneer Production Corporation from 7/8 of his proportion of the production from said well.

The remaining 1/8 of each such owner's interest shall be paid direct to him or to his credit upon the execution and acknowledgment by such owner and his or her spouse and return of one copy of the enclosed Division Order certifying as to the correctness of such interest upon consent of any mortgage or lienholders as to such interest.

Such mortgage or lienholders are being contacted by us for such consent, and if we are not successful in obtaining the same you may be requested to contact them direct.

Very truly yours,

(Com Aarrah

Wm. L. Darrah

ADDRESSES OF NON-CONSENTING OWNERS

John B. Colin P. O. Box 2512 Odessa, Texas

Bobby G. Self 2705 Cliffside Farmington, New Mexico

Orin J. Merrell 3103 Cliffside Drive Farmington, New Mexico

Lenton L. Lambright et ux, Naomi R. Lambright 1086 Chaco Avenue Farmington, New Mexico

Horace A. Moffett et ux, Bealrice J. Moffett 1086 Chaco Avenue Fermington, New Mexico

J. P. Gibbons Midland Tower Midland, Texas

Beth M. Tanner 2511 Apple Lane Farmington, New Mexico

Boyd Tanner 2511 Apple Lane Farmington, New Mexico

James F. Hum 907 N. Monterey Farmington, New Mexico

Century Drilling Company 405 Enterprise Building Tulsa 3, Oklahoma

Richard F. Clayton 2102 Lee Street Farmington, New Mexico

Texaco, Inc. 101 South Behrend Avenue Fermington, New Mexico

John Franchini 614 Zuni Aztec, New Mexico Leland J. Lillywhite et ux, Anna Lou Lillywhite Avery Lane Farmington, New Mexico

State of New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

PIONEER PRODUCTION CORPORATION P. O. BOX 2542

AMARILLO, TEXAS

UNLEASED W. I. OWNERS

Name	Interest	Share of Cost
John B. Colin Bobby G. Self	1.131406%	\$ 627.70
Orin J. Merrell	.033906%	18.51
Boyd M. Tanner	305625%	169:56 11
Beth M. Tanner	.306563%	170.08
James F. Hum	.306563%	170.03
Century Drilling Co.	.002520%	1.40
John Franchini	.017637%	9.78
Horace A. Moffett, et ux	.040312%	22.36
Beatrice J. Moffett	.092813%	
Lenton L. Lambright, et ux	.092013%	51.49
Naomi R. Lambright	.092813%	The second se
J. P. Gibbons	3.125000%	51.49
Leland J. Lillywhite, et ux	J.127000p	1,733.73
Anna Lou Lillywhite	.060625%	22 42
Texaco, Inc.	2.950000%	33.63 1,636.64
Richard F. Clayton	6.250000%	3,467.45
A Company of the Comp		
	14.715783%	\$ 8.164.20

PIONEER PRODUCTION CORPORATION

P. O. BOX 2542

AMARILLO, TEXAS

Total Cost of Drilling Scott Unit No. 1 S2 Sec. 2, 29N, 13W, San Juan County, New Mexico To February 28, 1963

INTANGIBLE DEVELOPMENT COST	
Drilling 6,157' @ \$3.75 + Tax	\$ 23,319.64
Daywork W/Drill Pipe	246.19
Daywork WO/Drill Pipe	1,461.67
Trucking	744.25
Cementing	1,530.25
Road, Location and Damages	1,328.89
Mud and Chemicals	2,364.17
Logging and Testing	3,240.32
Perforating	232.00
Acidize and Frac	5,849.14
Fill Pits and Clean Location	428.40
Other	317.47
Labor	881.20
Total Intangible Development Cost	\$ 41,943.59
WELL EQUIPMENT COST	
Casing	\$ 8,928.51
Tubing	2,875.87
Wellhead Fittings	1,408.79
Other	322,45
Total Well Equipment Cost	\$ 13,535.62
100% of Cost to 2/28/63	\$ 55,479.21

GAS DIVISION ORDER

(including wellhead separator liquids)

To: Pioneer Production Corporation P.O. Box 2542 Amerillo, Texas FROM FIRST PRODUCTION

(Data)

Attention: Mr. Richard C. Frawley

The undersigned and each of them quarantee and warrant that they are the owners of the respective interests in the production delivered and/or marketed by you from the acreage covered by the following described leases:

SEE SHEETS A, B, C AND D ---

in the amounts shown below opposite their respective names, and that until further written notice you are authorized to continue to deliver and/or market the same and resist from the net proceeds therefrom to the undersigned the proportions thereof set opposite their respective names:

Name

Interest

P. O. Address

(Please print correct mailing address)

1407

NUMBERED SEE SECOND SHEETS

subject, however, to the following conditions:

Each of the undersigned hereby warrants and guarantees that he or it is legally entitled to the interest in the production referred to above to be credited to his or its account.

Payment shall be made monthly by you for production delivered during the previous calendar month by your checks mailed to the respective parties.

The undersigned agree that any, it son, partnership or corporation to whom you may deliver all or any part of said production may account to you for all received. It and the undersigned each agree to look solely to you for payment for his interest as referred to above.

It is understood and agreed it. "rerse rigim of title to the land from which any such production is obtained, or adverse claim of title to any sold and purch. If in pursuance of this division order you shall be protected against all reasonable cost and expense necessarily incorred in defending against such claim, and may retain the purchase price or proceeds of such production without interest, until such adverse claim is fully settled and determined.

You are hereby relieved of any responsibility of determining if and when any of the interests hereinabove referred to shall or should revert or be owned by other parties as the result of the completion or discharge of money or other payments from said interests, and the undersigned whose interests are affected by such money or other payments, agree to give you notice in writing to your address above when any such payments have been completed or discharged or when any division of interest other than that set forth herein shall, for any reason, become effective, and to furnish transfer orders accordingly. Each undersigned agrees to notify you immediately in writing at the above address of any change affecting such owner's interest and to furnish satisfactory proof thereof. Each undersigned working interest owner agrees to notify you immediately in writing at the above address of any change in ownership affecting any owner's interest, notice of which has been given to such working interest owner, and to furnish you with proof of such change as given to such working interest owner. In the event notice or notices as required hereunder are not received by you, the party failing to give such notice agrees to hold you harmless from any damage or loss which may arise by reason of your making payments to owners hereunder whose interests have changed.

Changes in ownership hereunder shall be accomplished by submitting to you, a certified or photostatic copy of the recorded instrument accomplishing such change and by executing a transfer order adopting the terms and provisions of this division order agreement. Changes in ownership when so accomplished, shall, insofar as payments to be made by you are concerned, be made effective as of the beginning of a calendar month.

This division order shall become effective as to the interest of any party executing the same only when copy hereof executed by such party has been received by you at which time it shall by effective only as to any payments not previously made by you to such executing party or others as to the interest claimed by such party. When so executed by any party and received by you this division order shall be binding upon the executing party, its heirs and successors in interest irrespective of whether executed by any of the other owners, and shall inure to the benefit of you, your successors and assigns.

