

CASE 3379: Application of TEXACO
INC. for force-pooling (S/2),
Lea County, New Mexico.

Case No.

3379

Application,

Transcripts,

Small Exhibits

ETC.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 23, 1966

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, Alternate Examiner:

CASE 3377: Application of Socony-Mobil Oil Company for a unit agreement,
Eddy County, New Mexico. Applicant, in the above-styled cause,
seeks approval of the of the West Henshaw Premier Unit Area
comprising 2,400 acres of State and Federal lands in Township
16 South, Range 30 East, Eddy County, New Mexico.

CASE 3378: Application of Socony-Mobil Oil Company for a waterflood project,
Eddy County, New Mexico. Applicant, in the above-styled cause,
authority to institute a waterflood project in its West Henshaw
Premier Unit Area by the injection of water into the Premier
formation through twenty-six wells in Sections 2, 3, 4, 5, 8, and
10, Township 16 South, Range 30 East, West Henshaw Grayburg Pool,
Eddy County, New Mexico.

CASE 3379: Application of Texaco Inc. for force-pooling, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks an order force-pooling
all mineral interests in the Justis-Paddock Gas Pool underlying
the S/2 of Section 35, Township 24 South, Range 37 East, Lea County,
New Mexico.

CASE 3380: Application of Texaco Inc. for force-pooling, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks an order force-pooling
all mineral interests in the Justis-Paddock Gas Pool underlying the
N/2 of Section 35, Township 24 South, Range 37 East, Lea County,
New Mexico.

CASE 3187 (Reopened):

In the matter of Case No. 3187 being reopened pursuant to the pro-
visions of Order No. R-2861, which order established 80-acre
spacing units for the North Sawyer-Devonian Pool, Roosevelt County,
New Mexico, for a period of one year. All interested parties may
appear and show cause why said pool should not be developed on 40-
acre spacing units.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 23, 1966

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco Inc. for force-
pooling, Lea County, New Mexico.

Case No. 3379

Application of Texaco Inc. for force-
pooling, Lea County, New Mexico.

Case No. 3380

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case 3379.

MR. DURRETT: Application of Texaco Inc. for force-pooling, Lea County, New Mexico.

MR. KELLY: Booker Kelly of Gilbert, White, Koch and Kelly on behalf of the applicant.

(Witness sworn.)

MR. KELLY: These are forced-pooling cases and the acreage is side by side. We would like to consolidate them for the purpose of testimony.

MR. NUTTER: We will call Case 3380.

MR. DURRETT: Application of Texaco Inc. for force-pooling, Lea County, New Mexico.

MR. NUTTER: Cases 3379 and 3380 will be consolidated for the taking of testimony.

(Whereupon, Exhibits 1 through 4 were marked for identification.)

J. T. JOHNAPELUS

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLY:

Q Would you state your name, position and employ?

A J. T. Johnapelus, a petroleum engineer for Texaco, Incorporated, stationed in Midland, Texas.

Q And you have previously testified before the New Mexico Oil and Gas Commission?

A Yes, I have.

Q Would you briefly state what Texaco seeks by these two applications?

A Texaco seeks to force-pool the royalty interest underlying two standard units in the Justis-Paddock Gas Pool in Lea County, New Mexico. The units to be formed would be the C. C. Firstoe Unit, being the North Half of Section 35, Township 24 South, Range 37 East. The second unit would be the G. L. Erwin Unit consisting of the South Half of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

Q What is the present status of these two leases? You have two wells, what are they, what is the status of the wells? What is the acreage dedicated to them?

A The C. C. Firstoe No. 8 is the producing well in the North Half of Section 35 consisting of 240 acres, being the Northeast Quarter and the East Half of the Northwest Quarter. The 240 acres dedicated to that is a non-standard unit which is formed and Texaco proposed to go for communitization with the overriding royalty interest, and the 80 acres being the West Half of the Northwest Quarter of Section 35.

We have been successful in getting most of the people to execute the communitization agreement. However, there was one

interest in that particular tract that we were unable to contact and we have decided then to come back and force-pool these people, in the meantime No. 8 is a producing well and has an allowable in this particular field. The same holds true for the G. L. Erwin Unit. We have 160 acres dedicated to the Well No. 2 at the present time, which is the Southeast Quarter of Section 35. The Southwest Quarter contains some overriding royalty and we have tried to get a communitization agreement signed, which has been signed, executed by all the overriding royalty interests except one person, and Mrs. Chase has not chosen to answer any of our correspondence. It hasn't been returned to us so we know she's receiving it, but she hasn't chosen to ask us any further information about this.

