CARE 2491: Application of D. W. FALLS, INC. for promilgation of special rules governing oil wells in the BASIS-DANOTA FOOL.

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mall Exhibits, Etc.

# BRFORE THE OIL COMSERVATION COMMISSION OF THE STATE OF MEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL COMMERVATION COMMISSION OF HEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 2491 Order No. R-2192

APPLICATION OF D. W. PALLS, INC. FOR THE PROMULENTION OF SPECIAL MILES GOV-RIMING OIL WELLS IN THE BASIN-DANOTA POOL, SAN JURE AND RIO ARRIVA COUNTIES, MEN MEXICO, AND FOR POUR NON-STANDARD CIL PROBATION UNITS.

# ORDER OF THE COMMISSION

# BY THE CONCLESION:

This cause came on for hearing at 9 o'clock a.m. on February 27, 1962, at Santa Fe, New Mexico, before Elvis A. Uts, 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.

MOW, on this 6th day of March, 1962, the Commission, a quorum being present, having considered the application, and the recommendations of the miniminer, Elvis A. Utz, and being fully advised in the premises,

# FIRES:

- (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, D. W. Falls, Inc., has requested that Case No. 2491 be <u>dismissed</u>.

# IT IS THEREFORE ORDERED:

That Case No. 2491 is hereby dismissed.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

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

GGVERNOR 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

March 6, 1962

Mr. George Verity Verity, Burr & Cooley 152 Petroleum Center Building Farmington, New Mexico Re: CASE NO. 2491
ORDER NO. 2-2192

APPLICANT:

D. W. Falls, Inc.

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. Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC X

OTHER

Care 249/
Head 2-22-62
Rec. 2-22-62

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of Applicant.

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L FRAO73 PD=FARMINGTON NMEX 26 434P MST= OIL CONSERVATION COMM OF NEW MEXICO= STATE CAPITOL SANTA FE NMEX=

WE HEREBY REQUEST DISMISSAL OF CASE NO 2491= VERITY BURR AND COOLEY ATTYS FOR D W FALLS INC.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

ATWOODAIR OFFICE OF E

JEFF D.ATWOOD (1883-1980)
ROSS L.MALONE
CHARLES F. MALONE
RUSSELL D. MANN
PAUL A. COOTER
BOS F. TURNER

P. O. DRAWER 700
TELEPHONE MAIN 2-6221
ROSWELL PETROLEUM BUILDING
ROSWELL, NEW MEXICO

February 23, 1962

New Mexico Oil Conservation Commission State Land Office Building Post Office Box 871 Santa Fe, New Mexico

> Re: Docket of February 27, 1962 Cases No. 2491 and 2500

Gentlemen:

As local counsel for Pan American Petroleum Corporation, we enclose herewith our Entry of Appearance with G. C. Condra and Guy Buell of the Texas Bar, in the cases referred to above.

Very truly yours,

for ATWOOD & MALONE

RLM:ps encls.

# BEFORE THE OIL CONSERVATION COMMISSION 25 M 3:26 STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF D. W. FALLS, INC., FOR THE PRO-MULGATION OF SPECIAL RULES GOVERNING OIL WELLS IN THE BASIN-DAKOTA POOL, SAN JUAN AND RIO ARRIBA COUNTIES, NEW MEXICO, AND FOR FOUR NON-STANDARD OIL PRORATION UNITS.

No. 2491

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# ENTRY OF APPEARANCE

The undersigned, Atwood & Malone of Roswell, New Mexico, a firm of attorneys all of whose members are duly licensed to practice law in the State of New Mexico, hereby enters its appearance as local counsel with G. C. Condra and Guy Buell, of the Texas Bar, or either of them, appearing for Pan American Petroleum Corporation in said cause.

DATED at Roswell, New Mexico this 23rd day of February,

1962

ATWOOD & MALONE

Post Office Drawer 700

Roswell, New Mexico

# DOCKET: EXAMINER HEARING - TUESDAY - FEBRUARY 27, 1962

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:

# CASE 2491:

Application of D. W. Falls, Inc., for the promulgation of special rules governing oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, and for four non-standard oil proration units. Applicant, in the above-styled cause, seeks the promulgation of special rules governing oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, including a provision defining an oil well in said pool as a well having a gas-oil ratio of 30,000 to 1, or loss, and producing liquid hydrocarbons with a gravity of 49° API, or less; applicant seeks rules establishing 160-acre oil proration units and fixing well location requirements for said wells. Applicant further seeks the establishment of the four following non-standard oil proration units, all in Township 28 North, Range 13 West, San Juan County:

E/2 of Section 10, comprising 137.58 acres; W/2 of Section 10, comprising 137.78 acres; E/2 of Section 11, comprising 137.78 acres; W/2 of Section 11, comprising 137.56 acres.