The gas to which this Division Order pertains may be exchanged by you for other gas to be received elsewhere. Settlement for all gas to which this Division Order applies shall be at the market price for which gas of like grade and quality, produced from the same producing zone, is being sold at the wellhood in the area in which said gas (under this Division Order) is produced. The price to be used shall be the one for such sales made at the point nearest to the point at which the gas is produced under this Division Order.

Where no gas of like grade and quality produced from the same producing zone is being sold at the wellhead, the prices shall be determined by you from the price of which other gas is being sold at the wellhead at the point nearest to where gas is being produced hereunder adjusted by you, either upward or downward, for difference in grade and quality.

You shall learn or determine the price to be used for settlement hereunder when this Division Order takes effect and such price as so learned or determined shall continue to be effective up until a time 60 days following your receipt of written notice giving the particulars of a different price that should be used, if such different price is applicable under the terms hereof.

This Division Order shall also include wellhead separator liquids which shall be accounted for upon the basis of the price received by you therefor.

This Division Order shall be effective beginning with your first delivery of production from said lease and shall continue to be effective despite temporary interruptions in said phyduction.

DIVISION ORDER LEASE NO.	LEASE <u>DATE</u>	<u>LESSORS</u>	LESSEE	ACREAGE COVERED IN S½ SEC. 2-29N-13W, N.M.P.M., SAN JUAN COUNTY, N. M.	RECORDING DATA SAN JUAN COUNTY, N. M. BOOK PAGE
(1)	11/12/59	Thomas B. Scott, Jr. and wife	Weldon C. Julander	$NW_{4}^{1}SE_{4}^{1}; NE_{4}^{1}SW_{4}^{1}$	438 1
(2)	11	Paul H. Umbach and wife	II .	11	" 3
(3)	10/ 1/59	The Farmington Investment Co., Inc.	# ₁	SW ¹ / ₄ SE ¹ / ₄	" 2
(4)	11/20/59	Relph T. Huntzinger and wife	Rodney P. Calvin	$E_2^1SE_4^1SW_4^1$	236
(5)	11/ 9/59	Virginia Amsden Whitmire and husb.	Weldon C. Julander	acreage within SW ¹ / ₄ SW ¹ / ₄ ; E ¹ / ₂ NW ¹ / ₄ SW ¹ / ₄ as more particularly	454 31
tan iku jarah sala Tan tan	د در سعد در در فر در			described in lease as shown by its recording.	
(6)	, 4	Cail Amsden Hall and husband	in the second of the second of	it de la companya de	32
(7)	11	Larry Avery Amsden and wife	u salah	s If	30
(8)	4/21/60	Erick Johnson, Gdn. of Person & Estate of Charles Amsden, a minor.			
(9)	11/ 9/59	Theodore P. Amsden & wife	lt.	n	" 28
(10)	3/19/60	Edward A. Bolton & wife	: (1	II	" 29
(11)	8/30/62	L. L. Brady & wife Guinevere H. Brady	Pioneer Production Corporation	Any interest in said acreage.	529 94
(12)	6/11/62	M. W. Hobbs	11	l acre in NE ¹ / ₄ SE ¹ / ₄ as more particular- ly described in lse. as shown by its recording.	519 129
(13)	6/ 8/62	Carroll M. Noyes & wife, Evelyn Noyes		Acreage in NE ¹ / ₄ SE ¹ / ₄ as more particular- ly described in 1se. as shown by its recording.	" 130
(14)	tt	Raymond E. Prado and wife, Barbara B. Prado	H	#	" 131
(15)	6/ 7/62	C. O. Sanchez & wife, Mary Sanchez	11 (1) (1) (1) (1) (1) (1) (1) (1) (1) (u	" 132
(16)	I	Gus Anison & wife, Mary Anison	n		" 133
(17)	6/13/62	Albert LeRoy Hunt & wife, Wilma Ruth Hunt	H 		" 134

13

(35)	6/ 1/62	The Most Reverend Bernard T. Espelage and Successor in Office, a Corpora- tion	Pioneer Production Corporation	₩ <mark>½</mark> ₩½SE¼S₩¼	519	148
(36)	9/27/62	L. C. Gabehart and wife, Mary D. Gabehart	n 	Any oil or gas interest in S_2^1 said Sec. 2.	537	159
(37)	9/14/62	Board of Deacons of Grace Baptist Church, U.S.A. of Farmington, New Mexico.	* ************************************	Acreage in $SW_{4}^{1}SW_{4}^{1}$ as described in 1se. as shown of record.	534	20
(38)	6/18/62	Clarence M. Hallett and wife	u e	Acreage in NE4SE4 as more particularly described in said lease as shown of	526	187
				record.		
(39)	9/29/62	James E. Latta and wife, Olive E. Latta	rigin (Service)	Lot 8, Blk. 2, Huntzinger Sub- division as shown in Replat of El20'.	534	34
(40)	8/30/62	Elliott W. Locke and wife, Dorothea W. Locke	under the second	Any interest in oil & gas in $S_{\frac{1}{2}}^{\frac{1}{2}}$ said Sec. 2.	534	129
(41)	9/11/62	Valden T. O'Donnal and wife, Reva Helen O'Donnal	II The second s	Acreage in NE ₄ SE ₄ said Sec. 2 as described in 1se. as shown by its recording.	11	19
(42)	9/29/62	Christine F. Puckett, a single lady	e u 	Lot 8 & N38' Lot 9, Blk. 2, Hint- zinger Subdivision.	11	33
(43)	6/18/62	A. W. Purcella and wife, Danie Purcella	u u u u u u u u u u u u u u u u u u u	Acreage in NE ¹ / ₄ SE ¹ / ₄ as more particularly described in said lease as shown by it recording.		127
					O.	18
(44)	10/11/62	John T. Renshaw & wife, Margie E. Renshaw		u i		10
(45)	8/30/62	C. L. Spencer and wife, Wilma Spencer	n - M - 12 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 -	Any interest of Lessors in oil & gas in said $S_2^{\frac{1}{2}}$ Sec.	529	283
				2 including in- terest in 8A in SW corner said section.		
(46)	6/ 2/62	J. Ed Stock and wife, Helen M. Stock		Interest of Lessors in acreage in NE_4^1 Sec. 2 as described in said leas as shown by its recoing.	e	149
(47)	9/29/62	W. E. Thompson and wife, Edith Thompson	: If ::	W163' of S_2^1 of Lots & 10, B1k. 2, Huntzinger Subdivision.	9 529	282

(48)	6/ 2/62	Emmet T. Walling and wife, Kathleen K. Walling	Pioneer Production Corporation	Acreage in NE4SE4 said section as described in said lease as shown by its recording.	519	145
(49)	6/ 1/62	Wayne Walling and wife, Juanita Wall-ing	H.		u u	146
(50)	9/29/62	Robert J. White and wife, Phyllis K. Whit	e ir	Lot 1, Blk. 2 of Replat of El2O' of Blk. 2, Huntzinger Subdivision.	529	279
(51)	5/30/62	Ella M. Woods	11	Acreage in $NE_4^1 SE_4^1$ as described in said lease as shown by its recording.	519	111
(52)	3/11/63	Wayne Edward Hill & wife, Ida Lou Hill	. II	Lots 1, 2 & 3 Hunt- zinger Subdivision, Blk. 1.		