Q Now, these two wells were completed and these are multiple completions?

A Yes, sir, they are multiple completed wells.

Q Are they standard locations for 320?

A Yes, sir, they are.

Q Are there any offset operators?

A No, sir, not in this particular reservoir there are no offsets.

Q And there are no other working interest owners?

A No, Texaco, Incorporated is 100 percent working interest owner.

Q And the federal government has the royalty?

A Has the royalty underneath the entire acreage that we're trying to force-pool.

Q Starting with the West Half of the Northwest Quarter and referring to what has been marked Exhibit 2, what is the problem there, with what royalty interest owner can't you locate on that?

A That is a Mr. Stevenson and our division order section shows that a Dr. Bubar is a trustee and Mr. Stevenson, it's set up as D. B. Bubar, Trustee, and Claude Stevenson, and Dr. Bubar has signed the communitization agreement. We have been unable to contact Mr. Stevenson, who has the same address as Dr. Bubar. We have contacted Dr. Bubar and asked him if he had any idea where we could get in touch with Mr. Stevenson and our Exhibit 2 indicates the reasons that Mr. Maxwell, our division land man, received from Dr. Bubar. He indicates here that he has no knowledge of Mr. Stevenson.

Q Since that time have you been informed by the Commission of a new address for Stevenson?

A Yes, sir, I have.

Q And will you make an effort to contact him and get him signed up on this?

A Yes, we will get his widow.

Q Your information is that he's now deceased?

A Correct.

Q Referring to Exhibit 3, what is the interest that Mr. Stevenson has?

A Mr. Stevenson, well, our Exhibit 3, the first column indicates his overriding interest in the West Half of the Northwest Quarter, which is .93 of 1 percent and then in the right-hand column shows his interest as far as the unit is concerned. Excuse me, I retract that, in the West Half of the Northwest Quarter he has .11 of 1 percent. I was reading one column before, and in the unit as we are proposing here he will have .029 of 1 percent interest in the unit, which is very small.

Q Now, Exhibit 3 shows all the other interest holders in this property and all the rest you say have signed up?

A Yes, sir, they have.

Q Now, going to the G. L. Erwin Unit, what is the status of that as far as getting the royalty interest owners signed up?

A All the overriding royalty interests have executed communitization agreements save Mrs. Evta Vivian Brooks Chase, and she is the lady that is not --

Q What is her interest?

A Her interest in the Southwest Quarter is .016 of 1 percent and in the unit it is .84 of 1 percent.

Q And you have sent her letters to the address that she has been receiving and cashing her rental payment checks?

A That is correct.

Q And you have gotten no response?

A No response, correct.

Q How long have these two wells been in production in this zone?

A I believe that they have been in production slightly over three months.

Q Have they made their allowables?

A Yes, sir, they have.

Q On the acreage they have?

A Yes.

Q You feel they are able to make their allowable on the full standard 320's?

A Yes, sir.

Q They are capable of draining the entire acreage?

A Correct.

Q Were Exhibits 1, 2, 3 and 4 prepared by you or under your direction?

A Yes, sir, they were.

MR. KELLY: We move the introduction of the exhibits.

MR. NUTTER: Exhibits 1 through 4 will be admitted

in evidence.

(Whereupon, Exhibits 1, 2, 3 and 4 were offered and admitted in evidence.)

MR. KELLY: I have nothing further at this time.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Johnapelus, I presume that address you have for Mrs. Stevenson, the widow of Mr. Stevenson, is 1006 West Seventh Avenue, Apartment 6-B, Eugene, Oregon, 97402?

A That would be the latest address, yes, sir.

Q And now having this address you will make a further effort to contact Mrs. Stevenson to get her consent?

A Yes, we will.

MR. NUTTER: Are there any further questions of Mr. Johnapelus? He may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Kelly?

MR. KELLY: Nothing further.

MR. NUTTER: Does anyone have anything further they wish to offer in Case 3379 or 3380? We will take the cases under advisement.

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1213 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO

I N D E X

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 24th day of February, 1966.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Executive Hearing of Case No. 33798-3380 heard by me on 2/23, 1966.

