

CASE 1945: Application of PERMIAN
for an order force-pooling interests
in 320 acres - San Juan County, N.M.

Case No.

1945

Application, Transcript,
Small Exhibits, Etc.

LAW OFFICES
HERVEY, DOW & HINKLE
P O Box 547
ROSWELL, NEW MEXICO

AIR MAIL

APR 6 - 1960

BEFORE EXAMINER UTZ
CIL CONSERVATION COMMISSION
Applic. EXHIBIT NO. 2
CASE NO. 1945

REGISTERED
(Return Receipt Requested)

Mr. Raymond H. Walker
Mrs. Edith Walker
1250 South Figueroa Street
Los Angeles, California

PERSON CHECKED

Unknown at address

4754 C ADD 10 1960 1303 W 96TH St

First Notice Sent
APR 18 1960

REGISTERED NO. 5454
Value \$ 50 Spec. del'y fee \$
Fee \$ 10 Ret. receipt fee \$
Surcharge \$ Resl. del'y fee \$
Postage \$ 0 ☐ Airmail



Postmaster, By
From Hervey Dow Hinkle
To Raymond H. Walker
Mrs. Edith Walker
1250 S. Figueroa St.
Los Angeles, Calif.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 27, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Permian Oil Company for an order
force-pooling the interests in a 320-acre unit
in the Dakota formation. Applicant, in the above-
styled cause, seeks an order force-pooling all
Dakota formation mineral interests in the 320
acres comprising the E/2 of Section 5, Township
30 North, Range 13 West, San Juan County, New
Mexico, the non-consenting mineral interest own-
ers being Raymond H. Walker and Edith Walker,
1250 South Figueroa Street, Los Angeles, Califor-
nia, and Norman Roybark and Rose Ella Roybark,
address unknown.

Case

1945

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. PAYNE: Application of Permian Oil Company for an
order force-pooling the interests in a 320-acre unit in the Dakota
formation.

MR. CHRISTY: Sim Christy, Hervey, Dow & Hinkle, for
applicant, Permian Oil. We have one witness, Mr. Examiner.

(Witness sworn.)

JERRY HOOPER

called as a witness, having been first duly sworn, testified as
follows:

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DIRECT EXAMINATION

BY MR. CHRISTY:

Q Will you please state your name, address and occupation?

A Jerry Hooper, 4403 Harlow, Midland, Texas; geologist, Permian Oil.

Q Mr. Hooper, have you previously testified before this Commission and had your qualifications accepted as geologist?

A No, sir.

Q Would you briefly tell the Examiner the schools of higher learning you have been to, degrees, if any, received, and the dates you received them?

A Graduated from Texas Tech in 1954 with a B.A. in geology, and upon graduation went to work for Fairwell as a junior engineer and worked for about six months. Then I was called in the Army, served two years; got out of the Army, went to work for Lone Star Producing Company as a geologist; worked for a year. Then, went independent for about a year; went to work for Permian as a geologist and land man.

Q So your occupation, as you have described it, included work in the geological field in the general vicinity of the land in question in this application?

A Yes, sir.

Q Are you familiar with the application in Case No. 1945 before the Commission and what it seeks?

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A Yes, sir.

Q Are you familiar with the well in question and the other wells in the general vicinity?

A Yes, sir.

Q And their production history?

A Yes, sir.

Q Does the Commission have any questions concerning the qualifications of the witness?

MR. UTZ: No; they are acceptable.

Q (By Mr. Christy) Would you please tell us what the application does seek, please?

A Well, it seeks to force-pool two non-participating royalty owners who own on the East half of Section 5, Township 30, Range 13 West, San Juan County.

Q This is a 320-acre gas proration unit dedicated to a well in the Northeast Northeast of Section 5?

A Yes, sir; in the Dakota formation.

Q I was going to ask you, when was that well drilled and completed, and from what interval is it now producing, if any?

A It is producing from the Dakota at approximately 6,034 feet to 6,232 feet.

Q When was the well drilled?

A Drilled in August, 1959, and completed in September of 1959.



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PHONE CN 3-6691

ALBUQUERQUE, NEW MEXICO

Q That producing interval you mentioned, is that within the vertical limits of the Dakota formation as defined by this Commission in Cases 1508 and 1523, Order R-1287?

A Yes, sir.

Q Which I believe provides for 320-acre spacing?

A Yes, sir.

Q Now, where do these non-participating royalty owners own an interest in Section 5?

A They own under the South Half, Northeast Quarter, North Half, Southeast Quarter, and the Southwest Quarter of the Southeast Quarter.

Q So they do not own under the well site?

A No, sir.

Q What interest do they own?

A They own a 17 1/2 per cent interest under their portion.

Q Their 200 acres?

A Yes, sir.

Q Is that approximately 10 or 11 percent under the whole communitized tract?

A Yes, sir.

Q Who are these people?

A Mr. Walker and Mr. Roybark.

Q Now, you mentioned Mr. Walker. Is that Raymond H. Walker and Edith Walker, his wife?



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A Yes, sir.

Q Norman Royback and Rose Ella Royback, his wife?

A Yes, sir.

Q Do you know where the Walkers are?

A No, sir, I don't.

Q Do you have any last-known address on them?

A Yes, sir. It was 1250 South Figuerosa Street, Los Angeles, California.

Q How about the Roybarks; do you know where they are?

A No, sir.

Q Any last-known address?

A No, sir.

Q What efforts have you made to contact these people, or find them?

A First I contacted the surface owners, Mr. Knight and Mr. Patterson, who also own mineral interests under the East Half of Section 5. They had never heard of them. I contacted the San Juan Abstract Company and asked them to make a search, and received word they had never heard of them. Contacted several people within the town of Farmington, and no one has ever heard of the people.

Q Who owns the lease under which they own this non-participation?

A Standard of Texas.



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Q Have you contacted Standard?

A Yes, sir. They had this last-known address of Mr. Walker, and that is all.

Q Nothing on the Roybarks?

A No.

Q Do you have a plat of this area involved in the application?

A Yes, sir.

Q I believe that has been marked Applicant's Exhibit 1; is that correct, sir?

A Yes, sir.

Q That shows your outline in red or yellow, the communized area?

A Yes, sir.

Q Now are there any other drilling or completed wells in the general vicinity of this well?

A In the Northeast Quarter of the Southwest Quarter of 33, Township 31 North, Range 13 West; it is in the process of being completed this week and Pan American has completed a well to the south, which would be in the Northeast Quarter, Northeast Quarter of Section 17, Township 30, Range 13 West.

Q Is that Pan American well completed?

A Yes, sir; it is.

Q What producing horizon?



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A Dakota.

Q This other one you mentioned in Section 33; is that a Dakota well, too?

