

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO  
at  
Santa Fe, New Mexico  
December 17, 1953

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In the Matter of: )

Application of Bert Fields for approval of an )  
unorthodox gas proration unit of 160 acres, )  
more or less, in exception to Rule 7(a) of )  
Order No. R-370-A, said unit comprising W/2 )  
NE/4 and E/2 NW/4 of Section 32, Township 20, )  
South, Range 37 East, Lea County, New Mexico, )  
in the Eumont Gas Pool. )  
----- )

Case No. 626

(Notice of Publication read by Mr. Graham).

*Jakeman*  
MR. JAKEMAN: My name is Mark D. Jakeman, I represent Bert Field at Dallas, Texas. I wish to amend our application and change it from 160 acres to 120. The 120 lies as follows, 80 acres in the east half of the northwest quarter and 40 acres in the southwest quarter of the northeast quarter of Section 20 south and 37 east. The reason we are asking for unorthodox unit is that to the east of us, to the west of us on the 80 acres owned by Atlantic, they have two gas wells that are presently producing. Our gas well is located in the northeast of the northwest quarter, which would be, there is three gas wells in that governmental quarter section. In the northeast quarter section Pacific Western has a gas well completed on their 80 acres. We ask the Commission to assign the 40 acres of ours that lies in the northeast quarter to our well. It is all under the same fee ownership there. There will be three or four unorthodox units in that half section.

MR. SELINGER: Who owns the northeast of the northeast of 42?

MR. JAKEMAN: Fred Turner and Hudson and Hudson, Incorporated.

MR. MACY: You mean the northwest of the northeast?

MR. JAKEMAN: Yes, northwest of the northeast.

MR. SELINGER: Fred Turner - -

MR. GRAHAM: Have you made an effort to contact those people?

MR. JAKEMAN: We couldn't have a regular, there are four wells in the north half of this Section 32, four producing gas wells.

MR. SELINGER: Did you contact Fred Turner with respect to working out a 160 acre unit which would take in the east half of the northwest quarter of 32 and the west half of the northeast quarter of 32?

MR. JAKEMAN: Why?

MR. SELINGER: That was your original application.

MR. JAKEMAN: I just ammended.

MR. SELINGER: I ask you now, did you make any effort to contact Mr. Turner with respect to his 40 acres?

MR. JAKEMAN: We advised him we were going to ask for 120 acres at the hearing today.

MR. SELINGER: Did you originally ask to have his acreage put in, did you have any sort of an agreement with Mr. Turner?

MR. JAKEMAN: It so happens that this lease was, our lease was originally gotten from Turner and Hudson and it was divided into four tracts and one well had to be drilled on each tract to validate each 40 acres, and as we only drill three wells we only validated three of the 40 acre tracts.

MR. DAVIS: You are talking about oil wells?

MR. JAKEMAN: Oil wells.

MR. SELINGER: Did you contact Mr. Turner prior to the filing of the application?

MR. JAKEMAN: On December 30 we found we did not own the quarter section that does not have a well on it. That is why we ammended our application from 160 to 120. We advised Mr. Turner that we were going to ask for 120 acres to be assigned to the well.

MR. SELINGER: What will happen to Mr. Turner's 40 acres?

MR. JAKEMAN: There is one well in that government quarter section which is Pacific Western's well, that would be the well that his 40 acres would go into. However, if it is worked out and the Commission approves it it could be worked into our, added to our 120 acres.

MR. SELINGER: Do you have any objections to adding your 120 to Mr. Turner's?

MR. JAKEMAN: Do you represent Mr. Turner?

MR. SELINGER: No, I represent Pacific Western.

MR. JAKEMAN: Oh, I didn't know.

MR. SELINGER: I might say, for the benefit of the Commission, that Mr. Jakeman wrote Pacific Western for a waiver. We suggested that he present the matter to the Commission at an open hearing.

MR. JAKEMAN: I did not receive any reply from Pacific Western to the letter that I wrote asking for a waiver, up until the time I left Dallas yesterday morning.