[Signature], Examiner
New Mexico Oil Conservation Commission

TEXACO
INC.

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION



MAIN OFFICE OCC

JAN 24 PM 1:10
T.O. BOX 8109
MIDLAND, TEXAS 79704

January 19, 1966

File 3379
REQUEST FOR HEARING
G. L. ERWIN UNIT
JUSTIS GAS (PADDOCK) POOL
LEA COUNTY, NEW MEXICO

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attn: Mr. A. L. Porter

Gentlemen:

Texaco Inc., as the operator of the G. L. Erwin (b) NCT-2 Well No. 2, requests that an examiner hearing be scheduled to consider an application for force pooling 320 contiguous acres into a standard proration unit in the Justis Gas (Paddock) Pool, Lea County, New Mexico and the designation of Well No. 2. In support of the application, Texaco Inc. presents the following facts.

- (1) Force pool the royalty interest underlying the S/2 of Section 35, T-24-S, R-37-E, Lea County, New Mexico.
- (2) Designate Texaco Inc. as the operator
- (3) Designate Texaco's G. L. Erwin (b) NCT-2 Well No. 2 as the unit well in the Justis Gas (Paddock) Pool being located 1980' FEL & 1980' FSL of Section 35.

Texaco Inc. owns the working interest and the Federal Government owns the royalty interest in the proposed unit area. However, there is an over-riding interest under the SW/4 which is owned by those parties shown on the attached royalty owner list. All of the over-riding royalty owners have executed the communitization agreement except Mrs. Etta Vivian Brooks Chase. Mrs. Chase has failed to acknowledge any of our correspondence.

DOCKET MAILED

*Check list of royalty owners
to send back*
Date 2-11-66
jc

Texaco Inc. would appreciate as early a hearing date as possible.

Yours very truly,

C. L. Whigham

C. L. Whigham
Division Proration Engineer

JTJ:jl
Attach.

Case 3379

ROYALTY OWNERS LIST

G. L. ERWIN UNIT

Royalty Owner (S/2 Section 35)

U.S.G.S. P. O. Box 1857 Roswell, New Mexico

Over-riding Royalty Owners (SW/4)

Ethel P. Erwin
1307 N. Penn
Roswell, New Mexico

James Allen Smith
R.F.D. No. 2
Minco, Oklahoma

June Bobb
P. O. Box 1825
Hobbs, New Mexico

William Fleming
1218 Fair Building
Ft. Worth, Texas

Wanda Rose Bobb
1337 61st. St.
Lubbock, Texas

Crenshaw Royalty Corp.
921 Majestic Building
San Antonio 5, Texas

Marvin D. Sanders
1600 8th Ave.
Ft. Worth 4, Texas

Elyse Saunders Patterson
6444 Indian Lane
Shawnee Mission, Kansas

Hattie C. Williams
3208 29th St.
Lubbock, Texas

Sue Saunders Graham
P. O. Box 172
Salt Lake City 10, Utah

Sally S. Toles
P. O. Box 1300
Roswell, New Mexico

Rubie C. Bell
1331 3rd Street
New Orleans, Louisiana

H. M. Dow
Roswell, New Mexico

Robert L. Parker
518 Nat'l Bank of Tulsa Bldg.
Tulsa 3, Oklahoma

*Etta Vivian Brooks Chase
806 W. Colorado Avenue
Colorado Springs, Colorado

DOCKET MAILED

Date 2-11-66

* The only party who has not agreed and executed communitization instruments.

ibid C-102
Supersedes C-128
Effective 1-1-65

~~MAIN OFFICE 800~~

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION



I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____

J. J. Velten

position

Position
Division Civil Engineer

Company

TEXACO Inc.

Date

1/17/66

I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

9/26/61

Registered Professional Engineer
and/or Land Surveyor

and/or Land Survey, *W. J. Velten*
W. J. Velten
W. J. Velten

Certificate No.

8174

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

P. O. BOX 2088
SANTA FE

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

March 1, 1966

Mr. Booker Kelly
White, Gilbert, Koch & Kelly
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

Re: Case No. 3379
Order No. 3380 R-3046 and R-3047
Applicant:

TEXACO 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.

