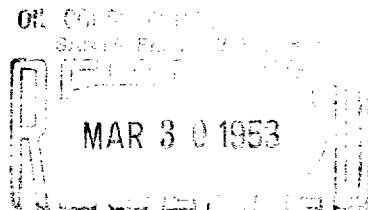


BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

Santa Fe, New Mexico  
March 17, 1953

TRANSCRIPT OF HEARING

CASE NO. 496



March 17, 1953.

Case No. 496

A The proposed well is to be located in the northeast quarter of Section 36, Township 30 North, Range 6 West, Rio Arriba County. The half section on which the well will be located is officially described as comprising Lots 1, 2, 3 and 4, and the west half of the east half of Section 36, comprising 230.24.

Q It is this area situated within the boundaries of the Nye Unitization Agreement, which this Commission has at this date approved or is now pending before the United States Geological Survey?

A It is. It is within the San Juan 30 day, six unit area.

Q Has that agreement been approved and is it effective at the present time?

A It has been approved by an order of the Commission R-285 in Case 493, dated March 10, 1953 and will be shortly submitted to the Department of Interior for final approval.

Q At the present time, then, this Unit Agreement is not effective?

A That is correct.

Q Has this land been committed to such unit agreement?

A It has been.

Q Therefore, the approval of this application which is now pending before the Commission is of a temporary nature in order that the operator may go forward with the drilling of this well?

A That is correct.

Q MR. WEBB: I would direct the Commission's attention to Section 3 of their Order No. R-110 insofar as it amends Order No. 799, which provides, among other things, that an owner of any

that is smaller than any drilling unit established for the field shall not be deprived of the right to drill or produce from such tract, if same can be done without waste.

Q Mr. Morrell, in your opinion, would this location and the drilling there of the Mesaverde Test Well tend to protect the conservation of natural resource gas in the State of New Mexico?

A Yes, sir, it would.

Q Would such prevent waste in your opinion?

A Yes, sir, it would.

MR. WEBB: For the purpose of the record, the entire section is State Public School lands and the southwest quarter, which is owned by Mr. Turner, and northwest quarter of <sup>such</sup> section owned by Phillips Petroleum Company. Are there any questions?

MR. SPURRIER: Are there any further questions of the witness?

MR. GRAHAM: How much short is it of the spacing pattern, Mr. Morrell?

A It represents approximately 72 percent of a greater half section.

MR. WEBB: In your opinion, Mr. Morrell, is it possible to pool or communitize this tract with other contiguous tracts to make up a full spacing unit?

A No, that is not, because the lands to the east are contained in an additional agreement, the San Juan 30 days, which has been approved and is effective.

Q And in effect, this tract is bounded by unit agreements on the east and south, is that correct?

A That is correct.

MR. SPURRIER: Any other questions? Are there any objections from the off-set lease holders or operators?

MR. GRAHAM: In the event of proration, would you accept the provisions of our present rules?

A I would judge so. So far as proration is concerned, this is in a unitized area which the State will undoubtedly prorate on a unit basis.

MR. SPURRIER: You will accept 230-320's?

A That would be essentially the allocation.

MR. SPURRIER: Any further questions? If not the witness may be excused.

(Witness excused.)

MR. SPURRIER: Do you offer this as an Exhibit?

MR. WEBB: Yes, sir.

MR. SPURRIER: Without objection it will be received.  
We will take the case under advisement and move on to the next case.

STATE OF NEW MEXICO   )  
                              :   SS.  
COUNTY OF BERNALILLO   )

I, ADA DEARNLEY, Court Reporter, hereby certify that the above and foregoing transcript of proceedings in Case No. 496, taken before the Oil Conversation on March 17, 1953, at Santa Fe, New Mexico, is a true and correct record.

Dated in Albuquerque, New Mexico, this 24th day of March, 1953.

  
Notary Public

My Commission Expires:  
June 19, 1955.

**E. E. GREESON  
ADA DEARNLEY  
COURT REPORTERS**

**BOX 1309**

**PHONES 5-9422 AND 5-9546  
ALBUQUERQUE, NEW MEXICO**

OIL CONSERVATION COMMISSION

P. O. BOX 871  
SANTA FE, NEW MEXICO

February 9, 1953

C  
O  
P  
Y  
  
Mr. William G. Webb  
Turner, Atwood, White, McLane & Francis  
1711 Mercantile Bank Building  
DALLAS 1 - TEXAS

Dear Mr. Webb:

We have received your application in behalf of J. Glenn Turner as operator for an exception to Commission Order No. 799 (as amended by Order R-110).

A hearing is necessary in this matter, and we will schedule it for the regular hearing of March 17, unless otherwise advised by you.

Yours very truly,

W. B. Macey  
Chief Engineer

WBM:nr



*March*  
*Case 496*  
TURNER, ATWOOD, WHITE, McLANE AND FRANCIS

ATTORNEYS AND COUNSELORS AT LAW

SUITE 1711 MERCANTILE BANK BUILDING

DALLAS 1, TEXAS

February 6, 1953

J. GLENN TURNER  
FELIX ATWOOD  
W. D. WHITE  
ALFRED E. McLANE  
EDWARD L. FRANCIS  
JAMES B. FRANCIS  
TREVOR REES-JONES  
WM. V. COUNTS  
HARRY S. WELCH  
THOS. R. HARTNETT III  
H. L. HITCHINS, JR.  
WILLIAM L. McINERNEY  
WILLIAM G. WEBB  
JULIAN M. MEER



Oil Conservation Commission  
of the State of New Mexico  
State Land Office  
Santa Fe, New Mexico

Gentlemen:

Please find enclosed herewith original and two copies of the Application of Mr. J. Glenn Turner for an exception to Order No. 799 as amended by Order No. R-110 of the Oil Conservation Commission of the State of New Mexico.

If you will kindly advise us as to whether or not a formal hearing is necessary in this matter or whether it can be handled without such a hearing we will greatly appreciate the courtesy.

Yours very truly,

TURNER, WHITE, ATWOOD, McLANE  
AND FRANCIS

By William G. Webb  
William G. Webb

WGW:jco  
Enclosures