MR. SELINGER: We wrote you, attention to you, I myself wrote you at Burt Field, at Dallas, Texas, we advised that we would not give you a waiver and suggested that you file this application and

have a hearing on it.

MR. JAKEMAN: I didn't get any letter from you. I don't see that has any bearing on the case.

MR. SELINGER: I might add, to further confuse the record, that we have on file, based on the application of Bert Field's for 160 acres, which included Mr. Turner, which for the first time we find that it does not belong to Bert Fields, that based on their application for 160 acres we filed our application for the unorthodox of 80 acres. As you can see the north half of Section 32 contains four gas wells.

MR. SELINGER: Whereabouts is Field's gas well located?

MR. HANSON: It is in the northeast of the northwest.

MR. JAKEMAN: It is on the plat, here on the board. Atlantic's two gas wells are there, State's one and two, and Pacific Western is down here. In the south half of the section there are no gas wells completed. Shell or El Paso have the last 240 acres in the east three-fourths of the half section, and Sinclair has the west 80.

MR. SPURRIER: Anyone else?

MR. FOSTER: I want to ask one question. I believe the witness said that he acquired his lease interest by assignment from somebody, is that right?

MR. JAKEMAN: I don't recall saying that.

MR. SELINGER: You said you got it from Fred Turner.

MR. JAKEMAN: It was on a drilling agreement back in 1936, or something.

MR. FOSTER: A farm-out?

MR. JAKEMAN: A farm-out, yes.

MR. FOSTER: When was that?

MR. JAKEMAN: I believe it was in 1936, it could have been in '35 or '37, I think it was in '36. This gas well was completed in March of 1947, and has been producing gas since then.

MR. SPURRIER: Anyone else?

MR. SELINGER: Since this matter is in the midst of two applications, one which we have filed and set for the January 20 hearing, I suggest that this particular case go over to the same time and date that the Pacific Western application, which is now on file with the Commission, is set for hearing, because obviously you are going to have some orthodox unit with four wells on 320 acres.

MR. JAKEMAN: I object to that on the basis why should we be penalized for the January allowable when we have a 120 acres and we only had 80 acre allowable assigned to our well. I believe that we can work out something before your January 21st meeting.

MR. SELINGER: I think so.

MR. JAKEMAN: It could be re-opened on ours if it was decided that the 40 acres, if it is decided it would be best for it to come in with ours.

MR. SELINGER: You understand that you won't be jeopardized in your allowable, that whatever credit you get now, and should you at some future time receive the increment of acreage you get the acreage and allowable retroactive to the adoption of the rules. So you wouldn't be in anyway adversely effected in your allowable.

MR. JAKEMAN: I still object.

MR. SPURRIER: I think we will have to follow the previous case and you will have to get waivers from Pacific Western and Atlantic

and Fred Turner, Turner-Hudson.

MR. SELINGER: Of course Mr. Spurrier under the rules and regulations, I want to talk about this waiver that has been coming up very prominently. Under the present rules and regulations of the Commission there is, there are three alternative methods of bringing this matter to the Commission's attention. In the location, the unorthodox location, the rules require that the Commission can, the Director can issue an exemption provided the operator get waivers from everybody within 1320 feet from the location of that well. Now, with respect to unorthodox units, there are two alternatives, one is that the operator, the Director of the Commission issue an exemption if the operator gets waivers from everybody offsetting that unorthodox unit. But there is likewise a third method which is on the last page of each of those nine orders. It says that the operator is entitled to his 40 acres or 80 acres, or whatever acreage is within the governmental quarter section, and then after notice and hearing, should the Commission grant the exemption, it increase allowable. That is why we notified Mr. Jakeman that we felt that the third method was best in that at all times I know of no order that the Commission does not issue, which does not permit either an exemption or a hearing after notice. I have also, on our three cases earlier this morning, and all others, should operators elect not to take the first two alternative routes they have a perfect right to come before the Commission at an open hearing after notice and request relief. I don't think that these applicants should be required to get waivers, because suppose Pacific Western doesn't give a waiver, as he has already requested him to do. We have asked him to come