A. L. PORTER, JR.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

Other R-3046 to Etta Vivian Brooks Chase
R-3047 to Mrs. Stephenson

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. 3379
Order No. R-3046

APPLICATION OF TEXACO INC.
FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 23, 1966,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of March, 1966, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Texaco Inc., seeks an order pooling
all mineral interests in the Justis-Paddock Gas Pool underlying
the S/2 of Section 35, Township 24 South, Range 37 East, NMPM, Lea
County, New Mexico.

(3) That the applicant has the right to drill and has
drilled a well in the S/2 of said Section 35 to the Justis-Paddock
Gas Pool.

(4) That there are interest owners in the proposed proration
unit who have not agreed to pool their interests.

(5) That to avoid the drilling of unnecessary wells, to
protect correlative rights, and to afford to the owner of each

-2-

CASE No. 3379

Order No. R-3046

interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said unit.

(6) That the applicant should be designated the operator of the subject well and unit.

(7) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

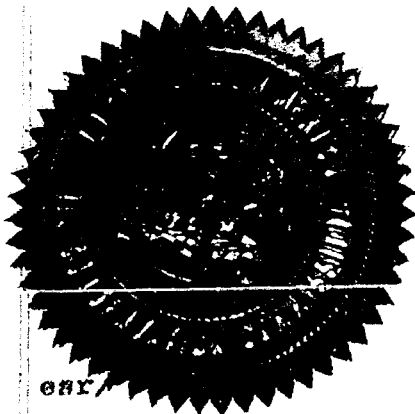
(1) That all mineral interests, whatever they may be, in the Justis-Paddock Gas Pool underlying the S/2 of Section 35, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to the Texaco G. L. Erwin (b) NCT-2 Well No. 2 located 1980 feet from the South line and 1980 feet from the East line of said Section 35.

(2) That Texaco Inc. is hereby designated the operator of the subject well and unit.

(3) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(4) 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.