A Yes, sir.

Q Any other wells in the vicinity?

A Not very close.

Q Now, in your opinion, will this well in the Northwest Northwest of Section 5 effectively and efficiently drain the Dakota production from the entire East Half of Section 5?

A Yes, sir; I believe so.

Q Now, do you seek to recover drilling, completion, equipping and operating costs from these non-consenting royalty owners?

A No, sir.

Q It is in the nature of a free override?

A Yes, sir.

Q Now, under the spacing set-up in the communitization agreement, will they receive their fair share of production under their 200 acres you mentioned by the production in Section 5?

A Yes, sir; they will.

Q Do you see where their correlative rights may be affected by force-pooling them into the communitized area?

A No, sir.

MR. CHRISTY: At this time we would like to call the Examiner's attention to Applicant's Exhibit 2, letter addressed to



the Walkers at the address stated by the witness.

MR. UTZ: Are you sure there is a Figueroa Street in Los Angeles? It would seem rather odd that they would have a Figueroa and a Figueroa, also. I've got a hunch you might find these people if you sent it to Figueroa.

MR. PAYNE: We sent this to Figueroa, but we sent a docket to Figueroa, so they are properly notified if they are there.

Q (By Mr. Christy) Do you have anything else you wish to offer to the Examiner in connection with his consideration of this case?

A No, sir.

MR. CHRISTY: I believe that will be all from this witness.

CROSS-EXAMINATION

BY MR. UTZ:

Q Mr. Hooper, who owned this lease before Standard of Texas got it?

A I believe Standard of Texas acquired it directly from the fee.

Q Is it fee land?

A Yes, sir; it is fee land with the exception of the Southeast Quarter of the Southeast Quarter which is Federal.

Q Did you try to contact these people through the fee owners?



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A Yes, sir.

Q They didn't know anything about them?

A Mr. Patterson and Mr. Knight own the minerals there, and I talked to both of them. They own the major portion of the minerals and I am not sure, but I believe this interest came out of Mr. Patterson, through some people in Utah, and so I figured the best I could do was talk to Mr. Patterson about it, and he didn't know the people.

Q You don't know who the people were in Utah?

A No, sir.

Q Didn't Patterson know?

A No, sir.

Q Didn't he sell it to them?

A Yes, sir; it was sold from Patterson to them, but he had lost contact with the gentleman -- he is Mormon, and he sold it to another Mormon, who sold the non-participating interest.

Q Maybe you ought to work through the Mormon Church; you might find them. Who owns the surface in this area?

A Mr. Patterson and Mr. Knight.

Q Is this a dual completion?

A No, sir.

Q Single completion, Dakota?

A Yes, sir.

Q What is the completed interval?



A Perforations from 6,034 to 6,232. It is not solidly perforated. Do you want a breakdown?

A No; just the intervals.

MR. UTZ: Are there other questions?

BY MR. PAYNE:

Q Mr. Hooper, You presently have the subject 320 acres dedicated to the well?

A Yes, sir.

Q And the well is presently producing?

A Yes, sir.

Q Are you placing royalty payments for these owners in escrow, or how is it handled?

A It will be placed in escrow.

Q Well now, you mean as to future royalty payments. They are entitled to royalty payments right now, aren't they?

A Yes, sir.

Q And if this forced-pooling order is granted the position of these non-consenting royalty owners will not be changed in the least, will it?

A No, sir.

Q They will be getting exactly the same thing they are getting now?

A Yes, sir.

MR. UTZ: Any other questions? The witness may be

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EXCUSED.

MR. CHRISTY: We would also like to have marked as applicant's Exhibit 3 the communitization agreement that is attached here. That is our last executed copy or we would furnish the Commission more. We would like now to offer in evidence Exhibits 1 through 3 inclusive.

MR. UTZ: They will be entered with no objection. Any other statements in this case? If not, case will be taken under advisement.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, the Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 145, heard by me on April 27, 1960.

Edward C. [Signature] Examiner
New Mexico Oil Conservation Commission

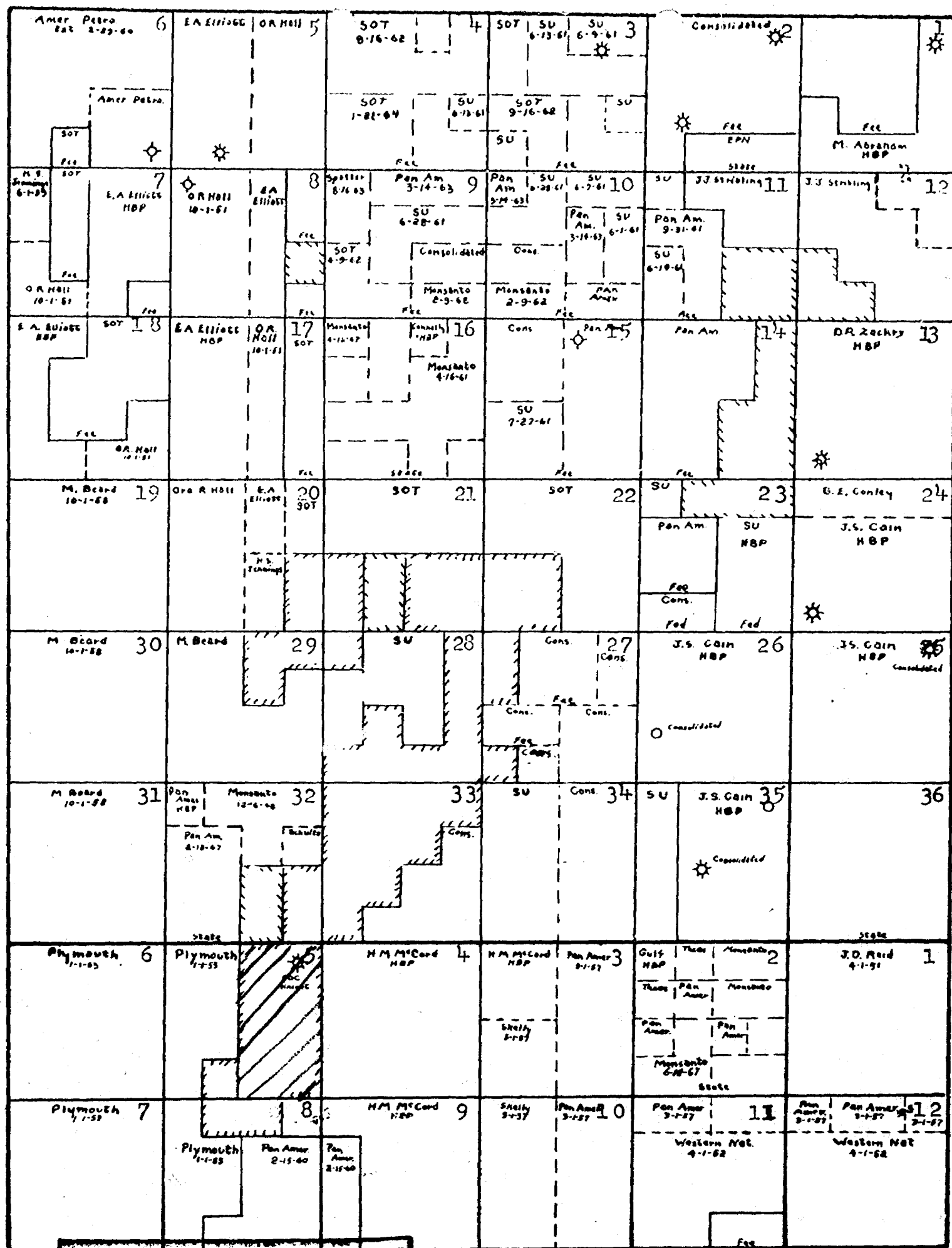
DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



