

CASE 1995: Application of REDFERN &
HERD, Inc. for an order force pooling
interests in a 328-acre gas unit in
the Dakota Producing Interval.

Casa No.

1995

Application, Transcript,
Small Exhibits, Etc.

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. 1995
Order No. R-1702

APPLICATION OF REDFERN AND HERD, INC.,
JOHN J. REDFERN, JR., AND J. H. HERD
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 1 o'clock p.m. on June 22, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 24th day of June, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Redfern and Herd, Inc., is the operator of a 320-acre gas unit in the Dakota Producing Interval comprising the N/2 of Section 32, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.
- (3) That all persons owning a mineral interest in the Dakota Producing Interval under the said 320-acre tract have agreed to the pooling of the acreage within said tract into one Dakota gas unit, with the exception of one person who owns a 1/4 undivided interest in the royalty from the NW/4 NE/4 and the NE/4 NW/4, Section 32, Township 29 North, Range 11 West, San Juan County, New Mexico.
- (4) That this case was duly advertised as provided by law, and no objection was received to the application from any non-consenting interest owner.

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CASE No. 1995
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(5) That the applicant proposes to dedicate the said 320-acre gas unit to a well located in the NE/4 NE/4 of the said Section 32, which well has been completed into the Dakota Producing Interval.

(6) That approval of the subject application will neither cause waste nor impair correlative rights.

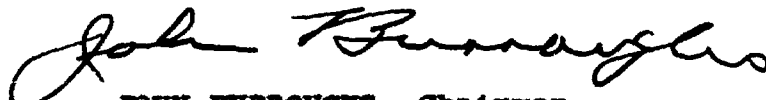
(7) That denial of this application would deprive the working interest owner of the NW/4 NE/4 and the NE/4 NW/4 of said Section 32 of the opportunity to recover his just and equitable share of the production from the Dakota Producing Interval.

IT IS THEREFORE ORDERED:


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 N/2 of Section 32, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, be and the same are hereby force-pooled to form a 320-acre Dakota gas unit comprising all of said acreage. Said 320-acre gas unit is to be dedicated to a well located in the NE/4 NE/4 of said Section 32.

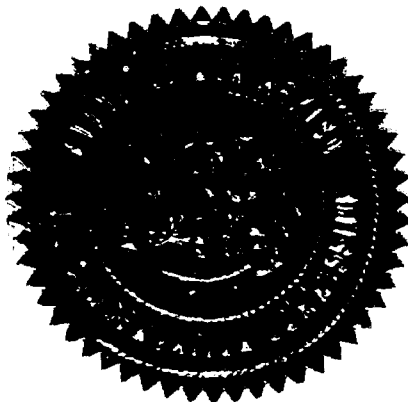
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



esx/

BEFORE THE
OIL CONSERVATION COMMISSION
MABRY HALL
Santa Fe, New Mexico
June 22, 1960

EXAMINER HEARING

IN THE MATTER OF: Case 1995

Application of Redfern and Herd, Inc.,
John J. Redfern, Jr., and J. H. Herd for an
order force pooling the interests in a
320-acre gas unit in the Dakota Producing
Interval. Applicant, in the above styled
cause, seeks an order force pooling all
mineral interests in the N/2 of Section 32,
Township 29 North, Range 11 West, San Juan
County, New Mexico, insofar as the Dakota
Producing Interval is concerned, including
Pan American Petroleum Corporation and in-
cluding the following person who has not
consented to communitization:
Sam Carson, 511 E. Main Street, Farmington,
New Mexico.

BEFORE:

D. S. Nutter, Chief Engineer
O. E. Payne, General Counsel

TRANSCRIPT OF HEARING

Mr. Nutter: The hearing will come to order, please.

Mr. Payne: The first case is 1995.

Mr. Verity: The Applicant is ready.

I would also like to announce, in our application we in-
dicated that Pan American Petroleum Corporation had a lease in that



320 acres that we have joined since then. They had joined the unit a week and a half ago, and we received a telegram from them a day before the First that they would join in the unit and also an oral agreement regarding the matter. We still have Sam Carson who has an undivided one-fourth lessor's royalty interest under the 80 acres in this 320 acres being the N. E. 1/4 of the N. W. 1/4, and N. W. 1/4 of the N. E. 1/4.

Mr. Nutter: He has an undivided interest?