SCOTT UNIT

SHEET ONE

	Unleased W.I.	TAMEDECE	P. O. ADDRESS WHERE CHECKS ARE TO BE MAILED (PLEASE TYPE OR PRINT PLAINLY)
NAME		INTEREST	P. O. Box 33, Farmington, N. M.
C. L. Spencer	• •	.00156250 RI	Rt. 1. Box 210. Santa Fe, N. M.
Theodore P. Amsden		.00292969 RI	113 Sou. Division St., Sumner, Iowa
Virginia Amsden Whitmire	2	.00292969 RI	
Gail Amsden Hall		.00292969 RI	508 N. Franklin St., Manchester, Iowa
Larry Avery Amsden		.00146485 RI	240 Ortega #31, Mountain View, California
a a Amadan minor		.00146485 RI	2303 Cochiti, Farmington, N. M.
Charles Amsden, minor		.00390625 RI	208 Washington St., Washington, Iowa
Mary Roberts Berry Board of Deacons, Grace	Reptist Churc		Farmington, New Mexico
		.00488281 RI	
(1) Leman Classcock		.00488281 RI	
Mary L. Bolton) (c)116++	.00249200 RI	Waterflow, New Mexico
R. A. Collett & Lydia F	.00989980	.00141426 RI	(P. 0. Box 2512) 1535 E. 2nd St., Odessa, Texas
* John B. Colin	,00989900	.00342773 RI	2400 Hutton Ave., Farmington, N. M.
Wayne Walling		.00340625 RI	2301 Cochita Ave., Farmington, N. M.
Emmett Walling		.00444450 RI	
Ella M. Walling Woods		.00065137 RI	207 El Paso Drive, Farmington,
Valden T. O'Donnal		,0000)13/ MI	New Mexico
(2) Bobby G. Self		.00004238 RI	% 2705 Cliffside, Farmington, New Mexico
J. E. Stock	and the second s	,00126211 RI	2412 Hutton Ave., Farmington, N.M.
* Boyd Tanner	.00268243	.00038320 RI	2511 Apple Lane, Farmington, New Mexico
(3) Richard W. Young and H	lelen M. Stark	.00019531 RI	
(3) Richard W. foung and h	.00268242	.00038320 RI	2511 Apple Lane, Farmington, New Mexico
* Orin J. Merrell	.00267422	.00038203 RI	3103 Cliffside Drive, Farmington, New Mexico
Amos A. Anderson, Jr.	et ux, Ora F.	.00007734 RI	2615 Mossman, Farmington, New Mexico
Anderson	W.	.00015469 RI	Box 686, Farmington, New Mexico
Gus Anison	v Oznakan	.0C007734 RI	2628 Mabel Drive, Farmington,
C. O. Sanchez et ux,	mary Sanchez	100001174 NA	New Mexico
Carroll M. Noyes		.00007734 RI	2630 Mahel Lane. Farmington, New Mexico
Mabel Avery		.00077655 RI	2913 Cliffside Drive, Farmington, New Mexico
(1) Reigh A. Herrick et u	х	.00007578 RI	

SHEET II

U ₃	mleased W.I.			
Billy M. Frey et ux		00007578 RI		
← James F. Hum	.(00002520 RI		907 N. Monterey, Farmington, N.M.
(5) John Franchini .(00035273 .0	00005039 RI	x	614 Zuni, Aztec, New Mexico
Clarence M. Hallett et ux	. (00008086 RI		510 North Wall, Farmington, New Mexico
A. W. Purcella et ux	*:(00008750 RI		1043 West Myrtle, Santa Ana, California
Hughlett T. Smith et ux),	00008 7 50 RI		223 E. Fourth St., Cortez, California
Leland Junior Lillywhite et u		00007578 RI		Avery Lane, Farmington, New Mex.
Albert LeRoy Hunt et ux	0053047 .(XXX RI		
Martin Bayless		XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		
(6) Clark Limb et ux	.0	00021523 RI		2211 Avery Lane, Farmington, N.M.
A. A. Christensen	.c	0017500 RI		
M. W. Hobbs	. c	0039062 RI		207-D West Broadway, Farmington, N.M.
Farmington Investment Co., In	ic0	0781250 RI		
Lone Star Properties, Inc.	0.	O285644 RI		en er forskalle kan en
Northwest Lumber Co.	.0	0190430 RI		
Berry F. Davis, Jr.	.0	0238037 RI	× 3	
Floyd G. Davis	.0	0238037 RI		tanan da katalan da ka Manana da katalan da k
Thomas B. Scott, Jr.	.0	0520833 RI		P. O. Box 1267, Scottsdale, Arizona
Raymond E. Prado et ux Barbar	a			2601 Mabel Lane, Farmington, New Mexico
Paul H. Umbach	.0	1041667 RI		811-18th St., Boulder, Colo.
The Most Rev. Bernard T. Espe and Successon in Office, a Co		0390625 RI		P. O. Box 110, Gallup, N. M.
(7) Wayne Edward Hill et ux	.00	00671C9 RI		Hobbs, New Mexico
Elliott W. Locke et ux	.00	0044688 RI		Rt. 1, Box 275, Grass Valley, Calif.
Christine F. Puckett, a single	e lady .O	0018711 RI		504 E. La Plata, Farmington, New Mexico
W. E. Thompson et ux	.α	0018711 RI		2114 Huntzinger Ave., Farming- ton, New Mexico
Robert J. White et ux	.00	0011367 RI		2317 Fairview, Farmington, N. M.
(8) Clement F. Aimes et ux	.00	0015625 RI	•	2313 Fairview, Farmington, N. M.
(9) Harry W. Buchanan, Jr.	.00	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		2800 Edgecliff Drive, Farming- ton, New Mex.
10) William L. Been et ux	.00	0015781 RI	1	Box 318, Naturita, Colorado
James E. Latta et ux	.00	007891 RI		2121 Fairview, Farmington, N. M.
participate of the analysis of the second of	1 (18) 1	and San		Same the second of the second