R - 13 - W



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Applicant EXHIBIT NO. 1
CASE NO. 1945

Noel Reynolds Cuccia Acreage
Standard of Texas Acreage
San Juan County, New Mexico

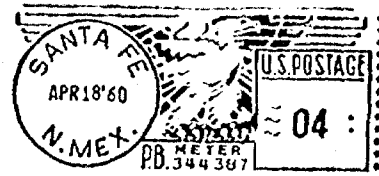
Dan -

Cities Service says
the "R" before the pro-
duction figures on
Farm C-115 means red
production.

Does that clarify
the situation?

Melba

State of New Mexico
Oil Conservation Commission
P. O. BOX 671
SANTA FE



NO SUCH NUMBER *No*
10012

10012
10012
Mr. & Mrs. Raymond H. Walker
1250 South Figueroa Street
Los Angeles, California



NOT @ 1248

No. 12-60

DOCKET: EXAMINER HEARING APRIL 27, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

- CASE 1942: Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the Jicarilla Well No. 28-1, located in the NW/4 SE/4 of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation and the production of oil from the Dakota formation through parallel strings of tubing.
- CASE 1927: (Continued)
Application of J. W. Brown for the establishment of special rules and regulations governing the Brown Pool in Chaves County, New Mexico, to provide for 2½-acre spacing in said pool.
- CASE 1943: Application of Gulf Oil Corporation for a dual completion and for an exception to the tubing requirements of Rule 107. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Apache-Federal Well No. 8, located in Unit D, Section 8, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Otero-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through the casing-tubing annulus and the tubing respectively. Applicant further seeks an exception to certain tubing requirements set forth in Rule 107 of the Commission's Rules and Regulations.
- CASE 1944: Application of Great Western Drilling Company for establishment of a 200-acre non-standard gas proration unit in the Eumont Gas Pool. Applicant, in the above-styled cause, seeks an order establishing a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to its Bordages Well No. 1 located 330 feet from the North line and 270 feet from the West line of said Section 33.

CASE 1945: Application of Permian Oil Company for an order force-pooling the interests in a 320-acre unit in the Dakota formation. Applicant, in the above-styled cause, seeks an order force-pooling all Dakota formation mineral interests in the 320 acres comprising the E/2 of Section 5, Township 30 North, Range 13 West, San Juan County, New Mexico, the non-consenting mineral interest owners being Raymond H. Walker and Edith Walker, 1250 South Figueroa Street, Los Angeles, California, and Norman Roybark and Rose Ella Roybark, address unknown.

CASE 1946: Application of J. R. Cone for an exception to the over-production shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Mobil-Myers Well No. 4, Unit I, Section 22

Pan American-Myers Well No. 1, Unit H, Section 22

both in Township 24 South, Range 36 East, Lea County, New Mexico.

CASE 1947: Application of Phillips Petroleum Company for the establishment of two 80-acre non-standard oil proration units and one unorthodox oil well location. Applicant, in the above-styled cause, seeks an order establishing two 80-acre non-standard oil proration units in the Kemnitz-Wolfcamp Pool, Lea County, New Mexico, each consisting of a portion of the S/2 of Section 25, Township 16 South, Range 33 East. Applicant further seeks approval of an unorthodox oil well location in said Kemnitz-Wolfcamp Pool, the location to be in the center of the NW/4 SE/4 of said Section 25.

CASE 1948: Application of Humble Oil & Refining Company for authority to commingle the production from several separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from certain leases in Sections 4, 8, 9, 16 and 17, Township 18 South, Range 27 East, Eddy County, New Mexico, all of such leases being in the Chalk Bluff Draw Unit. Applicant also seeks approval of an automatic custody transfer system to handle said Empire-Abo Pool production from all wells presently completed or hereafter drilled on said leases.

- CASE 1954: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Saunders (Permo-Pennsylvanian) Pool from all wells presently completed or hereafter drilled on the State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, Lea County, New Mexico.
- CASE 1955: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Monument Pool from all wells presently completed or hereafter drilled on the State B lease comprising the NW/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico.
- CASE 1956: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Townsend-Wolfcamp Pool from all wells presently completed or hereafter drilled on the State ETA lease comprising all of Section 8, Township 16 South, Range 35 East, Lea County, New Mexico.
- CASE 1957: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Denton (Devonian) Pool from all wells presently completed or hereafter drilled on the Priest lease comprising the N/2 of Section 1, Township 15 South, Range 37 East, Lea County, New Mexico.

~~6~~
Docket No. 12-60

- CASE 1949: Application of Trice Production Company for approval of a "slim-hole" completion. Applicant, in the above-styled cause, seeks an order authorizing the "slim-hole" completion of its Four Lakes State Well No. 1, located in the NE/4 NW/4 of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico, to be completed in either the Pennsylvanian or Wolfcamp formation at a minimum total depth of 10,000 feet.
- CASE 1950: Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the West Teas Pool production from its State Lea 886 lease consisting of the S/2 NW/4 and N/2 NE/4 of Section 16 with the West Teas Pool production from that portion of its State Lea 6019 lease consisting of the NW/4 NW/4 and SE/4 of said Section 16, all in Township 20 South, Range 33 East, Lea County, New Mexico.
- CASE 1951: Application of Texaco Inc. for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the State "CH" Well No. 1, located in Unit H, Section 36, Township 20 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Atoka gas pool and the production of gas from the South Salt Lake-Pennsylvanian Gas Pool through parallel strings of tubing.
- CASE 1952: Application of Texaco Inc. for establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks the establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 4 and the NE/4 of Section 5, Township 24 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the E. D. Fanning Well No. 6, to be located 660 feet from the North and West lines of said Section 4.
- CASE 1953: Application of Keohane, Saunders, Welch and Iverson for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hinkle-Federal Well No. 7-B in the Shugart Pool at a point 330 feet from the South line and 2329 feet from the East line of Section 35, Township 18 South, Range 31 East, Eddy County, New Mexico.