Mr. Verity: One-fourth lessor's interest. Pan American in all of the leases under this 320 acres have joined in the Dakota Producing.

Mr. Nutter: You do have 320 acres of working interest?

Mr. Verity: This is correct. We have this much of a problem with regard to this matter--one of the leases, which is a Federal Government lease, will expire, or would expire, at midnight on the Thirtieth of this month, June, except for production in this unit. For this reason we would need this 1/4 or 20 acres of lessor's royalty interest to be pooled in the unit so it makes it complete as to all royalty interests. The United States Government raises some question about acknowledging the vailidity of unitizing 320 acres if all royalty is not in it. For this reason, at the close of this hearing, I would like to ask if it's possible for an order from the bench.

Mr. Nutter: That would be impossible, Mr. Verity. How-



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ALBUQUERQUE, NEW MEXICO

ever, it would appear you would be able to start your well.

Mr. Verity: I am just coming to that. This well has already been drilled in the N. E. 1/4 of the N. E. 1/4. I point out to you that this is not on the 80 acres that Mr. Carson's 20 acres is under.

Mr. Nutter: The 80 acres, is that the lease that is going to expire?

Mr. Verity: No, it is not. We need the royalty in the pools. The United States Geological Survey on behalf of the Federal Government takes the position that is necessary because it's a valid 320-acre unit. We must have the 320-acre unit in order to preserve the Federal lease acreage that would expire except for production because the well in the North of the Northeast is not on the Federal lease, that would be expired at that time.

Mr. Payne: We will expedite any order. Of course, the Examiner cannot make decisions, all decisions are Commission decisions, he recommends to the Commission.

Mr. Verity: I see. We will appreciate any order being expedited and with that preliminary I would like to call Mr. Earl Rogers to the witness stand.

(Witness sworn.)

EARL ROGERS

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



DIRECT EXAMINATION

BY MR. VERITY:

Q State your name?

A Earl Rogers.

Q Mr. Rogers, what is your occupation?

A I am an independent land man.

Q Have you had experience in the San Juan and San Juan County areas?

A Yes, sir.

Q Have you been doing work for John Redfern, Jr., and J. H. Herd?

A Yes, sir.

Q Are you familiar with the land situation underlying the North 1/2 of Section 32, Township 29 North, Range 11 West, in San Juan County?

A Yes, sir.

Q Have you done land work in that 320 acres, particularly with regard to obtaining a unit agreement from lessors and royalty owners under the area?

A Yes.

Q Do you have knowledge of whether or not everyone has joined in the making and agreeing to producing the Dakota formation underlying the North 1/2 of that Section 32 as a unit?

A Yes, sir, except one.



Q Who is that one?

A Sam Carson.

Q Have you discussed that with Mr. Carson?

A Yes.

Q Tell us, if you will, please, whether or not he is refusing to join in the unit?

A He has refused to sign the unit agreement.

Q Has he refused to sign the agreement, unit agreement that the other royalty owners under the North 1/2 of 32 have agreed to sign, and have signed?

A An identical instrument was presented to him for signature and they signed it.

Q What were the terms of the agreement that you endeavored to get Mr. Carson to sign?

A We endeavored to pool his interest to the 320-acre unit insofar as the Dakota formation was concerned, where he would derive his proportional benefit from the royalty in the unit as a whole.

Q Now, do you know what acreage Mr. Carson owns, under what interest does he own in the North 1/2 of 32?

A He owns one-fourth undivided interest in the Northeast of the Northwest corner, in the Northwest and Northeast.

Q When you say 'undivided one-fourth interest', are you referring to the Lessor's royalty or lease interest?



A A mineral interest.

Q Is that subject to the lease?

A It's subject to the lease.

Q Is that Redfern?

A It's by J. J. Redfern.

Q Do you know whether or not a well has been drilled on that 320 acres?

A Yes.

Q Where is it located?

A Northeast-Northeast.

Q Has it been completed in the Dakota gas zone?

A Yes.

Q Dakota formation?

A Yes.

Q Does Mr. Carson's royalty extend under that 320 that the well is on?

A No, he doesn't have mineral under that 320.

Q Then, except for pooling, would he obtain any royalty at all from this well if it were not pooled or unitized?

A No.

Q Does he have, if I understand you correctly, you said he owned royalty under 80 acres of the 320 in the Northeast and Northwest to the Northwest and Northeast, and you also said that the well was located on the Northeast of the Northeast?