# CASE 2496:

Application of Elliott, Inc. for an exception to the no-flare provisions of Order No. R-2103, Totah-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-2103 prohibiting the flaring of casinghead gas from oil wells in the Totah-Gallup Oil Pool for a 30-day period for its Totah Well No. 1-A located in the NE/4 NE/4 of Section 30, Township 29 North, Range 13 West, San Juan County, New Mexico.

# CASE 2497:

Application of Amerada Petroleum Corporation for a water-flood project, Langlie-Mattix Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Langlie-Mattix Pool in Sections 27, 28, 33 and 34, Township 24 South, Range 37 East, Lea County, New Mexico; the injection of water initially to be through six wells located in said sections, said project to be governed by the provisions of Rule 701.

-2-Docket No. 6-62

CASE 2498:

Application of Shell Oil Company for approval of the Emerald Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Emerald Unit Agreement embracing 1200 acres, more or less, of State lands in Sections 14, 15, 22 and 23, Township 16 South, Range 32 East, Lea County, New Mexico.

CASE 2499:

Application of Shell Oil Company for approval of the Royal Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Royal Unit Agreement embracing 1078.49 acres, more or less, of State and fee lands in Sections 24 and 25, Township 10 South, Range 34 East, and Sections 19 and 30, Township 10 South, Range 35 East, all in Lea County, New Mexico.

CASE 2500:

Application of Pan American Petroleum Corporation for an order pooling all mineral interests in the Flora Vista-Mesa-verde and Basin-Dakota Gas Pools in the N/2 of Section 27, Township 30 North. Range 12 West, San Juan County, New Mexico. As an alternative, applicant requests the establishment of a 318-acre non-standard gas proration unit in the Flora Vista-Mesaverde and Basin-Dakota Gas Pools consisting of all the N/2 of said Section 27, except two acres which comprise Lot 9, Block 3 of Flora Vista Acres subdivision in the NW/4 NE/4 of said Section 27 owned by Henry E. and Loie Irene Lindsey, P. O. Box 176, Flora Vista, New Mexico.

CASE 2501:

Application of G. W. Strake for an order creating a new oil pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool to be designated as either the Hackberry-Seven Rivers Pool or Hackberry-Capitan Pool, and comprising the NE/4 of Section 25, Township 19 South, Range 30 East, Eddy County, New Mexico. The discovery well is the G. W. Strake Le Bow-Federal Well No. 4, located in Unit H of said Section 25.

CLASS OF SERVICE
This is a fast message unless its definered character in indicated by the proper of SAIN OFF

# WESTERN UNION

**TELEGRAM** 

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L DVA292 LONG PD=DENVER COLO 6 431P MST= THE NEW MEXICO OIL CONSERVATION COMM=
STATE LAND OFFICE BLDG SANTA FE NMEX=

RE CASE 2491 DOCKET #4-62-APPLICATION OF D W FALLS INCORPORATED FOR SPECIAL RULES GOVERNING OIL WELLS IN BASIN DAKOTA POOL, INCLUDING A PROVISION DEFINING AN OIL WELL AND ESTABLISHING 160 ACRE OIL PRO RATION UNITS BRITISH AMERICAN OIL PROBUCING COMPANY AGREES THAT AN OIL WELL BE DEFINED AS ONE HAVING A GRAVITY OF 49 DEGREE API OR LESS, BUT THAT THE GOR BE LIMITED TO A MAXIMUM OF 15,000 TO 1.

FURTHER IT IS OUR RECOMMENDATION THAT A SUITABLE ACREAGE FACTORY BE APPLIED IN THE EVENT THAT TWO OR MORE 160 ACRE
OIL PRO RATION UNITS OFFSET A 320 ACRE GAS PRO RATION UNIT=

THOMAS M HOGAN BRITISH AMERICAN OIL PRODUCING CO

DENVER COLO=

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=2491 #4-62= 160 49 API GOR 15,000 1 160 320 ...

VEI Y, BURR & CODLEY
ATTOR LEYS AND COUNSELORS AT LAW
SUITE 152 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO

GEO. L. VERITY JOEL B. BURR. JR. WM. J. COOLEY

February 5, 1962

TELEPHONE 325-1702

NORMAN S. THAYER

SEZ FEB 7 M

Mr. D. S. Nutter Oil Conservation Commission of New Mexico Post Office Box 871 Santa Fe, New Mexico

Re: Case No. 2491 - Application of D. W. Falls, Inc.

Dear Mr. Nutter:

You are hereby requested on behalf of our client, D. W. Falls, Inc., to continue the above referenced case over from the February 7, 1962 docket to the next examiner hearing regularly scheduled by the Oil Conservation Commission, which I presume will be late in February.

I will appreciate your advice as to the exact date of said hearing at the earliest possible date.

