

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
July 17, 1957

IN THE MATTER OF:

Case 1265

TRANSCRIPT OF PROCEEDINGS

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

DIRECT EXAMINATION

By MR. CAMPBELL:

Q Will you state your name, please?

A Jack T. Neville, Treasurer, R. Olsen Oil Company, Oklahoma City.

Q Mr. Neville, in your capacity as an employee and officer of R. Olsen Oil Company, are you acquainted with the, generally with the application of R. Olsen Oil Company in connection with the northeast quarter of Section 23, Township 25 South, Range 37 East, Lea County, New Mexico?

A Yes, sir.

(R. Olsen Oil Company's Exhibit No.
1 marked for identification.)

Q Mr. Neville, is the northeast quarter of Section 23, does it now comprise a gas unit?

A It does, 160 acres.

Q Was that 160 acre gas unit communitized by agreement between the working interest owners?

A That is correct.

Q I refer you to what has been marked Exhibit -- R. Olsen Exhibit No. 1, and ask you to state whether or not as a part of that exhibit there is a copy of a communitization agreement dated August 1, 1955?

A They are.

Q Was that communitization agreement executed by all of the

working interest owners?

A That is correct.

Q Was it approved by the United States as one of the royalty owners under the tract?

A On October 26, 1956.

Q And has the communitization agreement been ratified and consented to by all of the other royalty owners under the 160 acres, with the exception of Mr. Wimberley?

A That is correct.

Q So that the unit is completely communitized except insofar as this small royalty interest of Mr. Wimberley is concerned, is that correct?

A That is right.

Q Now, also referring to Exhibit No. 1, there is attached thereto a group of letters and communications commencing November 17, 1955. Will you briefly leaf through those and refer to the dates on the letters and state generally what they are?

A First letter sent to Mr. Wimberley November 17, 1955, for his signature of approval and consent of ratification. Follow-up again made January 20, 1956. No answer was received to these two communications. Again on February 23, 1956, another letter was sent to Mr. Wimberley, regarding same; and then again in March 23, 1956, we again tried to reach Mr. Wimberley by letter. Also on September 21, 1956, we enclosed our division order covering his interest in the unit, and no communications were received from Mr.

Wimberley. Also telephone calls had been placed to him, but we were unable to contact him. Again on October 12, 1956, we forwarded again another division order for his approval; again on November 14, 1956, another letter was written. January 10, 1957, we enclosed a Texas Company division order covering his portion of the distillate produced from the gas unit, and then again a telegram was sent here February 7, 1957, requesting that he call us collect regarding the division order and consent of ratification. Again on February 14, 1957, still not having heard from Mr. Wimberley, we sent to him a registered letter, which was returned to us.

Q That letter was returned to you unclaimed, is that correct?

A Unclaimed, that is correct.

Q And with all these communications and efforts to contact him, you have not received any communication of any nature from him in connection with the communitization agreement or the division order, is that correct?

A We have received no communication from Mr. Wimberley in that regard.

Q You have forwarded to him at the address that you have for him copies of the communitization agreement and the proposed consent and ratification, have you not?

A That is correct.

MR. CAMPBELL: I believe that's all.

MR. PORTER: Anyone else have a question of Mr. Neville?

Mr. Cooley.

CROSS EXAMINATION

By MR. COOLEY:

Q Mr. Neville, does Mr. Wimberley's royalty interest extend throughout the entire northeast quarter of Section 23?

A Yes, five acres, and it's a 160 acre tract.

Q I didn't hear you.

A Five acres of 160-acre tracts.

Q His interest is divided?

MR. CAMPBELL: I can give you that information, Mr. Cooley. He owns a small interest under northwest quarter northeast quarter, .015625 interest, and he owns a similar interest under the northeast quarter northeast quarter, so he owns interest under two of the forties in the 160-acre unit. Of course, that interest, royalties from that interest are being held in suspense subject to his account.

Q Since the entire 160 acres has been dedicated to the well from the first production, R. Olsen has held royalty payments in suspense?

A That is correct, Mr. Wimberley's.

Q Even though Mr. Wimberley owns no interest under the quarter quarter section?

A Only Mr. Wimberley's interest has been held in suspense.

Q Yes, but Mr. Wimberley owns no interest whatsoever under the quarter quarter section which the well is located in?

A He owns an interest under the quarter quarter section the well is located on.

Q Would you tell me what quarter section that is located in?

A I don't believe I have the legal description of that well with me. Do you have it, Mr. Campbell? Southeast quarter of the northeast.

Q The question is, does Mr. Wimberley own the interest in the quarter quarter section in which the well is located?

A Mr. Wimberley had ~~the~~ interest in the quarter quarter section of which the well is located.

MR. CAMPBELL: I am the one that should correct my answer. I notice that he owns a similar interest under the southeast north-east. He owns the same interest under three of the 40-acre tracts.

MR. PORTER: Do you have any further questions, Mr. Cooley?

MR. COOLEY: One further question. It should probably be directed to Mr. Campbell. Is it understood by the Applicant that in the event that this acreage is force pooled as applied for, the forced pooling would be as of the date of the order and would have no retroactive effect whatsoever?

