

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF:

THE APPLICATION OF SOUTHWEST)
PRODUCTION COMPANY FOR AN ORDER)
FORCE POOLING THE BASIN-DAKOTA)
FORMATION UNDERLYING THE NORTH)
HALF (N $\frac{1}{2}$) OF SECTION 25, TOWNSHIP)
30 NORTH, RANGE 12 WEST, SAN)
JUAN COUNTY, NEW MEXICO.)

No. 2709

POOLING APPLICATION

Comes now the applicant, Southwest Production Company, a co-partnership consisting of Joseph P. Driscoll and John H. Hill, and for its application alleges and states:

1. That it is the owner of oil and gas leases covering portions of the North Half (N $\frac{1}{2}$) of Section 25, Township 30 North, Range 12 West, N.M.P.M., in San Juan County, New Mexico, and that it has drilled and completed a well in the Dakota formation in the Northeast Quarter of the Northwest Quarter (NE $\frac{1}{4}$ NW $\frac{1}{4}$) of said Section 25, 790 feet from the North line and 1850 feet from the West line.

2. That there are various parts of the North Half (N $\frac{1}{2}$) of the above described Section 25 that are unleased, whose owners have not agreed to join with the applicant in the drilling, completion and producing of the above described well and, although the applicant has made a reasonable effort to obtain oil and gas leases and/or the joinder of the owners of the unleased portions of the above described proration unit, it has been unable to obtain such leases and/or the joinder of the owners of the unleased portions of said unit, and the applicant, therefore, desires that the interest of any and all of said persons be force pooled in accord with the statutes of the State of New Mexico and the rules and regulations of the Oil Conservation Commission of the State of New Mexico.

3. That applicant desires to dedicate the Basin-Dakota production

from the above described well located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of the above described Section 25 to the entire North Half (N $\frac{1}{2}$) of said Section 25, and that the Commission should constitute the applicant as the "Operator" of the pooled unit.

4. That applicant has undergone considerable risk in the drilling and completion of the above referred to well, and that under the statutes of the State of New Mexico and the rules and regulations of the Oil Conservation Commission applicant is entitled to, and should be allowed to take and receive 7/8ths of any and all production had from the above referenced well until such time as it has been reimbursed in an amount equal to 125% of its actual cost of drilling, completing and equipping said well, plus a reasonable compensation for the supervision of the drilling and completion thereof, and a reasonable compensation for the operation thereof.

5. That the force pooling order herein requested is necessary in order to prevent waste and in order to protect the correlative rights of the parties.

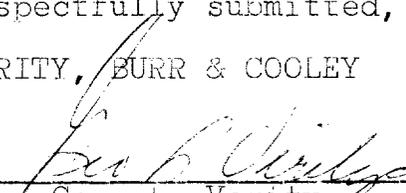
6. That a list of the interested parties in this application, together with their addresses, insofar as the same are known to the applicant, is set out on Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, applicant prays that this application be set down for hearing at the earliest possible date, that due notice thereof be given in accord with the rules and regulations of this Commission, and the laws of the State of New Mexico, and that after hearing, from the evidence to be adduced thereat this Commission enter its order granting the application as above stated.

Respectfully submitted,

VERITY, BURR & COOLEY

By


Geo. L. Verity

Attorneys for Applicant
Southwest Production Company

SOUTHWEST PRODUCTION COMPANY
3108 Southland Center
Dallas 1, Texas

WELL COSTS

Forced Pooling, Order No. R-2382

Lease Name:

