

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

*Harpa Valley #1  
C-15-29N-14W*

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8608  
Order No. R-7961

APPLICATION OF SOUTHLAND ROYALTY  
COMPANY FOR A NON-STANDARD GAS  
PRORATION UNIT, SAN JUAN COUNTY,  
NEW MEXICO

**RECEIVED**

JUN 19 1985

OIL CON. DIV.  
DIST. 3

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 22, 1985, and on June 5, 1985, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and Gilbert P. Quintana, respectively.

NOW, on this 14th day of June, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Southland Royalty Company, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 15, Township 29 North, Range 14 West, NMPM, Basin Dakota Pool, San Juan County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon.

(3) Dugan Production Corporation, an offset operator to the east, and Emery C. Arnold, et al, a mineral interest owner of acreage within and offsetting to the south of the proposed non-standard proration unit, appeared at the May 22, 1985, hearing and objected to the forming of the proposed non-standard proration unit in said Section 15.

(4) The applicant seeks the establishment of its proposed non-standard gas spacing and proration unit based upon

interpretation of geological data by which they attempted to project that the Dakota formation has developable gas reserves only under the NW/4 of said Section 15.

(5) Based upon the geological evidence presented at the May 22, 1985 hearing, there is insufficient geological control in this area and the applicant failed to prove the necessity for or the propriety of the proposed non-standard proration unit.

(6) The application should therefore be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application of Southland Royalty Company for a 160-acre non-standard gas proration unit in the Basin Dakota Pool comprising the NW/4 of Section 15, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico, is hereby denied.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated. -

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



R. L. STAMETS,  
Director

S E A L



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

OIL CONSERVATION DIVISION  
BOX 2088  
SANTA FE, NEW MEXICO 87501

DATE 3/27/85

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

*NSP*

Gentlemen:

I have examined the application dated 3/27/85  
for the Sandland Royalty Co. Harper Valley #1 <sup>15</sup> C-10-29N-14W  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Approve with acreage factor of .50  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Yours truly,

*John D. [Signature]*



**Southland Royalty Company**

March 25, 1985

Mr. Joe D. Ramey  
New Mexico Department of Energy and Minerals  
Oil and Gas Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Ramey:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the Harper Valley #1 well, a proposed Basin Dakota test. The well will be located in the SW/NE/NW of Section 15, T29N, R14W, San Juan County, New Mexico.

The proposed 160 acre non-standard proration unit will consist of the NW/4 of Section 15, T29N, R14W and is based on geologic interpretation. The only Dakota offset to the proposed non-standard proration unit is the SRC-McWhorter-Duncan #1, located in the NE/SW, Section 10, T29N, R14W.

Southland Royalty Company needs to have this matter taken care of as soon as possible, as our lease #102948 expires July 1, 1985, and we need to be drilling by that date.

A copy of this request is being submitted to all offset operators by certified mail with a request that they furnish your Santa Fe Office with a waiver of objection.

If further information is required, please advise.