					SCOTT UNIT
			Unleased W.I.	SHEET III	
a delimination of the second		Drexel D. Allred et ux	<u></u>	.00007891 RI	2117 Fairview, Farmington, New Mexico
		Charles H. Burg, Jr. et ux		.00011875 RI	2113 Fairview, Farmington, New Mexico
<u>1</u>	*	Horace A. Moffett et ux	.00081212	.00011601 RI	1086 Chaco, Farmington, New Mexico
The second second second	×	Lenton L. Lambright et ux	.00081212	.00011601 RI	1086 Chaco, Farmington, New Mexico
		Ralph T. Huntzinger		.00573907 RI	
•	×	J. P. Gibbons	.02734375	.00390625 RI	Midland Tower, Midland, Texas
		James R. Cunningham	**	.00195313 RI	Box 125, Farmington, N. M.
And the second s		Elmer J. Duncan		.00021875 RI	2804 Fast Twenty Second, Farmington, New Mexico
		James S. Burger	on La company	.00005039 RI	1413 Simms Bldg., Albuquer- que, New Mexico
		Brookhaven Oil Co.		.01041667 RI	
All Mary commences		Eleanor B. Scott		.00520833 RI	2368 Torrey Pines Road, La Jolla, California
ofer American subsequent	¥ -	Century Drilling Co.		.00017637 RI	405 Enterprise Bldg., Tulsa 3, Oklahoma
Sec. Co. Security Sec.		Unknown	.06250000		
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PREZIONALINAMEN CO		L. L. Brady et ux	14631018	.11567398	2109 Camino Rio, Farmington, New Mexico
Na Contraction		Working	Interests	and Overriding Roya	lty Interests
A PROPERTY OF		Rodney P. Calvin		.00528406 ORRI	2400 N. Santiago, Farmington, New Mexico
Parture Chercial Line		Earl A. Rogers		.00528406 ORRI	P. O. Box 248, Farmington, New Mexico
Araban ST		Weldon C. Julander		.00528406 ORRI	P. O. Box 44, Farmington, N. M.
(1	1)	Global Oils, Inc.		.06250000 WI	2010 Republic Bank Bldg., Dallas 1, Texas
(1	.2)	Pioneer Production Corp. (interest acquired from Redfern, Jr. et al)	John J.	.44650327 WI	P. O. Box 2542, Amarillo, Texas

- (1) The adoption, ratification and grant hereinabove contained is made by Leman Glasscock as to the Bolton lease of March 19, 1960, described above, and he does likewise hereby agree that any security interest which he holds upon property covered by said lease shall not impair the royalty payments provided for herein to be made to Mary L. Bolton.
- (2) Bobby G. Self and wife, and James L. Capp (being one and the same person as Lloyd Capp, Jr.) and wife, Elaine Delight Capp do hereby agree that the lease to which their adoption, ratification and grant pertains herein is the lease described above from James L. Capp and wife, Elaine Delight Capp, dated September 10, 1962 and that all amounts payable under said lease should be paid to James L. Capp and wife, Elaine Delight Capp.
- joined
 (3) Richard W. Young and Helen M. Stark/herein by their respective spouses do hereby agree that their adoption, ratification and grant hereinabove contained applies to the September 27, 1962 lease described above by L. C. Gabehart and wife.
- (4) Ralph Herrick and wife agree that their adoption, grant and ratification contained hereinabove applies to the June 3, 1962 lease given by Raymond E. Prado and wife, described above, and all such parties agree that all sums due in the future under said lease should be paid to:
- (5) John Franchini and wife agree that their adoption, ratification and grant hereinabove contained applies to the June 18, 1962 lease described above from Clarence M. Hallett and wife insofar as it pertains to the interest set forth above as belonging to John Franchini.
- (6) A. A. Christensen and wife, Sarah Edna Christensen, agree that their ratification, adoption and grant made herein applies to the June 18, 1962 lease from Clark Limb and wife, Edith Limb, more fully described herein as to their interest set forth herein.
- (7) Ralph Huntzinger and wife hereby acknowledge they have no interest in any sums payable to Wayne Edward Hill and wife on any lease heretofore given by them on Lots 1, 2 and 3, Block 1, Huntzinger Subdivision, but that the Huntzinger lease described above covers all their interest in said $S_{\frac{\pi}{2}}$ Section 2.
- (8) John H. Brunson and wife, Irene Brunson hereby disclaim any right to participate in any payments made to Clement F. Aimes and wife hereunder.
- (9) Four Corners Construction Corporation, a Delaware Corporation, acknowledges it has no interest in any payments to be made on any oil, gas and/or mineral leases covering any part of Lots 1 through 14, Block 2, Huntzinger Subdivision, according to Replat thereof.
- (10) William L. Been and wife, Nancy C. Been warrant and declare that their interest as stated herein includes the joint tenancy interest of Carolyn M. Been whose interest was acquired by William L. Been by reason of (state whether by deed or inheritance)
- (11) Global Oils, Inc. agrees that it will make payment to all parties entitled to share in the payments to be made to it hereunder and will indemnify Pioneer Production Corporation and hold it harmless from claims by others therefor.
- (12) It is understood that the .44650327 leasehold working interest of Pioneer Production Co-poration hereunder acquired from John J. Redfern, Jr., J. H. Herd, Jack Markham, John J. Christmann and their wives is subject to the production payments provided for

in assignment from them to Pioneer Production Corporation, effective as of November 1, 1962 (Book 534, Page 99, San Juan County records) and that such production payments shall continue or terminate as provided for in said assignment.

No provision contained in any sheet or page hereof subsequent to the first page shall be construed as modifying any of the provisions contained on said first page.

* These interests are payable in accordance with the terms and provisions of Pooling Order R-2334 of the New Mexico Oil Conservation Commission.

SHEET VI

CORPORATION SIGNATURES SHOULD BE ATTESTED AND CORPORATE SFAL AFFIXED, PARTNERSHIP SIGNATURES SIGNED BY ALL PARTNERS. ALL INDIVIDUALS SHOULD BE JOINED BY THEIR SPOUSES IN THE EXECUTION OF THIS DIVISION ORDER AND ALL SIGNATURES SHOULD BE ACKNOWLEDGED. If an individual is unmarried his or her single status should be indicated under the signature.

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INTERNATIONAL OIL & GAS CORPORATION

825 PETROLEUM CLUB BUILDING
DENVER 2, COLORADO

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ADDRESS REPLY TO:

P. O. Box 427 Artesia, New Mexico March 20, 1963

New Mexico Oil Conservation Commission P.O. Box 871 Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary

Dear Sir:

The following is for your information regarding casing pressure tests on our State 648 tease; Wells No. 67, 69 and 174 as per Commission Order No. R-2203.

Well No. 67, located in Unit F, Section 10, T-19-S, R-28-E.; casing was pressure tested to 4000 psi by Halliburton Company on 2-7-63 and held same for 30 minutes. Water injection was initiated on 2-10-63.

Well No. 69, located in Unit N, Section 10, T-19-S, R-28-E.; casing was pressure tested to 4000 psi by Halliburton Company on 1-9-63 and held same for 30 minutes. Water injection was initiated on 1-21-63.

Well No. 174, located in Unit K, Section 10, T-19-S, R-28-E.; casing was pressure tested to 4000 psi by Dowell on 1-14-63 and held same for 30 minutes. Water injection was initiated on 1-27-63.

