

CASE 3706: Application of MAJOR,
GIEBEL & FORSTER for an amendment
to Order No. R-3307, Lea County.

Case No.

3706

Application, Transcript,
Small Exhibits, Etc.

State of New Mexico
Oil Conservation Commission



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

December 28, 1967

Re: Case No. 3706
Order No. R-3307-A
Applicant:

MAJOR, GIEBEL & FORSTER

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

A. L. Porter, Jr.
Secretary-Director

Hobbs OCC x
 Artesia OCC _____
 Aztec OCC _____
 Other _____

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. 3706
Order No. R-3307-A

APPLICATION OF MAJOR, GIEBEL & FORSTER
FOR AN AMENDMENT TO ORDER NO. R-3307,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 20, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of December, 1967, 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 by Order No. R-3307, dated September 11, 1967, all mineral interests, whatever they may be, down to and including the Devonian formation underlying the NW/4 SW/4 of Section 6, Township 13 South, Range 38 East, NMPM, Lea County, New Mexico, were pooled to form a 40-acre oil proration unit to be dedicated to a well to be located 2310 feet from the South line and 990 feet from the West line of said Section 6.

(3) That Order (2) of said Order No. R-3307 designated V. F. Vasicek and J. M. Fullinwider, dba V-F Petroleum as the operators of the subject well and unit.

(4) That V-F Petroleum has assigned all its rights under the aforesaid Order No. R-3307 to the applicants, Major, Giebel & Forster.

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CASE No. 3706
Order No. R-3307-A

(5) That the applicants seek the amendment of said Order No. R-3307 to designate the applicants as operators of the aforesaid well and unit.

(6) That Order No. R-3307 should be amended to designate Major, Giebel & Forster as operators of the aforesaid compulsorily pooled unit.

IT IS THEREFORE ORDERED:

(1) That Order (2) of Order No. R-3307 is hereby amended to read in its entirety as follows:

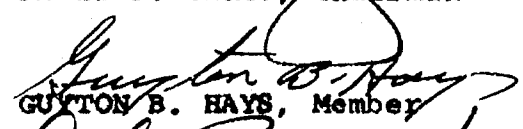
"(2) That Major, Giebel & Forster are hereby designated the operators of the subject well and unit."

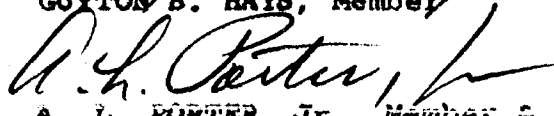
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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


esr/

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
54 1/2 EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

Case 3706

Nov. 18, 1967

Oil Conservation Commission
of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Enclosed is an application filed on behalf of Major, Giebel & Forster, seeking an amendment to the provisions of Order R-3307, insofar as said order designates an operator for the unit formed by the order.

It is requested that this application be set for hearing at the December 20th examiner hearing of the Commission.

By copy of this letter and copy of the application, notice is being given by us to Ashmun & Hilliard and their attorney.

Yours very truly,

Jason W. Kellahin
Jason W. Kellahin

JWK:ss

cc: R. O. Major
V-F Petroleum
Ashmun & Hillard
Richard S. Morris

NOV 20 1967

DOCKET MAILED

Date 12-7-67

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
MAJOR, GIEBEL & FORSTER FOR AMENDMENT
TO THE PROVISIONS OF COMMISSION ORDER
NO. R-3307

Case 3706

67 NOV 29 AM 10 17

A P P L I C A T I O N

Come now MAJOR, GIEBEL & FORSTER and apply to the Oil Conservation Commission of New Mexico for an amendment of the provisions of Oil Conservation Commission Order No. R-3307 entered in Case No. 3633, insofar as said order designates an operator, and in support thereof would show the Commission:

1. Order No. R-3307 was entered by the Commission on the 11th day of September, 1967, on the application of V. F. Vasicek and J. M. Fullinwider, d/b/a V-F Petroleum, pooling all of the mineral interest down to and including the Devonian formation underlying the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 6, Township 13 South, Range 38 East, N.M.P.M., Lea County, New Mexico.

2. Paragraph (2) of said order, as requested by the applicants, designated V. F. Vasicek and J. M. Fullinwider, d/b/a V-F Petroleum as the operators of a well to be drilled on the pooled unit.

