

CASE 2288: Application of SOUTH-
WEST PRODUCTION CO. for 2 non-
standard gas proration units.

May 24

At
Mm
Letter to West
Please
copy of order
sent copy of order
with Mm

-asa // o.

2-288

Application, Transcript,
and Exhibits, Etc.

in being

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF -)

THE APPLICATION OF SOUTHWEST PRODUCTION)
COMPANY, a co-partnership, consisting of)
JOHN H. HILL and JOSEPH P. DRISCOLL, FOR)
A NON-STANDARD GAS PRODUCTION UNIT IN THE)
BASIN-DAKOTA GAS POOL OF SAN JUAN COUNTY,)
NEW MEXICO, CONSISTING OF ALL OF THE)
WEST HALF (W $\frac{1}{2}$) of SECTION 7, TOWNSHIP)
30 NORTH, RANGE 11 WEST, N.M.P.M., EXCEPT)
3.39 ACRES DESCRIBED AS FOLLOWS:)

Case No. 2288

BEGINNING at a point where the South)
line of Highway 550 intersects the)
East line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section)
7, T-30-N, R-11-W, N.M.P.M.,)
THENCE South 392 feet, more or less,)
to the North side of the public road)
(old Farmington-Aztec Highway);)
THENCE Westerly along the North side)
of said road 787 feet;)
THENCE North 520 feet, more or less, to)
the South line of said Highway 550;)
THENCE Easterly along the South line of)
said Highway 652 feet, more or less,)
to the point of beginning,)

EXCEPTING therefrom the following tract:)

BEGINNING at a point where the North)
line of the public road (old Farmington-)
Aztec Highway) crosses the East line of)
said NE $\frac{1}{4}$ SW $\frac{1}{4}$;)
THENCE running North on said line 150)
feet;)
THENCE in a Southwesterly direction)
parallel with said public road 450)
feet;)
THENCE South 150 feet to the North side)
of said public road;)
THENCE Northeasterly along the North)
side of said public road to the point)
of beginning.)

A P P L I C A T I O N

Comes now the applicant, SOUTHWEST PRODUCTION COMPANY, a
co-partnership consisting of John H. Hill and Joseph P. Driscoll,
and alleges and states:

1. That applicant is the owner of oil and gas leases

covering all of the $W\frac{1}{2}$ of the above described Section 7, excepting the 3.39 acre tract specifically described in the caption hereof.

2. That all of the $W\frac{1}{2}$ of the above described Section 7 lies within the Basin-Dakota Gas Pool of San Juan County, New Mexico, and that the captioned lands are all underlain by the Dakota formation, and are reasonably expected to produce gas therefrom.

3. That applicant has drilled a well at a standard location in the $W\frac{1}{2}$ of said Section 7 and completed the same as a commercial producer in the Dakota formation.

4. That the 3.39 acre tract specifically described in the caption hereof and lying within the $W\frac{1}{2}$ of the above described Section 7 is owned by Harold Marion Brimhall and wife, Maleta Y. Brimhall, whose address is 6545 North First Place, Phoenix, Ariz. That applicant has made every reasonable effort to obtain a lease from said individuals or to obtain their joinder in the above described well, and said owners have consistently refused to make any reasonable agreement concerning the drilling and completion of such well. That the above described $W\frac{1}{2}$ of Section 7, excluding the 3.39 acres owned by Harold Marion Brimhall and wife, Maleta Y. Brimhall, as set out above, contains 327.01 acres, and that applicant is entitled to an Order of this Commission establishing a non-standard proration unit for production from the Dakota formation from the above described well consisting of 327.01 acres and being the lands described in the caption hereof. That applicant is further entitled to said Order providing that it be granted a 327.01 acreage factor in setting the allowable for such non-standard proration unit.

5. That the names and addresses of all interested parties

in this application, so far as known to the applicant, are set out on Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, applicant prays that this matter be set down for a hearing before either Trial Examiner or the Commission. That due notice thereof be given in accord with the laws of the State of New Mexico and the Rules of this Commission, and that upon hearing thereof, from the evidence to be adduced, this Commission enter its Order establishing a non-standard gas proration unit for the lands described in the caption hereof and granting a 327.01 acreage factor for the allowable for said non-standard unit, and making such further Order as the parties may be entitled to receive regarding the subject hereof.

SOUTHWEST PRODUCTION COMPANY,
a co-partnership, consisting of
John H. Hill and Joseph P.
Driscoll,

By 

Geo. L. Verity
Its Attorney
152 Petroleum Center Building
Farmington, New Mexico

EXHIBIT "A"

Harold Marion Brimhall and Maleta Y. Brimhall,

his wife,

6545 North First Place
Phoenix, Arizona

Mrs. Barbara Burnham (Mrs. LeVor Burnham)

Farmington Highway
Aztec, New Mexico

Case 2208

Heard 5-24-61

Re. 6-5-61

1. Grant Southwest request for 2
NWU's in Basin - Ok. as follows:

(a) E $\frac{1}{2}$ sec. 7-30 N-11W, except the
S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ (20 ac) Unit consists
of 300 Ac.

(b) W $\frac{1}{2}$ sec. 7-30 N-11W, except that
area containing 3.39 Ac. described
in the application of this case. Unit
to contain 327.00 Ac.

