

*Emmott Case 2180*

J. M. HERVEY 1874-1953

HIRAM M. DOW  
CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
GEORGE H. HUNKER, JR.  
HOWARD C. BRATTON  
S. B. CHRISTY, IV.  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.

CONRAD E. COFFIELD

LAW OFFICES  
HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

January 12, 1961

TELEPHONE MAIN 2-6510  
POST OFFICE BOX 547

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Re: Bordages Oil Communitization  
SE <sup>NE</sup> Section 32, Township  
19 South, Range 37 East, N.M.P.M.,  
✓ Lea County, New Mexico  
Cur No. 124-4

Gentlemen:

We hand you herewith triplicate counterparts of an Application of Great Western Drilling Company for an order force pooling all mineral interests for the production of oil and associated liquid hydrocarbons producible within the vertical limits of the Queen Formation underlying the captioned lands.

We would thank you in advance to docket the above cause, and we respectfully request an Examiner Hearing at Santa Fe, New Mexico at the Commission's convenience.

By way of explanation, and with reference to paragraph 3 of the Application, we advise that since the preparation of the Application the following additional persons have executed the Communitization and Operating Agreement, to-wit:

L. T. Lewis  
Etha Henneberry Newell  
✓ J. B. Headley

Frances Smyrl Jennings  
Chase Manhattan Bank  
J. D. Atwood Estate

due proof of which will be offered at the Hearing on the Application.

However, and in order that the record proper may be complete, we have this day sent a copy of the enclosed Application to each and all of the persons listed in said paragraph 3, registered return receipt requested, and again due proof of this mailing will be made at the Hearing on the Application.

Respectfully,

HERVEY, DOW & HINKLE

By

*S. B. Christy, IV.*

SBC:mke  
Encls.

cc: Great Western Drilling Co.

*Encls  
Mailed  
1-30-61*

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

1911-1912  
1911-1912  
1911-1912

APPLICATION OF GREAT WESTERN  
DRILLING COMPANY FOR AN ORDER  
FORCE POOLING ALL MINERAL  
INTERESTS IN THE SE $\frac{1}{4}$ NE $\frac{1}{4}$  SEC-  
TION 32, TOWNSHIP 19 SOUTH,  
RANGE 37 EAST, N.M.P.M., LEA  
COUNTY, NEW MEXICO, FOR THE  
PRODUCTION OF OIL AND ASSOCIATED  
LIQUID HYDROCARBONS PRODUCIBLE  
WITHIN THE VERTICAL LIMITS OF  
THE QUEEN FORMATION UNDERLYING  
SAID LANDS

Case No. 2186

Comes now, GREAT WESTERN DRILLING COMPANY, whose address is Box 1659, Midland, Texas, and hereby makes application for an Order, after due notice and hearing, force pooling all mineral interests in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 32, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico, for the production of oil and associated liquid hydrocarbons producible within the vertical limits of the Queen Formation underlying said lands, and in support of the application states:

1. Applicant is the Operator of a well located 990 feet from the East line and 2970 feet from the South line of said Section 32, which well was drilled and completed in compliance with the rules of this Commission. Said well is presently producing oil and associated liquid hydrocarbons in paying quantities from the Queen Formation underlying said lands. Said well is capable of efficiently and effectively draining all oil and associated liquid hydrocarbons producible within the vertical limits of the Queen Formation underlying said land.

2. Applicant and its associates are the owners and holders of valid oil and gas leases and other agreements from mineral owners which collectively cover and embrace 37.8325 mineral acres in said land. That in addition thereto a substantial portion of the mineral owners in said land have entered into a Communitization and Operating Agreement with respect to subsequent production, development and operation of said well and said land; a copy of said Communitization and Operating Agreement is attached hereto, and a fully executed copy will be furnished the Commission at the hearing on this Application.

3. That the following persons, owning or claiming a mineral interest in said land, and their last known address (if any), and the Tract No. involved (which Tract No. is set forth in Exhibit A to said Communitization and Operating Agreement), who have not executed, ratified or consented to said Communitization and Operating Agreement are as follows:

<u>Name</u>	<u>Owned or Claimed Interest</u>	<u>Address</u>
<u>Tract No. 1</u>		
✓ Dr. Hans May (Refused to Execute)	5/64 W.I.	255 S. 17th Street Philadelphia 3, Pennsylvania
B. A. Bowers	4/852 R.I.	Address Unknown ✓
Estate of George F. Henneberry	36/852 R.I.	Address Unknown
✓ William R. Kershaw	30/852 R.I.	Box 143, Mesa, Arizona
M. M. Lawellin - sold his to C. B. Neal by instrument dated 4-16-53, recorded on 6-23-60, Vol. 247, Page 357	60/852 R.I.	Box 2240, Tulsa 2, Oklahoma  1st National Bank & Trust Co. Box 2240, Tulsa 2, Oklahoma

*Rechecked  
1-30-61*

*Books Mailed 1-30-61*

<u>Name</u>	<u>Owned or Claimed Interest</u>	<u>Address</u>
J. B. Headley ✓	12/852 R.I.	Box 1017, Roswell, New Mexico
L. T. Lewis ✓	12/852 R.I.	Box 42, Roswell, New Mexico
J. D. Atwood Estate ✓	12/852 R.I.	213 N. Missouri Street Roswell, New Mexico
Frances Smyrl Jennings ✓	12/852 R.I.	Box 27, Roswell, New Mexico
Chase Manhattan Bank Spl. A/C F-NC ✓	153/852	% North Central Oil Corp. Box 317, Wall Street Station, New York 5, New York