A Right.

Q That means he has no royalty under the well?

A Right, not under the well.

Q So he has no right to receive any royalty from this well unless this Commission grants pooling order, isn't that correct?

A Yes.

Q So, actually, this application will entitle him to share from the production of this well the same as any other owner under the North 1/2 of Section 32?

A Correct.

Q Do you know who owns the lease underlying the Southwest or Northeast 1/4 of 32?

A The Southwest of Northeast, that is a Federal Lease that is owned by Redfern.

Q When does it expire?

A June 30, 1960.

Q Will it be continued by production if it is producing at that time?

A Yes.

Q And, is it necessary in order to continue that lease that the Southeast 1/4 of the Northeast 1/4 be pooled with the Northeast of the Northeast?

A Yes, sir.

Q Where the well is located?



A Yes, sir.

Q Do you know whether or not, at the present time, the United States Geological Survey on behalf of the United States Government, in that lease requires that all royalty in the North 1/2 of Section 32 be pooled before they recognize it as a completely pooled unit, is that correct?

A Yes. On this first unit we sent down there for an approval on the grounds that all mineral owners should join in the communitization agreement.

Q Based on your knowledge of the oil and gas industry, do you think the opportunity that you afforded Mr. Carson to join in this unit was a fair one?

A Yes, definitely.

Q Do you think he will be at an advantage by it?

A He will be definitely at an advantage.

Mr. Verity: That is all we have from this witness.

Mr. Nutter: What did you say your name is?

The Witness: Earl Rogers.

Mr. Nutter: Rogers?

The Witness: Yes.

Mr. Nutter: Does anyone have any questions of Mr. Rogers?

Q (By Mr. Payne) Do you consider the possibility of forming a 240 acre non-standard unit, leaving out the 80 which Mr. Carson has interest in?



Mr. Verity: I think that is a legal question, and I would like to answer it.

Mr. Payne: Go ahead.

Mr. Verity: The situation, if we left it out, you would deprive on that 80 of their rightful correlative rights. You couldn't leave out that royalty without leaving out the leases.

Mr. Payne: All we have to do is drill a well.

Mr. Verity: You mean drill Dakota on that 80 acres?

Mr. Payne: That is correct.

Q (By Mr. Payne) Do you believe, then, all of this application would, due to the smallness, or shape, or size of either one of these two units, the 80 included in the 320, would deprive anybody of the opportunity to recover their just and fair share?

A (the witness) It might not be economically feasible if we had forced a man to drill. A man on the 80 acres, he couldn't get a full share.

Mr. Payne: Yes, he would in the Dakota.

Mr. Verity: That is only in the event that it never becomes a pro-rated pool.

Mr. Payne: That is right.

Q (By Mr. Payne) I would like to know what Mr. Carson indicated to the applicant, his particular reason for refusing to sign the communitization agreement?

A (the witness) Well, nothing positive. He didn't give



any positive reason for not signing it.

Mr. Nutter: Mr. Rogers, I have been just trying to construct a map of the area to see where it lies and, as I understand it, you have been seeking to create a new unit to Dakota and comprise all of the North 1/2 of Section 32?

A Right.

Q The well is located in the Northeast of the Northeast 1/4 of Section 32?

A Correct.

Q The Southeast 1/4 of the Northeast 1/4 is 40 acres, which expire 6-30-60?

A Correct.

Q What is the remaining acreage? What is the lease statutes of the rest of it?

A Well, we should commence, the Northeast-Northeast is a Federal lease and it's held high production.

Q Who's the lease owner on it?

A Mr. Redfern.

Q Redfern, O. K.

A Then the Southwest of the Northeast is a public company State lease, and it's still in primary territory.

Q It's a State lease?

A Yes. And then the Northwest of the Northeast is Redfern's lease.



Q Northwest of the Northeast, is that the Carson property, right?

A He owns the lease, Mr. Redfern.

Q Is that Redfern Carson?

A Yes.

Q Northwest-Northeast?

A Yes. And it's held high production, the Southeast of the Northwest is a Federal lease that is owned by Mr. Redfern and it expires 10-1-60 in the absence of production, and the Northeast-Northwest is a Redfern leasehold interest.

Q That is the Carson lease again?

A Yes, again, yes, sir. Then the Southwest of the Northwest is a Pan American lease.

Q Is it a Federal-State?

A It's a free lease.

Q Free lease?