✓ 2. Order should allow the Brimhall's the
right to request forced pooling of this
acreage under reasonable terms.

—*Franklin*

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 8, 1961

Mr. Columbus Wetzel
Attorney at Law
534 East Dunlap Street
Phoenix 20, Arizona

Dear Mr. Wetzel:

Enclosed please find a copy of the order entered in Case 2288, heard before one of the Commission's examiners on May 24, 1961. As you will observe, this order establishes two non-standard gas proration units in the Basin-Dakota Gas Pool, San Juan County, New Mexico, which units exclude any acreage owned by Maleta Y. Brinhall.

Also enclosed is the most recent edition of the Commission's Rules and Regulations. Your attention is called to Rule 1220 on Page 58, which governs de novo hearings before the Commission. In the event your client is dissatisfied with the order, you have 30 days from the date the subject order was entered in which to file an application for a de novo hearing before the Commission.

I wish to thank you for your consideration in withdrawing your request for a continuance of the hearing in this case.

Very truly yours,

RICHARD S. MORRIS
Attorney

RSR/esr
Enclosures

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

June 8, 1961

Mr. George Verity
152 Petroleum Center Building
Farmington, New Mexico

Re: CASE NO. 2288
ORDER NO. R-1991
APPLICANT:
Southwest Production Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC X

OTHER Mr. Columbus Wetzel

DOCKET: EXAMINER HEARING - WEDNESDAY, MAY 24, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, examiner, or Daniel S. Nutter, as alternate examiner:

CASES 2291 through 2296 will not be heard before 1:30 p.m.

- CASE 2280: Application of Continental Oil Company for a non-standard gas proration unit and for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 E/2, SW/4 SE/4 and the SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to its Lockhart A-17 Well No. 2, at an unorthodox location 1980 feet from the South line and 660 feet from the East line of said Section 17.
- CASE 2281: Application of Continental Oil Company for an exception to Rule 309 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Maljamar Pool production from all wells presently completed or hereafter drilled on its Taylor Lease, comprising the SW/4 of Section 14, Township 17 South, Range 32 East, Lea County, New Mexico, and on its Federal Miller BX Lease, comprising the E/2 of said Section 14, after separately metering the production from each lease.
- CASE 2282: Application of Continental Oil Company for an amendment of Order No. R-1602. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1602 changing the effective date thereof and making the provisions of said order effective as of March 1, 1960.
- CASE 2283: Application of Skelly Oil Company for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Denton (Devonian) Pool production and the Denton-Wolfcamp Pool production on its Mexico "F" Lease comprising Lots 1, 2, 3, and 4, the SW/4 NE/4 and the SW/4 NW/4 of Section 2, Township 15 South, Range 37 East, Lea County, New Mexico, and to allocate the production to each well in each pool on the basis of periodic well tests.

CASE 2284:

Application of Skelly Oil Company for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the oil production from the Hare and Drinkard Pools with the distillate production from the Blinebry and Tubb Gas Pools on its E. A. Sticher Lease, consisting of the N/2 SW/4 of Section 4, Township 22 South, Range 37 East, Lea County, New Mexico, and to allocate the production to each well in each pool on the basis of periodic well tests.

CASE 2285:

Application of Texaco Inc., for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Tubb Gas Pool for its A. H. Blinebry NCT-1 Well No. 8, located 1980 feet from the North line and 330 feet from the West line of Section 33, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 2286:

Application of Aztec Oil & Gas Company for an exception to Rule 309 (a), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Totah-Gallup Pool production from the following-described leases, all in Township 29 North, Range 13 West, San Juan County, New Mexico.

Federal Lease No. SF 079065 in Sections 19, 20 and 29.

State Lease B-11017-23 comprising in pertinent part the SW/4 NW/4 of Section 20.

State Lease B-11017-21 comprising in pertinent part the NW/4 NW/4 of Section 20.

Smith-Eaton Lease comprising in pertinent part the NE/4 SE/4, SE/4 NE/4 and the E/2 NW/4 of Section 20.

Applicant proposes to commingle said production in a common tank battery located on the SW/4 of said Section 20 after separately metering the production from the State and fee leases only.

CASE 2287:

Application of Aztec Oil & Gas Company for an exception to Rule 309 (a), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Totah-Gallup Pool production from five separate fee leases, all located in Section 18, Township 29 North, Range 13 West, San Juan County, New Mexico.

CASE 2288:

Application of Southwest Production Company for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of two non-standard gas proration units in the Basin-Dakota Gas Pool, San Juan County, New Mexico, described as follows:

(1) W/2 of Section 7, Township 30 North, Range 11 West, except the 3.39-acre tract therein owned by Harold M. Brimhall and Maleta Y. Brimhall, comprising the sum total approximately 327.01 acres.

(2) E/2 of Section 7, Township 30 North, Range 11 West, except the S/2 SW/4 SE/4; comprising in sum total approximately 300 acres.

CASE 2289:

Application of Aspen Crude Purchasing Company for three non-standard oil proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard oil proration units in and adjacent to the Cha Cha-Gallup Oil Pool:

(1) Lot 1 and the S/2 SE/4 of Section 7, Township 28 North, Range 13 West;

(2) Lot 5 and the SE/4 SW/4 of said Section 7; and

(3) Lots 2, 3 and 4 of said Section 7, and 40.81 acres located between said Section 7 and Section 36, Township 29 North, Range 14 West;

all in San Juan County, New Mexico.