J. M. HERVEY 1874-1953

HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.

PAUL W. EATON, JR.
ROBERT C. BLEDSOE

LAW OFFICES
HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

TELEPHONE MAIN 2-6510
POST OFFICE BOX 547

April 4, 1960

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Re: Permian Oil Company
Application for Order
Force Pooling all Mineral
Interests in the E $\frac{1}{2}$ of
Section 5, Township 30
North, Range 13 West,
N.M.P.M., San Juan County,
New Mexico, containing 320.24
acres, more or less for the
Production of Dry Gas and
Associated Liquid Hydrocarbons
Producible from the Dakota
Formation

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Application is hereby made by Permian Oil Company,
whose address is 611 West Texas Street, Midland, Texas,
for an Order, after due notice and hearing, force pooling
all mineral interests in the E $\frac{1}{2}$ of Section 5, Township
30 North, Range 13 West, N.M.P.M., San Juan County, New
Mexico, containing 320.24 acres, more or less for the
production of gas and associated liquid hydrocarbons
producible from the Dakota Formation underlying said
lands.

On November 1, 1959, approved by the Director of
United States Geological Survey February 15, 1960, and
bearing Contract No. 14-08-001-6722, substantially all
of said mineral owners entered into a Communitization Agree-
ment relative to such pooling as to said lands and Formation;
an executed counterpart of such Communitization Agreement
is attached hereto.

Said Communitization Agreement has been executed,
ratified or consented to by all persons owning a mineral
interest under said lands except:

(a) Raymond H. Walker and Edith Walker, his wife,
whose last known address is 1250 South Figueroa Street,
Los Angeles, California, and,

(b) Norman Roybark and Rose Ella Roybark, his wife,
whose residence and whereabouts are unknown.

Should be Figueroa

Mail Envelope
(Known)

Do not
Mail!
4-18-60
JH

April 4, 1960

The above named non-consenting owners own a non-participating royalty interest, equalling $17\frac{1}{2}\%$ of all production, in the $S\frac{1}{2}NE\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$, $SW\frac{1}{4}SE\frac{1}{4}$ of said Section 5 (described as Tract No. 1 in the Communitization Agreement).

The Applicant is designated as Operator of said lands under the terms of said Communitization Agreement, and that Operator has made a diligent effort to communitize all interests in the above described lands for the production of gas and associated liquid hydrocarbons producible from the Dakota Formation thereunder, but that Operator has been unable to obtain the consent of all persons owning an interest in said lands.

A copy of this Application has this date been mailed, by United States Mail, postage prepaid, registered return receipt requested, to Raymond H. Walker and Edith Walker, his wife, at 1250 South Figueroa Street, Los Angeles, California, due proof of which will be made at the hearing on this Application. Applicant has made a diligent search and inquiry and has been unable to learn the residence or whereabouts of Normay Roybark and Rose Ella Roybark, his wife.

That the most efficient and orderly development of the above lands can be accomplished by force pooling all mineral interests in said lands for the production of dry gas and associated liquid hydrocarbons producible from the Dakota Formation thereunder, and that the interests of all persons having the right to drill for, produce or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the said Dakota Formation underlying the $E\frac{1}{2}$ of Section 5, Township 30 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, should be pooled, and that Permian Oil Company should be designated as Operator of said pooled unit until further order of the Commission with authority to drill a unit well thereon. Applicant proposes to drill a well, located 925 feet from the North line and 920 feet from the East line of said Section 5, in search of gas or associated liquid hydrocarbons, which well is to be drilled to the Dakota Formation. In the event such well results in a producer of dry gas or associated liquid hydrocarbons from said Formation, then Applicant states that it is just, equitable and in the interest of conservation and the protection of correlative rights of all interested parties that this Commission further enter its order providing that production from the above described pooled unit be allocated to each Tract in the unit in the same proportion that the acreage in said Tract bears to the total acreage in the unit.

Applicant respectfully requests that this matter be set for an Examiner Hearing at Santa Fe, New Mexico, at the earliest opportunity.


Respectfully yours,

PERMIAN OIL COMPANY

SBC:ke

cc: Permian Oil Company
cc: Mr. and Mrs. Raymond H. Walker
(Registered Mail)

By


S. B. Christy, IV, for
Hervey, Dow & Hinkle
Box 547
Roswell, New Mexico

No. 12-60

DOCKET: EXAMINER HEARING APRIL 27, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe
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Application of J. R. Cone for an exception to the over-production shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Mobil-Myers Well No. 4, Unit I, Section 22

Pan American-Myers Well No. 1, Unit H, Section 22

both in Township 24 South, Range 36 East, Lea County, New Mexico.

CASE 1947:

Application of Phillips Petroleum Company for the establishment of two 80-acre non-standard oil proration units and one unorthodox oil well location. Applicant, in the above-styled cause, seeks an order establishing two 80-acre non-standard oil proration units in the Kemnitz-Wolfcamp Pool, Lea County, New Mexico, each consisting of a portion of the S/2 of Section 25, Township 16 South, Range 33 East. Applicant further seeks approval of an unorthodox oil well location in said Kemnitz-Wolfcamp Pool, the location to be in the center of the NW/4 SE/4 of said Section 25.

CASE 1948:

Application of Humble Oil & Refining Company for authority to commingle the production from several separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from certain leases in Sections 4, 8, 9, 16 and 17, Township 18 South, Range 27 East, Eddy County, New Mexico, all of such leases being in the Chalk Bluff Draw Unit. Applicant also seeks approval of an automatic custody transfer system to handle said Empire-Abo Pool production from all wells presently completed or hereafter drilled on said leases.

Docket No. 12-60

CASE 1949: Application of Trice Production Company for approval of a "slim-hole" completion. Applicant, in the above-styled cause, seeks an order authorizing the "slim-hole" completion of its Four Lakes State Well No. 1, located in the NE/4 NW/4 of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico, to be completed in either the Pennsylvanian or Wolfcamp formation at a minimum total depth of 10,000 feet.

CASE 1950: Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the West Teas Pool production from its State Lea 886 lease consisting of the S/2 NW/4 and N/2 NE/4 of Section 16 with the West Teas Pool production from that portion of its State Lea 6019 lease consisting of the NW/4 NW/4 and SE/4 of said Section 16, all in Township 20 South, Range 33 East, Lea County, New Mexico.

