

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 27, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Permian Oil Company for an order
force-pooling the interests in a 320-acre unit
in the Dakota formation. Applicant, in the above-
s styled cause, seeks an order force-pooling all
Dakota formation mineral interests in the 320
acres comprising the E/2 of Section 5, Township
30 North, Range 13 West, San Juan County, New
Mexico, the non-consenting mineral interest own-
ers being Raymond H. Walker and Edith Walker,
1250 South Figueroa Street, Los Angeles, Califor-
nia, and Norman Roybark and Rose Ella Roybark,
address unknown.

Case

1945

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. PAYNE: Application of Permian Oil Company for an
order force-pooling the interests in a 320-acre unit in the Dakota
formation.

MR. CHRISTY: Sim Christy, Hervey, Dow & Hinkle, for
applicant, Permian Oil. We have one witness, Mr. Examiner.

(Witness sworn.)

JERRY HOOPER

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

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DIRECT EXAMINATION

BY MR. CHRISTY:

Q Will you please state your name, address and occupation?

A Jerry Hooper, 4403 Harlow, Midland, Texas; geologist, Permian Oil.

Q Mr. Hooper, have you previously testified before this Commission and had your qualifications accepted as geologist?

A No, sir.

Q Would you briefly tell the Examiner the schools of higher learning you have been to, degrees, if any, received, and the dates you received them?

A Graduated from Texas Tech in 1954 with a B.A. in geology, and upon graduation went to work for Fairwell as a junior engineer and worked for about six months. Then I was called in the Army, served two years; got out of the Army, went to work for Lone Star Producing Company as a geologist; worked for a year. Then, went independent for about a year; went to work for Permian as a geologist and land man.

Q So your occupation, as you have described it, included work in the geological field in the general vicinity of the land in question in this application?

A Yes, sir.

Q Are you familiar with the application in Case No. 1945 before the Commission and what it seeks?



A Yes, sir.

Q Are you familiar with the well in question and the other wells in the general vicinity?

A Yes, sir.

Q And their production history?

A Yes, sir.

Q Does the Commission have any questions concerning the qualifications of the witness?

MR. UTZ: No; they are acceptable.

Q (By Mr. Christy) Would you please tell us what the application does seek, please?

A Well, it seeks to force-pool two non-participating royalty owners who own on the East half of Section 5, Township 30, Range 13 West, San Juan County.

Q This is a 320-acre gas proration unit dedicated to a well in the Northeast Northeast of Section 5?

A Yes, sir; in the Dakota formation.

Q I was going to ask you, when was that well drilled and completed, and from what interval is it now producing, if any?

A It is producing from the Dakota at approximately 6,034 feet to 6,232 feet.

Q When was the well drilled?

A Drilled in August, 1959, and completed in September of '59.



Q That producing interval you mentioned, is that within the vertical limits of the Dakota formation as defined by this Commission in Cases 1508 and 1523, Order R-1287?

A Yes, sir.

Q Which I believe provides for 320-acre spacing?

A Yes, sir.

Q Now, where do these non-participating royalty owners own an interest in Section 5?

A They own under the South Half, Northeast Quarter, North Half, Southeast Quarter, and the Southwest Quarter of the Southeast Quarter.

Q So they do not own under the well site?

A No, sir.

Q What interest do they own?

A They own a 17 1/2 per cent interest under their portion.

Q Their 200 acres?

A Yes, sir.

Q Is that approximately 10 or 11 percent under the whole communitized tract?

A Yes, sir.

Q Who are these people?

A Mr. Walker and Mr. Roybark.

Q Now, you mentioned Mr. Walker. Is that Raymond H. Walker and Edith Walker, his wife?



A Yes, sir.

Q Norman Roybark and Rose Ella Roybark, his wife?

A Yes, sir.

Q Do you know where the Walkers are?

A No, sir, I don't.

Q Do you have any last-known address on them?

A Yes, sir. It was 1250 South Figuerosa Street, Los Angeles, California.

Q How about the Roybarks; do you know where they are?

A No, sir.

Q Any last-known address?

A No, sir.

Q What efforts have you made to contact these people, or find them?

A First I contacted the surface owners, Mr. Knight and Mr. Patterson, who also own mineral interests under the East Half of Section 5. They had never heard of them. I contacted the San Juan Abstract Company and asked them to make a search, and received word they had never heard of them. Contacted several people within the town of Farmington, and no one has ever heard of the people.

Q Who owns the lease under which they own this non-participation?

A Standard of Texas.



Q Have you contacted Standard?

A Yes, sir. They had this last-known address of Mr. Walker, and that is all.

Q Nothing on the Roybarks?

A No.

Q Do you have a plat of this area involved in the application?