Very truly yours,

INTERNATIONAL OIL & GAS CORPORATION

Jack C. Bendler District Engineer

JCB: cm

cc: State Engineer Office Santa Fe, New Mexico Attn: Frank Irby

> New Mexico Oil Conservation Commission Artesia, New Mexico Attn: M. L. Armstrong

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INTERNATIONAL OIL & GAS CORPORATION

1/1825 PETROLEUM CLUB BUILDING
DENVER 2, COLORADO

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ADDRESS REPLY TO:

P. O. Box 427 Artesia, New Mexico March 21, 1963

New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Attention: Daniel S. Nutter, Chief Engineer

f Engineer

Re: IOGC, Secondary Recovery Project,
East Millman Queen-Grayburg Fool,
Eddy County, New Mexico, Order
No. R-2405; Repair of Casing Leak,
State 648 Lease, Well No. 147.

Dear Sir:

The following is to inform you of the satisfactory completion of the 10 3/4" O. D. casing repair and method involved regarding the subject well.

On February 20, 1963, after cleaning out around the outside of the 10 3/4" O. D. casing, 15 sacks of four to one calceal to regular cement was spotted through tubing from 50¹ to 32¹ to patch hole at 43¹ below ground level.

An inspector from the State Engineer's Office in Roswell, New Mexico witnessed the procedure and approved same at the well location on February 21, 1963.

Very truly yours,

INTERNATIONAL OIL & GAS CORPORATION

Jack C. Bendler District Engineer

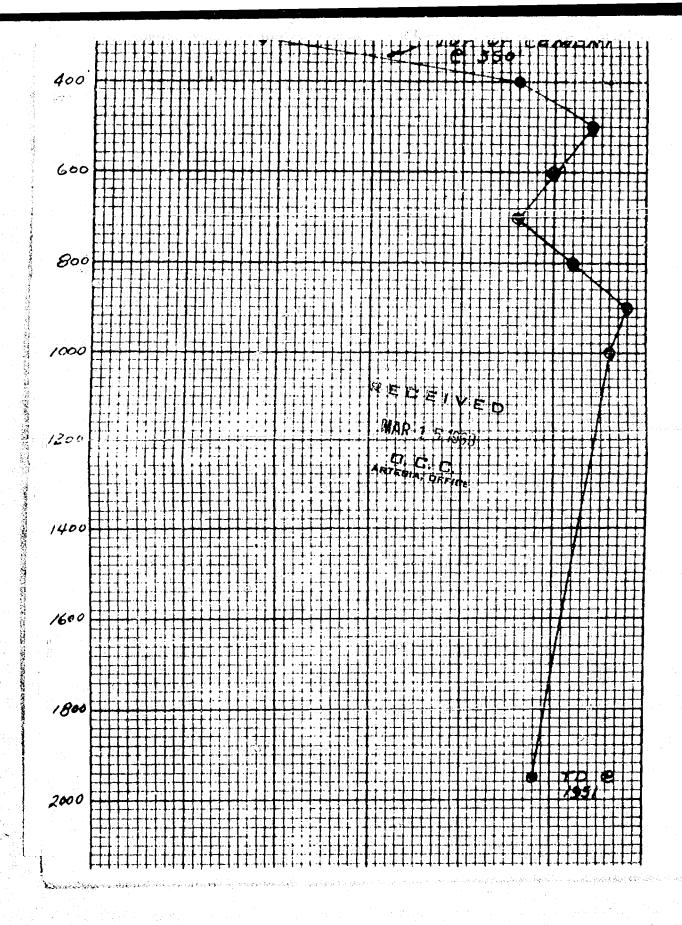
JCB: cm

cc: State Engineer Office Santa Fe, New Mexico Attn: Frank Irby

> New Mexico Oil Conservation Commission Artesia, New Mexico Attn: M. L. Armstrong State Engineer's Office Roswell, New Mexico

Attn: James I. Wright

MEASURING LINE TEMPERATURE SURVEY COMPANY FRANKLIN ASTON FAIR
WELL NO. STATE A D. #)
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SPERRY-SUN SURVEY TABULATION SHEET