CASE 1951: Application of Texaco Inc. for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the State "CH" Well No. 1, located in Unit H, Section 36, Township 20 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Atoka gas pool and the production of gas from the South Salt Lake-Pennsylvanian Gas Pool through parallel strings of tubing.

CASE 1952: Application of Texaco Inc. for establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks the establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 4 and the NE/4 of Section 5, Township 24 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the E. D. Fanning Well No. 6, to be located 660 feet from the North and West lines of said Section 4.

CASE 1953: Application of Keohane, Saunders, Welch and Iverson for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hinkle-Federal Well No. 7-B in the Shugart Pool at a point 330 feet from the South line and 2329 feet from the East line of Section 35, Township 18 South, Range 31 East, Eddy County, New Mexico.

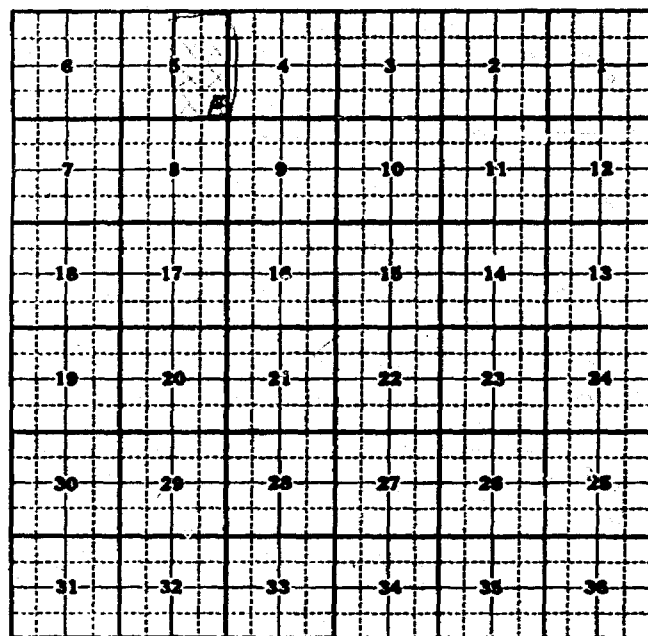
- ✓ CASE 1954: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Saunders (Permo-Pennsylvanian) Pool from all wells presently completed or hereafter drilled on the State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, Lea County, New Mexico.
- ✓ CASE 1955: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Monument Pool from all wells presently completed or hereafter drilled on the State B lease comprising the NW/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico.
- ✓ CASE 1956: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Townsend-Wolfcamp Pool from all wells presently completed or hereafter drilled on the State ETA lease comprising all of Section 8, Township 16 South, Range 35 East, Lea County, New Mexico.
- ✓ CASE 1957: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Denton (Devonian) Pool from all wells presently completed or hereafter drilled on the Priest lease comprising the N/2 of Section 1, Township 15 South, Range 37 East, Lea County, New Mexico.

Name

Address

Ph.

Remarks:



T R State
or County

X *Handwritten signature*

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 4-27-60

CASE 1945

Hearing Date 4-27-60

My recommendations for an order in the above numbered cases are as follows:

Grant Permian Oil Corp. request for forced Pooling under as requested;

1. Unit consists of E/2 of Sec. 5, 30 N-13 W.

2. Force pool the following ~~interests~~
Overriding royalty interests:

(a) Raymond V. Walker + Edith Walker, his wife,
whose last known address was 1250

South Figueroa St., L.A. Calif,

(b) Norman Raybark + Rose Ella Raybark,
his wife, address unknown.

Both of which own an O.R.R. interest
of 17 1/2 % of 100 % of the production
from the following lands within
this unit:

30 N-13 W.

Sec. 5, 5/2 NE/4, N/2 SE/4, SW/4 SE/4.

Consisting of 200 acres.

Thrust. W.

3. Such interest should be held in
escrow. 17.5% of $\frac{200}{320}$ of well production

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

May 13, 1960

Mr. Sin Christy
Hervey, Dow & Hinkle
Box 547
Roswell, New Mexico

Dear Mr. Christy: —

On behalf of your client, Permian Oil Company, we are enclosing two copies of Order E-1671 in Case No. 1945 issued by the Oil Conservation Commission this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Enclosures: (2)

CC: Ayler
Hobbs

C
O
P
Y

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1945
Order No. R-1671

APPLICATION OF PERMIAN OIL COMPANY
FOR AN ORDER FORCE-POOLING ALL
INTERESTS IN A 320-ACRE GAS UNIT
IN THE DAKOTA PRODUCING INTERVAL,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 27, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of May, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Permian Oil Company, is the operator of a 320-acre gas unit in the Dakota Producing Interval comprising the E/2 of Section 5, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That a communitization agreement covering the above-described 320-acre unit has been executed, ratified or consented to by all persons owning a mineral interest in the Dakota formation under the said 320-acre tract except two owners of a non-participating royalty interest in the amount of 17½ percent of all production in the S/2 NE/4, N/2 SE/4, and SW/4 SE/4 of said Section 5.

(4) That inasmuch as the applicant, after diligent effort, has been unable to locate the above-described non-consenting interest owners, it seeks an order force-pooling all Dakota Producing Interval mineral interest owners in the said 320-acre gas unit.

-2-

CASE No. 1945
Order No. R-1671

(5) That the applicant proposes to dedicate the said 320-acre gas unit to a well located 925 feet from the North line and 920 feet from the East line of said Section 5.

(6) That this case was duly advertised as provided by law, and no objection was received to the application from the non-consenting interest owners.

(7) That approval of the subject application will neither cause waste nor impair correlative rights, provided that the royalty payments due to the non-consenting interest owners whose whereabouts are apparently unknown are placed in escrow.

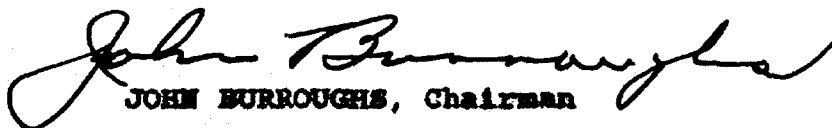
IT IS THEREFORE ORDERED:

(1) That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the Dakota Producing Interval underlying the E/2 of Section 5, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico, be and the same are hereby force-pooled. Said 320-acre unit is to be dedicated to a well located 925 feet from the North line and 920 feet from the East line of said Section 5.


(2) That all royalty payments due the mineral interest owners whose whereabouts are unknown shall be placed in escrow.