Sincerely,

SOUTHLAND ROYALTY COMPANY

David M. Blandford  
Petroleum Engineer

DMB/eg

Enclosures

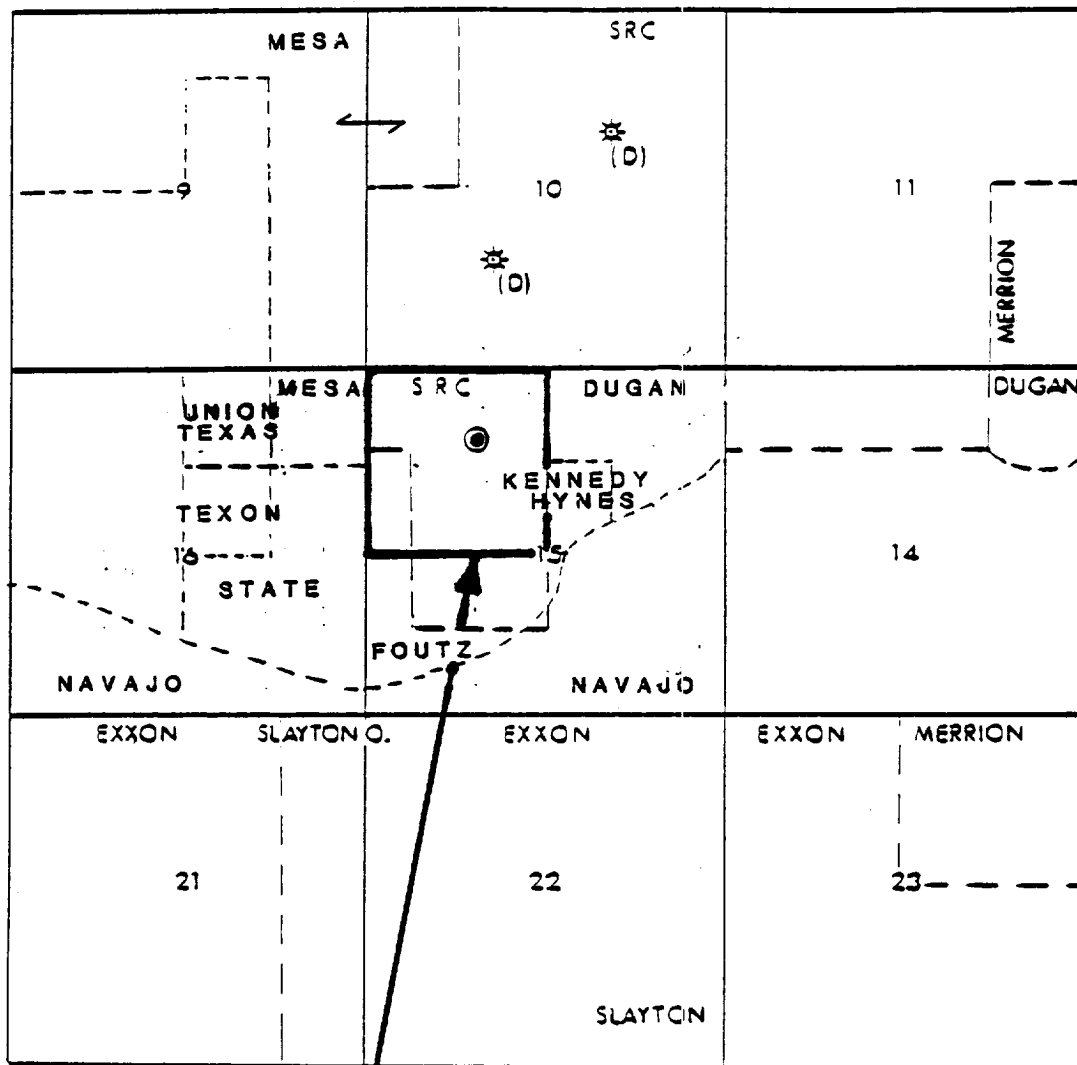
✓ XC: Mr. Frank Chavez-NMOCD-Aztec, NM

RECEIVED

MAR 27 1985

OIL CON. DIV.  
DIST. 3

R 14 W



PROPOSED  
NON-STANDARD  
PRORATION UNIT

**RECEIVED**  
MAR 27 1985  
OIL CON. DIV.  
DIST. 3



**Southland Royalty Company**  
FARMINGTON DISTRICT  
FARMINGTON, NEW MEXICO

NON STANDARD  
PRORATION UNIT PLAT

SRC

Harper Valley #1

NW 1/4

SEC. 15 - T 29N - R 14W

SAN JUAN COUNTY NEW MEX.

BY: BLANDFORD

1" = 3000'

MARCH 1985

**CERTIFIED MAIL**

March 25, 1985



**Southland Royalty Company**

Union Texas Petroleum Corporation  
P. O. Box 1290  
Farmington, New Mexico 87499

Gentlemen:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the Harper Valley #1 well, a proposed Basin Dakota test. The well will be located in the SW/NE/NW of Section 15, T29N, R14W, San Juan County, New Mexico.

The proposed 160 acre non-standard proration unit will consist of the NW/4 of Section 15, T29N, R14W and is based on geologic interpretation. The only Dakota offset to the proposed non-standard proration unit is the SRC-McWhorter-Duncan #1, located in the NE/SW, Section 10, T29N, R14W.

