

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
CONSOLIDATED OIL & GAS, INC., FOR AN)
ORDER OF POOLING IN ORDER THAT A)
320 ACRE UNIT MAY BE FORMED CONSISTING)
OF THE E/2 OF SECTION 10, TOWNSHIP 31)
NORTH, RANGE 13 WEST, N.M.P.M.,)
SAN JUAN COUNTY, NEW MEXICO)

CASE NO. 2296

A P P L I C A T I O N

TO THE HONORABLE COMMISSION:

Comes now Consolidated Oil & Gas, Inc., hereinafter referred to as "Applicant", and alleges and states as follows:

I.

Applicant is a Colorado Corporation with a permit to do business in the State of New Mexico.

II.

Applicant has developed and will continue to develop various lands and leases by the drilling of oil and gas wells in the State of New Mexico.

III.

Applicant is the owner of the following described oil and gas leases covering the entire E/2 of Section 10, Township 31 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, with the exception of the portion of the SE/4 SE/4 which is under lease to Adobe Oil Company as explained in paragraph IV hereafter: (All Records referred to are Records of Said County and State.)

TRACT NO. 1

Lease No. 1

Lessor: H. R. Rasmussen, et ux.
Lessee: C. L. Collins
Date of Lease: March 21, 1958
Recorded: Book 373, Page 98

2-11-58
5-11-58

Lease No. 2

Lessors: F. F. McCarty, et ux.
Lessee: C. L. Collins
Date of Lease: March 21, 1958
Recorded: Book 373, page 100

insofar as said leases cover the following described lands, to-wit:

SW/4 SE/4 of Section 10, Township 31 North, Range 13 West, N.M.P.M.,
San Juan County, New Mexico, excepting therefrom a tract of land
consisting of six acres used for public burial ground.

TRACT NO. 2

Lease No. 1

Lessors: Glenn A. Hopkins, et ux.
Lessees: C. L. Collins, et al.
Date of Lease: May 31, 1951
Recorded: Book 158, Page 103

Lease No. 2

Lessor: Ethel Louise Cardon, as Guardian of the Estates
of Nedra Alice Neff, Ethel Nadine Neff and Patricia
Ida Neff
Lessee: Dan W. Johnston
Date of Lease: March 14, 1958
Recorded: Book 367, Page 98

Lease No. 3

Lessors: Ethel Louise Cardon, et vir.
Lessee: Dan W. Johnston
Date of Lease: March 14, 1958
Recorded: Book 367, Page 100

insofar as said leases cover the following described lands, to-wit:

q/c ~~NW/4~~ SE/4 and SW/4 NE/4 of Section 10, except a five acre tract
located in the SW/4 NE/4

TRACT NO. 3

Lessor: Price W. Nelson, et ux.
Lessee: Southern Union Gas Company
Date of Lease: June 13, 1956
Recorded: Book (Volume) 313, Page 73

insofar as said lease covers the following described lands, to-wit:

N/2 N/2 NE/4 of Section 10

TRACT NO. 4

Lessor: Glen O. Hamblin, et ux.
Lessee: Southern Union Gas Company
Date of Lease: June 7, 1956
Recorded: Volume 325, Page 185

insofar as said lease covers the following described lands, to-wit:

S/2 N/2 NE/4 of said Section 10

TRACT NO. 5

Lessors: Edwin A. Hamblin, et ux.
Lessee: Southern Union Gas Company
Date of Lease: June 7, 1956
Recorded: Volume 313, Page 88

insofar as said lease covers the following described lands, to-wit:

NE/4 SE/4 and SE/4 NE/4 of said Section 10; the following described tract in the SE/4 SE/4 of said Section 10, to-wit: Beginning 967 feet Easterly along the 1/16 section line from the Northwest corner of the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of said Section 10; Thence Easterly South 89°54' East 316 feet to the corner of a fence; Thence South 2°38' East 1289.50 feet to the center of an old lane; Thence Westerly North 89° West 56.6 feet; Thence North 14° West 1302.5 feet to the place of beginning;

5 acres, more or less, in the Southwest Quarter of the Northeast Quarter (SW/4 NE/4) of said Section 10, described as follows: Beginning at the Northeast corner of said Southwest Quarter of the Northeast Quarter (SW/4 NE/4); Thence South 250 feet; Thence West 860 feet to a stone marked BB in the public highway; Thence North 250 feet to the North line of the said Southwest Quarter of the Northeast Quarter (SW/4 NE/4); Thence East 860 feet to the place of beginning;

Except, however, from the above described land the following described tracts, to wit: 76 acres, more or less, in the Northeast Quarter of the Southeast Quarter (NE/4 SE/4) and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of said Section 10.

TRACT NO. 6

Lease No. 1

Lessor: R. C. Turner, et ux.