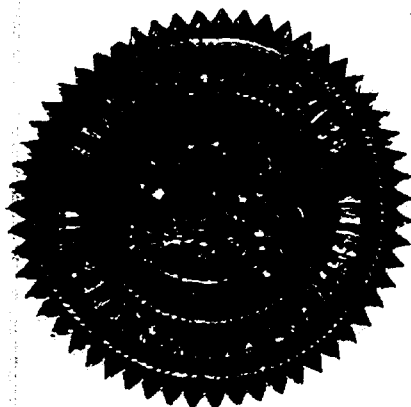
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


A. L. PORTER, Jr., Member & Secretary



esr/

COMMUNITIZATION AGREEMENT

Contract No.

THIS AGREEMENT entered into as of the 1st day of November, 1959, by and between the parties subscribing, ratifying or consenting hereto, such parties being hereinafter referred to as "parties hereto",

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended by the Act of August 8, 1946, 60 Stat. 950, 30 U.S.C. Secs. 181 et seq., authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing dry gas and associated liquid hydrocarbons in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

In San Juan County, New Mexico, being the East One-Half (E/2) of Section No. 5, Township 30 North, Range 13 West, N.M.P.M.,

containing 320.24 acres, more or less, and this agreement shall extend to and include only the Dakota Formation underlying said lands and the dry gas and associated liquid hydrocarbons (hereinafter referred to as "communitized substances") producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "A" designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. All matters of operation shall be governed by the Operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Oil and Gas Supervisor.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>3</u>
CASE NO. <u>1945</u>

Case
1945

5. In connection with the performance of work under this agreement the operator agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The operator agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause. The operator agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

6. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

7. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payment of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued.

8. There shall be no obligation on the lessees to offset any dry gas well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

9. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

10. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

11. This agreement shall be effective as of the date hereof upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior, or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced from the communitized area in paying quantities; provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.

13. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.

14. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

15. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

DATE: 12-28-59

Hancel M. McCord
Hancel M. McCord

DATE: 12-28-59

Margaret C. McCord
Margaret C. McCord

ATTEST:
Emma B. Stewart
Assistant Secretary

SOUTHERN UNION GAS COMPANY
J. C. Stewart

APPROVED	
Legal	<input checked="" type="checkbox"/>
Engr.	<input checked="" type="checkbox"/>
Explr.	<input checked="" type="checkbox"/>
Land	<input checked="" type="checkbox"/>
Geol.	<input checked="" type="checkbox"/>

DATE: _____

ATTEST:
Earl B. Howard
Secretary

WESTERN OIL TRANSPORTATION CO., INC.
W. D. Kleing
W. D. Kleing, Vice President

DATE: 12-25-59

DATE: 12-7-59

Josephine Bay Paul
Josephine Bay Paul

DATE: 12-7-59

C. M. Paul
C. M. Paul

THE STATE OF TEXAS
COUNTY OF DALLAS

II
II

BE IT REMEMBERED, That on this 28th day of December, A. D., 1959, before me, a Notary Public in and for said County and State, personally appeared HANSEL H. MCCORD and MARGARET C. MCCORD, to me known to be the identical persons described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have herunto set my official signature and affixed my notarial seal, the day and year first above written.

My commission expires

June 1, 1961

Mr. Jack Houston
Notary Public in and for Dallas County,
Texas

THE STATE OF TEXAS
COUNTY OF DALLAS

II
II

BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this 22nd day of December, A. D., 1959, personally appeared J.C. Rud to me known to be the identical person who subscribed the name of the maker thereof to the within and foregoing instrument as its Vice President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

IN TESTIMONY WHEREOF, I have herunto set my hand and official seal the day and year last above written.

My commission expires

June 1, 1961

Danna Huse
Notary Public in and for Dallas County,
Texas

THE STATE OF TEXAS
COUNTY OF MIDLAND

II
II

BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this 25th day of December, A. D., 1959, personally appeared W. D. KLEINE, to me known to be the identical person who subscribed the name of the maker thereof to the within and foregoing instrument as its Vice President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

IN TESTIMONY WHEREOF, I have herunto set my hand and official seal the day and year last above written.

My commission expires

0-1-61

W.D. Robinson
Notary Public in and for Midland County,
Texas

THE STATE OF *New York* **NY**
COUNTY OF *New York* **NY**

BE IT REMEMBERED, That on this *7th* day of *December*, A. D., 1959, before me, a Notary Public in and for said County and State, personally appeared C. M. PAUL and JOSEPHINE BAY PAUL, to me known to be the identical persons described in and who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal, the day and year first above written.

My commission expires



Notary Public in and for
County,

ARTHUR LIEF
NOTARY PUBLIC, State of New York
No. 41-2361125
Qualified in Queens County
Certs. filed in Queens County
Commission Expires March 30, 1962

Exhibit "A" to Communitization
Agreement
Dated November 1, A. D., 1959, embracing East
One-Half (E/2) of Section No. 5, Township 30
North, Range 13 West, N. M. P. M., San Juan
County, New Mexico

Operator of Communitized Area: Permian Oil Company, a corporation, 611 West Texas
Street, Midland, Texas

DESCRIPTION OF LEASES COMMITTED

Tract No. 1
Fee Land

Lessor: Clair Patterson and wife, Violet Patterson, Farmington, New Mexico

Lessee of Record: Western Oil Transportation Co., Inc., Josephine Bay Paul, C. M. Paul

Date of Lease: April 17, 1957

Description of Lands Committed: In San Juan County, New Mexico, being all of the
South One-Half of the Northeast Quarter, all of the
North One-Half of the Southeast Quarter and the
Southwest Quarter of the Southeast Quarter of
Section No. 5, Township 30 North, Range 13 West,
N.M.P.M.

Number of Acres: 200

Working Interest and Percentage: Western Oil Transportation Co., Inc. --- 1/4 of 70%
Josephine Bay Paul --- 85% of 3/4
of 70%
C. M. Paul --- 15% of 3/4 7.8%
of 70%

Overriding Royalty Interest and Percentage: 17-1/2%

Provision of Fee Lease Authorizing Pooling: Section 14.

