

JASON W. KELLAHIN
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KELLAHIN AND FOX
ATTORNEYS AT LAW
54½ EAST SAN FRANCISCO STREET
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SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

October 14, 1971

Chen 4628
RECEIVED
10/15/71

Oil Conservation Commission of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87501

OIL CONSERVATION COMMISSION
SANTA FE

Gentlemen:

Enclosed is the application of Continental Oil Company for an order or orders designed to insure ratable takes of gas in the South Blanco-Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico.

You will note that this application, as provided by law, requests a hearing before the Oil Conservation Commission, rather than an examiner hearing. It is believed that because of the nature of the application, a hearing de novo before the Commission would be inevitable, and we believe that having it heard by the Commission in the first instance will save both time and expense for the Commission.

If possible, we would request a hearing on this case during the month of November.

Yours very truly,

Jason W. Kellahin

Jason W. Kellahin

JWK/sr
Encl. as stated

RECEIVED

FROM

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 16, 1971

**Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico**

DUCKETT 2-11-71
Date 11-16-71

Dear Mr. Kellahin:

This is official notice that Case No. 4628, an application by Continental Oil Company, which was set for 9 o'clock a.m. Tuesday, November 23, 1971, for Morgan Hall in the State Land Office Building in Santa Fe, New Mexico, has been continued to 9 o'clock a.m. January 26, 1972. The hearing will be held in Morgan Hall.

Very truly yours,

**A. L. PORTER, Jr.
Secretary-Director**

ALP/ir

**cc: Governor Bruce King
Land Commissioner Alex J. Armijo
Mr. Bob Manning, El Paso Natural Gas Company, El Paso
Mr. Richard S. Morris, Attorney at Law, Santa Fe, N.M.**

ILLEGIBLE

MONTGOMERY, FEDERICI, ANDREWS, HANNAHS & MORRIS

J. O. SETH (1883-1963)

ATTORNEYS AND COUNSELORS AT LAW

A. K. MONTGOMERY
WM. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
RICHARD S. MORRIS
SUMNER G. BUELL
SETH D. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ

350 EAST PALACE AVENUE
SANTA FE, NEW MEXICO 87501

February 9, 1972

POST OFFICE BOX 2307
AREA CODE 505
TELEPHONE 982-3876

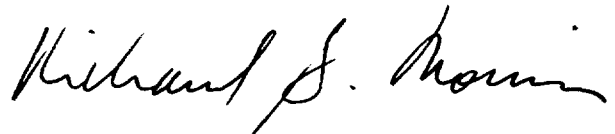
New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Re: Case No. 4628, Application of Continental Oil
Company, Rio Arriba County, New Mexico

Gentlemen:

In accordance with the Commission's ruling at the close of the hearing on the subject application, we submit herewith on behalf of Southern Union Gas Company a form of order which we propose that the Commission issue in this case.

Very truly yours,



RSM:F
Encl.

cc &
Encl: Mr. Jason W. Kellahin
Attorney at Law
P.O. Box 1769
Santa Fe, N.M. 87501

Mr. William S. Jameson
Legal Department
Southern Union Gas Company
Fidelity Union Tower
Dallas, Texas 75201

Mr. Oran Haseltine, Manager
Gas Supply
Southern Union Gas Company
Fidelity Union Tower
Dallas, Texas 75201

RECEIVED

FEB 10 1972

OIL CONSERVATION COMM.
SANTA FE

RECEIVED

FEB - 9 1972

OIL CONSERVATION COMM.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4628
Order No. R-

APPLICATION OF CONTINENTAL
OIL COMPANY FOR AN ORDER TO
ENSURE RATABLE TAKING OF GAS
AND AN EXCEPTION TO ORDER
NO. R-1670 RIO ARriba COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing before the Commission
at 9:00 a.m. on January 26, 1972, at Santa Fe, New Mexico.

