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Application, Transcript,
and Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

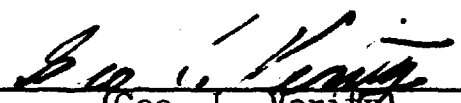
IN THE MATTER OF -

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 SANJUAN COUNTY,
NEW MEXICO, CONSISTING OF the Northeast
Quarter of the Northeast Quarter (NE $\frac{1}{4}$ NE $\frac{1}{4}$)
of Section 27, AND all of the East Half
(E $\frac{1}{2}$) of Section 22, T30N, R12W, N.M.P.M.,
San Juan County, New Mexico, EXCEPTING
two (2) tracts of land consisting of 13
and 26 acres, respectively, as described
in the application filed herein.

Case #2300

D I S M I S S A L

Comes now Southwest Production Company, a co-partnership
consisting of John H. Hill and Joseph P. Driscoll, and hereby
dismiss, without prejudice, the application heretofore filed in
the above captioned and numbered case.


(Geo. L. Verity)
152 Petroleum Center Bldg.
Farmington, New Mexico
ATTORNEY FOR APPLICANT

No. 16-61

DOCKET: EXAMINER HEARING - WEDNESDAY, JUNE 7, 1961

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

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

CASE 2297:

Application of Pan American Petroleum Corporation for two non-standard oil proration units and two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 46.74-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool consisting of the E/2 NE/4 SE/4 of Section 17, Township 29 North, Range 14 West, San Juan County, New Mexico, plus 20.73 acres in Lot 8 of said Section 17 and 6.01 acres lying North of the mid-channel of the San Juan River and along the South boundary of that portion of said Lot 8 included in the unit. Said unit is to be dedicated to the Frank L. Wood Well No. 1 at an unorthodox location 990 feet from the South line and 660 feet from the East line of said Section 17. Applicant further seeks the establishment of a 57.31-acre non-standard oil proration unit in said pool consisting of Lots 3, 4 and 5 of said Section 17 plus the S/2 of that portion of the San Juan River channel lying in the W/2 of said Section 17 and along the North boundary of Lots 3, 4 and 5. Said unit is to be dedicated to the Navajo Tribal "G" Well No. 8 at an unorthodox location 1415 feet from the South line and 335 feet from the West line of said Section 17.

CASE 2298:

Application of Chambers & Kennedy for a gas-oil dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Monument State Well No. 1, located in Unit J, Section 34, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eunice-Monument Pool through the 5½-inch by 2½-inch casing-tubing annulus and through 2½-inch tubing respectively.

CASE 2299:

Application of Newmont Oil Company for an amendment of Orders Nos. R-1110 and R-1110-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Orders Nos. R-1110 and R-1110-A, which authorized a pilot waterflood

project in the Square Lake Pool, Eddy County, New Mexico, to permit the expansion of said waterflood project to include lands in Sections 27, 28, 32, 33, and 34, all in Township 16 South, Range 31 East, Eddy County, New Mexico, and to further define the horizontal limits of said project. Applicant also seeks the establishment of special rules governing the expansion of said waterflood and providing for capacity allowables therein.

CASE 2300:

Application of Southwest Production Company for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 321-acre non-standard gas proration unit in the Basin-Dakota Gas Pool consisting of the NE/4 NE/4 of Section 27 and all of the E/2 of Section 22, Township 30 North, Range 12 West, San Juan County, New Mexico, excepting from the E/2 of said Section 22 a 13-acre and a 26-acre tract owned by Dwight L. Millett, Gladys L. Millett, Julian Coffey and Pan American Petroleum Corporation. In the alternative, applicant seeks the establishment of a 281-acre non-standard gas proration unit in said pool consisting of all of the E/2 of said Section 22 excepting therefrom the aforesaid 13-acre and 26-acre tracts.

CASE 2301:

Application of the Murphy Corporation for approval of the Northwest Caprock Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Northwest Caprock Unit Agreement, which unit embraces approximately 1525 acres of State land in Townships 11 and 12 South, Range 32 East, Lea County, New Mexico.

CASE 2302:

Application of Atlantic Refining Company for an oil-oil-oil triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the triple completion of its Carlson Federal "A" Well No. 1, located in Unit I, Section 23, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock formation adjacent to the Justis-Paddock Pool, the production of oil from the Justis-Blinebry Pool and the production of oil from the Justis-Tubb-Drinkard Pool, through parallel strings of 2-inch tubing.

CASE 2303:

Application of Redfern & Herd, Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate its

Airport Well No. 1 at an unorthodox gas well location in the Basin-Dakota Gas Pool at a point 200 feet from the North line and 500 feet from the East line of Section 8, Township 29 North, Range 13 West, San Juan County, New Mexico.

CONTINUED CASES

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.