Very truly yours,

VERITY, BURR & COOLEY

WJC/dh

May 16 62

VERITY, BURR & COULEY
AT WAN-OFF RENCOMM AT LAW
SUITE 152 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO
1962 UAN 19 M 8: 21

GEO. L. VERITY
JOEL B. BURR. JR.
WM. J. COOLEY
NORMAN S. THAYER

January 18, 1962

TELEPHONE 325-1702

c Tax 2491

Oil Conservation Commission of New Mexico Post Office Box 871 Santa Fe, New Mexico

Gentlemen:

Forwarded herewith is Application of D. W. Falls, Inc. which you are hereby requested to docket at your earliest convenience.

Very truly yours,

VERITY, BURR & COOLEY

WJC/dh

Enclosures

MAIN OFFICE OCC

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF D. W. FALLS, INC. FOR THE PROMULGATION OF A DEFINITION OF AN OIL WELL IN THE BASIN-DAKOTA POOL IN SAN JUAN AND RIO ARRIBA COUNTIES, NEW MEXICO, AND THE ESTABLISHMENT OF 160 ACRE SPACING FOR THE SAME AND FOR THE ESTABLISHMENT OF CERTAIN NON-STANDARD PRO-RATION UNITS AND UNORTHODOX WELL LOCATIONS IN SAID POOL

CASE NO.

APPLICATION

COMES NOW, D. W. FALLS, INC., by and through its attorneys, Verity, Burr & Cooley, and would show the Oil Conservation

Commission of New Mexico as follows:

- 1. That applicant is the owner and operator of the Federal 2-11 Well located 1190 feet from the South line and 2210 feet from the East line of Section 11, Township 28 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.
- 2. That the aforesaid well is dually completed in the Totah-Gallup Oil Pool and Basin-Dakota (Gas) Pool.
- 3. That the Gallup completion in the above referenced well resulted in a normal oil well completion in the Totah-Gallup Oil Pool. The Dakota completion in the above referenced well resulted, however, in a well which produces approximately 42° gravity oil with a gas-oil ratio of approximately 5500 to 1.
- 4. That the Special Rules and Regulation for the Basin-Dakota (Gas) Pool should be amended to provide for a definition of an oil well in said pool and to further provide the spacing and well location requirements for such wells.

VERITY, BURR & COOLEY

ATTORNEYS AT LAW
152 PETROLEUM
CENTER BUILDING
FARMINGTON,
NEW MEXICO

- 5. That an oil well in the Basin-Dakota (Gas) Pool should be defined as a well having a gas-oil ratio of 30,000 to 1 or less, AND producing liquid hydrocarbons with a gravity of 49.

  API or less.
- 6. That oil wells in the Basin-Dakota (Gas) Pool, as defined above, should be drilled on 160 acre spacing and proration units and that such wells should be located no closer than 330 feet from the outer boundary of such units.
- 7. That the Special Rules and Regulations governing oil wells in the Basin-Dakota (Gas) Pool should prohibit the flaring of casinghead gas from any such well ninety (90) days after the completion of the same.
- 9. That the said Section 11 of Township 28 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, is a fractional section containing 275.36 acres, more or less, and that Section 10 of the same Township and Range is also a fractional section containing 275.36 acres, more or less. That there is a good probability that any additional well or wells drilled to the Dakota Formation in said sections will also be clasified as oil wells under the definition proposed above and that the Commission should, therefore, establish the following as non-standard oil well spacing and pro-ration units in the Basin-Dakota (Gas) Pool to-wit:

Section 11: East Half  $(E_2^1)$ 

Containing 137.78 acres, more or less

Section 11: West Half  $(W_2)$ 

Containing 137.58 acres, more or less

VERITY, BURR & COOLEY

ATTORNEYS AT LAW
152 PETROLEUM
CENTER BUILDING
FARMINGTON,
NEW MEXICO

Section 10:

East Half (E3)

Containing 137.58 acres, more or less

Section 10:

West Half (W'z)

Containing 137.78 acres, more or less

All in Township 28 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.

9. That in the event the Commission does not see fit to permit the drilling of oil wells in the Basin-Dakota (Gas) Pool within 330 feet from the outer boundary of the spacing and pro-ration unit upon which said well is located as a general rule for oil wells in said pool, the Commission should, nevertheless, permit applicant to drill such wells on the above described non-standard spacing and pro-ration units due to the irregular shape of said units and the rough topographical features of the area.

WHEREFORE Applicant prays that the Commission enter its order amending and revising the Special Rules and Regulations of the Basin-Dakota Pool in San Juan and Rio Arriba Counties, New Mexico, to include the provisions requested above.