NOW, on this _____ day of February, 1972, the Commission,
a quorum being present, having considered the evidence pre-
sented at the hearing and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and
the subject matter thereof.

(2) Southern Union Gas Company owns and operates a
gas gathering system in the South Blanco-Pictured Cliffs
Gas Pool, Rio Arriba County, New Mexico, to which system
one hundred eighteen (118) gas wells in said pool are
connected including thirty-one wells owned and operated by
Continental Oil Company.

(3) Continental Oil Company complains that its wells
connected to the Southern Union Gas Company gas gathering
system in the South Blanco-Pictured Cliffs Gas Pool have been
unreasonably discriminated against by reason of higher
operating line pressures for Continental wells compared to
other wells in the same pool that are connected to the Southern
Union system.

(4) In October, 1971, Southern Union Gas Company
installed and placed into operation 5-1/2 miles of 12-inch
loop line on the trunk of its gathering system that serves
Continental's wells and a substantial addition to its
compressor facilities which serve Southern Union's gas

gathering system in the South Blanco-Pictured Cliffs Gas Pool, including that portion of the system to which Continental's wells are connected, with the result that the differential in line pressure between the Continental wells and other wells in the same pool and system, as well as operating line pressures in the entire system, has been substantially reduced.

(5) Further equalization in pressure between that portion of Southern Union's system serving Continental's wells and other portions of its system serving the wells of other operators cannot be achieved by modification of flow of gas through Southern Union's compressor facilities presently in service or by any other means that would not entail a substantial monetary expenditure by Southern Union.

(6) Southern Union Gas Company is purchasing and taking delivery of gas from the said Continental wells pursuant to that certain Natural Gas Purchase Contract dated January 1, 1956, between Southern Union and Continental's predecessor in interest, Humble Oil & Refining Company, which Contract may be terminated by either Southern Union or Continental on December 31, 1975; Southern Union is purchasing and taking delivery of gas from most of the other wells in the said pool pursuant to agreements which are coextensive with the term of the lease under which said wells were drilled.

(7) The gathering line pressure being maintained by Southern Union Gas Company in its gathering facilities connected to the Continental wells is not in excess of the maximum that is authorized by terms and provisions of the aforesaid Natural Gas Purchase Contract covering the sale of gas from Continental to Southern Union.

(8) The differences in the gas transportation facilities afforded by Southern Union Gas Company to Continental Oil Company and to other producers in the South Blanco-Pictured Cliffs Gas Pool are reasonable differences and bear a fair relationship to the differences in the relative lengths of time that Continental is committed to make gas from its wells available to Southern Union compared to the commitment of other producers.

(9) The prices paid by Southern Union for gas from the South Blanco-Pictured Cliffs Gas Pool differ in relation to its contractual commitments with regard to operating line pressures, and for this reason Continental receives a higher price for its gas than is received by other producers who enjoy a relatively lower line pressure. The differences in line pressure between Continental wells and other wells connected to the Southern Union Gas transportation facilities in the South Blanco-Pictured Cliffs Gas Pool are reasonable and bear a fair relationship to differences in the price paid by Southern Union for gas from the said Pool.

(10) The wells owned by Continental Oil Company in the South Blanco-Pictured Cliffs Gas Pool are producing from a portion of the formation having generally less sand

thickness and development than the wells of other producers which are connected to the Southern Union system. Accordingly, the differences in the gas transportation facilities afforded by Southern Union to Continental in comparison with other producers are reasonable in relation to the quantities of gas that are available to Southern Union from the respective properties.

(11) The purchases of gas made by Southern Union Gas Company through its gas gathering system in the South Blanco-Pictured Cliffs Gas Pool are being made without unreasonable discrimination in favor of one producer against another in the price paid, the quantities purchased, the bases of measurement or the gas transportation facilities afforded for gas of like quantity, quality and pressure available from gas wells in the said pool which are connected to the Southern Union Gas transportation facilities.