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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 the Northeast)
Quarter of the Northeast Quarter (NE $\frac{1}{4}$ NE $\frac{1}{4}$))
of Section 27, AND ALL OF THE East Half)
(E $\frac{1}{2}$) of Section 22, T-30-N, R-12-W, N.M.P.M.,)
San Juan County, New Mexico, EXCEPTING)
the following two described tracts of)
land:)

Case No. 2300

TRACT No. 1:

All that portion of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section)
22, T-30-N, R-12-W, N.M.P.M. described as)
follows:)

BEGINNING at the Southeast corner of the)
SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 22, running)
THENCE Westerly about 486 feet to the East)
border of the Halford Ditch;)
THENCE Northeasterly along said ditch border)
about 168 feet;)
THENCE East to Section line between Section)
22 and 23 of said township and range;)
THENCE South to point of beginning and con-)
taining about 2 acres;)

AND all that portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of)
Section 22, T-30-N, R-12-W, N.M.P.M.)
described as follows:)

BEGINNING at the Northeast corner of the)
NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 22,)
THENCE South with the East line of said)
Section 22, 373 feet, more or less, to the)
North line of D&RGW R.R. right-of-way;)
THENCE Southwesterly with the North line)
of said right-of-way 782 feet;)
THENCE North 1°51' West 600 feet, more or)
less, to the North side of the Halford)
Ditch;)
THENCE Northeast along said ditch to the)
middle of the Sand Arroyo;)
THENCE Northwest with the center of said)
Sand Arroyo to the point where it inter-)
sects the North line of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of)
said Section 22;)
THENCE 89°7' East with the North line of)

the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 22, 577 feet,
more or less, to the point of beginning,

Containing 13 acres, more or less.

TRACT No. 2:

All that portion of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section
22, T-30-N, R-12-W, N.M.P.M., described
as follows:

BEGINNING at a stone set by the County
Surveyor in 1904 for the center of the NE $\frac{1}{4}$
of said Sec. 22 and running
THENCE North 21°30' West 1372 feet;
THENCE West along the North section line
to the Northwest corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$;
THENCE South with the West line of the
NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 22 South 567 feet;
THENCE South 45°24' East 1100 feet or to
the South line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 22,
THENCE East with the South line of the
NW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 22, 480 feet to the
point of beginning,

Containing 26 acres, more or less.

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 the applicant is the owner of oil and gas leases
covering all of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of the above described Section 27
and all of the E $\frac{1}{2}$ of the above described Section 22 except for
Tract No. 1 above described, containing 13 acres, more or less,
and Tract No. 2 above described, containing 26 acres, more or
less.

2. That all of the above described lands lie within the
Basin-Dakota Gas Pool of San Juan County, New Mexico, and 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 to the E $\frac{1}{2}$ of the above described Section 22 and
complete the same as a commercial producer in the Dakota
formation.

4. That applicant has endeavored to obtain an agreement
from the owners of Tracts Nos. 1 and 2 described in the caption
hereof to join in the drilling of the Dakota well which it
desires to drill as above provided, but that the owners of said
lands have refused to join in said well on any reasonable basis.
Such owners consistently refuse to make any reasonable agree-
ment concerning the drilling and deveopment of the property;
that applicant is entitled to drill a well on a non-standard
unit consisting of the captioned lands, excluding Tracts 1 and
2, whose owners will not join therein, and be accorded an
acreage allowable factor based on the total acreage thereof,
which is 321 acres; or, in the alternative, applicant is en-
titled to drill a well on a non-standard unit consisting of
the E $\frac{1}{2}$ of Section 22, excluding Tracts 1 and 2, and be granted
an Order creating such non-standard Unit and be accorded an
acreage allowable factor of 281 acres.

5. That it is necessary that applicant be granted the
order herein requested in order to prevent waste and protect
correlative rights.

6. That the following named individuals, whose addresses
appear opposite their names are all of the interested parties
in this application so far as known to the applicant, to-
wit:

Dwight L. Millett and wife, Gladys L. Millett
Flora Vista, New Mexico

Julian Coffey, a single man
Flora Vista, New Mexico

Pan American Petroleum Company
Petroleum Center Building
Farmington, New Mexico

*Rechecked
Mailed
5/26/61*

WHEREFORE, applicant prays that this matter be set down for hearing before either Trial Examiner or the Commission; that due notice thereof be given in accordance 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 proration unit for the production of gas from the Basin-Dakota Gas Pool for all of the lands described in the caption hereof and according an acreage allowable factor of 321 acres, or in the alternative, that they enter an Order establishing a non-standard gas proration unit for the production of gas from said pool consisting of the $E\frac{1}{2}$ of the above described Section 22, excepting Tracts 1 and 2 above, and according such non-standard unit an acreage allowable factor of 281 acres, and making such further Orders 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

