

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
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PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

July 26, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Southwest Production Company
for compulsory pooling, San Juan County,
New Mexico. Applicant, in the above-styled
cause, seeks an order force-pooling all
mineral interests in a gas proration unit
comprising the S/2 of Section 5, Township
30 North, Range 11 West, Basin-Dakota Gas
Pool, San Juan County, New Mexico.

CASE NO.
2608

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

EXAMINER UTZ: Case No. 2608

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

MR. VERITY: G. L. Verity for the Applicant.

EXAMINER UTZ: Will you swear the witness, please?

(Witness sworn.)

EXAMINER UTZ: Any other appearances in this case?

You may proceed.

JACK D. JONES,

called as a witness, having been first duly sworn on oath, was



examined and testified as follows:

DIRECT EXAMINATION

BY MR. VERITY:

Q State your name, please.

A Jack D. Jones.

Q Mr. Jones, what is your occupation at the present time?

A I'm an independent land man.

Q Have you been doing land work in San Juan County for Southwest Production Company, the Applicant in this case?

A Yes, sir.

Q Are you particularly familiar with the land situation in the South half of Section 5, Township 30 North, Range 11 West?

A Yes, sir.

Q San Juan County?

A Yes.

Q Has the Southwest Production Company drilled a well into the Dakota formation in the South half of 5 already?

A Yes, they have.

Q What is the location of that well?

A The location is 990 feet from the East line and 910 feet from the South line. I have some maps here which show the location and the pertinent information if you care to --

Q What is it?

EXAMINER UTZ: Do those maps give the foot locations?

A Yes, they do, plus the date the well was spudded,

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completed, and the initial production.

Q (by Mr. Verity) What is the lease situation in the South half of Section 5?

A Southwest Production Company holds 200 acres, Delhi Taylor 80 acres, which is the North half of the Southwest quarter and Western Development Company 40 acres, which is the Southeast of the Southwest.

Q Has Southwest Production Company entered into an agreement for the development of this acreage with these lease owners?

A Yes, they have.

Q And what is the purpose of this application?

A The purpose of this application is to force pool the South half of the Southwest quarter. The problem there is simply one of an owner prior to a tax sale, a Mary A. VanDeVenter which is apparently deceased.

Q When was the well in the Southeast quarter drilled and completed?

A The well was spudded in the Southeast quarter, was spudded June 21, 1962 and completed on July 17, 1962 with an IP of 2320 MCF. The well has not yet been put on production.

Q Do you think that risk was involved in the drilling and completion of this well?

A Yes, sir.

Q What risk factor do you think should be accorded to the Applicant by virtue of the risk in the drilling and completion

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of this well?

A Twenty-five percent.

Q And in being operator of this unit, what do you think is a proper operating, monthly operating expense?

A Seventy-five dollars.

Q Of the operations of the well?

A \$75 a month.

Q Do you have an opinion as to whether or not the granting of this application will prevent waste and protect the correlative rights of all the parties owning interest in the South half of Section 5?

A I believe it will.

MR. VERITY: We offer the exhibit in evidence. I don't believe that the reporter marked it.

EXAMINER UTZ: It will be marked Exhibit No. 1.

(Whereupon Applicant's
Exhibit No. 1 marked
for identification)

EXAMINER UTZ: Does that conclude your case?

MR. VERITY: That's all we have.

EXAMINER UTZ: Any questions of the witness?

CROSS EXAMINATION

BY EXAMINER UTZ:

Q I wonder if you would state again what your problem is on the Southwest of the Southwest?

A The problem in the Southwest of the Southwest is one of



a tax sale, the land was taken by the county and subsequently by the state for unpaid taxes, and naturally being a tax sale, there are some questions over it. The tax sale is subject to question. The owner of the tax sale is a Mary A. VanDeVenter who is deceased and I have not been able to discover any heirs. I'm advised she was a single woman and I have been unable to locate any heirs.

EXAMINER UTZ: Any other questions of the witness?

The case will be taken under advisement.

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