

LAW OFFICES OF  
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

SIMMS BUILDING

P. O. BOX 466

ALBUQUERQUE, NEW MEXICO

TELEPHONE CHAPEL 3-4514

March 3, 1960

JOHN F. SIMMS (1866-1954)

J. R. MODRALL  
AUGUSTUS T. SEYMOUR  
JAMES E. SPERLING  
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GEORGE T. HARRIS  
DANIEL A. SISK  
LELAND S. SEDBERRY  
BURNS H. ERREBO  
ALLEN C. DEWEY  
FRANK H. ALLEN

*Case file*

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

Re: Escrito Area

Case No. 1891  
Application of Val R. Reese & Associates, Inc.

Case No. 1915  
Application of Redfern and Herd

Dear Mr. Porter:

Val R. Reese & Associates, Inc., El Paso Natural Gas Company, Pan American Petroleum Corporation, and Redfern and Herd are parties affected by the aforementioned cases, which are set for examiner hearing on March 9, 1960. On behalf of said parties, and pursuant to the provisions of Statewide Rule 1216 of this Commission and Chapter 65, Article 3, Section 11.1 of the New Mexico Statutes, formal objection is hereby made to the hearing of said cases on March 9, and it is requested that same be heard by the Commission at its regular Statewide Hearing on March 16, 1960.

Very truly yours,

*Burns H. Errebo*

Burns H. Errebo

BHE/b  
cc Mr. Howard Bratton  
Mr. Ben Howell  
Mr. Guy Buell

# El Paso Natural Gas Company

El Paso, Texas  
February 4, 1960

Case 1891

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.  
Secretary - Director

Gentlemen:

Re: In the Matter of the Application of  
Val R. Reese and Associates, Inc. for  
Adoption of Special Rules for the  
Escrito Gallup Oil Pool, Rio Arriba  
County, New Mexico - Case No. 1891

El Paso Natural Gas Company considers that additional time is necessary to prepare geological and engineering evidence in the above case to determine whether the limits of the Escrito Gallup Oil Pool should be extended as alleged, what should be the most appropriate gas-oil ratio limitation for wells in the pool, and the number of acres that should be included in a proration unit for gas wells and oil wells.

In order to allow more time to prepare evidence concerning these matters, El Paso Natural Gas Company hereby requests that this matter be continued to the first Examiner Hearing in March, 1960.

Yours very truly,

*Garrett C. Whitworth*  
Garrett C. Whitworth  
Attorney

GCW:hsw

cc: Mr. Burns Errebo  
Modrall, Seymour, Sperling, Roehl & Harris,  
representing Applicant

Mr. D. S. Nutter  
New Mexico Oil Conservation Commission  
107 Mabry Hall, Capitol Bldg.  
Santa Fe, New Mexico

New Mexico Oil Conservation Commission

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO

*Escrito  
7 file  
Case  
1891*

January 12, 1960

Val R. Reese & Associates  
Simms Building  
Albuquerque, New Mexico

Attn: Mr. Val R. Reese

Dear Val:

Reference is made to your letter of January 7 regarding the Escrito Gallup pool rules.

There is no way that I know of that the above matter can be resolved without calling a hearing before the Commission to consider the matter. I agree that the Statewide Oil rules, with 40-acre spacing and the limiting gas-oil ratio of 2000 to 1 are not suited for this pool. I have also during the last couple of days discussed this with Mr. Cunningham and Mr. Brown, who are with the Killarney Oil Company and they are also very anxious to get the pool rules change as they have a high ratio well in Section 24-24N-7W. I understand that the original Standard of Texas oil wells in this pool are increasing in gas production so I do not imagine they would object to the changes which you propose to make. The proper procedure for setting this matter for hearing is to make application to Mr. A.L. Porter, Jr. Secretary-Director of the Commission, Box 871, Santa Fe, N.M., setting out all the matters which you wish to discuss in the hearing. I imagine that it would be set for the regular February hearing if you made application now. If you need any information which is on file with the Commission in preparing your case, please do not hesitate to call on us.

There is no way under the law that I could grant any well in the Escrito Gallup Pool or within a mile of the present pool boundaries any allowable

except under the present oil rules; therefore your well must be produced as an oil well with a 2000-1 gas-oil ratio until an order can be entered.

Yours very truly

Emery C. Arnold  
Supervisor, District #3

cc: Mr. A. L. Porter, Jr.

OCC, Santa Fe, N.M.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

*Dan*

*Escrito Case File*  
*Case 1891*

January 12, 1960

Mr. Daniel F. Cunningham  
5513 College Avenue  
Oakland, California

Dear Mr. Cunningham:

We are in receipt of your letter of January 7, 1960, regarding your Killarney Well No. 1, located in Section 24, Township 24 North, Range 7 West, Rio Arriba County, New Mexico.

We regret to inform you that under the rules of the New Mexico Oil Conservation Commission it is impossible to classify a high-ratio well as a gas well if the well is located within the horizontal and vertical limits of an oil pool. While this does admittedly sometimes impose a rather serious problem on the owners of such high-ratio wells, we feel that in the long run it is beneficial in that it places a limitation on withdrawals of free gas from the oil pools, and results in greater ultimate recovery of oil. The gas-oil ratio limitation also affords each owner in a pool the opportunity to produce his just and equitable share of the oil and/or gas underlying his tract.

We will, therefore, be required to continue to impose the 2000 to 1 gas-oil ratio limitation on the subject well.

We offer the suggestion that you have a competent geologist and reservoir engineer investigate the possibility that the well is not completed in the same producing formation as the Escrito-Gallup Oil Pool, and should be removed from the pool. If, upon such investigation, you feel that

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**OIL CONSERVATION COMMISSION**

**P. O. BOX 871**

**SANTA FE, NEW MEXICO**

**Mr. Daniel P. Cunningham**  
**January 12, 1960**

**you have sufficient evidence to sustain your burden of  
proving that such is the case, you should file an appli-  
cation for a hearing of the matter.**

**Very truly yours,**

**DANIEL S. MUTTER**  
**Chief Engineer**

**bcc: Mr. E. C. Arnold**  
**Oil Conservation Commission**  
**1000 Rio Brazos Road**  
**Aztec, New Mexico**

**DSN:vem**

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