(12) Southern Union Gas Company has not failed to take gas from the Continental wells in the South Blanco-Pictured Cliffs Gas Pool ratably with its takings of gas from the wells of other producers in that pool that are connected to Southern Union Gas Company's gathering system.

(13) The evidence fails to establish that gas purchased from the Continental wells could be economically and satisfactorily used by Southern Union Gas Company by means of its gas transportation facilities now in service when purchased at any lesser delivery pressure than that now being maintained in Southern Union Gas Company gathering lines connected to the wells.

(14) The application of Continental Oil Company should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company in this cause is hereby denied.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, JR., Member &
Secretary

JASON W. KELLAHIN
ROBERT E. FOX

KELLAHIN AND FOX
ATTORNEYS AT LAW
54½ EAST SAN FRANCISCO STREET
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

February 11, 1972

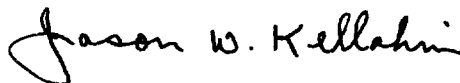
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FEB 11 1972
OIL CONSERVATION COMM.
SANTA FE

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

In accordance with the Commission's statement at the conclusion of Case No. 4628, we are enclosing a proposed form of order which we suggest be entered in the case.

Yours very truly,



Jason W. Kellahin

JWK:abs

Enclosure: as stated

cc: Messrs. E. M. Mattes (w/encl.)
E. M. Robison "
Continental Oil Company

Mr. Richard S. Morris (w/encl.)
Montgomery, Federici, Andrews,
Hannahs & Morris

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL OIL COMPANY FOR AN
ORDER OR ORDERS TO ENSURE RATABLE
TAKING OF GAS AND AN EXCEPTION TO
ORDER NO. R-1670, RIO ARriba COUNTY,
NEW MEXICO.

CASE NO. 4628

ORDER NO. R-_____

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 A. M., January 26, 1972, and on January 27, 1972, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico.

NOW, on this _____ day of _____, 1972, the Commission, a quorum being present, having considered the testimony and the record, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Continental Oil Company, is the operator of the AXI Apache Leases, located in Township 25 North, Ranges 4 and 5 West, N.M.P.M., Rio Arriba County, New Mexico, under leases from the Apache Indian Tribe, and has wells completed in and producing from the South Blanco-Pictured Cliffs Gas Pool.
- (3) That applicant's wells, located on said leases, are connected to and gas is sold through a gas pipeline operated by Southern Union Gas Company.
- (4) That Southern Union Gas Company's pipeline system is connected to, and the Company takes gas from other operators producing gas from the South Blanco-Pictured Cliffs Gas Pool.
- (5) That the South Blanco-Pictured Cliffs Gas Pool is a separate common source of supply of gas, as defined by the Commission, and its production is prorated pursuant to the provisions of Commission Order No. R-1670, as amended.
- (6) That under the provisions of Section 65-3-15, New Mexico Statutes, Annotated, 1953 Compilation, as amended, Southern Union Gas Company is a common purchaser of gas in the South Blanco-Pictured Cliffs Gas Pool, subject to the provisions of said Section 65-3-15, N.M.S.A., and to the provisions of Rule 902 (b) of the Commission's Rules and Regulations.

(7) That applicant seeks the promulgation of the necessary order or orders that will ensure the ratable taking of gas by Southern Union Gas Company from gas wells in the South Blanco-Pictured Cliffs Gas Pool, Rio Arriba County, New Mexico, as required by law, and by the Commission's Rules and Regulations.

(8) Applicant further seeks, as an exception to the provisions of Order No. R-1670, as amended, the reclassification of its wells in the South Blanco-Pictured Cliffs Pool from marginal to non-marginal status, together with authority to carry under-production for said wells forward from balancing period to balancing period without cancellation, as long as the wells remain classified as non-marginal and as long as such wells are denied facilities that are substantially the same as those afforded other South Blanco-Pictured Cliffs wells connected to Southern Union Gas Company's system.