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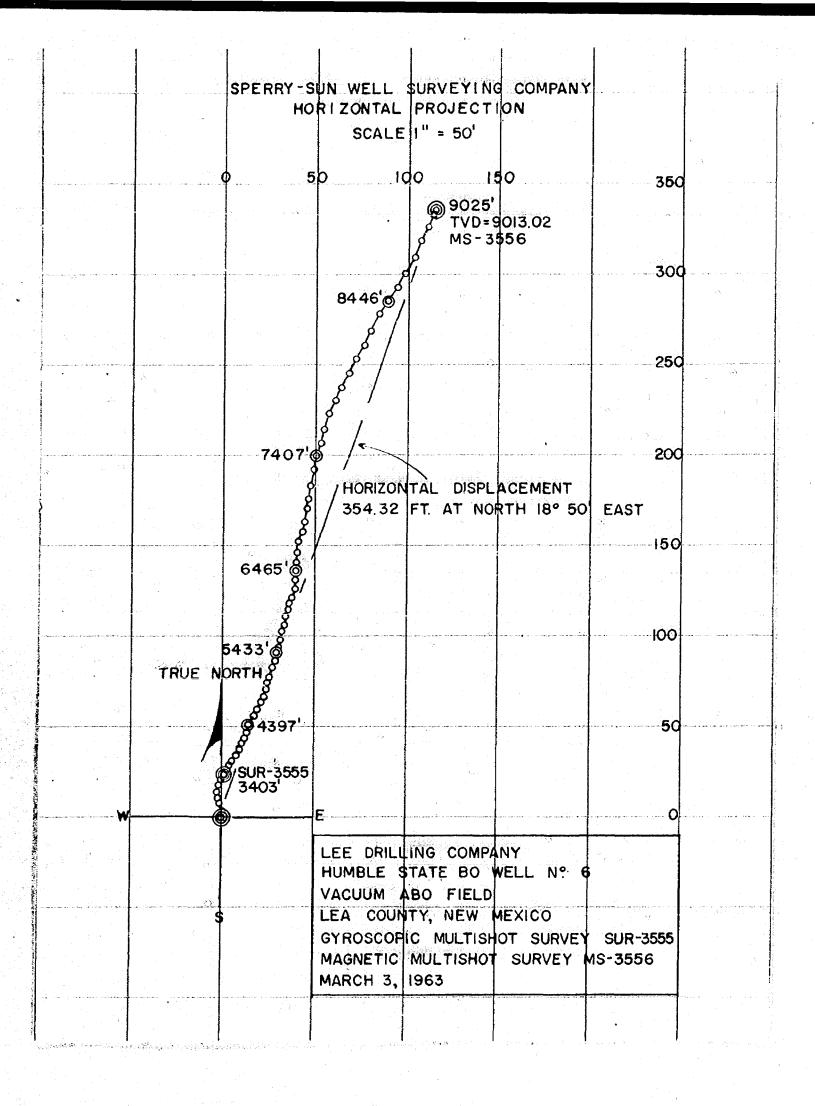
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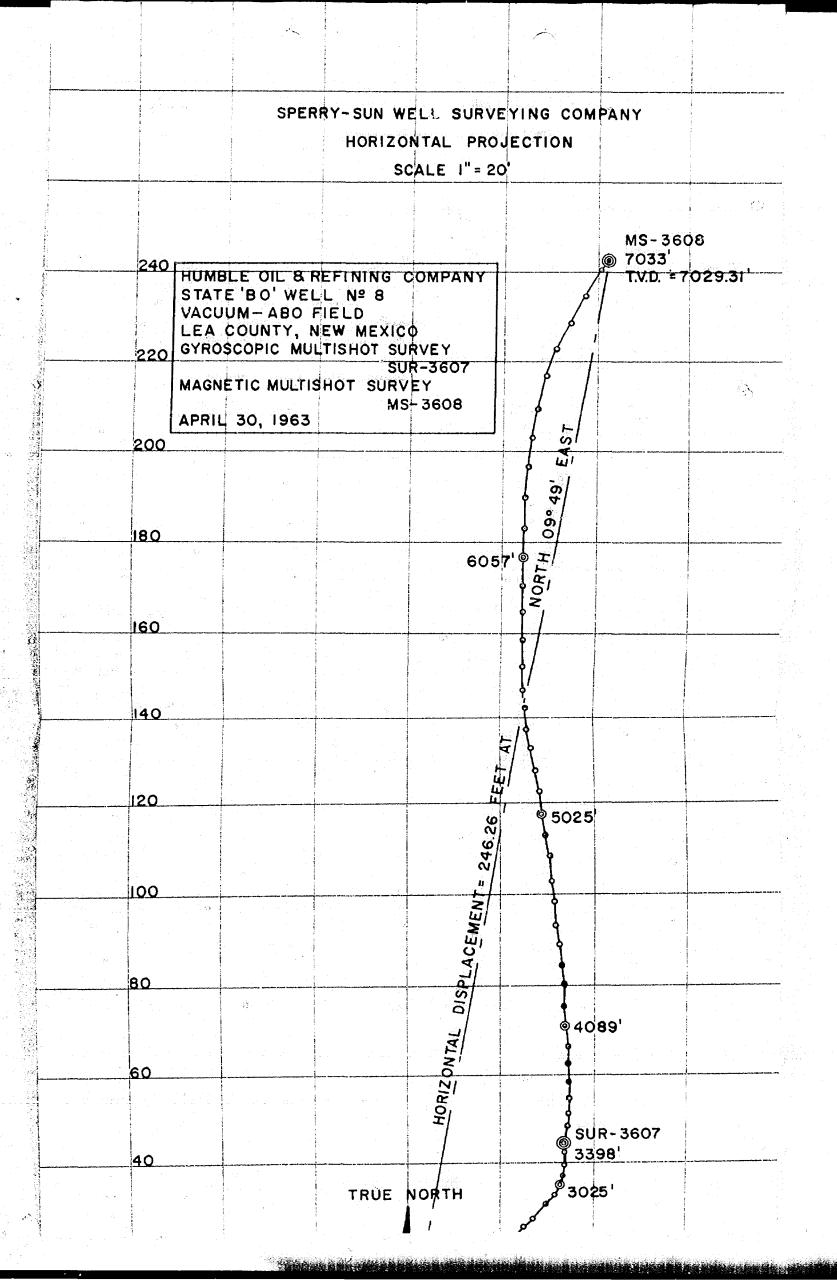
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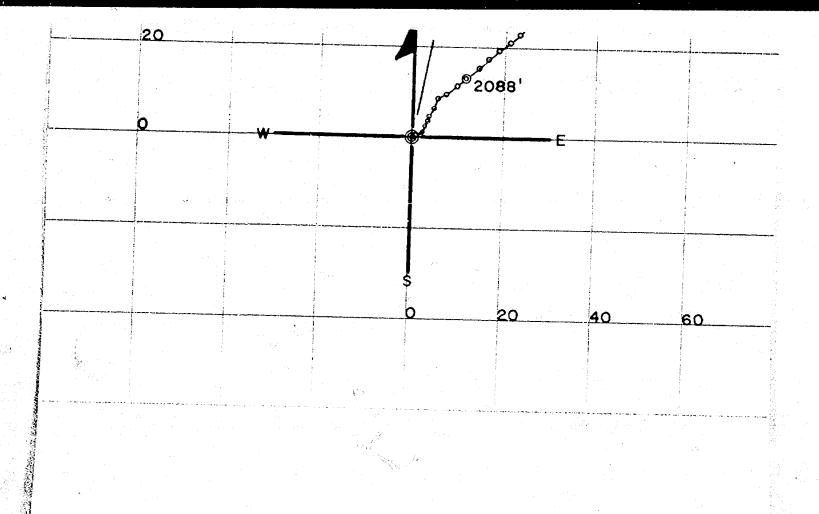
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BEFORE THE OIL CONSERVATION COMMISSION Sauta Fe, New Mexico

September 27, 1962

EKAMINER HEARING

IN THE MATTER OF:

Application of Pioneer Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Basin Dakota Gas Pool to form a 320-acre gas proration unit comprising the S/2 of Section 2, Township 29 North, Range 13 West, San Juan County, New Mexico.

CASE NO. 2645

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

EXAMINER UTZ: Case 2645.

MR. DURRETT: Application of Pioneer Production Corporation for compulsory pooling, San Juan County, New Mexico.

MR. COX: Lewis C. Cox of Hervey, Dow & Hinkle, Roswell, New Mexico, representing the applicant. We have one witness to be sworn.

(Witness swom.)

E. S. MORRIS,



SANTA FE. N. M. PHONE 983-3971

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

DIRECT EXAMINATION

BY MR. COX:

- Q For the record, this is Case 2645. Would you state your name and position with the Applicant, please?
 - A E. S. Morris, vice-president.
- Q Have you previously testified before the Commission or the Examiner, Mr. Morris?
 - A No, sir, I haven't.
- Q Would you state for the Commission your education and experience?
- A I graduated from the University of Oklahoma with a degree in petroleum engineering in 1947, and I went to work for this company or its affiliates upon graduation and worked as an engineer for them. I was made vice-president in 1957.
- Q When you were made vice-president, you were an engineer for the company --
 - A Yes, sir.
 - Q -- in petroleum engineering?
 - A Yes, sir.
- Q And did this involve engineering practice generally in the petroleum exploration or production of petroleum?
- A Yes, sir, I served for about five years as area produc-



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MP. C.W: Does the Examiner have any other questions of his qualifications?

EXPRINER UTZ: No, sir, he will be qualified to testify. (by Er. Cox) Er. Morris, I refer you to the chart on the wall which has been marked as Applicant's Exhibit h and hak you to state whether the Pioneer Production Company has either leases or operating agreements covering the outlined acreage except that colored?

Yes, sir, we do.

And in further connection with the calored section, would you explain what the colors represent on the plat?

Yes, sir, if I may. The acreage colored in red represents acreage owned by parties owning a hundred percent Interest who have been notified and offered a lease. The blue acreage represents acreage owned by parties who own a half interest in the minerals and they have been notified and offered an opportunity to lease this acreage.