Ruby Corscott No. 1 (DK)
N/2, Section 25-30N-12W
San Juan County, New Mexico

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
102-62	Aspen Drilling Company, 4-27-62 Contract drilling to TD 6650'	\$ 32,500.00 32,500.00*
10238	Little Tool Company, Inc., 4-16-62 Weld shoe float, collars, scratchers, and cut off pipe 2% N. M. State Tax	45.50 .91 46.41*
S520732	Halliburton Company, 4-23-62 4-1/2" 8R D.V. multi-stage cementer and bomb type plug set N. M. State Tax	404.00 8.08 412.08*
BC620007	Halliburton Company, 4-27-62 475 cu. ft. Pozmix's N. M. State Tax	1,307.26 26.15 1,333.41*
CS363363	Halliburton Company, 4-27-62 Cementing production casing N. M. State Tax	697.80 13.96 711.76*
FS208247	Halliburton Company, 5-1-62 Sand-acid fracing N. M. State Tax	6,147.86 122.96 6,270.82*
BC620019	Halliburton Company, 5-1-62 770 sacks bulk fracturing sand N. M. State Tax	1,594.90 31.90 1,626.80*
Y 600	Screw & Bolt Corporation, 5-2-62 Refund on thread protector	(15.54) (15.54)*
31592	Industrial Supply Company, 5-11-62 Cameron WF casing head housing, 10" ser. 600x9-5/8" female with 2-2" LP outlets 2" Nordstrom lubr. plug valve Misc. fittings Freight on 301# @4.35; 30# @3.10 2% N. M. Sales Tax	203.98 41.58 54.89 14.02 6.01 320.48*
31599	Industrial Supply Company, 5-15-62 6729' of 4-1/2" 10.50# J-55 steel casing range 2 ST&C @120.74 CFT Additional testing 36.05 tons @5.00 Trucking mill to location 72,100# @.80CWT 2% N. M. Sales Tax	8,125.57 180.25 576.80 177.65 9,060.27*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
32101	Industrial Supply Company, 5-18-62 Cameron CA slip & seal assy. incl. allen wrench Seal assy. 10x4-1/2 Spool tubing F 10x6x/600 Valve cameron type F 2x2-1/16 incl. hand- wheel Bit pilot, retainer wire, 2" flanges, ring gaskets and studs 2% N. M. Sales Tax	\$ 247.17 84.01 361.73 261.00 67.52 20.43 1,041.86*
32102	Industrial Supply Company, 5-18-62 Misc. fittings Valve tree c/w single string block btm flange 6" 2000# w/p w. prep F/HB hgr. w/1-2-1/16" bore master valve and 1-1-13/16 bore valve std. 2" 2000# incl. handwheel 2% N. M. Sales Tax	70.67 578.00 12.97 661.64*
32103	Industrial Supply Company, 5-18-62 Misc. fittings 8-Welps 2000# W/P 2" @5.25 2-Gauges PR marsh 3000# Hgr. tub. FBB 6x2-3/8 EUE Swage 2-3/8 EUE 10x1/2 Lord Reg. Box 2% N. M. Sales Tax	65.55 42.00 49.64 62.92 23.45 4.87 248.43*
32104	Industrial Supply Company, 5-18-62 Freight on 1250# @4.35; 230# @3.10 on valve cameron 2% N. M. Sales Tax	61.51 1.23 62.74*
32106	Industrial Supply Company, 5-18-62 6468' of 1-1/2" non EUE 10rd reg. 2.75# JCW-50 steel tubing with J-55 bev. couplings @43.46 CFT Trucking mill to Farmington 17.787# @1.93 CWT Trucking Farmington to location 2% N. M. Sales Tax	2,810.99 343.29 103.38 65.15 3,322.81*
32107	Industrial Supply Company, 5-18-62 3-7/8 OW jet tricone bit Freight on 10# @4.43 2% N. M. Sales Tax	95.63 .44 1.92 97.99*
1012	Lohmann Oil Well Service, Inc., 5-23-62 Completion unit April 30 through May 3, 1962 2% N. M. School Tax	3,086.33 61.73 3,148.06*
31600	Industrial Supply Company, 5-23-62 35-5' sec. of Clark rotating scratchers @8.50 24-4-1/2" Clark cement spinners @9.95 9-4-1/2" Clark centralizers @15.50 2-4-1/2" Baker metal petal baskets @51.53 4-1/2" OD 8rd Larkin M & F Filrite collar 4-1/2" OD slip joint Larkin guide shoe Baker lock thread locking compound 2% N. M. Sales Tax	297.50 238.80 139.50 102.70 82.95 30.30 8.50 18.01 918.26*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
15920	Pan Geo Atlas Corporation, 5-1-62 Perforate 114 holes, super dyna jet Baker bridge plugs w/depth charges @ 6318' and 6320' 1% N. M. School Tax	\$ 888.40 1,106.52 19.95 2,014.87*
4511	Panhandle Steel Products Co., 5-31-62 210 Bbl. API flat bottom welded steel storage tank incl. 1" rolling line in- stalled, 2" downcomer installed, tar paper, 4' API landing, API stairway, 2" Enardo stack valve Cold weather gas production unit w/16" vertical 3-phase separator and controls for 3-phase op- eration, 1000# WP, mounted on 170M BTU indirect heater w/2" 3000# WP split bundle coils and sub- merged choke, mounted on skids and piped up 2-Reinforced concrete foundation blocks 2% N. M. State Tax	1,446.26 4,154.19 40.00 112.81 5,753.26*
J 5-2	Material Transfer 77' of 2" tubing to tie in well head and pro- duction equipment	48.16 48.16*
J 5-3	Material Transfer Rental of drill out string for 3 days	500.00 500.00*
112-60	Aspen Drilling Company, 5-4-62 Day work April 17 and April 18, 1962 19-1/4 hrs WDP @35.42 per hr 6-1/4 hrs WODP @33.11 per hr 1% N. M. State Tax	681.84 208.31 8.90 899.05*
114-62	Aspen Drilling Company, 5-4-62 Mud for logging @3502' 2% N. M. State Tax Trucking	872.88 17.46 106.76 997.10*
32144	Industrial Supply Company, 6-18-62 Nipples, plugs, bull plugs 2% N. M. Sales Tax	81.12 1.62 82.74*
32156	Industrial Supply Company, 6-18-62 Nipples, tees, ells, unions, plugs 2% N. M. Sales Tax	38.72 .77 39.49*
32148	Industrial Supply Company, 6-29-62 21' of 1" Std. blk API line pipe T&C @26.25cft 2% N. M. Sales Tax	5.51 .11 5.62*
149-62	Aspen Drilling Company, 6-30-62 Schlumberger logging Aspen's share of cost	2,273.89 (1,156.22) 1,117.67*