MR. CAMPBELL: We haven't asked for a retroactive order.

MR. COOLEY: That is all.

MR. PORTER: Anyone else? The witness may be excused.

(Witness excused.)

MR. PORTER: Anyone have anything further in this case?

MR. CAMPBELL: I would like to offer the Applicant's Exhibit No. 1 in evidence in the case.

MR. PORTER: Without objection it will be admitted. Just

the one exhibit?

MR. CAMPBELL: Yes, the two copies.

(R. Olsen Oil Company's Exhibit
No. 1 received in evidence.)

MR. PORTER: We will take the case under advisement.

* * * * *

C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

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

WITNESS my hand and seal this 31st day of July, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Marianna Meier
NOTARY PUBLIC

My commission expires:
April 8, 1960.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
June 13, 1957.

CASES NO. 1261, 1262, 1263, 1264, and 1265

T R A N S C R I P T O F P R O C E E D I N G S

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTA FE
3-6691 2-2211

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
June 13, 1957.

IN THE MATTER OF: :

CASE NO. 1261: Application of Gulf Oil Corporation :
and Western Oil Fields, Inc., for an order force pool-)
ing certain acreage in the Blinebry and Tubb Gas Pools, :
Lea County, New Mexico. Applicants, in the above-)
styled cause, seek an order force pooling the interests :
of all persons having any right, title or interest in)
the Blinebry and Tubb formations underlying the SW/4 :
Section 30, Township 22 South, Range 38 East, Lea)
County, New Mexico. :

CASE NO. 1262: Application of Gulf Oil Corporation :
and Western Oil Fields, Inc., for an order force pool-)
ing certain acreage in the Blinebry and Tubb Gas Pools, :
Lea County, New Mexico. Applicants, in the above-)
styled cause, seek an order force pooling the interest :
of all persons having any right, title or interest in)
the Blinebry and Tubb formations underlying the SE/4 :
Section 30, Township 22 South, Range 38 East, Lea)
County, New Mexico. :

CASE NO. 1263: Application of Gulf Oil Corporation :
and Western Oil Fields, Inc., for an order force pool-)
ing certain acreage in the Blinebry and Tubb Gas Pools, :
Lea County, New Mexico. Applicants, in the above-)
styled cause, seek an order force pooling the interests :
of all persons having any right, title or interest in)
the Blinebry and Tubb formations underlying the NE/4 :
Section 25, Township 22 South, Range 37 East, Lea)
County, New Mexico. :

CASE NO. 1264: Application of Gulf Oil Corporation :
and Western Oil Fields, Inc., for an order force pool-)
ing certain acreage in the Blinebry and Tubb Gas Pools, :
Lea County, New Mexico. Applicants, in the above-)

styled cause, seek an order force pooling the interests)
of all persons having any right, title or interest in :
the Blinebry and Tubb formations underlying the SE/4)
Section 25, Township 22 South, Range 37 East, Lea :
County, New Mexico.)

CASE NO. 1265: Application of R. Olsen Oil Company)
for an order force pooling certain acreage in the :
Justis Gas Pool, Lea County, New Mexico. Applicant,)
in the above-styled cause, seeks an order force pool- :
ing the interests of all persons having any right,)
title or interests in the Glorieta formation of the :
Justis Gas Pool underlying the NE/4 Section 23, Town-)
ship 25 South, Range 37 East, Lea County, New Mexico. :
)

BEFORE:

Honorable Edwin L. Mechem
Mr. A. L. Porter
Mr. Murray Morgan

TRANSCRIPT OF HEARING

MR. PORTER: Mr. Campbell, I believe you are counsel
in Cases 1261, 62, 63, 64, and 65. Do you have a statement in
connection with those cases?

MR. CAMPBELL: Yes, sir. As to the first four cases,
1261, 62, 63, and 64, I represent Gulf Oil Corporation in those
four cases, and I have been requested by Gulf and by Mr. George
Reece of Carlsbad, attorney for Western Oil Fields, Incorporated,
and Howell Speers of Lovington, attorney for the royalty owners
involved in these applications, to request a continuance of those
four cases until the July hearing. We hope that in the interim
period, the matter will be amicably worked out, and the cases

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will be dismissed, but we would like to have them remain on the docket for the July hearing.

MR. PORTER: Is there objection to the counsel's motion for continuance of cases 1261, 1262, 1263, 1264 to the regular July hearing? The cases will be continued until the July hearing.

MR. CAMPBELL: With regard to 1265, I represent R. Olsen Oil Company, and I would like to request the Commission to continue that case until the July hearing. The reason for that is, that in that particular instance, it's a situation of one out of the very large number of royalty owners cannot be located or contacted. For that reason, in order to properly maintain his royalties in suspense, this order is being requested. However, the witness for the applicant was called on an emergency trip to the east, and is not available here to testify. I wrote the Commission a letter, and pointed that out, and would like to ask that that case also be continued until the July hearing.

MR. PORTER: Without objection, case 1265 will be continued to the regular July hearing date.