Mr. Morris, at this point, is it true you do have leases on the other half interest under the blue acreage?

Yes, sir, the yellow acreage represents acreage owned by parties owning a half interest that have not been notified; and then those small brown tracts represent full interest leases where we have not notified the parties owning that interest.

Then, those tract's colored in gray represent land that is under contract from a real estate agent and we either have a



SANTA FE, N. M. PHONE 983-3971

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lease or an agreement from either the agent or the purchaser. We will need a ratification from the other party, and the remaining acreage in this 320-acre proposed unit which is not colored, is white, represents acreage we do have leases on.

What price did you pay, or what offered price did you pay for the leases you did obtain, Mr. Morris?

A " We offered two alternatives. We offered to lease on a straight conventional seven-eighths lease and pay \$50.00 per net acre, or we would lease and provide no bonus and let them have a quarter royalty.

- and do you have leases with both of those provisions in it from different individuals accepting one or the other alternative?
 - Δ_{i} Yes, sir.
- Was this same offer made to those people you have testified were notified of this hearing?
 - Yes, sir.
- With regard to those people not notified, why were they not notified and listed in Exhibit A to the application?

We did not -- we were unable to locate some of the parties of record and then in checking the records, we, subsequent to the time our application was filed, we discovered some small interest owners whom we have since tried to locate.

At the time the application was filed, you were not aware of the fact those people did own an interest in this land?



That is right.

Subsequent fitte examination has revealed they do? Q

Yes, sir, that is true.

Are you willim to wake an offert to contact these others whom you have recently discovered and make the same offer to them

Yes, sir, that is weat we propose to do is notify them and make the same offer we have made to the other parties.

Do you intend to couthaue in your efforts, even from non-joining owners that have previously refused to lease?

Yes, sir.

Will this offer be open to them up to the completion of the well?

Α Yes, sir.

I believe part of this acreage, Mr. Morris, is under lease to Texaco. They control the working interest on what land?

Texaco has a six-and-a-fraction-eighths interest in this unit, and we have contacted Texaco and we have a wire from them indicating that they will attempt to get management approval to join in the unit.

Q as yet, you have no definite answer?

A @ Mo, sir, we have submitted it to them through the AFE and we have not heard anything from them, although chances are they will jöin.

What is the proposed location of your well? Q.

The well will be located 1450 feet from the West line,



2200 from the South Line, Section 2, Township 29 North, Rause 13 West, San Juan County, New Mexico.

- Q And to what formation do you propose to drill it?
- A A We propose to test the Dakota.
- Q. What is the estimate of the doct of the drilling and completing this well.
- A We have an estimate of \$86,53% to drill, complete and equip the well with the necessary surface equipment.
- Q Have you any assurance a compercial production will be obtained from this well?
- A Well, sir, we certainly have no accurance that it will.

 I don't think any prudent operator would intentionally drill a
 well they thought would be dry. We don't know until we drill a
 well.
- Q What is the situation with regard to offsetting wells, Mr. Morris:
 - A Let me get a map here.

There is a diagonal Northwest offset to this; the unit is the North half of Section 3, 29, 13. There is a Southeast offset; the unit comprises the last half of Section 12, 29, 13. And there is a North offset to this location which comprises the North half of Section 2, 29, 13.

- Q There is no direct offset either South, East, or West?
- A There are no direct offsets to the Mast, to the South, or to the West, no, sir.



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Is the well to be drilled under the supervision of your company?

Yes, sir.

Now, with regard to these owners who have recently been discovered, Mr. Morris, what do you propose to do with regard to giving them notice of this Hearing?

We propose to notify them by certified mail immediately and notify them that the Hearing has been held, and we will make the same offer to them that has blen made to the other interest owners.

And are you agreeable to the Commission withholding the issuance of an order until these people have had an opportunity to reply?

Yes, sir. I would prefer it not be an undue length of time. I would say ten days would be fine with us.

> (Whereupon Applicant's Exhibits Nos. 1 and 2 were marked for identification.)

Mr. Morris, I hand you an instrument marked as Applicant's Exhibit No. 1 and ask you to state whether or not this is, first, a list of persons from whom leases have been obtained since the filing of the application, which persons were notified of the Hearing?

Yes, sir, thisis a list of the people leased to us since the filing of the application.

Dogs this list also show the legal description and the owners and the interest owners and the remaining people listed in Exhibit A of the application who have not joined or have not leased in the unit? Yes, sir.

MM. COX: We offer this.

FRAMINER UTZ: Without objection, it will be entered into the record.

> (Whereupon Applicant's Exhibit No. 1 admitted in evidence,)

I hand you an instrument marked Applicant's Exhibit No. 2 and ask you to state what this exhibit is.

This is a list of owners of lands within this proposed AG uni who have not been notified of this Hearing.

and notations have been made on that exhibit, have they not, Mr. Morris, of people you have contacted but from whom you have not obtained a definite answer but who have indicated they will lease?

That is correct.

Are the names of all those people whom you could locate shown on this exhibit?

Yes, sir.

MR. COM: We offer Exhibit 2.

EXAMINER UTZ: It will also be accepted without objec-



(whereupon applicant's Exhibit No. 2 admitted in evidence.)

IR. COM: We have no further questions at this time.

<u>CROSS EXAMINATION</u>

BY FXAMINER UNE:

- Q I couldn't help but note you lease from Ers. Lily White?
- A Yes, sir.
- Q How many acres do you have committed in this lease?
- A I believe it's approximately 265 acres.
- You noted that you had no East, South, or West offsets. How far, is it in these three directions to a producing well in the Dakota?

A To the Tast it would be approximately a mile and threequarters; to the South it would be approximately a mile and a half and to the West it would be approximately two miles.

Q Do you have any knowledge of the type of producers these wells are?

Prewitt Unit No. 1. Initial potential was two and a half million. The well a mile and a half to the South is Pan American's Roberts Gas Unit No. 1. The initial potential there was 2.08 million. The well to the East -- I am sorry, I do not have that information, but just from memory it's in this same range, certainly, two and a half to three million.

Q How about your Southeast offset?

DEARNLEY-MEIER REPORTING SERVICE, Inc. 3-6691

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The Coutheast is a Plancer on Section 12, the Smith Unit No. 1, the Thoneer production figures, I don't have that information on the map; but an Execult, it was about a million and a half.

Is the North offset a pretty good well?

It's a Sunray Lid-Continent Farmington Townsite Unit, and I do not have the potential on that

At any rate, you wouldn't exactly consider this well a Q willdcat?

No, sir, I wouldn't représent it to be a wildcat. EMAMINER THE: Are there other questions of the witness? MR. DURRETT: Yes, sir.

CROSS EXAMINATION

BY MR. DUPRETT:

Mr. Morris, I believe you stated on direct examination Q you felt ten days would be sufficient as far as a time within which the Commission should withhold its order to give the parties not notified a chance to answer?

· A Yes.