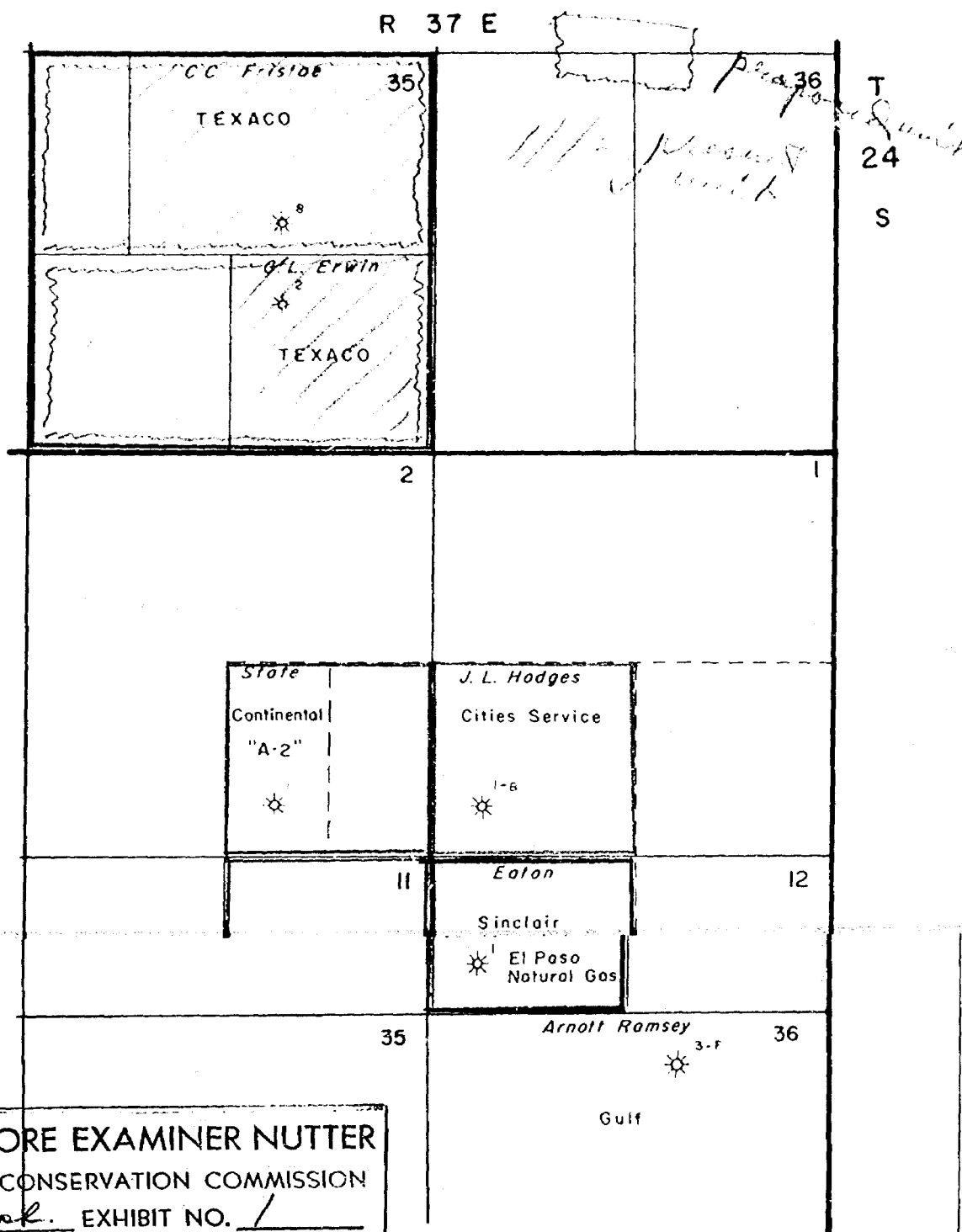


STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

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



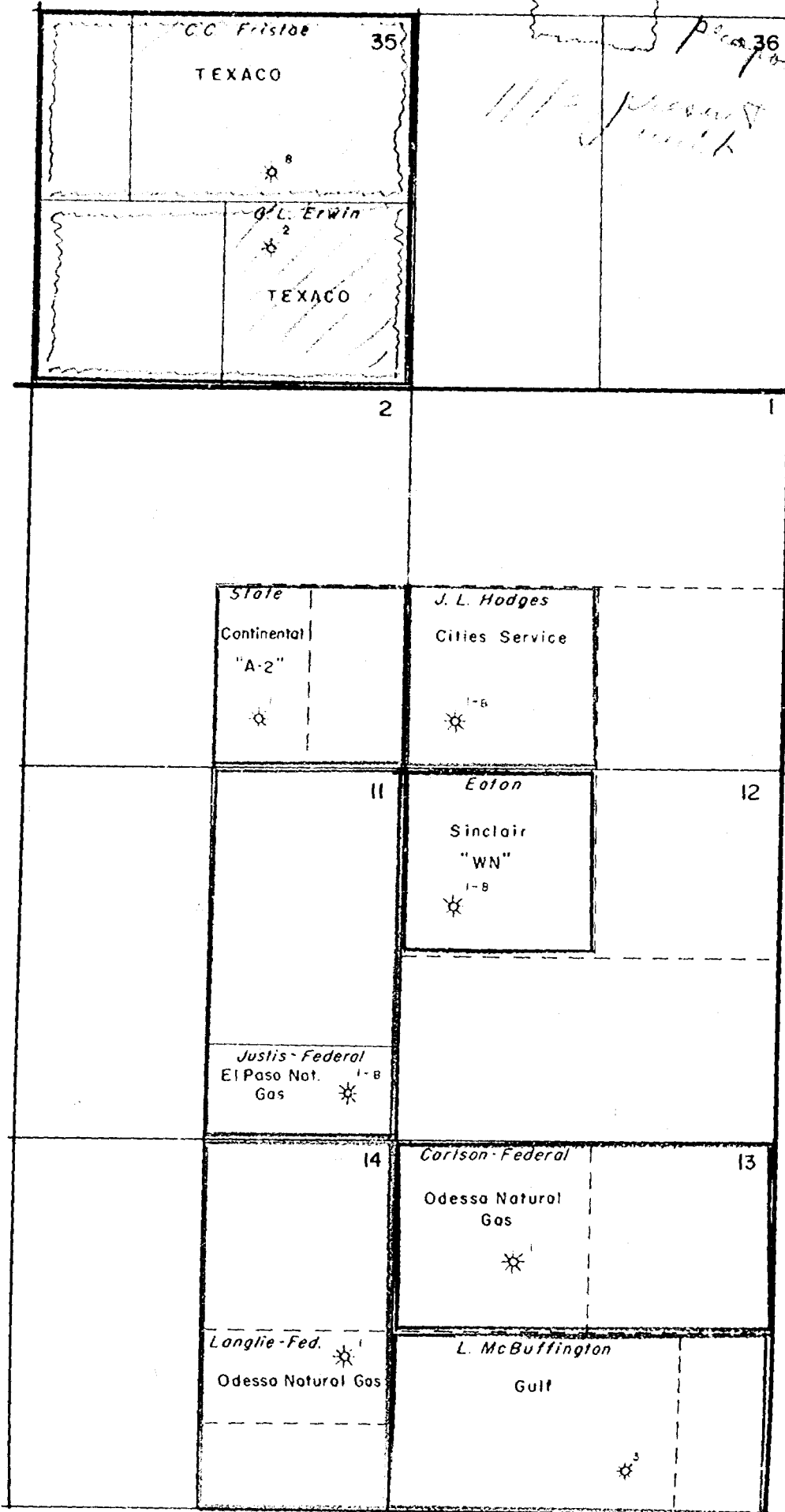
BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Appl. EXHIBIT NO. 1
CASE NO. 3379, 3380