3. V. F. Vasicek and J. M. Fullinwider have entered into an agreement with applicants under the terms of which they will operate the pooled unit.

WHEREFORE, applicants pray that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as required by law the

Commission enter its order amending Order No. R-3307 by
substituting Major, Giebel & Forster for V. F. Vasicek and
J. M. Fullinwider as operators of the pooled unit.

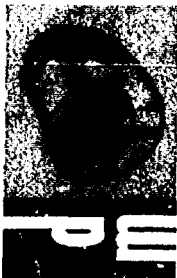
Respectfully submitted,
MAJOR, GIEBEL & FORSTER

BY: Jason W. Kellahin
KELLAHIN & FOX
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO

dearley-meier reporting service, inc.

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
December 20, 1967
EXAMINER HEARING

IN THE MATTER OF:

Application of Major, Siebel &
Forster for an amendment to
Order No. R-3307, Lea County,
New Mexico.

Case No. 3706

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We'll call Case No. 3706.

MR. HATCH: Case 3706, Application of Major, Giebel & Forster for an amendment to Order No. R-3307, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin of Kellahin and Fox, Santa Fe, appearing for the Applicant without a witness. Would you like to have me sworn?

MR. NUTTER: No, I think, Jason, probably all we need to do is just make a statement here.

MR. KELLAHIN: If the Examiner please, this application is occasioned by the provisions of the Commission Order No. R-3307 entered in Case 3633 on September the 11th, 1967. This Order was a forced pooling order which designated the V. F. Vasicek and J. M. Fullinwider, dba V. F. Petroleum, as operators of a unit which was designated as the northwest quarter of the southwest quarter of Section 6, Township 13 South, Range 38 East, Lea County. The order force-pooled the mineral interest from the surface to and including the Devonian Formation. Under the provisions of our Statute, I think the Commission correctly, through the order and designated the operator, I have reference to Section 65-3-14, Subsection C, where it provides among other things, that each order shall describe the lands included in the unit designated thereby, identify the pool or pools to which it applies, and designate

an operator for the unit.

At the time of the hearing on the application of V. F. Petroleum, V. F. Petroleum was opposed in their forced-pooling action by Ashmun and Hilliard. Subsequent to that, the operators, V. F. Petroleum, made an agreement with Major, Giebel and Forster, the Applicants in this case, under the terms of which Major, Giebel and Forster would take over operation of the well.

Now, I know that this case is unique in that no similar case has ever been presented to the Commission; under the circumstances and since the original forced-pooling order had been opposed, we felt it necessary to apply to the Commission for an amendment to the existing order, to change the designation of the operator.

Perhaps the Commission could consider some adoption of some rule setting up a system whereby this can be accomplished in the future, because I am sure there are other cases, if not in the past, there will be in the future.

I do have here an affidavit signed by R. O. Major, who, under the terms of which he states, under oath, that R. O. Major, A. F. Giebel and Fred Forster, Jr., will be the operators under the terms of an agreement with V. F. Petroleum and the owner thereof. I also have a copy of a letter written by Major, Giebel and Forster directed to Ashmun and Hilliard,

stating that they were taking over operation of the well and providing a space for the approval of Ashmun and Hilliard in the event they had no objection to this change of operator and has been signed by Mr. H. T. Hilliard.

MR. NUTTER: Do you know whether or not they received a reply to that letter or not?

MR. KELLAHIN: It has been signed by Mr. H. T. Hilliard. Would you like these marked as Exhibits?

MR. NUTTER: Well, they're simply acknowledging that he has received it?

MR. KELLAHIN: No, approved, H. T. Hilliard of Ashmun and Hilliard. I'm sorry. He signifies the approval of the change in operators.

MR. NUTTER: I see.

MR. KELLAHIN: So we actually had no problem with Ashmun and Hilliard. At the same time, I think we are in an area of doubt in dealing with this, in that the Statute very clearly says that the Commission shall designate an operator. I don't know just how you then go about undesignating him.

MR. NUTTER: Does that complete your case and presentation, Mr. Kellahin?

MR. KELLAHIN: Yes, it does. Do you want these marked as an exhibit?

MR. NUTTER: No. Does anyone have anything they wish to offer in Case 3706? Are these being introduced?

MR. KELLAHIN: Yes, let's introduce them in the record.

MR. NUTTER: Do you want to mark these?

MR. KELLAHIN: Yes, sir.

