

CASE 2304: Application of the OCC  
on its own motion to amend RULES  
1209 & 1216 to conform to statutes.

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2304

plication, Transcript,  
and 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. 2304  
Order No. R-2003**

**APPLICATION OF THE OIL CONSERVATION  
COMMISSION ON ITS OWN MOTION TO AMEND  
RULES 1209 AND 1216.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on June 14, 1961, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 16th day of June, 1961, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 Section 65-3-11.1 of the New Mexico Statutes Annotated, 1953 Compilation, being the Laws of the State of New Mexico 1955, was amended by the Twenty-Fifth Legislature of the State of New Mexico in its 1960-1961 Session, which amendment became effective on June 9, 1961.

(3) That Rules 1209 and 1216 should be amended to conform to said Section 65-3-11.1, as amended.

**IT IS THEREFORE ORDERED:**

(1) That the second paragraph of Rule 1209 is hereby deleted.

-2-

CASE No. 2304  
Order No. R-2003

(2) That Rule 1216 is amended to be in its entirety as follows:

**RULE 1216. HEARINGS WHICH MUST BE HELD BEFORE COMMISSION**

Notwithstanding any other provisions of these rules, the hearing on any matter shall be held before the Commission (1) if it is a hearing de novo, or (2) if the Commission in its discretion desires to hear the matter, or (3) if the matter involves limiting the total production of crude petroleum oil in the State, or (4) if the matter involves limiting the total production of gas from any gas pool.

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

**STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION**



EDWIN L. MCCHEN, Chairman



E. S. WALKER, Member



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



esx/

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 14, 1961

IN THE MATTER OF:

Application of the Oil Conservation  
Commission on its own motion to amend  
Rules 1209 and 1216 to conform to  
Section 65-3-11.1 of the New Mexico  
Statutes Annotated, 1953 compilation,  
as amended.

Case 2304

TRANSCRIPT OF HEARING

## NEW MEXICO OIL CONSERVATION COMMISSION

REGULAR HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE JUNE 14, 1961 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
D. H. Williams	Gulf Oil Corp.	Denver, Colo
J. A. Jones	Sunset Inter. Petr. Corp.	Denver, Colo
L. L. Sherman	Indiana Oil Prod. Co.	Midland, Texas
John Mills	Zepher Inc.	✓ ✓
D. T. WRIGHT	El Paso Natural Gas	Jal, N. Mex.
A. E. Snyder	Amerada Petroleum Corp.	Hobbs, N. Mex.
B. G. Crocker	Shell Oil Co.	Midland Tex.
Henry E. Meadows	Humble Oil & Ref.	Midland Texas
Fred M. Springer	Mobil Oil Co.	Midland, Texas
R. L. Dwyer		
J. L. Paez	Mobil Oil Co.	Russell
Jack Vickrey	Mobil Oil Co.	Midland
R. P. Lavenant Jr.	Mobil Oil Co.	Los Angeles
Ronald M. Grew	Cities Service	Bartlesville
R. H. Christman	"	"
John A. Cook	"	"

## NEW MEXICO OIL CONSERVATION COMMISSION

## REGULAR HEARING

SANTA FE, NEW MEXICO

## REGISTER

HEARING DATE JUNE 14, 1961 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
BILL SULLIVAN	EPNG PRODUCTS CO	EL PASO
Dick Booker	Citico Service Station	Midland
Bill McComb	Blondo oil & gas co	Roswell
Jim Mytunga	Indian Oil Purchasing	subson
Mark Sperry	Pogon & Co	Facing ton
Joe Scott	El Paso Nat. Gas Products	Farmington
Ed Robinson	TEXACO Inc	Midland
Doug Conthuit		
Joe M. McVitt	E. P. NAT GAS PROD CO.	El Paso
R. L. McPherson	M. J. and Corp.	Midland
Paul Benney		Albany
W. T. Smith	Arginal O & G	Midland
Frank D. Verdner	Sinclair Crude	Tulsa, Okla.
Dr. G. Shier	Sinclair Crude	Midland, Tex.
Joe D. Ramsey	OCC	Hobbs, N. Mex.
Lewkins	SWG	Santa Fe
A. R. Kendrick	OCC	Artesia
M. L. Armstrong	OCC	