Tract No. 3

Part A:  
 Fred Manley 1/4 of 2.55 acres Address Unknown

Tract No. 4

Mae Williams ✓ .53 of 1 acre Monument, New Mexico

Tract No. 6

W. L. Crutchfield 1 acre Address Unknown

That a copy of this Application has been forwarded, postage pre-paid, to each of the above-named persons whose address is known by United States mail certified, return receipt requested, to the respective address shown above, due proof of which will be made at the hearing on this Application. That previously Applicant has made a diligent effort in good faith to secure the execution, ratification or consent to such Communitization and Operating Agreement by the above-named persons, but that it has been unable to do so. That as respects the above-named person(s) whose address is stated as unknown, Applicant has made a diligent search and inquiry to determine such address, but Applicant has been unable to ascertain the residence or whereabouts of such person(s).

4. Applicant is designated as Operator of said land under the terms of the above described Communitization and Operating Agreement, and that as such Operator, Applicant has in the past, and will in the future conduct its operations in a good and workmanlike manner in conformity with the custom and practice of the industry in the area and will further conduct its operations so as to afford the owner of each tract and interest in said land the opportunity to recover or receive his just and equitable share of the oil and associated liquid hydrocarbons producible from said formation under said land, so far as may be practically recovered without waste. That the most efficient and orderly development of said land can be accomplished by force pooling all mineral interests therein and requiring that the interest of all persons having the right to drill for, produce or share in, the production of oil and associated liquid hydrocarbons producible from the Queen Formation underlying said land should be pooled, and that Applicant should be designated as Operator of such pooled unit until further order of this Commission, with due authority to produce and develop such petroleum products from said formation and land. Applicant states that it is just, equitable and in the interest of conservation, and the protection of the correlative rights of all interested parties that this Commission further enter its order providing that production from the above described pooled unit be allocated to each tract in the unit (as described in Exhibit "A" of said Communitization and Operating Agreement) in the same proportions that the acreage in each of said tracts bears to the total acreage in the pooled unit. Applicant further states that it is just, equitable and in the

interest of conservation, and the protection of the correlative rights of all interested parties that this Commission further enter its order providing that the cost of development and operation of the pooled unit, including the reworking operations contemplated by and provided for in said Communitization and Operating Agreement be specified as those costs of development and operation, including reworking operations, and other rights, powers and duties of the Operator, as set forth in the Communitization and Operating Agreement; Applicant states further that such cost of development and operation of the pooled unit as in such instrument contemplated are limited to the lowest actual expenditures required for such purpose, including a reasonable charge for supervision. Applicant consents that in the event there is any dispute as to such costs, that the Commission shall determine the proper costs.

5. That the granting of this Application and all things sought hereunder will be in the interest of conservation, the prevention of waste, and the protection of the correlative rights of all interested parties.

WHEREFORE, Applicant respectfully requests that the Commission enter its order providing that:

1. The interests of all persons having the right to drill for, produce or share in the production of oil and associated liquid hydrocarbons producible within the vertical limits of the Queen Formation underlying the  $SE\frac{1}{4}NE\frac{1}{4}$  of Section 32, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico,

be pooled, and that such pooled unit be dedicated, as respects the production of oil and associated liquid hydrocarbons producible within the vertical limits of the Queen Formation underlying said land, to Applicant's aforementioned well located in the SE $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 32, and that Applicant be designated as Operator of such pooled unit until further order of the Commission; and,

2. The production from the pooled unit be allocated to each tract in the unit in the same proportion that the acreage in such tract bears to the total acreage in the unit; and,

3. The costs of development and operation of the pooled unit, including the reworking and other operations contemplated under the Communitization and operating Agreement, be allocated to each tract in the pooled unit in the same proportion that the acreage in each such tract bears to the total acreage in the pooled unit, and that such costs (unless otherwise paid by the respective mineral owners, lessees, or other parties charged therewith) may be recovered by Operator in accordance with the provisions of the Communitization and Operating Agreement; provided, however, there shall be no personal liability on the part of any person force pooled hereunder whose name is stated in paragraph 3 above, for such costs.

4. The effective date of the Commission's order and all provisions contained therein be made as of the effective date of such Communitization and Operating Agreement; provided,

however, that Applicant shall promptly notify the Commission of the date such reworking operations were commenced on said well.

Respectfully submitted,  
GREAT WESTERN DRILLING COMPANY

By S. B. Christy, IV, individually  
for Hervey, Dow & Hinkle as a  
member of the firm  
Box 547, Roswell, New Mexico  
Attorneys for the Applicant



RECAPITULATION

<u>TRACT NO.</u>	<u>NO. OF ACRES COMMITTED</u>	<u>PERCENTAGE OF INTEREST IN COMMUNITIZED AREA</u>
1	31	77.500%
2	.48	1.200%
3	2.55	6.375%
4	.53	1.325%
5	4.44	11.100%
6	<u>1</u>	<u>2.500%</u>
TOTAL	40.00 acres	100.000%