JUSTIS GAS (PADDOCK) POOL
LEA COUNTY, NEW MEXICO

SCALE: 1" = 2000

JAN. 21, 1966

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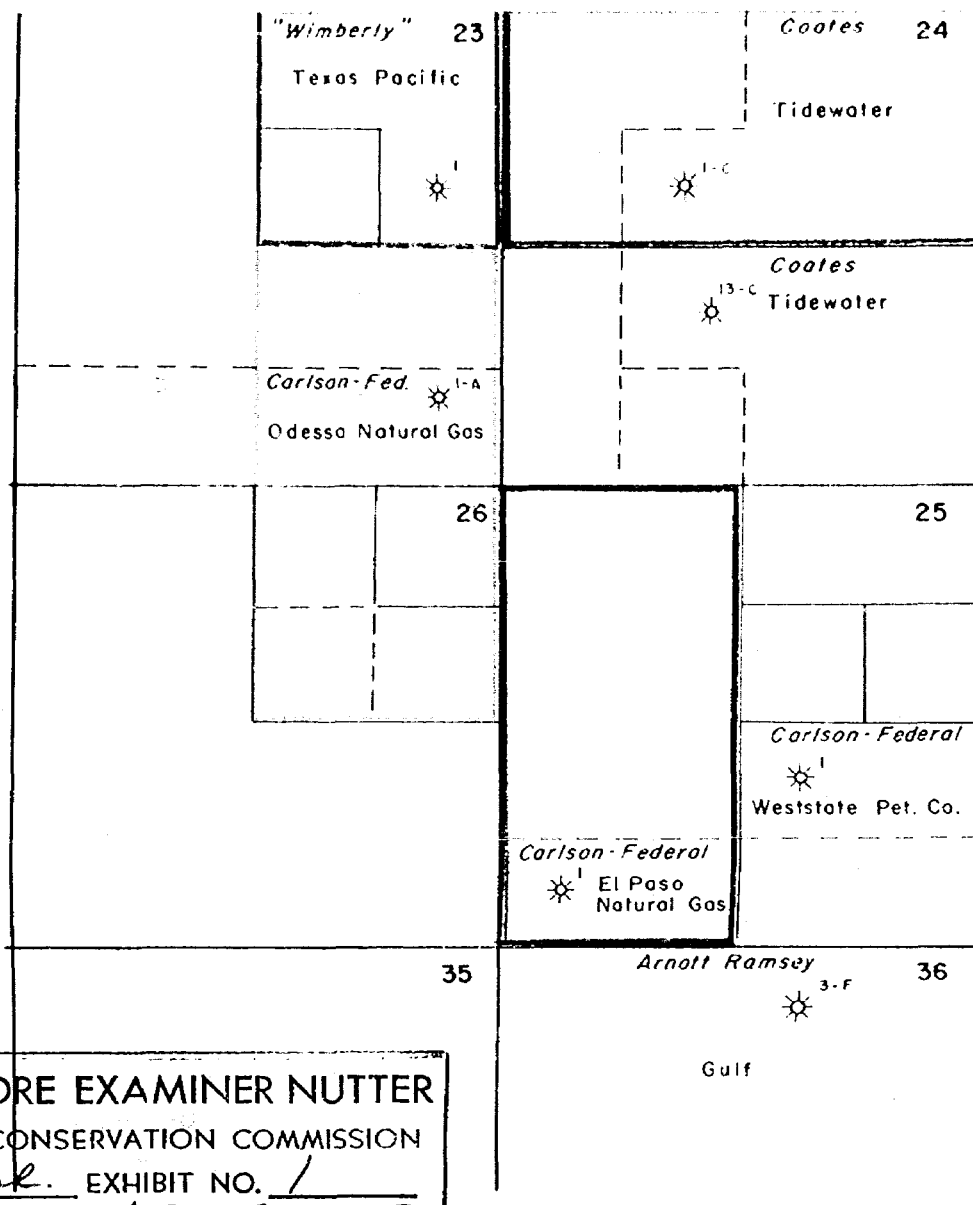
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BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Appl. EXHIBIT NO. 1
CASE NO. 3379, 3380