Now, in your opinion, would a twenty or thirty-day period be unreasonable, or would it cause hardal p?

Yes, sir, it would cause hardship because we are concluding negotiations with Redfern and Herd on another group of wells, eleven other gas units, we are acquiring effective October 31. This acreage, the major portion of the acreage included in



this proposed unit is formally owned by Redfern and loud and it is our intention to try to have this well completed prior to the commencing date on this well.

- Q What is the completion date again?
- A October 31.
- this. I know that the application of lioneer Production Corporation requests that fifty percent of the production be withheld as a charge for the risk involved, is that your recommendation to the Cormission?
 - A. That is what we are applying for, yes, sir.
- Q Would you give us your opinion as to the monthly cost of operating whis well?
- A It will be in the range of approximately \$75.00 to \$100.00.
 - Q FR. DURRETT: Thank you. I believe that is all I have.

 CROSS EXAMINATION

BY MR. PORTER:

- Q How long do you anticipate it will take you to drill the well from the time it's spudded?
 - A Approximately twenty-one days.
 - Q About twenty-one days?
 - A Yes, sir.

MR. PORTER: Thank you.

EXAMINER UTZ: Any further questions?



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Examiner, with regard to these recently discovered owners. We do propose to get a letter out to them today or no later than tomorrow advising them of the fact that this Hearing has been held and that we made application for the pooling and that we will request them to notify the Commission if they have any objections. Of course, if objection is registered, we reglize we would have to come back and hassle with them. Otherwise, we would think the Commission, could go ahead and issue the order.

I have a statement I would like to make, in.

At the same time, our broker did contact many of them vesterday after we had found out who they were, and on Exhibit 2 are the notations of those who will lease, those people who have been contacted and have agreed that they will execute a lease; but we will go ahead and present the papers to them and request them to notify the Commission within whatever period of time you think necessary in order to register their objection. we would like to have some expression from you as to the time we should tell them they will be granted in the letter.

EXAMINER UTZ: You wouldn't object to the usual proced-"ure of giving them thirty days to join or be force pooled, would you?

> MR. COX: No. sir.

EXAMINER UTZ: Mr. Cox, the Examiner has agreed and the attorney to give you ten days. You may state in your letter they will have ten days in which to object to the Commission before we



IR. COM: Pine, sir.

issue the order.

MEANINER UTA: If there is any order issued, you will undoubtedly have a thirty-day clause.

MR. COM: Yes, sir. We understand that we will furnish you with proof of mailing to all of them.

EXAMINER UTT: All right, sir. Do you have anything further?

MR. COX: No, sir, that is our case.

EXAMINER Und: Are there other questions of the witness?

You may be excused.

Are there other statements in this case?

The case will be taken under advisement.

* * *

FARMINGTON, N. M. PHONE 325-1182 DEARNLEY-MEIER REPORTING SERVICE, Inc. SANDY PE. N. M. PHONE 243-6691

STATE OF NEW MEXICO) COUNTY OF BERNALILLO)

I, MICHAEL RICE, NOTARY PUBLIC in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of prodeedings was reported by me in stenctype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

Michael Kick Notary Public

My Commission Expires:

May 11, 1916

I do hereby certify that the foregoing is a co.place record of the proceedings in heard by me on

Examiner New Mexico Oil Conservation Commission

Docket No. 28-62

CASE 2645:

Application of Pioneer Production Corporation for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Basin Dakota Gas Pool to form a 320-acre gas proration unit comprising the S/2 of Section 2, Township 29 North, Range 13 West, San Juan County, New Mexico.

CASE 2646:

Application of Texaco Inc., for permission to dispose of salt water, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to dispose of salt water into the Devonian formation through the Shell State of New Mexico "A" Well No. 3, located 990 feet from the South line and 660 feet from the West line of Section 2, Township 11 South, Range 37 East, Echols (Devonian) Pool, Lea County, New Mexico.

CASE 2647:

Application of Carper Drilling Company for a tubingless completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Baetz Well No. 1, located in the SE/4 SW/4 of Section 35, Township 14 South, Range 27 East, Chaves County, New Mexico, as a tubingless gas well completion producing through perforations from 8182-3270' in 2 7/8 inch casing.

CASE 2648:

Application of El Paso Natural Gas Company for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant in the above-styled cause, seeks approval of an unorthodox oil well location for its Canyon Largo Unit Well No. 118 at a point 1090 feet from the South line and 800 feet from the East line of Section 8, Township 24 North, Range 6 West, Devils Fork Gallup Pool, Rio Arriba County, New Mexico.

CASE 2649:

Application of Tidewater Oil Company for two triple completions, (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Wells Nos. 11 and 12, located in Unit F and Unit K respectively of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Both of said wells are presently Tubb-Drinkard and Fusselman dual completions.

CASE 2650:

Application of Tidewater Oil Company for a triple completion, (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 14, located in Unit G of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a Tubb-Drinkard and Montoya dual completion.

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 27, 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 2622: (Continued)

Application of Cactus Drilling Company for a non-standard gas unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 120-acre non-standard gas unit comprising the E/2 NE/4 and NW/4 NE/4 of Section 11, Township 18 South, Range 36 East, Arkansas Junction-Queen Gas Pool, Lea County, New Mexico.

CASE 2642:

Application of Phillips Petroleum Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Cap Queen Sand Unit Agreement embracing 1,680 acres, more or less, of State, Federal and fee lands in Township 14 South, Range 31 East, Caprock Queen Pool, Chaves County, New Mexico.

CASE 2643:

Application of Phillips Petroleum Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of a waterflood project on its proposed West Cap Queen Sand Unit Area, Caprock Queen Pool, Chaves County, New Mexico, by the injection of water into the Queen formation through 17 wells located in Sections 8, 17, 20, and 21, Township 14 South, Range 31 East. Applicant proposes to operate the waterflood project under the provisions of Rule 701.

CASE 2644:

Application of Pan American Petroleum Corporation for a dual completion (oil production and salt water disposal), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its U. S. G. Section 19 Well No. 13, located 2050 feet from the North line and 1810 feet from the East line of Section 19, Township 29 North, Range 16 West, Hogback Pennsylvanian Pool, San Juan County, New Mexico, in such a manner as to dispose of salt water into a former gas producing zone (6514-6524') and to produce oil from a lower zone (6620-6632') through the casing-tubing annulus and through tubing, respectively.

-3-Docket No. 28-62

CASE 2651:

Application of Tidewater Oil Company for a triple completion (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 16, located in Unit O, of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a Tubb-Drinkard and McKee dual completion.

CASE 2652

Application of Tidewater Oil Company for a triple completion (conventional), Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 20, located in Unit A, of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a McKee and Ellenburger dual completion.

CASE 2653:

Application of Tidewater Oil Company for a triple completion (conventional), Lea County, New Mexico. Applicant, in the the above-styled cause, seeks authority to add the Blinebry zone to its A. B. Coates "C" Well No. 21, located in Unit J of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico. Said well is presently a Montoya-McKee dual completion.