CASE 2290:

Application of Aspen Crude Purchasing Company for three non-standard oil proration units and for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard oil proration units adjacent to the Totah-Gallup Oil Pool in Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico:

(1) Lots 1 and 2 and the SE/4 SE/4, comprising 97.78 acres, to be dedicated to a well at a non-standard location 263 feet from the North line and 700 feet from the East line of said Section 11.

CASE 2290: (Cont.)

(2) Lots 3 and 4 and the SW/4 SW/4, comprising 97.58 acres.

(3) SW/4 SE/4 and the SE/4 SW/4, comprising 80 acres.

The following cases will not be heard before 1:30 p.m.

CASE 2291: Application of Pan American Petroleum Corporation for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle, prior to measurement, the Paddock, Brunson and Wantz-Abo pool production from all wells on its Hugh Corrigan Lease, comprising the NE/4 SE/4 of Section 33, Township 21 South, Range 37 East, Lea County, New Mexico, and to allocate production to each well in each pool on the basis of periodic well tests.

CASE 2292: Application of Humble Oil & Refining Company for permission to take interference tests and transfer allowables in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to take interference tests in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, by shutting in its Navajo Tribe "L" Well No. 4, located in the SW/4 SE/4 of Section 26, Township 29 North, Range 14 West, and transferring its allowable to other wells on the same basic lease in such a manner that no well will produce more than 125% of its monthly allowable.

CASE 2293: Application of Great Western Drilling Company for approval of the Grain Queen Unit Agreement, for permission to institute a waterflood project therein, for special rules governing said waterflood project including a provision for special allowables, and for permission to commingle the production from all leases in said unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Grain Queen Unit Agreement, which unit embraces 200 acres of State and fee lands in Township 13 South, Range 32 East, Lea County, New Mexico, described as follows:

CASE 2293: (Cont.)

Section 5: SE/4 NW/4, NE/4 SW/4 and the S/2 SW/4
Section 8: NE/4 NW/4

Applicant further seeks permission to institute a waterflood project in said Grain Queen Unit Area and seeks the promulgation of special rules governing said project including a provision for special allowables. Applicant further seeks permission to commingle the unitized substances produced from all leases in said Grain Queen Unit Area without separate measurement in tanks on each individual lease.

CASE 2294:

Application of El Paso Natural Gas Company for authorization to conduct maximum pressure build-up tests. Applicant, in the above-styled cause, seeks authorization to conduct maximum pressure build-up tests in the Blanco-Mesaverde Gas Pool, the Aztec-Pictured Cliffs Gas Pool, the Ballard-Pictured Cliffs Gas Pool, the Fulcher Kutz-Pictured Cliffs Gas Pool, and the South Blanco-Pictured Cliffs Gas Pool, San Juan and Rio Arriba Counties, New Mexico. Applicant further seeks establishment of special rules governing said tests including a provision authorizing the non-cancellation and/or transfer of allowables from wells to be shut-in in each pool and including a provision allowing substitute tests by administrative approval.

CASE 2295:

Application of Consolidated Oil & Gas, Inc. for a dual completion, a non-standard gas proration unit and for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 325.23-acre non-standard gas proration unit in the Basin-Dakota Gas Pool and in the Blanco-Mesaverde Gas Pool consisting of the S/2 of Section 34, Township 32 North, Range 13 West, San Juan County, New Mexico, said unit to be dedicated to its Robinson Brothers Well No. 1, proposed to be dually completed in said pools at an unorthodox gas well location for said pools at a point 1235 feet from the South line and 760 feet from the East line of said Section 34.

CASE 2296:

Application of Consolidated Oil & Gas Inc., for an order force-pooling a standard 320-acre proration unit in the Basin-Dakota Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 10, Township 31 North, Range 13 West, San Juan County, New Mexico, to form a standard 320-acre gas proration unit.

Case 2288

GEO. L. VERITY

ATTORNEY AT LAW

SUITE 102 PETROLEUM CENTER BUILDING

FARMINGTON, NEW MEXICO

TELEPHONE DAVE 5-0203

1961 APR 28 7 51

April 28, 1961

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

Gentlemen:

re: My file 1320-L
Applications of Southwest
Production Company for non-
standard gas proration units.

Enclosed herewith are the original and two copies of
two separate applications for non-standard gas proration
units in the Basin-Dakota Gas Pool of San Juan County.
These applications may be heard before the Trial
Examiner.

Very truly yours,

Geo. L. Verity
Geo. L. Verity

GLV:mts
Encs.

*Wrote to Males
to Mrs. Mrs. Brimhall + Mrs. Burhan
& Verity
5-11-61*

COLUMBUS WETZEL
ATTORNEY AT LAW
534 EAST DUNLAP STREET
PHOENIX 20, ARIZONA
WINN-DIXIE 3-3534

May 22, 1961

The Oil & Gas Commission of New Mexico
Capitol Building
Santa Fe, New Mexico

Gentlemen:

I represent Maleta Y. Brimhall and Harold M. Brimhall, of 6546 North 1st Place, Phoenix, Arizona.