(9) That under the provisions of said statutes, and Rule 902 (b), a common purchaser is required to purchase without unreasonable discrimination in favor of one producer against another in the price paid, the quantities purchased, the bases of measurement of the gas, or the gas transportation facilities afforded for gas of like quantity, quality and pressure available from such wells. Said statute further requires that a common purchaser taking gas produced from gas wells from a common source of supply shall take ratably under such rules, regulations and orders, concerning quantity, as may be promulgated by the Commission consistent with the act.

(10) It is the duty of the Commission to enforce the provisions of this act, and it is vested with the power, after notice and hearing, to make rules, regulations and orders for that purpose.

(11) That under the provisions of Order No. R-1670, production from the South Blanco-Pictured Cliffs Gas Pool is prorated in order to give each operator in the pool the opportunity, insofar as practicable, to produce his fair share of the gas underlying his tract.

(12) That under the provisions of Order No. R-1670, Rule 16 (b), the Secretary - Director of the Commission may reclassify a marginal or non-marginal well at any time the well's production data, deliverability data, or other evidence as to the well's producing ability justifies such reclassification.

(13) That Southern Union Gas Company operates a pipeline gathering system, extending across some ten townships, with compressor facilities located down-stream from applicant's wells.

(14) The average line pressures against which applicant's wells produced during the year 1970 was 468 psi. The average line pressures against which other producers in the South Blanco-Pictured Cliffs Gas Pool, connected to the same gathering system produced during 1970 ranged from 262 psi to 267 psi. During the first nine months of 1971, pressures against which applicant produced approximated 360 psi. The pressures against which other operators in the same pool, connected to the same gathering system has produced during the first nine months of 1971 has averaged 220 psi. At the present time applicant is producing against pressures ranging up to 60 psi higher than the pressures available

to other producers from the same pool, in the same pipeline system.

(15) Because of the differential in line pressures in the Southern Union Gas Company system connected to wells in the South Blanco-Pictured Cliffs pool, production from applicant's wells has been restricted, as compared to production from other wells in the pool, with the result that applicant's wells have been classified as marginal.

(16) Tests performed by applicant show that its wells are capable of producing in excess of the non-marginal allowable assigned to wells in the South Blanco-Pictured Cliffs Pool, when producing against line pressures comparable to pressures against which other wells connected to the same system have produced and are producing. During November 1971, against line pressures about 60 psi higher than the line pressures available to other producers from the same pool in this system, 12 of applicant's wells produced gas in excess of the non-marginal allowable assigned wells in the pool. The majority of these wells were still producing at non-marginal rates in early January, 1972.

(17) The differences in line pressures in the system, and the differences in production in the same common source of supply has resulted in non-ratable taking of gas in the South Blanco-Pictured Cliffs Pool, contrary to law and the rules and regulations of this Commission.

(18) Because of the pressures against which applicant's wells have been forced to produce, as compared to pressures against which other producers in the same pool, connected to the same gathering system have produced, applicant has been discriminated against in the production of gas from the pool and its correlative rights are not being protected, as required by law.

(19) Under the provisions of the New Mexico Common Purchaser Act, Sec. 65-3-15 (d), New Mexico Statutes Annotated, 1953 Compilation, differences in the gas transportation facilities afforded to different producers in a common source of supply cannot be related to the price paid for the gas produced.

(20) Applicant's gas has been connected to Southern Union Gas Company's system since 1956, and will, under its present contract, be available to Southern Union until December 31, 1975.

(21) Southern Union Gas Company has failed to purchase without unreasonable discrimination in favor of one producer as against another in the quantities purchased and the transportation facilities afforded for gas of like quantity, quality and pressure from wells in the pool, and such differences in quantities produced and purchased, and facilities afforded bear no fair relationship to differences in quality, quantity or pressure of the gas available to or the relative lengths of time during which such gas will be available to the purchaser. The quantity of gas available to the purchaser is determined by the annual gas well deliverability test which is used by the Commission in Rio Arriba County as an index to determine each well's ability to produce at assumed static wellhead working pressures as compared to other wells in the pool under like conditions.