NEW MEXICO OIL CONSERVATION COMMISSION

REGULAR HEARING

SANTA FE, NEW MEXICO

REGISTER

HEARING DATE

JUNE 14 1961

TIME:

9:00

NAME:	REPRESENTING:	LOCATION:
St. Lawrence	El Paso Natural Gas	El Paso
B.R. Howell	"	"
John Upmoke	Texas Pacific C & O	Midland
W.M. Roeger	El Paso Nat Gas	Farmington
Ganett Whitworth	El Paso Nat Gas	El Paso
Emery C. Ames	OCC	city



## NEW MEXICO OIL CONSERVATION COMMISSION

REGULAR HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE JUNE 14, 1961 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
D. Williams	Gulf Oil Corp.	Denver, Colo
J. A. Jones	Sunset Inter. Petr. Corp.	Denver, Colo
L. L. Shumaker	Arkansas Oil Pump Co.	Midland, Texas
John Mills	Texas Inc.	✓ ✓
P. T. WRIGHT	El Paso Natural Gas	Jal, N. Mex.
A. E. Snyder	Amerada Petroleum Corp.	Hobbs, N. Mex.
B. G. Crocker	Shell Oil Co.	Midland Tex.
Henry E. Meadows	Humble Oil & Ref.	Midland Texas
Fred M. Springer	Mobil Oil Co.	Midland Texas
R. L. Dyer		
J. L. Toney	Mobil Oil Co.	Lawell
Jack Vickrey	Mobil Oil Co.	Midland
R. P. Lavenant Jr.	Mobil Oil Co.	Los Angeles
Gerald Mc Grew	Cities Service	Bartlesville
R. H. Chittum	" "	"
John A. Cooksey	" "	"

## NEW MEXICO OIL CONSERVATION COMMISSION

## REGULAR HEARING

SANTA FE, NEW MEXICO

REGISTER

HEARING DATE

JUNE 14, 1961

TIME:

9 a.m.

NAME:	REPRESENTING:	LOCATION:
BILL SULLIVAN	EPNG PRODUCTS CO	EL PASO
Dick Booker	Cities Service Pte	Midland
Bill McComb	Hondo oil/ gas co	Roswell
Jim Mytunga	Indian Oil Purchasing	subson
Frank [unclear]	Pryor & [unclear]	Jaeger
Jim [unclear]	El Paso Nat Gas Product	Farmington
Ed Robinson	TEXACO Inc	Midland
Doug Condit	"	"
Joe M. McNott	E P NAT GAS PROD CO	EL PASO
R. L. McPherson	McWood Corp	Midland
Frank [unclear]	"	Abilene
M. T. Smith	Signal, L & G	Midland
Frank [unclear]	Simclair [unclear]	Tulsa, Okla.
Dr. G. Shinn	Simclair [unclear]	Midland, Tex.
Joe [unclear]	OCC	Hobbs, N.M.
Lew [unclear]	[unclear]	Santa Fe
A. R. Kendrick	OCC	Alto
M. L. Armstrong	OCC	Artesia

NEW MEXICO OIL CONSERVATION COMMISSION

REGULAR HEARING

SANTA FE, NEW MEXICO

REGISTER

HEARING DATE

JUNE 14, 1961

TIME:

9:25

NAME:

REPRESENTING:

LOCATION:

St. Lawrence	El Paso Natural Gas	El Paso
B.R. Howell	"	"
John Yronaka	Texas Pacific Co	Midland
W.M. Rogers	El Paso Nat Gas	Farmington
Ganett Whitworth	El Paso Nat Gas	El Paso
Emery C. Ames	OCC	Alto

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
June 14, 1961

-----  
IN THE MATTER OF: )  
)

Application of the Oil Conservation )  
Commission on its own motion to amend ) Case 2304  
Rules 1209 and 1216 to conform to )  
Section 65-3-11.1 of the New Mexico )  
Statutes Annotated, 1953 compilation, )  
as amended. )  
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BEFORE: Honorable Edwin L. Mechem  
Mr. A. L. Porter  
Mr. E. S. Walker

TRANSCRIPT OF HEARING

MR. PORTER: We will take up next Case 2304.

MR. MORRIS: Case 2304. Application of the Oil Conser-  
vation Commission on its own motion to amend Rules 1209 and 1216  
to conform to Section 65-3-11.1 of the New Mexico Statutes  
Annotated, 1953 compilation, as amended.