<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
J 6-6	Direct salary and auto expense charges	
	Stake location and make settlement for surface damages 4 hrs @7.41	\$ 29.64
	Auto expense 42 mi @.10¢	4.20
	Drilling engineer and geologist, check samples to TD well, run logs @3502' & TD, cement casing 48 hrs @6.41	307.68
	Auto expense, 246 mi @.10¢	24.60
	Completion engineer, perforate and sand-water frac, 2 stages 72 hrs @7.41	533.52
	Auto expense, 328 mi @.10¢	32.80
	Production foreman, clean well, potential test, clean up location, set production equipment 52 hrs @4.43	230.36
	Auto expense 164 mi @.10¢	16.40
		1,179.20*
J 6-7	Drilling well overhead for the period April 14 through June 3, 1962 (51/30 of \$250.00)	425.00 425.00*
32150	Industrial Supply Company, 6-25-62 1/2 Bbl Diethylene Glycol 2% N. M. Sales Tax	60.00 1.20 61.20*
198	Ralph W. Miller, Inc., 7-3-62 Break out tubing and blow lines, move to yard 1% N. M. School Tax	29.20 .29 29.49*
199	Ralph W. Miller, Inc., 7-3-62 Dig ditches and pit, install connections ontanks and separator, thread pipe, hook up flow line, fill separator, fence pit 1% N. M. School Tax	210.00 2.10 212.10*
32146	Industrial Supply Company, 7-18-62 Plugs, unions, nipples, paint, steel posts, 2% N. M. Sales Tax	101.54 2.03 103.57*
Stmt.	San Juan Engineering Company, 4-4-62 Stake location and survey elevation N. M. School Tax	100.00 2.00 102.00*
8184	Ray L. Atchison Const. Co., 8-17-62 Clean up location 1% N. M. State Tax	219.00 2.19 221.19*
T 33607	Industrial Supply Co., 9-27-62 1 1/2" Control plugs Freight 2% New Mexico Sales Tax	21.60 .26 .44 22.30*
J 12-7	Estimated additional expense of cleaning up location & miscl. expense (subject to submission of final detailed list after work has been performed).	1,000.00 1,000.00*

Total

WELL COSTS
Ruby Corscott No. 1 (DK)

Page 5.
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<u>Invoice No.</u>	<u>Description</u>	<u>Amount</u>
T 32755	Industrial Supply Co., 9-15-62 Nipples, plugs, unions	\$ (3.80) (3.80)*
T 32756	Industrial Supply Co., 9-15-62 Misc. fittings	(2.79) (2.79)
	Total	<u>\$ 76,575.63</u>