JUSTIS GAS (PADDOCK) POOL
LEA COUNTY, NEW MEXICO

SCALE: 1" = 2000

JAN. 21, 1966

DR.
MRS. DEAN B. SUBAR
P. O. BOX 565
ROSEBURG, OREGON

TRUSTEE FOR
TRUSTEE LEASE

9/10/0

Mr. R.T. Maxwell

Division Landman

Dear Sir —
Answering yours of Aug. 11. 1905
41662, Mr. Elmer Stevenson is
one member of a syndicate of men
guided investors in the Trustee
Lease, a lot of people bought acreage
in this lease, but each ones
acreage was not located, and more
acreage was sold than there was
in the lease. So we pooled
our interests

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 13379, 3380

DR.
MRS. DEAN B. SUBAR
P. O. BOX 565
ROSEBURG, OREGON

TRUSTEE FOR
TRUSTEE LEASE

and called them UNITS, and
Mr. Stevenson has been getting his
share of the dividends with the rest
of us.

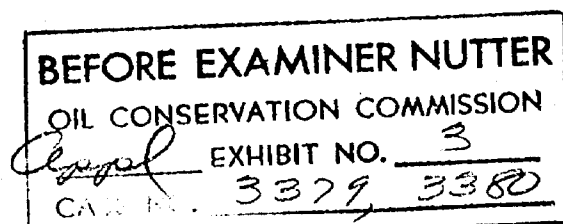
Mr. Stevenson's interest was not
a separate account, and the
exact location was never known
but we accepted his claim, and
called them units, same as the
rest of us,

Box 465

Yours
L. B. Subar

C. C. Fristoe Unit

	<u>W/2 of NW/4</u>	<u>Unit</u>
Ruth E. Carrow	0.0187500	0.00468750
D. B. Bubar, Trustee	0.0175782	0.00439455
D. B. Bubar, Trustee		
and Claude Stephenson	0.0011718	0.00029295 *
Frank Elliott	0.0093750	0.00234375
Mrs. O. R. Hall, Jr.	0.0093750	0.00234375
Della White	0.0093750	0.00234375
William J. White	0.0093750	0.00234375
Sub Total	0.0750000	0.01875000
USGS	0.1250000	0.12500000
Texaco Inc.	<u>0.8000000</u>	<u>0.85625000</u>
Grand Total	1.0000000	1.00000000



G. L. Erwin Unit

	<u>SW/4</u>	<u>Unit</u>
Ethel P. Erwin	0.0187500	0.0093750000
June Bobb	0.0025000	0.0012500000
Wanda Rose Bobb	0.0025000	0.0012500000
Marvin D. Sanders	0.0050000	0.0025000000
Hattie C. Williams	0.0075000	0.0037500000
James Allen Smith	0.0025000	0.0012500000
William Fleming	0.0075000	0.0037500000
Crenshaw Royalty Corp.	0.0059625	0.0029812500
Elyse Saunders Patterson	0.0066666	0.0033333300
Sue Saunders Graham	0.0066667	0.0033333350
Sally S. Toles	0.0066667	0.0033333350
H. M. Dow	0.0007875	0.0003937500
Etta Vivian Brooks Chase	0.0000169	0.0000084375 *
Rubie C. Bell	0.0019831	0.0009915625
Robert L. Parker	0.0500000	0.0250000000
Sub Total	0.1250000	0.0625000000
USGS	0.1250000	0.1250000000
Texaco Inc.	<u>0.7500000</u>	<u>0.8125000000</u>
Grand Total	1.0000000	1.0000000000