Mrs. Brimhall has received a notice from your office regarding proposed drilling operations which would involve her property in San Juan County, New Mexico, as part of a proposed pool.

This property is a part of the SE $\frac{1}{4}$ of Section 7, Township 30, North, Range 11 West, NMEM.

Apparently the hearing on this matter is set for Wednesday, May 24th.

Mr. and Mrs. Brimhall have not had sufficient notice to arrange for representation at this hearing and since they wish the opportunity to be heard, I am requesting that the hearing, insofar as it affects their interests, be continued for a reasonable time in order that they may make proper arrangements for their appearance.

Will you please advise me immediately as to the date of the recessed hearing.

Mr. and Mrs. Brimhall are protesting the inclusion of their property in any operating pool and, therefore, are entitled to the opportunity to make a formal protest and to make an appearance in person and by attorney at any hearing which affects their interests.

Very truly yours,

Columbus Wetzel
Columbus Wetzel

CW/rw

Robert L. Felt

2288

7. Hearing

IN THE MATTER OF -
BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF -)

THE APPLICATION OF SOUTHWEST PRODUCTION)
COMPANY, a co-partnership, consisting of)
JOHN H. HILL and JOSEPH P. DRISCOLL, FOR)
A NON-STANDARD GAS PRODUCTION UNIT IN THE)
BASIN-DAKOTA GAS POOL OF SAN JUAN COUNTY,)
NEW MEXICO, CONSISTING OF ALL OF THE)
EAST HALF (E $\frac{1}{2}$) OF SECTION 7, TOWNSHIP 30)
NORTH, RANGE 11 WEST, R.M.P.M., EXCEPT)
20 ACRES IN THE SOUTH HALF OF THE SOUTH-)
WEST QUARTER OF THE SOUTHEAST QUARTER)
(S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$))

Case No. 2288

A P P L I C A T I O N

Comes now the applicant, SOUTHWEST PRODUCTION COMPANY, a
co-partnership consisting of John H. Hill and Joseph P.
Driscoll, and alleges and states:

1. That applicant is the owner of oil and gas leases
covering all of the E $\frac{1}{2}$ of the above described Section 7, ex-
cepting a 20 acre tract in the S $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$.

2. That all of the E $\frac{1}{2}$ of the above described Section 7
lies within the Basin-Dakota Gas Pool of San Juan County, New
Mexico, and that the captioned lands are all underlain by the
Dakota formation, and are reasonably expected to produce gas
therefrom.

3. That applicant desires to drill a well at a standard
location in the E $\frac{1}{2}$ of said Section 7 and complete the same as
a commercial producer in the Dakota formation.

4. That the 20 acre tract specifically described in
Paragraph 1 hereof and and lying within the E $\frac{1}{2}$ of the above

described Section 7 is owned by Harold Marion Brimhall and wife, Maleta Y. Brimhall, whose address is 3545 North First Place, Phoenix, Ariz. That applicant has made every reasonable effort to obtain a lease from said individuals or to obtain their joinder in the above described well, and said owners have consistently refused to make any reasonable agreement concerning the drilling and completion of such well. That the above described E $\frac{1}{2}$ of Section 7, excluding the 20 acres owned by Harold Marion Brimhall and wife, Maleta Y. Brimhall, as set out above, contains 300 acres, and that applicant is entitled to an Order of this Commission establishing a non-standard proration unit for production from the Dakota formation from the above described well consisting of 300 acres and being the lands described in the caption hereof. That applicant is further entitled to said Order providing that it be granted a 300 acreage factor in setting the allowable for such non-standard proration unit.

5. That the names and addresses of all interested parties in this application, so far as known to the applicant, are set out on Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, applicant prays that this matter be set down for a hearing before either Trial Examiner or the Commission. That due notice thereof be given in accord with the laws of the State of New Mexico and the Rules of this Commission, and that upon hearing thereof, from the evidence to be adduced, this Commission enter its Order establishing a non-standard gas proration unit for the lands described in the caption hereof and granting a 300 acreage factor for the allowable for said non-standard unit, and making such further Order as the parties may be entitled to receive regarding the subject

hereof.

SOUTHWEST PRODUCTION COMPANY,
a co-partnership, consisting
of John H. Hill and Joseph P.
Briscoll,

By



Geo. L. Verity,

Its Attorney

152 Petroleum Center Building
Farmington, New Mexico

EXHIBIT "A"

Harold Marion Brinhall and Maleta Y. Brinhall,
his wife,

6545 North First Place
Phoenix, Arizona

Mrs. Barbara Burnham (Mrs. LaVor Burnham)

Farmington Highway
Aztec, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF -)

THE APPLICATION OF SOUTHWEST PRODUCTION)
COMPANY, a co-partnership, consisting of)
JOHN H. HILL and JOSEPH P. DRISCOLL, FOR)
A NON-STANDARD GAS PRORATION UNIT IN THE)
BASIN-DAKOTA GAS POOL OF SAN JUAN COUNTY,)
NEW MEXICO, CONSISTING OF ALL OF THE)
WEST HALF (W $\frac{1}{2}$) of SECTION 7, TOWNSHIP)
30 NORTH, RANGE 11 WEST, N.M.P.M., EXCEPT)
3.39 ACRES DESCRIBED AS FOLLOWS:)