(Whereupon, Applicant's Exhibits Number 1 and 2 were marked for identification.)

MR. NUTTER: Now, are these offered as exhibits?

MR. KELLAHIN: Yes, sir.

MR. NUTTER: Applicant's Exhibits Number 1 and 2 will be admitted in Case No. 3706.

(Whereupon, Applicant's Exhibits Number 1 and 2 were admitted into evidence.)

MR. NUTTER: Do you have anything further?

MR. KELLAHIN: No.

MR. NUTTER: Does anyone have anything they wish to offer in Case 3706? If not, we'll take this case under advisement and the hearing is adjourned.

* * *

I N D E XWITNESSPAGE

Statement by Mr. Kellahin, no witnesses

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EXHIBITMARKEDOFFERED AND
ADMITTED

Applicant's 1 and 2

5

5

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, CHARLOTTE MACIAS, 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 15th day of January,
 1968.

Charlotte J. Macias
 NOTARY PUBLIC

My Commission Expires:
 February 10, 1971.

I do hereby certify that the foregoing is
 a true and correct record of the proceedings in
 the hearing of Case No. 3706
 held on 12/20, 1967.

William J. ...
 New Mexico Oil Conservation Commission

MAJOR, GIEBEL & FORSTER

R. O. MAJOR, GEOLOGIST
A. F. GIEBEL, PETROLEUM ENGINEER
FRED FORSTER, JR., ENGINEER

1120 VAUGHN BUILDING - 915 - MU 4-7121
MIDLAND, TEXAS 79701

November 15, 1967

Ashmun & Hilliard
Suite 1120 Mills Tower
220 Bush Street
San Francisco, California, 98184

Attention: Mr. H. T. Hilliard

West Bronco Area
Lea County, New Mexico

Gentlemen:

#2
Under New Mexico Oil Conservation Commission Order #R-3307, V-F Petroleum has been named Operator of the well to be drilled in the NW/4 of the SW/4 Section 6, T-13-S, R-38-E, Lea County, New Mexico. This letter is to advise you that V-F Petroleum has assigned all of its rights under the said Force Pooling Order to Major, Giebel & Forster of Midland, Texas. Major, Giebel & Forster will drill and operate the well and will be furnishing all data necessary to compute recovery by them of 140% of the costs of drilling, completing, equipping and operating the well.

Please indicate your approval of Major, Giebel & Forster as Operators in the space provided herein below.

If you have any questions, please advise.

Very truly yours,

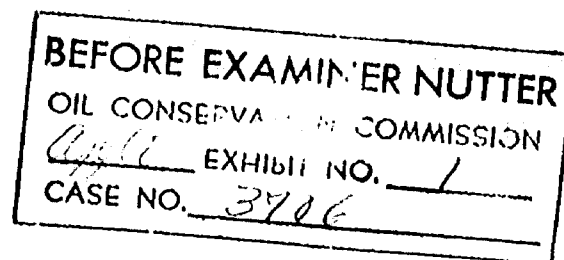
MAJOR, GIEBEL & FORSTER

R. O. Major
R. O. Major

ROM/bl

APPROVED:

H. T. Hilliard
H. T. Hilliard
ASHMUN & HILLIARD



BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

4256 EXHIBIT NO. 2

CASE NO. 3706

A F F I D A V I T

COUNTY OF Midland)
STATE OF TEXAS) ss.

Rufus O. Major, being first duly sworn,
deposes and says that he is Rufus O. Major
of MAJOR, GIEBEL & FORSTER, a partnership composed of
R. O. Major, A. F. Giebel and Fred Forster, Jr.; that
he is familiar with the ownership of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec.
6, Township 13 South, Range 38 East, N.M.P.M., Lea County,
New Mexico and with the provisions of New Mexico Oil Con-
servation Commission Order No. R-3307 entered in Case No.
3633; that by virtue of an agreement made with V. F.
Vasicek and J. M. Fullinwider dba V-F Petroleum, Major,
Giebel & Forster have taken over the operation of the above-
described acreage, subject to the approval of the Oil Con-
servation Commission of New Mexico, and that they will
continue to operate said acreage, subject to such approval.

Rufus O. Major

Subscribed and sworn to before me this 20th day of
November, 1967.

Barbara L. Lomenick
NOTARY PUBLIC in and for Midland County, Texas

My Commission Expires:
June 1, 1969