Lessee: Southern Union Gas Company
Date of Lease: April 16, 1957
Recorded: Volume 328, Page 193

Lease No. 2

Lessor: William A. Pope, Jr., et ux.
Lessee: Southern Union Gas Company
Date of Lease: June 13, 1956
Recorded: Volume 316, Page 19

insofar as said leases cover the following described lands, to-wit:

Beginning at a point which is 423 feet South of the Northwest corner of the NE/4 SE/4 of Section 10, Township 31 North, Range 13 West, N.M.P.M.; thence South 83° 00' East 1,800 feet to the West bank of the La Plata River; thence South 12° 50' East 590 feet along the west bank of said river; thence South 85° 10' East 165 feet along the West bank of said river; thence South 5° 00' West 306 feet along said bank; thence South 22° 30' West 198 feet along said bank of said river; thence South 20° 00' East 276 feet along said river; thence North 69° 30' East 171 feet along said river; thence North 84° 41' East 100.2 feet; thence North 76° 33' East 252.4 feet along the bank of said river; thence South 83° 27' East 127.8 feet; thence North 79° 21' East 137.4 feet; thence North 85° 00' East 212.5 feet along the bank of said river; thence South 16° 25' East 227.8 feet along the West bank of said river; thence South 47° 50' East 182.9 feet; thence South 26° 57' West 313.9 feet, along the said West bank of said river; thence South 9° 20' West approximately 250 feet to the South line of the SE/4 SW/4 of Section 11, Township 31 North, Range 13 West, N.M.P.M.; thence leaving the West bank of said river and running West to a point which is 56.6 feet West of the SE corner of the SE/4 SE/4 of said Section 10; thence North 14° 00' West 1302.5 feet; thence Westerly about 967 feet to the Southwest corner of the NE/4 SE/4 of said Section 10; thence North to the point of beginning, containing approximately 79 acres, more or less, and being fractional parts of the East half of Section 10, and of the West half of the Southwest Quarter and of the Southeast Quarter of the Southwest Quarter of Section 11, all in Township 31 North of Range 13 West, N.M.P.M.

IV.

The above described leases owned by applicant cover the entire E/2 of said Section 10 with the exception of certain lands covered by the following described lease which is owned by C. M. Paul and Josephine Bay Paul, Midland, Texas, who have executed an Operating Agreement in favor of Applicant and have voluntarily agreed to commit their acreage to the formation of a unit consisting of said E/2 of Section 10:

Lessor: F. F. McCarty, et ux.

Lessee: Adobe Oil Company

Date of Lease: May 9, 1960

Recorded:

insofar as said lease covers the following described lands, to-wit:

SE/4 SE/4 of said Section 10, excepting a tract of 5.51 acres conveyed to John McDermott by deed recorded in Book 23, Page 71, Records of San Juan County, New Mexico.

V.

Applicant, as Operator, on or about April 17, 1961, commenced drilling a test well for oil and gas, said well being located in the SW/4 NE/4 of said Section 10, 1850 feet south of the north line and 1550 feet from the east line, which acreage is covered by Tract No. 2 above described.

VI.

By letter dated April 27, 1961, and received by Applicant on April 28, 1961, Oscar L. Donisthorpe, 2611 Highland Place, Farmington, New Mexico, notified the Applicant that he was asserting title to all or a part of the minerals underlying the following described land, upon which said test well is located, free of the leasehold estate created by any oil and gas lease:

Township 31 North, Range 13 West, N.M.P.M.

Section 10: A tract of land in the Southwest quarter Northeast quarter and Northwest Southeast described as: commencing 250 feet south of the Northeast corner of the Southwest quarter of Northeast quarter of said Section 10; thence South 1787.15 feet; thence North 89° 54', 499.64 feet to a point on the East Right of Way Line of State Highway No. 17; thence North 8° 40' West, 1807.70 feet along the said East Right of Way Line of State Highway No. 17; thence South 89° 54' East 771.44 feet to the point of beginning, containing 26.074 acres, more or less.

VII.

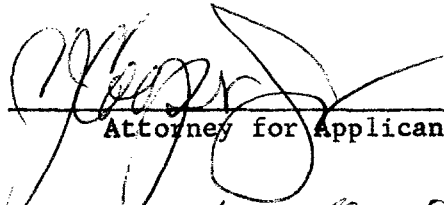
In order that said drilling operations might be continued and the correlative rights of the other interested parties in the proposed unit might be protected, pending a determination of said dispute, Applicant has made a diligent effort to obtain a voluntary agreement of Oscar L. Donisthorpe

to pool and unitize his mineral interests, if any, in order that a unit could be formed voluntarily consisting of the E/2 of said Section 10 and in conformity with the Rules and Regulations of the Oil Conservation Commission of the State of New Mexico. Despite these efforts, said Oscar L. Donisthorpe has refused to so commit his interest, if any, and unless he is required to so commit his acreage to the formation of the Unit, the rights of the other interested parties involved will be prejudiced including those of Applicant whose leases will soon expire unless production is obtained from Unit to which said leases have been formally committed. Further, the relief sought in this Application is necessary for the prevention of waste and as indicated above to protect and enforce the correlative rights of all other owners in said Unit and to avoid the drilling of unnecessary wells.

VIII.

The Commission has jurisdiction to hear and determine this cause,

WHEREFORE, Applicant respectfully requests that this matter be set for hearing before the Commission as soon as possible because of the relatively short time remaining before certain of the above-described leases will expire, all as prescribed by law and that upon due notice and hearing, the Commission issue its order requiring said Oscar L. Donisthorpe to pool and unitize his interests, if any, in order that a drilling unit of 320 acres, more or less, may be formed consisting of the E/2 of Section 10, Township 31 North, Range 13 West, N.M.P.M., San Juan County, New Mexico.



Attorney for Applicant

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