"Lessee is granted the right and power, exercisable from time to time and either before or after production is secured from the leased premises or other premises proposed to be pooled hereunder (but in no event after the expiration of twenty (20) years after the death of the last survivor of the individuals signing this lease in any capacity as or for a Lessor), if this lease is then in force, but not thereafter, to pool and combine this lease and Lessor's royalty hereunder, as to all or any part of the land covered hereby, or any formation thereunder or mineral therein, with any other lease or leases and the royalty thereunder, as to all or any part of the land covered thereby, or the same formation thereunder or the same minerals therein, or with other land, royalty or mineral interests in land or the same formation thereunder or the same mineral therein, situated in the same sections as the land covered hereby, regardless of the ownership thereof, provided that for gas and/or condensate no unit created shall exceed six hundred and forty-seven (647) acres, and for oil no such unit shall exceed forty-three (43) acres. The exercise of such right and power shall be evidenced by written instrument executed by Lessee describing the land so pooled and combined. The entire acreage so pooled and combined into a unit and all drilling and other operations on, and production from, such acreage shall for all purposes of this lease, except as in this paragraph otherwise provided, be treated and considered as if such acreage were covered by, and such drilling and other operations were being conducted on, or such production were had from this lease, and such operations or production, even though not on or from land covered by this lease, shall nevertheless operate to continue this lease in force as to all land, minerals and rights covered hereby with like effect as though on or from the land covered hereby. Without impairment or change of any rights of Lessee under paragraph 11 hereof, Lessor shall receive as royalty on production from the pooled acreage only such portion of the royalty stipulated in paragraph 3 hereof as the amount of Lessor's acreage placed in the unit,

or Lessor's royalty interest therein on an acreage basis, bears to the total acreage so pooled and combined in the particular unit involved, and such royalty shall be in lieu of the royalty provided in said paragraph 3. If by reason of cessation of operations on or production from a pooled unit, or for any other reason, Lessee determines to pay rentals which Lessee is permitted to pay under this or other leases covering land in any unit, such rentals shall be payable to the respective Lessors in this and such other leases in like manner as though such unit had not been created, and pooling hereunder shall not operate to pool such rentals. Lessee shall not be obligated to drill any offset wells on land covered hereby and not pooled, to offset wells drilled on a unit which includes any part of the land covered hereby. Should the acreage content of any unit be reduced by failure of title, or other event beyond the control of Lessee, Lessee shall not be liable to Lessor by reason thereof or be obligated to make any retroactive apportionment or adjustment of royalties theretofore paid, and in any such case, in addition to all other rights under this lease, Lessee shall also have the right to terminate the unit affected thereby by filing for record written notice of termination of such unit and thereupon Lessee shall be relieved of all obligations thereafter accruing hereunder with respect to the unit so terminated."

Tract No. 2
Fee Land

Lessor: Newton H. Knight and wife, Corrie F. Knight (address not shown)

Lessee of Record: Western Oil Transportation Co., Inc., Josephine Bay Paul, C. M. Paul

Date of Lease: April 18, 1957

Description of Lands Committed: In San Juan County, New Mexico, being all of the North One-Half of the Northeast Quarter of Section No. 5, Township 30 North, Range 13 West, N. M. P. M.

Number of Acres: 80.24

Working Interest and Percentage: Western Oil Transportation Co., Inc. — 1/4 of 70%
Josephine Bay Paul — 85% of 3/4 of 70%
C. M. Paul — 15% of 3/4 of 70%

Overriding Royalty Interest and Percentage: 17-1/2%

Provision of Fee Lease Authorizing Pooling: Section 14; same as quoted under Tract No. 1

Tract No. 3

Lessor: United States of America

Lessee of Record: Hancel M. McCord

Serial No. of Lease: 078212

Date of Lease: January 1, 1949

Description of Lands Committed: In San Juan County, New Mexico, being the Southeast Quarter of the Southeast Quarter of Section No. 5, Township 30 North, Range 13 West, N. M. P. M.

Number of Acres: 40

Working Interest and Percentage: Western Oil Transportation Co., Inc. 1/4 of 75.5%
Josephine Bay Paul 85% of 3/4 of 75.5%
C. M. Paul 15% of 3/4 of 75.5%

Overriding Royalty Interest and Percentage: 12%

RECAPITULATION

Tract Number	Number of Acres Committed	Percentage of Interest in Communitized Area
1	200	62.5%
2	80.24	25.0%
3	40	12.5%

RATIFICATION OF COMMUNITIZATION AGREEMENT

WHEREAS, heretofore under date of November 1, 1959, a certain Communitization Agreement was entered into by and between HANCEL W. MCCORD and wife, MARGARET C. MCCORD, SOUTHERN UNION GAS COMPANY, WESTERN OIL TRANSPORTATION CO., INC., JOSEPHINE BAY PAUL, and C. M. PAUL, communitizing the East Half (E/2) of Section 5, Township 30 North, Range 13 West, N.M.P.M., in San Juan County, New Mexico, containing 320.24 acres, more or less, extending to and including only the Dakota Formation lying under said lands and the dry gas and associated liquid hydrocarbons producible from such formation, said Communitization Agreement here referred to and made a part hereof for all purposes; and

WHEREAS, Permian Oil Company, a corporation, is the operator of said communitized area, and it is required that said Permian Oil Company adopt, ratify and confirm said Communitization Agreement in all of its terms and provisions, just as though said Permian Oil Company had executed the Communitization Agreement in the first instance.

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties thereto and the party hereto, Permian Oil Company, a corporation, by and through its authorized officers, does hereby adopt, ratify, covenant and agree to and be bound by all the terms, provisions and conditions set out and a part of the above referred to Communitization Agreement, just as though said Permian Oil Company had been a party to and executed said original Communitization Agreement.

IN TESTIMONY WHEREOF, WITNESS the hand of said Permian Oil Company, this the 6th day of January, A.D., 1960.

PERMIAN OIL COMPANY

ATTEST:

Odin M. Holiman
Odin M. Holiman, Assistant Secretary

By: B. J. Pevhouse
B. J. Pevhouse, Vice President

THE STATE OF TEXAS 1

COUNTY OF MIDLAND 1

personally appeared B. J. PEVHOUSE, to me known to be the identical person who subscribed the name of the maker thereof to the within and foregoing instrument as its Vice President and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

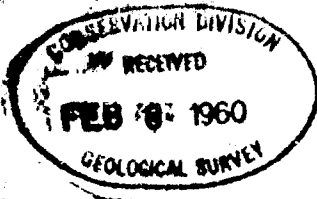
BEFORE ME, the undersigned, a Notary Public, within and for said County and State, on this 6th day of January, A.D., 1960, per-

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

My commission expires June 1, 1961

Allene T. Hopkins
Notary Public in and for Midland County,
Texas.