(Witness sworn.)

MR. MORRIS: If the Commission please, I will present  
this case in the form of a statement. Certain changes in Rules  
1209 and 1216 of the Commission's Rules and Regulations are  
necessitated at this time to conform those rules to certain  
legislation that was passed by the Twenty-fifth Legislature, which  
became effective on June 9th, 1961.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



The particular bit of legislation that affects these rules is an amendment of Section 65-3-11.1 of the Statutes of the State of New Mexico, 1953 compilation. The law that was passed by the legislature is really a re-enactment of 65-3-11.1 as it previously existed, with part of one sentence deleted.

I would like at this time to read the deleted portion, and only the deleted portion, of that Statute. The portion that was deleted that is no longer part of 65-3-11.1 reads as follows: "provided, however, no matter or proceeding referred to an Examiner where any party who may be affected by any order entered by the Commission in connection therewith shall object thereto within three days prior to the time set for hearing, in which case such matter shall be heard at the next regular hearing of the Commission."

Now, this change in the Statute, in essence, removes the right, as it previously existed, to object to an Examiner Hearing. The Statute, as it previously existed before the change, gave any interested party the right to object to an Examiner Hearing three days before the hearing, and the case then had to be heard before the full Commission.

The deletion of the portion of the Statute which I have read, then, removes that right. This Statute, as it previously existed, was reflected in two rules of the Commission, Rule 1209 and Rule 1216. Now, to conform Rule 1209 to meet the wording



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ALBUQUERQUE, NEW MEXICO

PAGE 4

of the new Statute, it is proposed to delete the second paragraph of Rule 1209, and I will read the second paragraph as it presently exists in Rule 1209, which the Commission Staff is proposing to delete.

It reads as follows: "Any matter or proceeding set for hearing before an Examiner shall be continued by the Examiner to the next Regular Hearing of the Commission following the date set for the hearing before the Examiner, if any person who may be affected by any order entered by the Commission in connection with such hearing shall have filed with the Commission at least three days prior to the date set for such hearing a written objection to such hearing being held before an Examiner. In such event the matter or proceedings shall be placed on the regular docket of the Commission for hearing."

As you can see, that paragraph is almost the same wording as the portion of the Statute that was deleted. So, it would be completely in keeping with the new statute to delete this second paragraph of Rule 1209. The first paragraph of Rule 1209 concerns continuing a hearing to another Examiner Hearing without the necessity of new service and is not affected by the change in the legislation.

Therefore, Rule 1209, as it is proposed, would contain only the first paragraph of that rule as it presently exists.

With regard to Rule 1216, I have prepared a proposed amended



Rule 1216 which I believe was available to everyone as they came into the auditorium, and I'm wondering if the members of the Commission have that before them.

MR. PORTER: Yes, we have it.

MR. MORRIS: I would like to read for the record the proposed Rule 1216. "RULE 1216. HEARINGS WHICH MUST BE HELD BEFORE COMMISSION. Notwithstanding any other provisions of these rules, the hearing on any matter shall be held before the Commission (1) if it is a hearing de novo, or (2) if the Commission in its discretion desires to hear the matter, or (3) if the matter involves limiting the total production of crude petroleum oil in the State, or (4) if the matter involves limiting the total production of gas from any gas pool."

With regard to what is numbered (1) in that rule, if it is a hearing de novo, the new legislation did not in any way affect the right to a hearing de novo after an Examiner Hearing and, therefore, it was thought that this should be included in our proposed Rule 1216 as we are proposing it here today.

As to paragraph two, the Commission, in its discretion, may desire to hear any matter, and even though it might be a proper subject for an Examiner to hear, still, if the Commission desires to hear the matter in the first instance, under this rule, under this provision of the rule, it would have the prerogative to hear the matter.



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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Under three and four, the Commission, if it should adopt this rule, would, in effect, be imposing a self-limitation upon itself to hear the oil and gas allowable cases. There is nothing in the new legislation that requires the Commission to hear the oil and gas allowable cases. Nevertheless, it's thought that the oil and gas allowable cases are of such importance that the Commission should always hear these cases and that it should be subject of this rule.

