

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

July 26, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Southwest Production Com-  
pany 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 E/2 of  
Section 8, Township 30 North, Range 11  
West, Basin-Dakota Gas Pool, San Juan  
County, New Mexico.

CASE NO.  
2609

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

EXAMINER UTZ: Case No. 2609.

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

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

EXAMINER UTZ: Let the record show that the witness has  
been sworn in the previous case.

JACK D. JONES,

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

DIRECT EXAMINATION

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691



BY MR. VERITY:

Q Will you state your name?

A Jack D. Jones.

Q Are you the same Jack D. Jones that testified in the previous case?

A Yes, sir.

Q Mr. Jones, are you particularly familiar with the land situation in the East half of Section 8, 30 North, 11 West, San Juan County?

A Yes, sir.

Q Has Southwest Production Company drilled and completed a well into the Dakota formation in the South half of Section 8?

A Yes, they have.

Q When was this well completed and where was it located?

A The well is located 1190 feet from the East line and 1190 feet from the South line of Section 8, Township 30 North, Range 11 West. It was spudded on January 19th, 1962, and completed on February 22, 1962, with an IP of 2732 MCF, was put on the pipeline on June 4th, 1962.

Q In behalf of Southwest Production Company, have you made an effort to obtain leases and/or the joinder of all parties in the drilling of that well?

A Yes, sir, I have.

Q Have you been unable to form a 100 percent unit?

A Well, I might say that we have been unable to form a

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

100 percent unit. I might say that the nature of the problem in this area, we have about two and a half acres that are unleased which are owned by the Basin Light & Power Company. The city of Aztec is presently negotiating the purchase of those lands, so I have made no attempt to lease these lands until such negotiations are either completed or fail. I have talked to the city about it and they have agreed to lease if they are successful in their endeavors to purchase the Basin Light & Power Company lands. The rest of the lands, we have leases covering these lands, but the problem in this one is that the well which was drilled to hold these lands has not produced for several years prior to our purchase of these lands, and as a requirement for the purchase of these lands, the then owner, the Mercantile National Bank of Dallas, instituted a suit to quiet title covering the entire Southeast quarter of Section 8 and received a decree of the Court stating that they were valid and subsisting oil and gas leases. Now we have proceeded to drill a well on there some year and a half after that designation of the Court. It appeared to me that inasmuch as the previous well had not produced, that a year and a half might be too long a time to not take any action, and the Court decree might be subject to attack, so as a consequence, I have obtained ratifications by all parties in this area except those shown on this map, which I would like to have you introduce in evidence.

(Whereupon Applicant's



Exhibits Nos. 1 and 2  
marked for identification)

MR. VERITY: We offer both exhibits 1 and 2 in evidence.

A On this map are shown in red the lands which are either unleased or owned by parties who have not executed a ratification of the lands. This is simply another time when I believe that the driller is entitled to the protection of forced pooling in the event any of these parties who have not signed should attack the decree or the validity of Southwest's leases on the area covered.

Q This land also is within the town of Aztec, is it not?

A Yes.

Q Do you have the same opinion with regard to risk factor in this well as expressed in the previous case?

A Yes, sir.

Q You think the \$75 you mentioned there would be a proper operating fee on a monthly charge basis?

A Yes, sir.

Q Do you have an opinion as to whether or not the granting of this forced pooling application will prevent waste and protect the correlative rights of the parties?

A Yes, sir, I believe it will.

MR. VERITY: That's all we have.

CROSS EXAMINATION

BY EXAMINER UTZ:

Q There is no problem in the Northeast quarter?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691



**DEARNLEY-MEIER REPORTING SERVICE, Inc.**

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243 6691

A Not any longer. We have solved the problem in the Northeast quarter.

Q There are several in this quarter shown on Exhibit No. 2?

A That's right.

EXAMINER UTZ: Any other questions of the witness?

Exhibits 1 and 2 will be entered into the record.

(Whereupon Applicant's Exhibits Nos. 1 and 2 admitted in evidence)

EXAMINER UTZ: The case will be taken under advisement and proceed to Case 2610.

\* \* \* \*