Southland Royalty Company needs to have this matter taken care of as soon as possible, as our lease #102948 expires July 1, 1985, and we need to be drilling by that date.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501 with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

David M. Blandford  
Petroleum Engineer

DMB/eg

Enclosures

✓XC: Mr. Frank Chavez-NMOCD-Aztec, NM

-----  
**W A I V E R**

**Union Texas Petroleum Corporation** hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their **HARPER VALLEY #1** well as proposed above.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

**CERTIFIED MAIL**

March 25, 1985



**Southland Royalty Company**

Texon Energy Corporation  
1212 Main Street, Suite 1400  
Houston, Texas 77002

Gentlemen:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the Harper Valley #1 well, a proposed Basin Dakota test. The well will be located in the SW/NE/NW of Section 15, T29N, R14W, San Juan County, New Mexico.

The proposed 160 acre non-standard proration unit will consist of the NW/4 of Section 15, T29N, R14W and is based on geologic interpretation. The only Dakota offset to the proposed non-standard proration unit is the SRC-McWhorter-Duncan #1, located in the NE/SW, Section 10, T29N, R14W.

Southland Royalty Company needs to have this matter taken care of as soon as possible, as our lease #102948 expires July 1, 1985, and we need to be drilling by that date.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501 with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

  
David M. Blandford  
Petroleum Engineer

DMB/eg

Enclosures

✓XC: Mr. Frank Chavez-NMOCD-Aztec, NM

-----  
**W A I V E R**

**Texon Energy Corporation** hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their **HARPER VALLEY #1** well as proposed above.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

CERTIFIED MAIL

March 25, 1985



**Southland Royalty Company**

Mesa Petroleum Company  
One Mesa Square, Box 2009  
Amarillo, Texas 79189

Gentlemen:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the Harper Valley #1 well, a proposed Basin Dakota test. The well will be located in the SW/NE/NW of Section 15, T29N, R14W, San Juan County, New Mexico.

The proposed 160 acre non-standard proration unit will consist of the NW/4 of Section 15, T29N, R14W and is based on geologic interpretation. The only Dakota offset to the proposed non-standard proration unit is the SRC-McWhorter-Duncan #1, located in the NE/SW, Section 10, T29N, R14W.

Southland Royalty Company needs to have this matter taken care of as soon as possible, as our lease #102948 expires July 1, 1985, and we need to be drilling by that date.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501 with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

David M. Blandford  
Petroleum Engineer

DMB/eg

Enclosures

✓ XC: Mr. Frank Chavez-NMOCD-Aztec, NM

-----  
W A I V E R

Mesa Petroleum Company hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their **HARPER VALLEY #1** well as proposed above.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_



CERTIFIED MAIL

March 25, 1985



**Southland Royalty Company**

Dugan Production Corporation  
P. O. Box 208  
Farmington, New Mexico 87499

Gentlemen:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the Harper Valley #1 well, a proposed Basin Dakota test. The well will be located in the SW/NE/NW of Section 15, T29N, R14W, San Juan County, New Mexico.

The proposed 160 acre non-standard proration unit will consist of the NW/4 of Section 15, T29N, R14W and is based on geologic interpretation. The only Dakota offset to the proposed non-standard proration unit is the SRC-McWhorter-Duncan #1, located in the NE/SW, Section 10, T29N, R14W.

Southland Royalty Company needs to have this matter taken care of as soon as possible, as our lease #102948 expires July 1, 1985, and we need to be drilling by that date.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501 with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

  
David M. Blandford  
Petroleum Engineer

DMB/eg

✓ Enclosures

XC: Mr. Frank Chavez-NMOCD-Aztec, NM

-----  
W A I V E R

**Dugan Production Corporation** hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their **HARPER VALLEY #1** well as proposed above.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

CERTIFIED MAIL

March 25, 1985



**Southland Royalty Company**

Bureau of Indian Affairs  
Eastern Navajo Agency  
Branch of Real Property Management  
P.O. Box 328  
Crownpoint, New Mexico 87313

Gentlemen:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the Harper Valley #1 well, a proposed Basin Dakota test. The well will be located in the SW/NE/NW of Section 15, T29N, R14W, San Juan County, New Mexico.

The proposed 160 acre non-standard proration unit will consist of the NW/4 of Section 15, T29N, R14W and is based on geologic interpretation. The only Dakota offset to the proposed non-standard proration unit is the SRC-McWhorter-Duncan #1, located in the NE/SW, Section 10, T29N, R14W.