ALLENE T. HOPKINS



APPROVAL - CERTIFICATION - DETERMINATION

File
POC
Knight

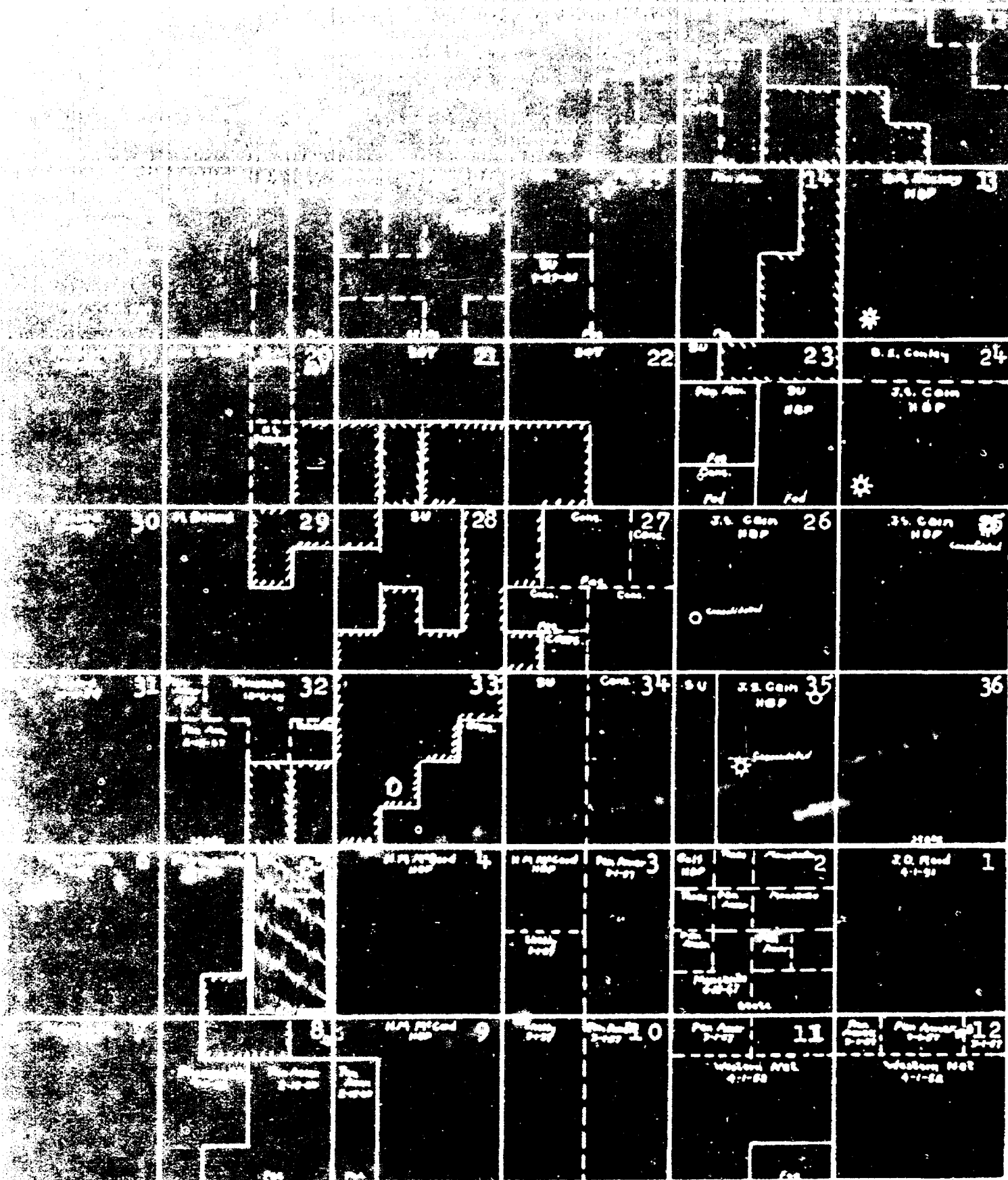
Pursuant to the authority vested in the Secretary of the Interior under the Act approved February 25, 1920, 41 Stat. 437, 30 U.S.C. sec. 181 et seq., as amended by the Act of August 8, 1946, 50 Stat. 950, and delegated to the Director of the Geological Survey, pursuant to Departmental Order No. 2365 of October 8, 1947, 43 CFR sec. 4.618, 12 FR 6784, I do hereby:

- A. Approve the attached communitization agreement covering the 24 Section 2, Township 20 N. Range 22 E., N.M.P.M. San Juan County County, New Mexico, as to dry gas and associated liquid hydrocarbons producible from the Permian formation.
- B. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest.
- C. Certify and determine that the drilling, producing, rental minimum royalty and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed or revoked to conform with the terms and conditions of the agreement.

Dated FEB 15 1960

William M. Baker
Acting Director
United States Geological Survey

Document No. 14-08-001-6722



Noel Reynolds Cuccia Acreage
 Standard of Texas Acreage
 San Juan County, New Mexico

DRAFT
OEP:esr
May 6

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1945

Order No. R-1671

APPLICATION OF PERMIAN OIL COMPANY
FOR AN ORDER FORCE-POOLING ALL
INTERESTS IN A 320-ACRE GAS UNIT
IN THE DAKOTA PRODUCING INTERVAL,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
April 27, 1960, at Santa Fe, New Mexico, before Elvis A. Utz
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accordance
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this day of May, 1960, the Commission,
a quorum being present, having considered the application, the
evidence adduced, and the recommendations of the Examiner, Elvis A.
Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the sub-
ject matter thereof.

(2) That the applicant, Permian Oil Company, is the operator of a 320-acre gas unit in the Dakota Producing Interval comprising the E/2 of Section 5, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico.

(3) That a communitization agreement covering the above-described 320-acre unit has been executed, ratified or consented to by all persons owning a mineral interest ^{in the Dakota formation} under the said 320-acre tract except two owners of a non-participating royalty interest in the amount of 17 1/2% ^{percent} of all production in the S/2 NE/4, N/2 SE/4, and SW/4 SE/4 of said Section 5.

(4) That inasmuch as the applicant, after diligent effort, has been unable to locate the above-described non-consenting interest owners, it seeks an order force-pooling all Dakota Producing Interval mineral interest owners in the said 320-acre gas unit.

(5) That the applicant proposes to dedicate the said 320-acre gas unit to a well located 925 feet from the North line and 920 feet from the East line of said Section 5.

(6) That this case was ^{duly} ~~dually~~ advertised as provided by law, and no objection was received to the application from the non-consenting interest owners.

(7) That approval of the subject application will neither cause waste nor impair correlative rights, provided that the royalty payments due to the non-consenting interest owners whose whereabouts ^{are} apparently unknown are placed in escrow.

IT IS THEREFORE ORDERED:

(1) That the interests of all persons having the right to drill for, produce, or share in the production of dry gas and associated liquid hydrocarbons, or either of them, from the Dakota Producing Interval underlying the E/2 of Section 5, Township 30 North, Range 13 West, NMPM, San Juan County, New Mexico, be and the same are hereby force-pooled. Said 320-acre unit is to be dedicated to a well located 925 feet from the North line and 920 feet from the East line of said Section 5.

(2) That all royalty payments due the mineral interest owners whose whereabouts are unknown shall be placed in escrow.

Done at etc . . .

(Don't think it is a waste of time to sue if it is our production. We own it. Our action that is to go to these people. OK)