Case No. 2288

BEGINNING at a point where the South)
line of Highway 550 intersects the)
East line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section)
7, T-30-N, R-11-W, N.M.P.M.,)
THENCE South 392 feet, more or less,)
to the North side of the public road)
(old Farmington-Astec Highway);)
THENCE Westerly along the North side)
of said road 787 feet;)
THENCE North 520 feet, more or less, to)
the South line of said Highway 550;)
THENCE Easterly along the South line of)
said Highway 652 feet, more or less,)
to the point of beginning,)

EXCEPTING therefrom the following tract:)

BEGINNING at a point where the North)
line of the public road (old Farmington-)
Astec Highway) crosses the East line of)
said NE $\frac{1}{4}$ SW $\frac{1}{4}$;)
THENCE running North on said line 150)
feet;)
THENCE in a Southwesterly direction)
parallel with said public road 450)
feet;)
THENCE South 150 feet to the North side)
of said public road;)
THENCE Northeasterly along the North)
side of said public road to the point)
of beginning.)

A P P L I C A T I O N

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covering all of the $W\frac{1}{2}$ of the above described Section 7, excepting the 3.39 acre tract specifically described in the caption hereof.

2. That all of the $W\frac{1}{2}$ of the above described Section 7 lies within the Basin-Dakota Gas Pool of San Juan County, New Mexico, and that the captioned lands are all underlain by the Dakota formation, and are reasonably expected to produce gas therefrom.

3. That applicant has drilled a well at a standard location in the $W\frac{1}{2}$ of said Section 7 and completed the same as a commercial producer in the Dakota formation.

4. That the 3.39 acre tract specifically described in the caption hereof and lying within the $W\frac{1}{2}$ of the above described Section 7 is owned by Harold Marion Brimhall and wife, Maleta Y. Brimhall, whose address is 6545 North First Place, Phoenix, Arizona. That applicant has made every reasonable effort to obtain a lease from said individuals or to obtain their joinder in the above described well, and said owners have consistently refused to make any reasonable agreement concerning the drilling and completion of such well. That the above described $W\frac{1}{2}$ of Section 7, excluding the 3.39 acres owned by Harold Marion Brimhall and wife, Maleta Y. Brimhall, as set out above, contains 327.01 acres, and that applicant is entitled to an Order of this Commission establishing a non-standard proration unit for production from the Dakota formation from the above described well consisting of 327.01 acres and being the lands described in the caption hereof. That applicant is further entitled to said Order providing that it be granted a 327.01 acreage factor in setting the allowable for such non-standard proration unit.

5. That the names and addresses of all interested parties

in this application, so far as known to the applicant, are set out on Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, applicant prays that this matter be set down for a hearing before either Trial Examiner or the Commission. That due notice thereof be given in accord with the laws of the State of New Mexico and the Rules of this Commission, and that upon hearing thereof, from the evidence to be adduced, this Commission enter its Order establishing a non-standard gas proration unit for the lands described in the caption hereof and granting a 327.01 acreage factor for the allowable for said non-standard unit, and making such further Order as the parties may be entitled to receive regarding the subject hereof.

SOUTHWEST PRODUCTION COMPANY,
a co-partnership, consisting of
John H. Hill and Joseph P.
Driscoll,

By



Geo. L. Verity
Its Attorney
152 Petroleum Center Building
Farmington, New Mexico

EXHIBIT "A"

Harold Marion Brimhall and Maleta Y. Brimhall,
his wife,

6545 North First Place
Phoenix, Arizona

Mrs. Barbara Burnham (Mrs. LaVor Burnham)

Farmington Highway
Asteo, New Mexico

**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. 2288
Order No. 2-1991**

**APPLICATION OF SOUTHWEST PRODUCTION
COMPANY FOR TWO NON-STANDARD GAS
PRODUCTION UNITS, 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 May 24, 1961, 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 8th day of June, 1961, 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, Southwest Production Company, seeks the establishment of two non-standard gas production units in the Basin-Dakota Gas Pool, San Juan County, New Mexico, described as follows:

(a) W/2 of Section 7, Township 30 North, Range 11 West, except the 3.39-acre tract therein owned by Barbara Burnham and Maleta Y. Brinkhall, comprising in sum total approximately 327.01 acres.

(b) E/2 of said Section 7, except the S/2 SW/4 SE/4 thereof, comprising in sum total approximately 300 acres.

(3) That the above-described non-standard gas production units are presumed to be productive of gas from the Basin-Dakota Gas Pool.