I will not offer this as an exhibit. It's part of the record in this case, but, if the Commission please, the Staff would propose Rule 1209 and Rule 1216, as amended, and as proposed here today, and urge their adoption by the Commission.

MR. PORTER: Does anyone have any questions of Mr. Morris? As I understand it, Mr. Morris, the Commission, according to this rule, would be required to hear de novo cases, of course, which wouldn't be de novo unless it were, that is in cases that were heard by the Examiner if the applicant desires to appeal it to the full Commission, is what that amounts to?

MR. MORRIS: Yes, sir.

MR. PORTER: Then, at our discretion, we hear the allowables, of course, or this rule would require us to hear both the oil and gas allowable and anything else that we want to hear?

MR. MORRIS: Yes, sir, that's true. I might point out that there is another rule in our rule book, Rule 1220, that was





not amended here today which pertains to de novo hearings before the Commission and it will remain intact.

MR. PORTER: Does anyone else have a question? I think the fact that the law has been revised as advocated by the Legal Committee of the New Mexico Oil and Gas Association, after numerous conferences with the Commission's Staff, all of the interested parties indicated as to how well the Examiner system has worked in New Mexico. We have had a few de novo appeals from the Examiner's recommendations, not as many as we actually expected. I might say that North Dakota set up an examiner system this year and they asked us for an outline of our procedures that we furnished to them. How closely they followed that procedure, I don't know, because I haven't seen a copy of the new law.

Did you have something else, Mr. Morris, to add?

MR. MORRIS: Yes, sir. Speaking now not as a witness but as a member of the Staff, I have a communication from Howard Bratton I would like to read into the record. "With reference to Case No. 2304, the above case will come on for hearing before the Commission on June 14 on the motion of the Commission to amend Rules 1209 and 1216 to conform to Section 65-3-11.1, New Mexico Statutes, Annotated, 1953 compilation as amended. The change in the Statute was the result of consultation between the Commission and the New Mexico Oil and Gas Association. It was agreed that it would be advisable in the interest of



conserving the time of members of the Commission and of fully utilizing the technical ability of the members of the Staff of the Commission to provide that the Commission must hear each month the oil and gas allowables and any de novo proceedings, but that otherwise it should not be required to hear any matter which it might not desire to hear initially. I have examined a copy of the proposed rule changes to be presented at the June 14 hearing, and I believe that they are satisfactory to accomplish the desired end for which the statutory change was made. I would urge that the Commission adopt the proposed changes in Rules 1209 and 1216. I was the Chairman of the Legal Committee of the New Mexico Oil and Gas Association which worked with the Commission to effect the statutory change, and I believe I can speak for the members of that committee in expressing approval of the proposed rule changes. Signed Howard C. Bratton."

MR. NUTTER: I would like to make one brief observation, if I may.

MR. PORTER: Sure.

MR. NUTTER: We were doing some research work on this matter the other day and we found that the Examiners, since the adoption of the Examiner system in 1955, have heard over a thousand cases and there have been approximately ten requests for hearing de novo.

MR. PORTER: Also, Mr. Nutter, we had an eighteen



percent increase last year over the year before in the number of cases docketed before the Commission. So far this year we're having quite a sizeable increase, even with all the administrative procedures which have been instituted by the Commission.

Does anyone have any comment they would like to make in this case? If not, the Commission will take the case under advisement. We're going to take up next Case 2305, but at this time we would like to take a short recess, and Mr. Robinson, if you have any exhibits to post, you might do so.

MR. ROBINSON: I have several exhibits.

STATE OF NEW MEXICO )  
: SS  
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 16th day of June, 1961.

*Ada Dearnley*  
Notary Public-Court Reporter

My commission expires:

June 19, 1963.



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

*Cover*  
*2304*

June 5, 1961

Mr. Howard Bratton  
Harvey, Dew and Ninkie  
Attorneys at Law  
P. O. Box 547  
Roswell, New Mexico

Dear Howard:

Enclosed is a tentative draft of Rule 1216 as we propose to revise it. This is somewhat different from the wording proposed by the New Mexico Oil and Gas Association, but I believe that it accomplishes the same purpose in fewer words.

As to Rule 1209, we propose to delete the second paragraph of that rule.

Any suggestions you might have to offer will be appreciated, as will your support at the hearing of this matter.