A Yes, sir. The Northwest of the Northwest is the lease owned by Mr. Redfern, a free lease.

Q What is the expiration date there?

A On that one, that lease was taken November 16th for six months time.

Q So when does it expire?

A May 16th. It's held by production now with this well.

Q Now, you say Carson has a 1/2 undivided interest?



A One-fourth.

Q One-fourth undivided interest in the royalty. In other words, he has got $1/4$ of $1/8$ of this 80 acres?

A Yes, sir.

Q And, being a royalty owner, he will not have to participate in the cost of drilling or completing this well?

A No, sir, no cost.

Mr. Nutter: Any further questions?

Mr. Payne: I take it, in the interest of being safe, you are assuming for the purpose of this case, at least, the royalty interest?

Mr. Verity: I think they do in this instance, yes, I surely do, and I also would like to point out to the Commission that if this 80 acres cannot be drilled, which the witness has testified was not economically feasible, would not only deprive the lessors of correlative rights, you would also deprive the other three-fourths of royalty, you would deprive Mr. Carson also.

Mr. Nutter: Approved the communitization?

Mr. Verity: No, they have indicated they would when this royalty interest, or when the Commission bares those pools, 320 acres.

Mr. Nutter: I would like to ask if you will relate the contacts that you have had with Mr. Carson and what you did?

The Witness: Well, I contacted Mr. Carson after I had



received the signatures of the other mineral owners in this communitization agreement, and explained to him that we were trying to form a North 1/2 unit which, at the time I was talking to him, the Dakota well was drilling and he wouldn't sign it that night, and I explained to him what we were trying to do, and if he would sign the communitization agreement that he would receive his pro-rata share of the mineral and own part of the production, and we made some appointment to meet and talk later, which he didn't keep. It was kind of hard to find the guy to arrange another meeting, which I finally did, and he still wouldn't sign the agreement. So, then, I suggested maybe I hadn't explained it to him fully, and we would go to an attorney and see if he could explain the reason, what we were trying to get the man to execute, which he didn't do that.

Mr. Nutter: Mr. Rogers, I believe you stated a well was in the Southwest of the Northeast and was a public company, however, I note in the Application that Aztec has a lease.

Mr. Verity: The Southwest.

Mr. Nutter: It was public company rather than Aztec?

Mr. Verity: Correct. If you are through, I have one other question of the witness.

Mr. Rogers, do you know whether or not the mineral interest, that is, the lessor's royalty interest that Mr. Carson owns are the 80 in that Section, North 1/2 of Section 32, is also under a lease with other land?



The Witness: Yes, it was.

Q Are those other lands producing?

A Yes.

Q So, then, this lease of Mr. Carson's would not expire even if it's not pooled here, would it?

A No.

Q It's been extended by the production?

A Yes.

Mr. Payne: This is a Dakota unit to the north of this proposed unit?

The Witness: Not a Dakota unit north of this Pictured Cliff unit that was formed in the North 1/2 of the Northeast 1/4 of 32. and the South 1/2 of the Southeast 1/4 of 29 and 29-11.

Mr. Nutter: Are there any further questions of Mr. Rogers?

Mr. Verity: I don't have anything further of this witness.

Mr. Nutter: Are there any other appearances to be made in this case? The witness may be excused.

Mr. Verity: I want to introduce into evidence Order Number R-1287 in Cases Nos. 1508 and 1523, an Order establishing 320 acre drilling and spacing units for the Dakota formation underlying this particular 1/2 section and I would particularly like to call to the Commission's attention Paragraph 4 of the Findings in



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<u>WITNESSES:</u>	<u>PAGE</u>
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E X H I B I T S

<u>Number</u>	<u>Exhibit</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
Appl 1	Order No. R-1287		14	14



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ALBUQUERQUE, NEW MEXICO

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this Order which says that the preponderance of the evidence indicates that the producing interval under consideration can be efficiently and economically drained on a 320 acre spacing pattern, and that said interval can best be developed on such a pattern and we think, your Honor, that it's actually res adjudicata, that is, economic limit to develop this 80 acres, 80 acre well would not be competent.

Mr. Nutter: You go along with that finding 320.

Does anyone have anything further? If not, we will take the case under advisement.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

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ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, LEWELLYN NELSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 7th day of July, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Llewellyn F. Nelson
NOTARY PUBLIC

My Commission Expires:

June 14, 1964.