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. 2300
Order No. R-2004

APPLICATION OF SOUTHWEST PRODUCTION
COMPANY FOR A NON-STANDARD GAS PRO-
DUCTION UNIT IN THE EAST-SANCTA GAS
POOL, 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
June 7, 1961, 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 22nd day of June, 1961, the Commission, a
quorum being present, having considered the application and the
recommendations of the Examiner, Daniel S. Nutter, and being
fully advised in the premises,

FINDS:

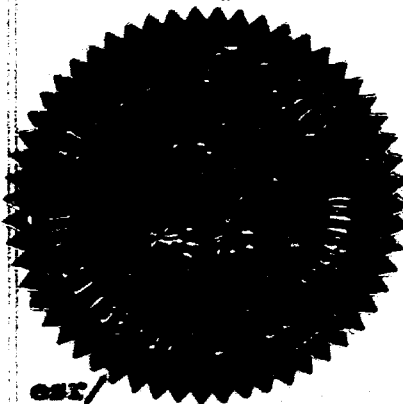
(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Southwest Production Company, has
requested that Case No. 2300 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2300 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHAM, Chairman

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

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

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

SYMBOLS	
DL	Day Letter
NL	Night Letter
LT	International Letter Telegram

1961

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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OIL CONSERVATION COMMISSION=

STATE LAND OFFICE BLDG SANTA FE NMEX=

DISMISS SOUTHWEST PRODUCTION CO NON-STANDARD GAS
PRORATION UNIT APPLICATION CAS 2300 FORMAL DISMISSAL
TO FOLLOW=

GEORGE L VERITY ATTORNEY=

STATE LAND OFFICE
SANTA FE NMEX
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2300-55

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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 22, 1961

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

Re: CASE NO. 2300
ORDER NO. A-2004
APPLICANT:
Southwest pro. Co.

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 X
Aztec OCC X

OTHER _____

Case 2300

GEO. L. VERITY

ATTORNEY AT LAW

SUITE 102 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO

TELEPHONE DAVIS 5-0203

May 8, 1961

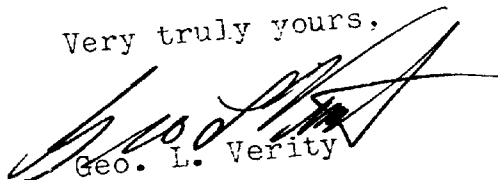
New Mexico Oil Conservation Commission
P. O. Box 671
Santa Fe, New Mexico

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
application for non-standard gas proration unit in
the Basin-Dakota Gas Pool of San Juan County. This
application may be heard before the Trial Examiner.

Very truly yours,


Geo. L. Verity

GLV:mts
Enc.

*Rockets
Mailed
5/26/61
Q*

BEFORE THE OIL CONSERVATION COMMISSION
OF NEW MEXICO

APPLICATION OF SOUTHWEST PRODUCTION
COMPANY FOR A NON-STANDARD GAS PRO-
DUCTION UNIT, IN THE BASIN-DAKOTA
GAS POOL, SAN JUAN COUNTY, NEW
MEXICO.

Case No. 2300

ENTRY OF APPEARANCE

Come now Dwight A. Millett and Julian Coffey and enter
their appearance pro se in the above captioned case and consent
to the dismissal thereof as proposed by Southwest Production
Company, the applicant herein.

Dwight A. Millett
DWIGHT A. MILLETT

Julian Coffey
JULIAN COFFEY

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 6/8/61

CASE 2300

Hearing Date 9am 4/7/61 DSN @ SF

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

Dismiss

Sam Miller

Clerk of the Commission

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 7, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Southwest Production
Company for a non-standard gas pro-
duction unit, San Juan County, New
Mexico.

Case 2300

TRANSCRIPT OF HEARING

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 7, 1961

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

Application of Southwest Production Company
for a non-standard gas proration unit, San
Juan County, New Mexico. Applicant, in the
above-styled cause, seeks the establishment
of a 321-acre non-standard gas proration
unit in the Basin-Dakota Gas Pool consist-
ing of the NE/4 NE/4 of Section 27 and all
of the E/2 of Section 22, Township 30 North,
Range 12 West, San Juan County, New Mexico,
excepting from the E/2 of said Section 22 a
13-acre and a 26-acre tract owned by Dwight
L. Millett, Gladys L. Millett, Julian
Coffey and Pan American Petroleum Corpora-
tion. In the alternative, applicant seeks
the establishment of a 281-acre non-
standard gas proration unit in said pool
consisting of all of the E/2 of said Section
22 excepting therefrom the aforesaid
13-acre and 26-acre tracts.

Case 2300

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call next Case 2300.

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

Mr. Examiner, the applicant in this case has requested that
it be dismissed.



MR. NUTTER: The Case 2300 will be dismissed.

We'll recess the hearing now until one-fifteen.

STATE OF NEW MEXICO)
:
COUNTY OF BERNALILLO)

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

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 9th day of June, 1961.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2300 heard by me on 2/15/61, 1961.
J. S. Smith, Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