(22) The manner in which Southern Union Gas Company has operated its pipeline facilities prevents the proration orders of the Oil Conservation Commission from operating to protect the correlative rights of the applicant.

(23) Unless all of the producers in a common source of supply have an equal opportunity to sell or to transport gas from their wells, they are not afforded the opportunity to produce their just and equitable share of the gas or to utilize their just and equitable share of the reservoir energy, as required by law.

(24) Non-ratable taking of gas from a common source of supply defeats the purpose of and is contrary to the provisions of the laws of New Mexico, the Rules and Regulations of this Commission, and orders entered pursuant thereto prorating gas production in the pool, places control of the prorationing system in the hands of the pipeline company, will result in premature abandonment of gas wells in the pool, discourage the drilling of additional wells and the development of additional gas reserves, and will result in the waste this Commission is directed by law to prevent.

(25) Southern Union Gas Company should be required to take ratably in the South Blanco-Pictured Cliffs Pool. To that end it should be directed to install and/or operate such equipment, pipelines, or take such other action and install such equipment as may be proper to provide substantially equal line pressures throughout its system in the South Blanco-Pictured Cliffs Pool.

(26) To assure compliance with this order, Southern Union Gas Company should be required to submit at regular intervals, a report of the pipeline pressures at such points as may from time to time be designated by the Commission, such reports to be filed with the Oil Conservation Commission, and copies thereof to be furnished to all producers connected to the Southern Union Gas Company system in the South Blanco-Pictured Cliffs gas gathering facilities.

(27) That applicant's wells on its AXI Apache Leases, South Blanco-Pictured Cliffs Pool, listed on Exhibit "A" attached to this order, should be reclassified as non-marginal wells, and that an allowable be assigned to such wells, with any under-production of allowable to be carried forward without cancellation as long as said wells remain classified as non-marginal and as long as such wells are denied facilities that are substantially the same as those afforded other South Blanco-Pictured Cliffs wells connected to Southern Union Gas Company's system.

IT IS THEREFORE ORDERED:

(1) That Southern Union Gas Company be, and it hereby is ordered to take gas ratably from the wells to which it is connected in the South Blanco-Pictured Cliffs Pool.

(2) To achieve such ratable takes of gas from the South Blanco-Pictured Cliffs Pool, Southern Union Gas Company is ordered to so operate its pipelines and equipment, or to take such other action as may be necessary, or to install such equipment as it may elect, to provide substantially equal line pressures throughout its system and gathering facilities in said pool.

(3) Southern Union Gas Company is directed to file each month with the Commission, a report on the line pressures existing at such points within its system as the Secretary-Director of the Commission may from time to time direct, furnishing a copy of such report to all producers connected to its gas gathering system in the South Blanco-Pictured Cliffs Pool.

(4) Continental Oil Company's AXI Apache Lease wells, listed on Exhibit "A" attached hereto and made a part hereof for all purposes are hereby reclassified from marginal to non-marginal status, to remain so classified until their status is changed by order of the Secretary-Director of the Commission after notice to the producer.

(5) Any underproduction of allowable from said wells shall be carried forward without cancellation as long as the above wells remain classified as non-marginal and as long as such wells are denied facilities that are substantially the same as those afforded other South Blanco-Pictured Cliffs wells connected to Southern Union Gas Company's system.