I do hereby certify that the foregoing is a complete record of the proceedings in the Hearing of Case No. 1945 heard by me on 6/22, 19 60.

[Signature], Examiner
New Mexico Oil Conservation Commission



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.

CASES NO. 1508 & 1523
Order No. R-1287

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR AN ORDER ESTABLISHING
320-ACRE SPACING IN THE GRANEROS,
DAKOTA AND UPPER MORRISON PRODUCING
INTERVAL IN SAN JUAN AND RIO ARriba
COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
October 15, 1958, at Farmington, New Mexico, before the Oil
Conservation Commission of New Mexico, hereinafter referred to
as the "Commission."

NOW, on this 21st day of November, 1958, the Commission,
a quorum being present, having considered the application and the
evidence adduced, 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, El Paso Natural Gas Company,
seeks an order establishing 320-acre spacing in San Juan and Rio
Arriba Counties, New Mexico, for the producing interval extending
from the base of the Greenhorn limestone to a point 400 feet below
the base of said formation, which interval is hereinafter referred
to as the "Dakota Producing Interval" and is comprised of the
Graneros formation, the Dakota formation, and the productive upper
portion of the Morrison formation.
- (3) That the Barker Creek-Dakota Gas Pool, the Ute Dome
Gas Pool, and the Angels Peak-Dakota Gas Pool were expressly
excluded from the application.
- (4) That the preponderance of the evidence indicates that
the producing interval under consideration can be efficiently and
economically drained on a 320-acre spacing pattern, and that said
interval can best be developed on such a pattern.

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Cases No. 1508 & 1523
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(5) That the applicant proposes that the well location provision of the special rules and regulations for the Dakota Producing Interval be such as to permit the drilling of a well on either quarter section in a 320-acre unit.

(6) That the proposal set forth in finding No. 5 is justified because of the anticipated dual completion and/or recompletion of many wells drilled to other horizons.

IT IS THEREFORE ORDERED:

(1) That the Dakota Producing Interval be and the same is hereby established and defined as set forth in Exhibit "A" which is attached hereto and made a part hereof.

(2) That any well which was projected to or completed in the Dakota Producing Interval prior to the effective date of this order be and the same is hereby granted an exception to Rules 1 and 2 of the Special Rules and Regulations for said Interval as hereinafter set forth.

(3) That Special Rules and Regulations for the Dakota Producing Interval be and the same are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE
DAKOTA PRODUCING INTERVAL

RULE 1. (a) That each well drilled to or completed in the Dakota Producing Interval shall be located on a tract consisting of approximately 320 acres comprising any two contiguous quarter sections of a single governmental section, being a legal subdivision of the United States Public Lands Survey. For purposes of these Rules a unit consisting of between 316 and 324 surface contiguous acres shall be considered a standard unit.

(b) The Secretary-Director of the Commission shall have authority to grant an exception to Rule 1 (a) without notice and hearing where an application has been filed in due form and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

1. The non-standard unit consists of contiguous quarter-quarter sections or lots.

2. The non-standard unit lies wholly within a single governmental section.

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Cases No. 1508 & 1523

Order No. R-1287

3. The entire non-standard unit may reasonably be presumed to be productive of gas.

4. The length or width of the non-standard unit does not exceed 5280 feet.

5. That applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

6. In lieu of Paragraph 5 of this Rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered mail of his intent to form such non-standard unit. The Secretary-Director of the Commission may approve the application, if, after a period of 30 days following the mailing of said notice, no such operator has made objection to the formation of such non-standard unit.

RULE 2. (a) (1) That all wells drilled to or completed in the Dakota Producing Interval shall be located no nearer than 790 feet to the boundary line of the unit and shall be located no nearer than 130 feet to a governmental quarter-quarter section line or subdivision inner boundary line.

(2) In the event any such well is completed as an oil well at a location nearer than 330 feet to a governmental quarter-quarter section line, said well shall not be produced unless and until such time as the unorthodox oil well location has been approved by the Commission after notice and hearing.

(b) The Secretary-Director of the Commission shall have authority to grant an exception to Rule 2 (a) without notice and hearing where an application therefor has been filed in due form and the Secretary-Director determines that good cause exists for granting such exception.