CASE No. 2288
Order No. R-1991

(4) That the owners of any acreage in said Section 7 excluded from the above-described non-standard units should be permitted to bring a force-pooling application before the Commission to have their acreage included in a gas proration unit upon reasonable terms and conditions.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in the Basin-Dakota Gas Pool, San Juan County, New Mexico, are hereby established:

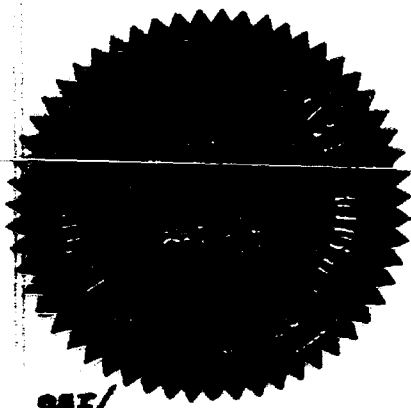
- (a) W/2 of Section 7, Township 30 North, Range 11 West, except the 3.39-acre tract therein owned by Barbara Burnham and Maleta Y. Brinhall, comprising in sum total approximately 377.01 acres.
- (b) E/2 of said Section 7, except the S/2 SW/4 SE/4 thereof, comprising in sum total approximately 300 acres.

PROVIDED HOWEVER, That the acreage factor for allowable purposes assigned to the subject units shall bear the same ratio to a standard acreage factor as the acreage in each unit bears to the acreage in a standard gas proration unit in the Basin-Dakota Gas Pool.

(2) That the owners of any acreage in said Section 7 excluded from the above-described non-standard units shall be permitted to bring a force-pooling application before the Commission to have their acreage included in a gas proration unit upon reasonable terms and conditions.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem

EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

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

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
May 24, 1960

EXAMINER HEARING

IN THE MATTER OF:
CASE 2288

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-4691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6491

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
May 24, 1961

EXAMINER HEARING

IN THE MATTER OF:

CASE 2288 Application of Southwest Production Company
for two non-standard gas proration units, San
Juan County, New Mexico. Applicant, in the
above-styled cause, seeks the establishment
of two non-standard gas proration units in
the Basin-Dakota Gas Pool, San Juan County,
New Mexico, described as follows:

(1) W/2 of Section 7, Township 30 North,
Range 11 West, except the 3.39-acre tract
therein owned by Harold M. Brimhall and
Maleta Y. Brimhall, comprising the sum total
approximately 327.01 acres.

(2) E/2 of Section 7, Township 30 North,
Range 11 West, except the S/2 SW/4 SE/4;
comprising in sum total approximately 300
acres.

BEFORE:

Elvis A. Utz, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: We will call Case No. 2288.

MR. MORRIS: Application of Southwest Production Company
for two non-standard gas proration units, San Juan County, New
Mexico.

MR. UTZ: Are there any other appearances in the case?

MR. VERITY: George Verity for the Applicant.



MR. MORRIS: Mr. Examiner, I will read into the record and give some explanation of an appearance entered by Mr. Columbus Wetzel of Phoenix, Arizona on behalf of Harold M. and Maleta Y. Brimhall at a later time.

MR. UTZ: You may proceed.

DIRECT EXAMINATION

BY MR. VERITY:

Q Will you state your name, please.

A Jack E. Jones.

Q Mr. Jones, what is your occupation at the present time?

A I'm a land man.

Q Have you been employed extensively recently by Southwest Production Company?

A Yes, sir; I have.

Q Have you endeavored to make, to obtain leases for them under all the west half of Section 7, Township 30 North, Range 11 West in San Juan County?

A Yes, I have.

Q Will you tell the Commission, please, what Southwest Production Company has done?

A We have leased everything except a tract of land owned by Barbara Burnham and the Brimhalls which comprises approximately 3.39 acres.

Q Have you endeavored to obtain a lease from these people?

A Yes, I have.

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Q Have you also endeavored to have them join in the drilling of a well to the Dakots?

A Yes, I have.

Q Will you please tell the Commission of your efforts in this regard?

A Well, I made two personal contacts with the Brimhalls and one with Mrs. Burnham. The first contact was in Phoenix with the Brimhalls and after about three hours of being called everything but a man I finally got the people settled down enough to discuss the situation and they refused to lease. They also refused to join us in the drilling of a well. The trouble seemed to be that Southwest had previously drilled a well in the north half of Section 18. It was located on the Brimhalls' land and the land is right by the river and when they dug deep pits, water had started seeping in at the time they dug. Southwest had not yet covered up the pits because they were waiting for the summer sun. Mr. Brimhall was very unhappy about that and so he refused to discuss anything else because of those damages but after I got him calmed down a while, we made arrangements to meet in Farmington the following week and we were going out to look at the land in order to arrive at a settlement of the damages. I never received any call from the Brimhalls or anything as to the time that I was supposed to meet with him. I later found out from his daughter that he had been in town but she said he hadn't bothered to call on her or her brother, that he had just come in and out. I contacted him at a later date by phone and

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talked to them and told them I wanted to talk to them. When I arrived at their house on the following day, nobody was there. So, I made about five attempts to get in touch with them and finally suggested at ten o'clock that night at which time we further discussed the problem. I made my offer and they again refused.

That was it.

Q How much did they ask you in damages for the location of the well up in Section 18?

A \$5,000.

Q On your first occasion to contact these people, did you offer to buy or lease from them at the same price you bought the other lease?

A Yes.

Q On your second contact, did you make any further offers?

A I doubled the price and made an offer on the damage which I felt was somewhat liberal.

Q Does Southwest Productions think it's possible to deal with them on any kind of reasonable basis?

A No, sir.

Q This is the reason that they want only a non-standard unit?

A Yes, sir. We feel that if we appear to force pool or have them in there that it would just be -- well, the relationship would just be in for further trouble.

