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

June 9, 1952

Mr. Jack Campbell
Roswell, New Mexico

Mr. George Selinger
Tulsa, Oklahoma

Mr. Paul Collinston
Houston, Texas

Mr. Lewis Bond
Ft. Worth, Texas

Mr. Foster Morrell
Roswell, New Mexico

Mr. E. H. Foster
Amarillo, Texas

C O P Y

Gentlemen:

Enclosed please find a suggested order in Case 373 pertaining to the revision of Rule 104. Inasmuch as each of you has exhibited keen interest in the proposed change and made certain suggestions during the May 20 hearing, I would like to have your comments concerning this proposal. I would appreciate your immediate attention to this matter.

Sincerely,

W. B. Macey
Chief Engineer

WBM:nr
Encl.

File - Case 373

FORM 829 2-49

WBM

STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

FORT WORTH, TEXAS

Case 373

C. F. BEDFORD
DIVISION PRODUCTION SUPERINTENDENT

June 16, 1952

File: RGH-4989-175

Subject: Revision of New Mexico Statewide Rule 104

Mr. W. B. Macey, Chief Engineer
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

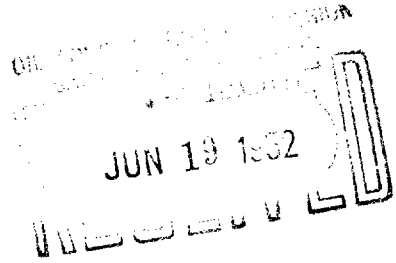
This will acknowledge receipt of your letter to Mr. Lewis Bond of June 9, 1952, in which you requested that we review the proposed order for revision of Statewide Rule 104 and that we submit our comments concerning this proposal.

This is to express our appreciation for your consideration and to advise you that our comments will be submitted at the earliest practical date.

Yours very truly,

C. F. Bedford

RGH:dhs



PHILLIPS PETROLEUM COMPANY

AMARILLO, TEXAS

LEGAL DEPARTMENT
RAYBURN L. FOSTER
VICE PRESIDENT
AND GENERAL COUNSEL
HARRY D. TURNER
GENERAL ATTORNEY

AMARILLO DIVISION
E. H. FOSTER
CHIEF ATTORNEY
W. M. SPARKS
R. S. SUTTON
E. C. NELSON
CLIFFORD J. ROBERTS
REX BOYD
JACK RITCHIE
THOMAS M. BLUME
JOE V. PEACOCK
STAFF ATTORNEYS

June 11, 1952

Re: Proposed Amendment, Rule 104, Rules and Regulations, Oil Conservation Commission, State of New Mexico - Case 373

Mr. W. B. Macey, Chief Engineer
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

My dear Macey:

I have read the draft of the suggested order in case No. 373 enclosed in your letter to me of June 9, 1952.

I believe that the draft is in accordance with the suggestions made at the May 20 hearing, and I do not have any suggestions to make regarding it.

It was thoughtful of you to include my name as one of those to whom you were sending the suggested order.

Sincerely yours,

E. H. Foster

EHF:fe

SKELLY OIL COMPANY

PRODUCTION DEPARTMENT
J. S. FREEMAN
VICE PRESIDENT
E. A. JENKINS
GENERAL SUPERINTENDENT

TULSA 2, OKLAHOMA

June 11, 1952

W. P. WHITMORE
CHIEF PETROLEUM ENGINEER
G. W. SELINGER
PRORATION ATTORNEY
J. H. McCULLOCH
CHIEF CLERK

Re: Case 373

Mr. W. B. Macey
Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Sir:

We are in receipt of your letter of June 9 enclosing a proposed order of the Commission pertaining to the revision of Rule 104.

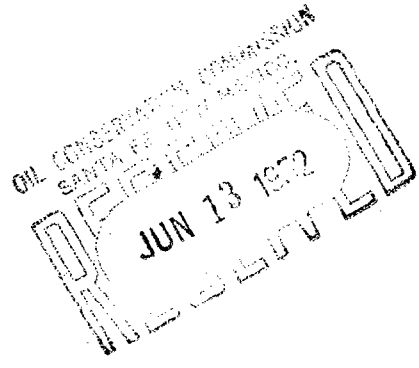
For your information, we find the proposed revision satisfactory and have no objections to the order as proposed.

Yours very truly,

George W. Selinger

GWS:dd

cc: Mr. Dunlavey



ATWOOD, MALONE & CAMPBELL
LAWYERS

JEFF D. ATWOOD
ROSS L. MALONE, JR.
JACK M. CAMPBELL

CHARLES F. MALONE

J. P. WHITE BUILDING
ROSWELL, NEW MEXICO

June 11, 1952

Case 373

Mr. W. B. Macey,
Chief Engineer
Oil Conservation Commission,
P. O. Box 871,
Santa Fe, New Mexico.

Dear Bill:

I have been over the proposed order in Case No. 373 and have only the following suggestions:

1. I have noted you have used the words "pool" and "communitize" interchangeably. The statute uses only the word "pool". It has always been my interpretation to mean the same and that the word "communitize" arose through the use by Federal authorities. I suggest that you consider in the first line of (m) adding the words "for communitization" after the word "pooling" and substituting the word "communitizing" for the word "covering" in the last line of the next to the last paragraph of the order. You might also consider using the word "pooling" elsewhere in the order instead of the word "communitization".

2. In Paragraph 2 on the second page, I suggest you might consider adding the word "directly" before the word "offset" in the first line. This is solely for the purpose of pinning down the persons to whom the notice must be furnished.

I believe that otherwise the order is well written and I have no doubt as to its adequacy even if the suggested changes were not made.

Very truly yours,

Jack

JMC:hl

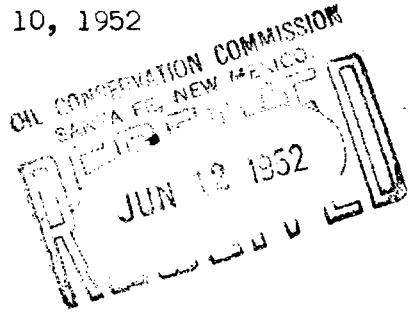
P. O. BOX 933

PHONES: 3031
3854-J
800

FOSTER MORRELL
PETROLEUM CONSULTANT
ROSWELL, NEW MEXICO

Case 373

June 10, 1952



Mr. W. B. Macey
Chief Engineer
Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico.

Dear Bill:

Reference is made to your letter of June 9 enclosing a suggested order in Case 373 pertaining to the revision of Rule 104.

In my opinion, the suggested order appears very satisfactory and should be of considerable assistance to operators in expediting approval of the pooling of a fractional lot with an adjoining proration unit on the same basic lease.

The following suggestions are offered solely for clarification or emphasis:

(1) In the first line of Rule 104(m) after the word "pooling", insert "for communitization".

(2) In the first line of the second paragraph, page 2, insert "directly" before the word "offset".

(3) In the last line of the next to the last paragraph, page 2, change the word "covering" to "communitizing".

(4) At the end of the last paragraph after the words "proposed proration unit" add the words "or communitized tract".

As the applicable statute refers to pooling only, such terminology should be retained in the order. I agree that the term communitization should likewise be contained in the order. Accordingly, the above suggestions are made with the thought of retaining both terms but arranging them to emphasize that the pooling agreement is for the purpose of communitization, the terms thus being synonymous.

I hope that these thoughts will be of some help and benefit to you.

Very truly yours,

Foster Morrell

Foster Morrell

FM:bmsj