Applicants shall furnish all offset operators and all operators within the section in which the subject well is located a copy of the application to the Commission, and applicant shall include with his application a list of names and addresses of all such operators, together with a stipulation that proper notice has been given said operators at the addresses given. The Secretary-Director of the Commission shall wait at least 20 days before approving any such unorthodox location, and may approve such unorthodox location only in the absence of objection from any offset operator or any operator within the section in which the well is located. In the event such an operator objects to the unorthodox location, the Commission shall consider the matter only after proper notice and hearing.

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Cases No. 1508 & 1523
Order No. R-1287

IT IS FURTHER ORDERED:

That the foregoing Special Rules and Regulations shall have no application whatsoever in any area which is now or may hereafter be defined by the Commission as an oil pool in the Dakota Producing Interval.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

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Cases No. 1508 & 1523
Order No. R-1287

EXHIBIT "A"

DAKOTA PRODUCING INTERVAL

HORIZONTAL LIMITS: San Juan and Rio Arriba Counties, New Mexico, with the exception of the Barker Creek-Dakota Gas Pool, the Ute Dome Gas Pool and the Angels Peak-Dakota Gas Pool together with any extensions thereof.

VERTICAL LIMITS: Base of the Greenhorn Limestone to a point 400 feet below the base of said formation and consisting of the Graneros formation, the Dakota formation and the productive upper portion of the Morrison formation.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 24, 1960

C
O
P
Y
Mr. George Verity
152 Petroleum Center Bldg.
Farmington, New Mexico

Dear Sir:

On behalf of your client we enclose two copies of Order R-1702 in Case 1995, which was issued by the Oil Conservation Commission this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Carbon copy of order sent to:

Oil Conservation Commission
Hobbs and Aztec

No. 17-60

DOCKET: EXAMINER HEARING JUNE 22, 1960

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Olive E. Payne, Attorney, as alternate examiner:

*NOTE: Case Nos. 1995 through 2001 and Case 1972 will not be heard before 1 p.m.

- CASE 1989: Application of Amerada Petroleum Corporation for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its State SR "A" Well No. 1, located in the SW/4 SW/4 of Section 14, Township 9 South, Range 32 East, Lea County, New Mexico, with the injection to be in the Devonian formation in the interval from 11,108 feet to 11,130 feet.
- CASE 1990: Application of Continental Oil Company for a waterflood project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a waterflood project in the Skaggs Pool on its Southeast Monument Unit by the injection of water into the Grayburg formation through six wells located in Sections 19, 24, and 30, Township 20 South, Ranges 37 and 38 East, Lea County, New Mexico.
- CASE 1991: Application of Texaco Inc. for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its C. P. Falby "B" Well No. 3, located in Unit M, Section 8, Township 22 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Edmont Pool and oil from the Penrose-Skelly Pool through parallel strings of one-inch O.D. tubing and 2 1/16-inch O.D. tubing respectively.
- CASE 1992: Application of Texaco Inc. for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Dollarhide-Queen Pool from its United Royalty "A" Lease comprising the S/2 SW/4, NE/4 SW/4, and the SE/4 NW/4 of Section 19, Township 24 South, Range 38 East, Lea County, New Mexico, its Royalty Holding Company Lease comprising the SW/4 NW/4 of said Section 19, and from its W. L. Stephen Estate Lease, comprising the N/2 NW/4 of said Section 19, after separately metering the production from each lease.

CASE 1993: Application of Shell Oil Company for an amendment of Order R-1101-A. Applicant, in the above-styled cause, seeks an order amending Order R-1101-A to include the following-described leases in the commingling and automatic custody transfer authorization granted in said order:

Linam Lease, NE/4 NE/4 and NW/4 NW/4, Section 3,
Lowe Land Lease, NW/4 NE/4 and NE/4 NW/4,
Section 3

both in Township 20 South, Range 35 East, Lea County, New Mexico

CASE 1994: Application of Intex Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of its Puerto-Chiquito Unit Agreement, which unit will embrace approximately 12,721 acres of Federal and fee land in Township 26 North, Range 1 East, Rio Arriba County, New Mexico.

* The following cases will not be heard before 1 p.m.

CASE 1995: Application of Redfern and Herd, Inc., John J. Redfern, Jr., and J. H. Herd for an order force pooling the interests in a 320 acre gas unit in the Dakota Producing Interval. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the N/2 of Section 32, Township 29 North, Range 11 West, San Juan County, New Mexico, insofar as the Dakota Producing Interval is concerned, including Pan American Petroleum Corporation and including the following person who has not consented to communitization: Sam Carson, 511 E. Main Street, Farmington, New Mexico.