(Whereupon, Applicant's Exhibit 1



marked for identification.)

Q I hand you what the reporter has marked as Exhibit No. 1.
Will you please tell us what that is?

A This is a print of the official survey plat of Township
30 North, Range 11 West.

Q Does it show the amount of acreage in the west half of
Section 7?

A Yes, it does.

Q What is the total acreage in that area?

A Three hundred thirty point four o.

Q So that there are 10.4 acres more than the usual 320 in
that half section?

A Yes.

Q I believe you said that there were 3.39 acres held by the
Brimhalls and Mrs. Burnham?

A Yes.

Q This leaves 327.01 acres in the unit without the 3.39?

A Yes.

Q Has Southwestern Productions already drilled a well in the
west half?

A Yes.

Q It is a standard location in the Capitan?

A Yes, the Nell Hall No. 1.

Q That was completed in the Dakota?

A Yes.

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MR. VERITY: That's all we have at the moment on the application to the west.

MR. MORRIS: Do you plan to submit this in two phases of the case?

MR. VERITY: I have no objection at all to proceeding with all my evidence. Actually, much of it is the same with regard to this leasing, so I'll go ahead with the other if you want me to.

Q (By Mr. Verity) Does Southwest Production Company have leases in the east half of Section 7?

A Yes, sir.

Q Do you have leases from everyone in that half except the south half of the southwest quarter of the southeast quarter?

A Yes.

Q And who owns that?

A Harold M. Brimhall and Maleta Y. Brimhall.

Q You have offered to obtain the lease from them on the 3.39 acres in the west half. Are you at the same time endeavoring to negotiate a lease on this 20 acres?

A Yes.

Q Have you also endeavored to get them to join in the drilling of a well on the east half?

A Yes.

Q Are the results the same?

A Yes.

Q Is the east half a standard sized half section?

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A Yes.

Q And that would leave 300 acres in a unit without the 20 acres?

A Yes, sir.

Q Do you feel it's impossible to obtain any lease from them on this 20 acres on any kind of reasonable basis?

A I believe so, at the present time, though it is my plan to continue to attempt to obtain leases from them, but I -- on the basis of past experience, I believe I will be unsuccessful.

Q Is the same thing true with regard to their joining you?

A Yes.

Q Have you found these people irrational in endeavoring to deal with them?

A Yes, sir.

MR. VERITY: I believe that's all we have.

MR. UTZ: Do you want to offer your exhibits?

MR. VERITY: We will offer Exhibit 1 and I would also like to offer for the Commission's consideration Order No. R-1748 wherein the Commission entered a 280-acre non-standard unit in an identical situation.

That's all the testimony we have.

MR. UTZ: Are there any other questions of the witness?

MR. MORRIS: Yes, sir.

MR. MORRIS:

Q Mr. Jones, in your application for the 327.01 acre unit,



it was stated that Harold M. Brimhall and Maleta Y. Brimhall were the owners of the 3.39 acre tract left out. In your testimony you stated that Barbara Burnham was the owner. Could you explain that?

A Well, at the time Mr. Verity prepared the application I was going upon the information supplied by another party. I subsequently ran the record down and discovered that a deed had been given to Maleta Brimhall and Barbara Burnham covering that acreage.

Q Is that ownership in joint tenancy?

A Yes.

Q So any position taken by Mrs. Brimhall --

A I specifically upon finding out that Mrs. Brimhall had an interest in the land, I contacted her and offered to lease the land from her or to ask her to join us in the drilling of the well and she said she could not do it -- "If I were to do that, mother would kill me", so we dropped it right there.

Q Mr. Jones, considering the first non-standard unit that you testified with reference to, where geographically is the 3.39 acre tract located roughly?

A Roughly, it would be located in the northeast of the southeast, or about right on the border between the northeast of the southwest and the southeast of the northwest of the area fronting on the highway.

Q Is it on the extremity of the unit?

A There is one small parcel between it and the external

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boundary, the extended boundary of the unit.

Q It would not be possible for the 3.39 acre tract to be included in any other proration unit formed in the area?

A No, sir.

Q That also holds true of the 20 acres omitted from the second tract under consideration?

A The south half of the southwest of the southeast. It could possibly; because we have the north half of eighteen units.

Q These two tracts owned by the Brimhalls are pretty well isolated?

A Yes, sir.

Q And for that reason, would you expect the Brimhalls to ever recover their share of the gas produced from the Basin-Dakota?

MR. VERITY: I object to that question. I think the Brimhalls have got legal opportunities to pursue their economic rights with regard to this land and I don't think that this hearing can or will cut off any of these rights even if the Commission grants the order requested.

MR. MORRIS: Would Southwest Production Company care to take the position at the present time on their attitude toward a forced pooling case that might be brought at a later date by the Brimhalls?