Very truly yours,

RICHARD S. MORRIS  
Attorney

RMH/csr  
Enclosure

C  
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No. 17-61

DOCKET: REGULAR HEARING - WEDNESDAY - JUNE 14, 1961

OIL CONSERVATION COMMISSION 9 A.M. MORGAN HALL, STATE LAND OFFICE  
BUILDING, SANTA FE, NEW MEXICO

- ALLOWABLE:**
- (1) Consideration of the oil allowable for July, 1961.
  - (2) Consideration of the allowable production of gas for July, 1961, for ten prorated pools in Lea County, New Mexico. Consideration of the allowable production of gas for nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for July, 1961 and also presentation of purchaser's nominations for the six-month period beginning August 1, 1961 for that area.

**CASE 2304:** Application of the Oil Conservation Commission on its own motion to amend Rules 1209 and 1216 to conform to Section 65-3-11.1 of the New Mexico Statutes Annotated, 1953 compilation, as amended.

**CASE 2305:** Application of Texaco Inc. for permission to market stock tank liquids approximately 11.5 percent in excess of top unit allowable plus such other liquids, including propane, which may be recovered by the installation of an extraction and stabilization plant on its Little Lucky Lake Unit, Little Lucky Lake-Devonian Pool, Chaves County, New Mexico.

**CASE 2306:** Application of El Paso Natural Gas Company for an exception to Order No. R-333-C and D, as amended. Applicant, in the above-styled cause, seeks an exception to Order No. R-333-C and D, as amended, to provide for an administrative procedure whereby the time may be extended for conducting and reporting initial deliverability tests on gas wells in the Basin-Dakota Gas Pool, San Juan and Rio Arriba Counties, New Mexico, when the taking of such tests would prevent the full production of allowable from Pictured Cliffs wells connected to the same pipeline facility. Applicant further seeks an extension of time for conducting and reporting such tests for all Dakota wells without initial deliverability tests which, prior to October 1, 1961, are connected to a low-pressure pipeline facility servicing Pictured Cliffs wells. It is further requested that provision be made for assigning allowables based upon such delayed initial deliverability tests, effective retroactively to the date of connection of the Dakota well to the low-pressure pipeline facility.

CASE 2307:

Southeastern New Mexico nomenclature case calling for the extension of certain existing pools in Eddy, Lea, and Roosevelt Counties, New Mexico.

- (a) Extend the Allison-Pennsylvanian Pool to include:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM  
SECTION 10: SE/4

- (b) Extend the Culwin-Queen Pool to include:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
SECTION 36: NE/4 and SW/4

- (c) Extend the Double X-Delaware Pool to include:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM  
SECTION 15: SE/4

- (d) Extend the Drinkard Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
SECTION 12: NW/4

- (e) Extend the North Hackberry-Yates Pool to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
SECTION 30: S/2 NE/4, SE/4, and E/2 SW/4

- (f) Extend the Justis Tubb-Drinkard Pool to include:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM  
SECTION 23: W/2 NE/4

- (g) Extend the Lea-Bone Springs Pool to include:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM  
SECTION 11: NW/4

- (h) Extend the Paduca-Delaware Pool to include:

TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM  
SECTION 15: SE/4  
SECTION 20: SE/4  
SECTION 28: NW/4

- (i) Extend the Pearl-Queen Pool to include:  
TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM  
SECTION 15: SW/4
- (j) Extend the South Prairie-Pennsylvanian Pool to include:  
TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM  
SECTION 21: N/2 NW/4
- (k) Extend the East Red Lake-Queen Pool to include:  
TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
SECTION 11: N/2 SE/4  
SECTION 12: W/2 NW/4
- (l) Extend the Saunders Pool to include:  
TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM  
SECTION 21: SE/4
- (m) Extend the North Shugart-Queen-Grayburg Pool to include:  
TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
SECTION 9: NE/4  
SECTION 30: SE/4
- (n) Extend the Turkey Track Pool to include:  
TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
SECTION 21: S/2 SE/4  
SECTION 27: W/2 NW/4
- (o) Extend the East Vacuum-Abo Pool to include:  
TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM  
SECTION 35: SE/4
- CASE 2308: Northwestern New Mexico nomenclature case calling for an order for the extension of existing pools in San Juan, Sandoval, and Rio Arriba Counties, New Mexico.
- (a) Extend the Ballard-Pictured Cliffs Pool to include:  
TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM  
SECTION 19: SW/4

