

Case 1441

TURNER, WHITE, ATWOOD, McLANE AND FRANCIS

ATTORNEYS AND COUNSELORS AT LAW

1900 MERCANTILE DALLAS BUILDING

DALLAS 1, TEXAS

April 23, 1958

J. GLENN TURNER  
W. D. WHITE  
FELIX ATWOOD  
ALFRED E. McLANE  
EDWARD L. FRANCIS  
JULIAN M. MEER  
JAMES B. FRANCIS  
TREVOR REES-JONES  
HARRY S. WELCH  
THOS. R. HARTNETT III  
JOHN L. HAUER  
H. L. HITCHINS, JR.  
WILLIAM L. MEINERNEY  
WILLIAM G. WEBB  
LEWIS CHANDLER  
SNOWDEN M. LEFTWICH, JR.  
WILLIAM C. HERNDON, JR.  
B. THOMAS MELROY  
C. SIDNEY McLAIN  
DAVID P. SMITH  
GEO. E. FLANNIGAN  
LANCASTER SMITH  
THOMAS G. CROUCH  
ALPHONSO RAGLAND III

*May Regular  
Hearing*

Mr. A. L. Porter, Jr.  
Oil Conservation Commission  
of the State of New Mexico  
Post Office Box 871  
Santa Fe, New Mexico

Re: In the Matter of the Application of  
Pubco Petroleum Corporation for  
Temporary Order Recognizing the Verde-  
Gallup Oil Pool, San Juan County, New  
Mexico, and Other Related Matters

Dear Sir:

Please find enclosed herewith, in triplicate, Applica-  
tion of Pubco Petroleum Corporation in connection with the cap-  
tioned matter, which, it is our understanding, will be set down  
for hearing before the Commission at the Commission's May, 1958,  
Hearing.

With best wishes, we are

Yours very truly,

TURNER, WHITE, ATWOOD, McLANE  
and FRANCIS

By *William G. Webb*  
William G. Webb

WGW:mch  
Enclosures  
cc: Mr. Frank D. Gorham, Jr.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
PUBCO PETROLEUM CORPORATION FOR A  
TEMPORARY ORDER RECOGNIZING THE VERDE-  
GALLUP OIL POOL, SAN JUAN COUNTY, NEW  
MEXICO, AS A SINGLE COMMON SOURCE OF  
SUPPLY, ESTABLISHING UNIFORM EIGHTY  
ACRE PRORATION UNITS AND WELL SPACING,  
AND PROMULGATING SPECIAL RULES AND  
REGULATIONS FOR SAID POOL

CASE NUMBER

1441

TO THE HONORABLE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO:

Comes now PUBCO PETROLEUM CORPORATION and respectfully  
alleges, states and would show the Commission as follows:

I

That the Commission has heretofore created and recog-  
nized the Verde-Gallup Oil Pool covering lands situated in San  
Juan County, New Mexico.

II

That the Gallup Formation underlying the said area as  
heretofore recognized is productive of oil and gas and consti-  
tutes a single common source of supply which should be recog-  
nized by the Commission.

III

That applicant and other parties own oil and gas  
leases within said area and approximately eighty (80) wells  
which are productive of oil and gas from the Gallup Formation  
have been drilled therein, and which formation is encountered  
at depths ranging from one thousand, seven hundred thirty-two  
feet (1,732') to three thousand, eight hundred seventeen feet  
(3,817'), due primarily to formation dip rates, but which depth  
averages two thousand, seven hundred feet (2,700').

#### IV

That a well density of no more than one (1) well to each eighty (80) acres has heretofore been maintained in the development of said area.

#### V

That one (1) well completed in the Gallup Formation will efficiently and economically drain and develop an area of eighty (80) acres; that all wells drilled to and completed in the Gallup Formation within said pool or within one (1) mile of the boundary thereof as the same is presently or may be hereafter delineated should be located on eighty (80) acre proration units comprising two (2) adjacent governmental quarter quarter sections within a single governmental quarter section, which unit should run either North and South or East and West; and that wells projected to or completed in said formation in such proration units should be located on diagonal quarter quarter sections within a governmental quarter section.

#### VI

That exceptions should be granted to the above described and specified well locations as to all wells which have been heretofore drilled or which may be drilling as of the date hereof which are not drilled or drilling at locations within the limits prescribed by the Commission in any Order issued pursuant to this application.

#### VII

That such other special rules should be promulgated by the Commission, including, without limitation, provisions for the taking and reporting of proper gas-oil ratio and bottom hole pressure tests, as the Commission may deem advisable.

#### VIII

That the granting of this application will prevent waste, protect correlative rights and prevent the economic loss attendant to the drilling of an excessive number of wells and

will result in the recovery of the greatest amount of oil and gas from said area.

IX

That a copy of this application has been mailed, of even date herewith, to each of the parties listed on Exhibit "A" hereto, who are all of the parties which the undersigned applicant knows or has reason to believe are interested in this application.

WHEREFORE, applicant prays that this matter be set down for hearing before this Commission at the earliest practicable date, that notice thereof be given according to law and the rules and regulations of this Commission, and, upon hearing of this application, a temporary order be entered recognizing the Verde-Gallup Oil Pool for the production of oil and gas from the Gallup Formation as a common source of supply within the area as heretofore and as the same may be hereafter designated, establishing eighty (80) acre proration units, providing for the location of wells as herein specified, providing for the taking of bottom hole pressure and gas-oil ratio tests as herein requested, and for promulgating such other special rules and regulations as the Commission may deem necessary and proper.

IN WITNESS WHEREOF, this application has been executed by the undersigned applicant this 23rd day of April, 1958.

PUBCO PETROLEUM CORPORATION


By   
William G. Webb, Attorney  
1900 Mercantile Dallas Building  
Dallas 1, Texas

EXHIBIT "A"

TO

APPLICATION OF PUBCO PETROLEUM CORPORATION  
FOR A TEMPORARY ORDER RECOGNIZING THE VERDE-  
GALLUP POOL, SAN JUAN COUNTY, NEW MEXICO, AS  
A SINGLE COMMON SOURCE OF SUPPLY, ESTABLISHING  
UNIFORM EIGHTY ACRE PRORATION UNITS AND WELL  
SPACING, AND PROMULGATING SPECIAL RULES AND  
REGULATIONS FOR SAID POOL

Mr. Truett Hollis  
El Paso Natural Gas Products Company  
Post Office Box 1161  
El Paso, Texas

Mr. S. H. Letteer  
Gulf Oil Corporation  
Post Office Box 2087  
Denver 1, Colorado

Mr. Patterson Lay  
Tennessee Gas Transmission  
Post Office Box 1772  
Casper, Wyoming

Mr. George W. Selinger  
Skelly Oil Company  
Post Office Box 1650  
Tulsa, Oklahoma

Mr. C. M. Carroll  
Carroll Production Company  
Post Office Box 337  
Farmington, New Mexico

Mr. Paul D. McElroy  
Three States Natural Gas Company  
1700 Corrigan Tower  
Dallas 1, Texas

Mr. Art Grenier  
Southern Union Gas Company  
Burt Building  
Dallas 1, Texas

Mr. J. W. Brown  
Pan American Petroleum Corporation  
Post Office Box 899  
Roswell, New Mexico

Mr. C. N. Segnar  
Standard Oil Company of Texas  
Post Office Box 1249  
Houston, Texas

Mr. Quilman B. Davis  
Aztec Oil & Gas Company  
Mercantile Securities Building  
Dallas 1, Texas

Mr. L. H. Byrd  
Humble Oil & Refining Company  
Post Office Box 1600  
Midland, Texas