VERITY, BURR & COOLEY Attorneys for Applicant

By Telliany Cooler

VERITY, BURR & COOLEY

ATTORNEY AT LAW

152 PETROLEUM

DENTER BUILDING

FARMINGTON,

NEW MEXICO

# BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico

February 7, 1962

## EXAMINER HEARING

IN THE MATTER OF:

Application of D. W. Falls, Inc., for the promulgation of special rules governing oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, and for four non-standard oil proration units. Applicant, in the above-styled cause, seeks the promulgation of special rules governing oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, including a provision defining an oil well in said pool as a well having a gas-cil ratio of 30,000 to 1, or less, and producing liquid hydrocarbons with a gravity of 49° API, or less, applicant seeks rules establishing 160-acre oil proration units and fixing well location requirements for said Applicant further seeks the establishment of the four following non-standard oil proration units, all in Township 28 North, Range 13 West, San Juan County:

E/2 of Section 10, comprising 137.58 acres; W/2 of Section 10, comprising 137.78 acres; E/2 of Section 11, comprising 137.78 acres; W/2 of Section 11, comprising 137.58 acres;

BEFORE: Daniel S. Nutter, Examiner

# TRANSCRIPT OF HEARING

MR. NUTTER: This Hearing is now in session.

We will take up Case No. 2491.

MR. MORRIS: The application of D. W. Falls, Inc., for the promulgation of special rules governing oil wells in the Basin-

CASE NO.

2491

JOUEROUE, N. M.

DEARNLEY-MEIER REPORTING SERVICE,

FARRINGTON, N. M. PHONE 325-1182



Dakota Pool. Mr. Examiner, the applicant in this case has requested that it be continued to the next schedule Examiner Hearing, which, I might add, is tentatively scheduled for February 27.

MR. NUTTER: Case No. 2491 will be continued to the next Examiner Hearing at 9:00 o'clock at the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico, February 27, 1962.

> MR. MORRIS: Tentative.

MR. NUTTER: Tentative.

STATE OF NEW MEXICO COUNTY OF BERNALILLO

I, CECIL LANGFORD, NOTARY PUBLIC in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of hearing was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

NOTARY PUBLIC

My commission expires:



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 27, 1962

## EXAMINER HEARING

IN THE MATTER OF:

Application of D. W. Falls, Inc., for the promulgation of special rules governing oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, and for four non-standard oil proration units. Applicant, in the above-styled cause, seeks the promulgation of special rules governing oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, including a provision defining an oil well in said pool as a well having a gas-oil ratio of 30,000 to 1, or less, and producing liquid hydrocarbons with a gravity of 49° API, or less; applicant seeks rules establishing 160-acre oil proration units and fixing well location requirements for said wells. Applicant further seeks the establishment of the four following non-standard oil proration units, all in Township 28 North, Range 13 West, San Juan County:

E/2 of Section 10, comprising 137.58 acres; ; W/2 of Section 10, comprising 137.78 acres; ; E/2 of Section 11, comprising 137.78 acres; ; W/2 of Section 11, comprising 137.58 acres.;

BEFORE:

ELVIS UTZ, Examiner

# TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order. The first Case will be Case 2491.



: CASE 2491

LBUGUERGUE, N. M.

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MR. MORRIS: Application of D. W. Falls, Inc., for the promulgation of special rules governing oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, and for four non-standard oil proration units.

Mr. Examiner, the Applicant in this Case requests that it be dismissed.

MR. UTZ: Case 2491 will be dismissed as requested.

MR. MORRIS: I might state further that the Applicant has stated his intention to refile an application in this matter but it will be styled somewhat differently from the style of Case 2491.

MR. UTZ: You don't know what the nature of the style will be yet?

MR. MORRIS: I couldn't say at this time.

PHONE 243.6



CERTIFICATE PAGE

STATE OF NEW MEXICO SS COUNTY OF BERNALILLO

I, KATHERINE PETERSON, 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.

Katherine

I do hereby hereby that the foregoing is a complete resend of the presendings in Examiner. ission



Page	1	

# NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING - ELVIS A. UTZ

SANTA FE , NEW MEXICO

# REGISTER

HEARING DATE **FEBRUARY 27, 1962** 9 A.M. TIME: NAME: LOCATION: REPRESENTING: RHViele ZI. Wr.M. TPC = 0 Co. TPC = O Co (Jamos A. Lewis) Midland. M PAUL D. MEADOWS G.W. EATON, JR PAN AMERICAN FARMINGTON FORT WORTH G.T. BUELL FARMINGTON 2. K. ROBINSON Amerada Petr. Corp. Midland. IJ. R. Enloe Monument, W. Med. A.E Snyder C.K. mote Winter Tex. 1. W. WARD John & Sand Aw Porto Lota Je mission, Tex 9. V. Lawrence Roswell H.M. Short Mad Co. M.L. BOY MONI state Engr. Santa Dre hank & July