Southland Royalty Company needs to have this matter taken care of as soon as possible, as our lease #102948 expires July 1, 1985, and we need to be drilling by that date.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501 with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

David M. Blandford  
Petroleum Engineer

DMB/eg

Enclosures

✓XC: Mr. Frank Chavez-NMOCD-Aztec, NM

-----  
W A I V E R

**Bureau of Indian Affairs** hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their **HARPER VALLEY #1** well as proposed above.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

CERTIFIED MAIL

March 25, 1985



**Southland Royalty Company**

Mr. Walter Kennedy  
P. O. Box 287  
Farmington, New Mexico 87499

Gentlemen:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the Harper Valley #1 well, a proposed Basin Dakota test. The well will be located in the SW/NE/NW of Section 15, T29N, R14W, San Juan County, New Mexico.

The proposed 160 acre non-standard proration unit will consist of the NW/4 of Section 15, T29N, R14W and is based on geologic interpretation. The only Dakota offset to the proposed non-standard proration unit is the SRC-McWhorter-Duncan #1, located in the NE/SW, Section 10, T29N, R14W.

Southland Royalty Company needs to have this matter taken care of as soon as possible, as our lease #102948 expires July 1, 1985, and we need to be drilling by that date.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501 with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

David M. Blandford  
Petroleum Engineer

DMB/eg

✓ Enclosures  
XC: Mr. Frank Chavez-NMOCD-Aztec, NM

-----  
W A I V E R

Mr. Walter Kennedy hereby waives objection to Southland Royalty Company's application for a non-standard proration for their **HARPER VALLEY #1** well as proposed above.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

CERTIFIED MAIL

March 25, 1985



**Southland Royalty Company**

Mr. Thomas J. Hynes  
P. O. Box 287  
Farmington, New Mexico 87499

Gentlemen:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the Harper Valley #1 well, a proposed Basin Dakota test. The well will be located in the SW/NE/NW of Section 15, T29N, R14W, San Juan County, New Mexico.

The proposed 160 acre non-standard proration unit will consist of the NW/4 of Section 15, T29N, R14W and is based on geologic interpretation. The only Dakota offset to the proposed non-standard proration unit is the SRC-McWhorter-Duncan #1, located in the NE/SW, Section 10, T29N, R14W.

Southland Royalty Company needs to have this matter taken care of as soon as possible, as our lease #102948 expires July 1, 1985, and we need to be drilling by that date.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501 with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

David M. Blandford  
Petroleum Engineer

DMB/eg

✓ Enclosures  
XC: Mr. Frank Chavez-NMOCD-Aztec, NM

-----  
W A I V E R

Mr. Thomas J. Hynes hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their **HARPER VALLEY #1** well as proposed above.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_

CERTIFIED MAIL

March 25, 1985



**Southland Royalty Company**

Foutz & Foutz  
P. O. Box 841  
Kirtland, New Mexico 87417

Gentlemen:

Southland Royalty Company hereby requests approval of a non-standard proration unit for the Harper Valley #1 well, a proposed Basin Dakota test. The well will be located in the SW/NE/NW of Section 15, T29N, R14W, San Juan County, New Mexico.

The proposed 160 acre non-standard proration unit will consist of the NW/4 of Section 15, T29N, R14W and is based on geologic interpretation. The only Dakota offset to the proposed non-standard proration unit is the SRC-McWhorter-Duncan #1, located in the NE/SW, Section 10, T29N, R14W.

Southland Royalty Company needs to have this matter taken care of as soon as possible, as our lease #102948 expires July 1, 1985, and we need to be drilling by that date.

We request that you furnish the NMOCD, P.O. Box 2088, Santa Fe, NM 87501 with a waiver of objection as soon as possible.

Sincerely,

SOUTHLAND ROYALTY COMPANY

David M. Blandford  
Petroleum Engineer

DMB/eg

✓ Enclosures  
XC: Mr. Frank Chavez-NMOCD-Aztec, NM

-----  
W A I V E R

Foutz & Foutz hereby waives objection to Southland Royalty Company's application for a non-standard proration unit for their **HARPER VALLEY #1** well as proposed above.

Date: \_\_\_\_\_

Signed: \_\_\_\_\_