CASE 1996: Application of Leonard Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Federal Ginsberg Well No. 9, located in Unit D, Section 31, Township 25 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Justis-Fusselman Pool and oil from the Blinebry formation adjacent to the Justis-Blinebry Pool through parallel strings of 2 3/8-inch tubing.

CASE 1997: Application of Sun Oil Company for permission to commingle the production from several separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Wolfcamp production from several separate leases in Sections 2, 3, 4, 8, 9, 10, and 11 of Township 9 South, Range 34 East, Lea County, New Mexico, and Section 35 of Township 8 South, Range 34 East, Roosevelt County, New Mexico.

CASE 1998: Application of Great Western Drilling Company for an order force-pooling the interests in a 200-acre non-standard gas proration unit in the Eumont Gas Pool. Applicant, in the above-styled cause, holder of 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, seeks an order force-pooling all interests in said unit within the vertical limits of the Eumont Gas Pool, including interests of the following persons who have not consented to communitization: S. E. Cone, c/o J. R. Cone, Attorney-in-Fact, Great Plains Life Building, Lubbock, Texas, H. L. Lowe, Great Plains Life Building, Lubbock, Texas, Abner M. Jack, Box 423, Scooba, Mississippi, and W. M. Beauchamp, Ancillary Guardian of the Estate of William Howard Jack, c/o District Clerk, Lovington, New Mexico and also the following persons whose addresses are unknown: Henry Hall, The Estate of Fred B. Caylor, B. A. Bowers, The Estate of George F. Henneberry, deceased, Mrs. Joy Mabel Stanley, and The Heirs of Elizabeth A. Anderson, and also an unknown person whose address is unknown.

CASE 1999: Application of Socony Mobil Oil Company for an exception to Rule 107 (e) (1). Applicant, in the above styled cause, seeks an exception to Rule 107 (e) (1) in order to complete the following-described wells as "slim-hole" completions in the Devonian formation at depths in excess of 5,000 feet:

Federal "A" Well No. 1, 2510 feet from
the North and West Lines of Section 31

Santa Fe "F" Well No. 2, 1980 feet from
the South line and 660 feet from the West
line of Section 20

both in Township 9 South, Range 36 East, Lea County, New Mexico.

Docket No. 17-60

CASE 2000:

Application of Gulf Oil Corporation for permission to commingle the production from three separate leases and for permission to install an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Monument Pool production from the following-described leases in Lea County, New Mexico: R. R. Bell (NCT-G) lease consisting of the S/2 SE/4 of Section 13, Graham State (NCT-H) lease consisting of the W/2 SW/4 of Section 13, and the H. T. Orcutt (NCT-D) lease consisting of the W/2 NE/4 of Section 13, all in Township 20 South, Range 36 East. Applicant further seeks permission to install an automatic custody transfer system to handle the Monument Pool production from said leases.

CASE 1972: (Continued)

Application of Gulf Oil Corporation for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Blinebry gas condensate and Tubb gas condensate from all wells on its T. R. Andrews lease comprising the E/2 of Section 22, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Blinebry oil production.

CASE 2001:

Application of Franklin, Aston and Fair, Inc., for an amendment of Order No. R-1573-A. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1573-A to provide an alternative to the shut-in provisions contained therein as relating to certain leases in the Empire-Abo Pool, Eddy County, New Mexico.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

NOV 17 1945

IN RE: APPLICATION OF REDFERN
AND HERD, INC., JOHN J. REDFERN,
JR., AND J. H. HERD. FOR AN
ORDER TO POOL THE PRODUCTION FROM
THE DAKOTA FORMATION UNDERLYING
THE NORTH ONE-HALF ($N\frac{1}{2}$) OF SECTION
THIRTY-TWO (32), TOWNSHIP TWENTY-
NINE (29) NORTH, RANGE ELEVEN (11)
WEST, N.M.P., SAN JUAN COUNTY,
NEW MEXICO.

CASE NO. 14945

APPLICATION FOR POOLING ORDER

Come now the applicants and states:

1. That Redfern and Herd, Inc. is the operator of most of the acreage underlying the captioned tract for the purpose of drilling and producing a well from the Dakota Formation underlying the following described tract of land in San Juan County, New Mexico, to/wit:

The North one-half ($N\frac{1}{2}$) of Section Thirty-two (32), Township Twenty-nine (29) North, Range Eleven (11) West.