(b) Extend the Cha Cha-Gallup Oil Pool to include:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM,  
SECTION 22: NW/4 & W/2 NE/4  
SECTION 34: E/2 NE/4

(c) Extend the Horseshoe-Gallup Oil Pool to include:

TOWNSHIP 30 NORTH, RANGE 16 WEST, NMPM  
SECTION 2: NE/4 NW/4 & NW/4 NE/4

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM  
SECTION 26: S/2 SW/4 & SW/4 SE/4

(d) Extend the Shiprock-Gallup Oil Pool to include:

TOWNSHIP 29 NORTH, RANGE 18 WEST, NMPM,  
SECTION 16: NW/4 SW/4  
SECTION 17: N/2 SE/4 & NE/4 SW/4

(e) Extend the Totah-Gallup Oil Pool to include:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM  
SECTION 19: NW/4  
SECTION 20: W/2 SE/4  
SECTION 30: E/2 NE/4  
SECTION 35: W/2 SW/4

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM  
SECTION 24: E/2 NE/4



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**RULE 1216.      HEARINGS WHICH MUST BE HELD BEFORE COMMISSION**

Notwithstanding any other provisions of these rules, the hearing on any matter shall be held before the Commission (1) if it is a hearing de novo, or (2) if the Commission in its discretion desires to hear the matter, or (3) if the matter involves limiting the total production of crude petroleum oil in the State, or (4) if the matter involves limiting the total production of gas from any gas pool.

J. M. HERVEY 1874-1963  
HIRAM H. VON  
CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
GEORGE H. HUNKER, JR.  
HOWARD C. BRATTON  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD

LAW OFFICES  
HERVEY, DOW & HINKLE  
HINKLE BUILDING  
ROSWELL, NEW MEXICO

TELEPHONE MAIN 2-6510  
POST OFFICE BOX 10

June 12, 1961

Mr. A. L. Porter, Jr.  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Re: Case No. 2304

Dear Mr. Porter:

The above case will come on for hearing before the Commission on June 14th on the Motion of the Commission to amend Rules 1209 and 1216 to conform to Section 65-3-11.1 NMSA 1953 Comp., as amended.

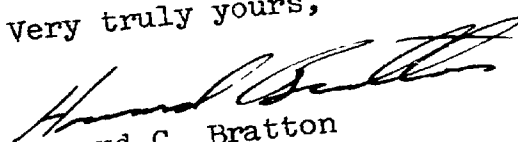
The change in the statute was the result of consultation between the Commission and the New Mexico Oil and Gas Association. It was agreed that it would be advisable in the interests of conserving the time of members of the Commission and of fully utilizing the technical ability of the members of the staff of the Commission to provide that the Commission must hear each month the oil and gas allowables, and any de novo proceedings, but that otherwise it should not be required to hear any matter which it might not desire to hear initially.

I have examined a copy of the proposed rule changes to be presented at the June 14th hearing, and I believe that they are satisfactory to accomplish the desired end for which the statutory change was made.

I would urge that the Commission adopt the proposed changes in Rules 1209 and 1216.

I was the Chairman of the Oil Conservation Commission of the New Mexico Oil and Gas Association which worked with the Commission to effect the statutory change, and I believe I can speak for the members of that Committee in expressing approval of the proposed rules changes.

Very truly yours,

  
Howard C. Bratton

HCB:lm

J. H. HERVEY 1874-1953  
HIRAM M. DOW  
CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
GEORGE H. HUNKER, JR.  
HOWARD C. BRATTON  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD

LAW OFFICES  
HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

June 12, 1961

TELEPHONE MAIN 2-6510  
POST OFFICE BOX 10

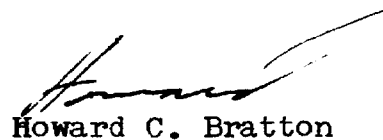
Mr. Richard S. Morris  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Dick:

I don't know whether I am going to be able to attend the Commission hearing on Wednesday. If I am not, will you please insert the enclosed letter in the record of the case.

If there is anything further which you desire, please let me hear from you.

Very truly yours,



Howard C. Bratton

HCB:lm

Enclosure