MR. VERITY: I believe I can answer that question. We think that the Brimhalls are entitled to forced pool this land if they want to do it. The statute gives them that right and this is



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their remedy, but to get along with them on any kind of agreement is an impossibility, and for us to force pool them we think would just further complicate the situation and we feel that they have got this remedy if they want to pursue it any further. It would be a relatively simple matter for them to obtain this right and we would be perfectly happy and in addition to that even after getting a non-standard order, if the Commission will give us one, we still aren't going to be unreasonable. We will do everything we can to live with these people and to assist them in obtaining their proper economic rights, but we sure don't want to throw our position with regard to what we feel is the only way that we can proceed and that is since they have refused at every juncture to do anything, they have been adamant in not wanting to join this well or enter into it or make any kind of arrangement, we think the only thing for us to do is to drill it ourselves and we think this is a right which we should have under the constitution and statutes and rules and regulations of the Commission.

MR. MORRIS: Do I understand you correctly, Mr. Verity, that you would offer no objection to a forced pooling application brought by the owners of the acreage left out?

MR. VERITY: That's a little --

MR. MORRIS: Of course, assuming that the Commission would enter such order upon terms that are reasonable.

MR. VERITY: Yes, in line of your final statement I think it's little bit too broad, just to make a flat statement that we



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wouldn't object to a pooling application because I don't know what they might do.

MR. MORRIS: You do feel that is their remedy?

MR. VERITY: Yes. And they have got a right to follow that under any kind of reasonable application. We would not object to it. I don't think it would avail us anything if we did object. The truth of the matter is if the good Lord would just remove these people from our province of operation, we would appreciate it, but we know this is not likely, and so we -- I mean just physically, not permanently.

Q (By Mr. Morris) Do you feel that you made a reasonable offer to the Brimhalls and Mrs. Burnham?

A I believe I made -- I offered them twice the going rate for the acreage. I thought that was unreasonable of me but we wanted to get them so I made the offer.

Q Would you care to state what the offer was?

A It was \$100 a acre.

MR. MORRIS: I have no further questions at this time.

I would like to state the position of the Brimhalls in this case as I understood it from conferring with their attorney.

MR. UTZ: You may proceed.

THE WITNESS: In addition to the \$100, I offered 17½% royalty which was also in excess of that held by other parties in the area.

MR. MORRIS: Mr. Examiner, the Commission has received a



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letter from Mr. Columbus Wetzel, Attorney at Law, Phoenix, Arizona. This letter was received on May 23 -- yesterday. Mr. Wetzel in his letter states that he represents Meeta Y. Brimhall and Harold M. Brimhall, that they have received notice of the subject application and that they request a continuance because they have had inadequate opportunity to prepare a case to represent their position. The letter continues to state that they are protesting their inclusion into any unit being formed including their acreage because of the apparent discrepancy in the position taken in the application being brought today. I engaged in a telephone conversation with Mr. Wetzel this morning and he stated that he would withdraw his motion for a continuance and would not take any position at all in this hearing today provided that he have the right to have a hearing de novo if he did not like the order entered as a result of this hearing.

I informed Mr. Wetzel that he would have that right at any rate and I would state his position for the record at the hearing today. I would like to offer the letter received from Mr. Wetzel into evidence inasmuch as our rule concerning de novo hearings provides that any party adversely affected has the right to a de novo hearing. Certainly the Brimhalls would have the right to a de novo hearing whether any correspondence had been received or any appearance entered by their attorney at all in this hearing.

MR. VERITY: We have no objection to the offer or entry of the letter into evidence. We think that it's significant that



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through their counsel, they are just underscoring our prayer for relief here in saying that they did not want to be included in this unit. We think this is further reason that the Commission should grant the prayer of each of the applications and grant two non-standard units.

That's all.

MR. MORRIS: I have no further questions.

MR. UTZ: Without objection Exhibit No. 1 will be entered into the record.

MR. VERITY: I would just like to say this much to the Commission: We feel that in cases like this that the Commission borrows trouble if they endeavor to envision what is best for people like this in this kind of a hearing. We think that the Commission should rule upon the evidence that is presented to it and that it should take cognizance of the fact that people can be difficult and that the best ends of industry and the public in general are served if people are left to their proper legal remedies. They not only have not presented any evidence why these non-standard units should not be granted, but actually pointed out that they don't want any part of this well or unit, and therefore, we think that it's incumbent for the Commission to grant the order requested in these cases. As we have already acknowledged to the Commission's counsel, we certainly would not presume to stop an application for forced pooling.

The law gives them this right if they are not satisfied with



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the economic equities of the situation as they will be at the time that the next well is drilled and at the close of the drilling and completion of the one that has been already completed on the west half.

Again, we want to say that we have been reasonable with these people with or without filing an application to force pool. If there is any way to get along with them by agreement even after an order has been filed, we will do so. We earnestly solicit that the Commission allow Southwest Production Company to drill the acreage which it owns and that it be given allowable based thereon.

MR. UTZ: Your position, then, Mr. Verity is that if the Brimhallis care to recover their share of reserve under this action of land that their recourse is to application for force pooling?

MR. VERITY: That is correct, or to make a reasonable effort to come to agreement with us, either by negotiation or by legal remedy.

MR. UTZ: Are there any other questions or any other statements in this case?

The witness may be excused.

(Witness excused.)

The case will be taken under advisement.



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, THOMAS F. HORNE, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

Thomas F. Horne
NOTARY PUBLIC

My Commission expires:
May 4, 1965

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2288, heard by me on *May 24, 1961*.
Shirley R. [Signature], Examiner
New Mexico Oil Conservation Commission

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