2. That the applicants, John J. Redfern, Jr. and J. H. Herd, ~~and Aztec Oil and Gas Company~~, all own oil and gas leases covering a part of the captioned lands, and they have entered into an operating agreement with Redfern and Herd, Inc., to operate the Dakota Formation under such leases. That in pursuance of being designated as operator as above set out, Redfern and Herd, Inc., has drilled a well in the Northeast Quarter of the Northeast Quarter ($NE\frac{1}{4}NE\frac{1}{4}$) of said Section Thirty-two (32) which well is productive of gas from the Dakota Formation.

3. That the applicants desire to form a three hundred twenty (320) acre drilling and spacing unit for production from the Dakota Formation underlying the above described tract of land and pool all production therefrom, and obtain an order of this Commission making Redfern and Herd, Inc. as the Agent of John J. Redfern, Jr. and J. H. Herd, shall be operator of said unit and the well located thereon.

4. That Pan American Petroleum Corporation, P. O. Box 1410, Ft. Worth, Texas, owns an oil and gas lease underlying said proposed unit and have not as yet agreed to join therein; that ~~Astec Oil and Gas Company~~ *Pubeo* 920 Mercantile Securities Building, Dallas, Texas, also owns an oil and gas lease underlying said proposed unit and such company has heretofore agreed with applicants to the formation of the above proposed unit and to the making of applicants operator as above set out.

5. That the following named individuals whose addresses are shown own mineral interests underlying said tract all of which mineral interests are subject to oil and gas leases now held by the above named lessees, to/wit:

Ruth Schreck, c/o Joseph S. Hartman
313 South Church Avenue, Aztec, New Mexico

Edwin A. Schreck, c/o Joseph S. Hartman
313 South Church Avenue, Aztec, New Mexico

Joseph S. Hartman and Helen Hartman
313 South Church Avenue, Aztec, New Mexico

Ella Blaise, c/o Joseph S. Hartman
313 South Church Avenue, Aztec, New Mexico

Sam Carson
511 East Main Street, Farmington, New Mexico; that all

of said individuals excepting Sam Carson have agreed that all of the acreage in the above described three hundred twenty (320) acre tract could be pooled to form one drilling and spacing unit for production of oil or gas from the Dakota Formation underlying same.

6. That applicants are entitled to an order of the Commission pooling the above described three hundred twenty (320) acre tract for production of oil and/or gas from the Dakota Sand Formation underlying same and providing that the well for such unit will be the well now located in the Northeast Quarter of the Northeast Quarter ($NE\frac{1}{4}NE\frac{1}{4}$) of the above described Section Thirty-two (32), which well has been completed into said formation; that such order should provide that such well be granted a full three hundred twenty (320) acre allowable and all production from such well be apportioned to the various owners of leases

and royalty under the three hundred twenty (320) acre unit on a pro-rata basis in accord with the proportion that the surface area under which each party owns bears to the entire three hundred twenty (320) acre unit.


WHEREFORE, applicant prays that this application be set down for hearing before an Examiner; that due notice of such hearing be given to all interested parties in accord with the laws of the State of New Mexico and the rules and regulations of this Commission; and that upon hearing thereof from the evidence to be adduced, this Commission enter an order pooling of production from Dakota Formation under lying the above described three hundred twenty (320) acre unit making applicants operator thereof, and providing that the well now located in the Northeast Quarter of the Northeast Quarter ($NE\frac{1}{4}NE\frac{1}{4}$) of said Section Thirty-two (32) be the well for said unit.

REDFERN AND HERD, INC.

JOHN J. REDFERN, JR.

J. H. HERD

By


(Geo. L. Verity)
Their Attorney

MAIN OFFICE DCC
1960 JUN 1
GEO. L. VERITY
ATTORNEY AT LAW
SUITE 152 PETROLEUM CENTER BUILDING
SARASOTA, NEW MEXICO
TELEPHONE DAVIS 5-0203
May 30, 1960

662
1995


New Mexico Oil Conservation Commission
State Capital Building
Santa Fe, New Mexico

Gentlemen:

Enclosed is an original and two copies of the pooling application.

Will you please file the same and set it for hearing as soon as possible, covering the required notices.

Yours very truly,



Geo. L. Verity

GLV:jam

ENC:

Loch
Mailed
6-7-60