(6) That jurisdiction of this cause is retained for the entry of such other and further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member and
Secretary

EXHIBIT "A"

Case No. 4628
Order No. R-_____

AXI Apache J, Well No. 1	- D	5	25 N	5 W
AXI Apache J, Well No. 2	P	5	25 N	5 W
AXI Apache J, Well No. 3	E	6	25 N	5 W
AXI Apache J, Well No. 5	D	7	25 N	5 W
AXI Apache J, Well No. 6	P	7	25 N	5 W
AXI Apache J, Well No. 7	D	8	25 N	5 W
AXI Apache J, Well No. 8	P	8	25 N	6 W
AXI Apache J, Well No. 10	A	5	25 N	6 W
AXI Apache J, Well No. 11	A	6	25 N	5 W
AXI Apache J, Well No. 12	K	5	25 N	5 W
AXI Apache K, Well No. 2	B	4	26 N	5 W
AXI Apache K, Well No. 3	A	9	26 N	5 W
AXI Apache K, Well No. 4	M	3	26 N	5 W
AXI Apache K, Well No. 5	H	10	26 N	5 W
AXI Apache L, Well No. 1	M	36	25	4
AXI Apache L, Well No. 2	A	36	25	4
AXI Apache L, Well No. 3	M	35	25	4
AXI Apache L, Well No. 4	M	26	25	4
AXI Apache L, Well No. 5	A	26	25	4
AXI Apache L, Well No. 6	A	25	25	4
AXI Apache M, Well No. 1	M	23	25	4
AXI Apache M, Well No. 3	A	13	25	4
AXI Apache M, Well No. 4	I	34	25	4
AXI Apache N, Well No. 1	A	11	25	4
AXI Apache N, Well No. 3	A	12	25	4
AXI Apache N, Well No. 4	O	12	25	4
AXI Apache N, Well No. 5	M	1	25	4
AXI Apache N, Well No. 6	P	1	25	4
AXI Apache N, Well No. 7	M	12	25	4
AXI Apache N, Well No. 8	P	2	25	4
AXI Apache O, Well No. 1	A	10	25	4



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
1000 RIO BRAZOS ROAD - AZTEC
87410

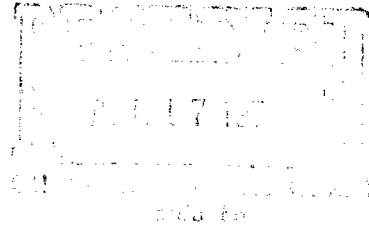
GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

April 12, 1972

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico



Re: Proposed order - Case No. 4628

Dear Pete:

We received a copy of what we believe to be the proposed order resulting from Case No. 4628.

I would like to discuss some terminology of portions as identified below and based on a "first impression" of reading the order:

Finding (24) implies that gas will not be available to Southern Union after December 31, 1975.

The contract submitted by Southern Union as an exhibit does expire December 31, 1975. It also includes all productive zones. Southern Union will have an opportunity to negotiate a new contract effective January 1, 1976.

Finding (33): I think this finding should specify a date for consideration of reclassification; maybe, at the beginning or end of a balancing period because reclassification occurs on the same day for all wells. The term "balancing period" now refers to a six-month period and may become a twelve-month period in the near future. Without further identity the reclassification date is not defined.

Our Reclassification dates have been February 1st and August 1st for several years. The January 1, 1971, may cause some problems in calculations.

Order (2): The date January 1, 1972, should agree with the date established in Finding (33).

Order (3): -- subject to reclassification on the specific date established in Finding (33).

Order (4) does not provide for underage to be carried forward on July 31, 1972, if for some reason the resultant order of Elvis' Case 4691 is not entered prior to that date. The existing rules in R-1670 set out a balancing date of July 31, 1972.

All I'm trying to do is get the order definite on points and dates so that you, we, Southern Union and Continental will arrive at the same conclusion when the order is read by each of us.

I realize there was no request for these remarks. If they are useful, fine; if not, each of you has a container by your desk which will accept them.

Yours very truly,

A. R. Kendrick
A. R. Kendrick
Engineer, District #3

ARK:mc



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

April 26, 1972

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4628
Order No. R-4293
Applicant:
Continental Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director *sl*

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC x

Other Mr. Richard S. Morris