A Yes, sir.

Q I believe that has been marked Applicant's Exhibit 1; is that correct, sir?

A Yes, sir.

Q That shows your outline in red or yellow, the communized area?

A Yes, sir.

Q Now are there any other drilling or completed wells in the general vicinity of this well?

A In the Northeast Quarter of the Southwest Quarter of 33, Township 31 North, Range 13 West; it is in the process of being completed this week and Pan American has completed a well to the south, which would be in the Northeast Quarter, Northeast Quarter of Section 17, Township 30, Range 13 West.

Q Is that Pan American well completed?

A Yes, sir; it is.

Q What producing horizon?



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A Dakota.

Q This other one you mentioned in Section 33; is that a Dakota well, too?

A Yes, sir.

Q Any other wells in the vicinity?

A Not very close.

Q Now, in your opinion, will this well in the Northwest Northwest of Section 5 effectively and efficiently drain the Dakota production from the entire East Half of Section 5?

A Yes, sir; I believe so.

Q Now, do you seek to recover drilling, completion, equipping and operating costs from these non-consenting royalty owners?

A No, sir.

Q It is in the nature of a free override?

A Yes, sir.

Q Now, under the spacing set-up in the communitization agreement, will they receive their fair share of production under their 200 acres you mentioned by the production in Section 5?

A Yes, sir; they will.

Q Do you see where their correlative rights may be affected by force-pooling them into the communitized area?

A No, sir.

MR. CHRISTY: At this time we would like to call the Examiner's attention to Applicant's Exhibit 2, letter addressed to



the Walkers at the address stated by the witness.

MR. UTZ: Are you sure there is a Figuerosa Street in Los Angeles? It would seem rather odd that they would have a Figueroa and a Figuerosa, also. I've got a hunch you might find these people if you sent it to Figueroa.

MR. PAYNE: We sent this to Figuerosa, but we sent a docket to Figueroa, so they are properly notified if they are there.

Q (By Mr. Christy) Do you have anything else you wish to offer to the Examiner in connection with his consideration of this case?

A No, sir.

MR. CHRISTY: I believe that will be all from this witness.

CROSS-EXAMINATION

BY MR. UTZ:

Q Mr. Hooper, who owned this lease before Standard of Texas got it?

A I believe Standard of Texas acquired it directly from the fee.

Q Is it fee land?

A Yes, sir; it is fee land with the exception of the Southeast Quarter of the Southeast Quarter which is Federal.

Q Did you try to contact these people through the fee owners?



A Yes, sir.

Q They didn't know anything about them?

A Mr. Patterson and Mr. Knight own the minerals there, and I talked to both of them. They own the major portion of the minerals and I am not sure, but I believe this interest came out of Mr. Patterson, through some people in Utah, and so I figured the best I could do was talk to Mr. Patterson about it, and he didn't know the people.

Q You don't know who the people were in Utah?

A No, sir.

Q Didn't Patterson know?

A No, sir.

Q Didn't he sell it to them?

A Yes, sir; it was sold from Patterson to them, but he had lost contact with the gentleman -- he is Mormon, and he sold it to another Mormon, who sold the non-participating interest.

Q Maybe you ought to work through the Mormon Church; you might find them. Who owns the surface in this area?

A Mr. Patterson and Mr. Knight.

Q Is this a dual completion?

A No, sir.

Q Single completion, Dakota?

A Yes, sir.

Q What is the completed interval?



A Perforations from 6,034 to 6,232. It is not solidly perforated. Do you want a breakdown?

A No; just the intervals.

MR. UTZ: Are there other questions?

BY MR. PAYNE:

Q Mr. Hooper, You presently have the subject 320 acres dedicated to the well?

A Yes, sir.

Q And the well is presently producing?

A Yes, sir.

Q Are you placing royalty payments for these owners in escrow, or how is it handled?

A It will be placed in escrow.

Q Well now, you mean as to future royalty payments. They are entitled to royalty payments right now, aren't they?

A Yes, sir.

Q And if this forced-pooling order is granted the position of these non-consenting royalty owners will not be changed in the least, will it?

A No, sir.

Q They will be getting exactly the same thing they are getting now?

A Yes, sir.

MR. UTZ: Any other questions? The witness may be



excused.

MR. CHRISTY: We would also like to have marked as applicant's Exhibit 3 the communitization agreement that is attached here. That is our last executed copy or we would furnish the Commission more. We would like now to offer in evidence Exhibits 1 through 3 inclusive.

MR. UTZ: They will be entered with no objection. Any other statements in this case? If not, case will be taken under advisement.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, the Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 745, heard by me on April 22, 1960.

Examiner
New Mexico Oil Conservation Commission

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