



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION

TONY ANAYA
 GOVERNOR

October 10, 1936

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87501
 (505) 827-5800

Mr. Kenneth Bateman
 White, Koch, Kelly & McCarthy
 Attorneys at Law
 Post Office Box 737
 Santa Fe, New Mexico 87501

Re: CASE NO. m 3972
 ORDER NO. R-8320

Applicant:
Estate of Edward Gerber and
Iris Gerber Damson

Dear Sir:

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

Sincerely,

R. L. STAMETS
 Director

RLS/fd

Copy of order also sent to:

Hobbs OCD x
 Artesia OCD x
 Aztec OCD x

Other _____

A. R. KENDRICK

BOX 516 • AZTEC, NEW MEXICO 87410 • (505) 334-2555

September 18, 1986



Mr. David Catanach
Oil Conservation Division
Box 2088
Santa Fe, New Mexico 87504-2088

Re: Testing Committee Report

Dear David:

Enclosed is a copy of Babe's report after the last committee meeting where the gas allowable calculation procedure was discussed.

Also attached to the report are copies of lists of attendees at the various committee meetings held to consider the problem. These were attached to the report from Babe.

Babe just told me that as he remembers it, he talked with Dick Stamets and asked if Dick wanted a case called to receive a report from the committee. Dick's response was to the effect that it could just be dropped.

The general opinion was that the problem should be handled on a case-by-case basis.

If I can be of further assistance, please contact me.

Yours very truly,

A handwritten signature in cursive script, appearing to read "A. R. Kendrick".

A. R. Kendrick

Enclosure

xc: Mr. Kenneth Bateman
Box 787
Santa Fe, New Mexico 87504-0787

Cinco, Ltd.
Box 451
Albuquerque, New Mexico 87103

TO: MEMBERS OF SAN JUAN BASIN PRORATION COMMITTEE

FROM: H. L. BABE KENDRICK

DATE: APRIL 25, 1986

At our latest meeting in Farmington, April 15, it was decided to submit to Dick Stamets a proposal that at this time the committee does not recommend any change in the gas proration formula for the Basin Dakota or Blanco Mesaverde Pools.

I have prepared a letter to submit to Dick stating this position. Please read this proposed letter with a "critical eye" and let me know if this letter is adequate and properly states the findings and decision of the committee. I have numbered the paragraphs for ease of conversation if you desire to call me or any of the others.

Thanks,

A handwritten signature in cursive script, appearing to read "Babe", written in dark ink.

Babe

April 25, 1986

R. L. Stamets, Division Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Dear Mr. Stamets:

- ¶1 On January 7, 1986 you assigned a task concerning proration of gas to a new committee.
- ¶2 This committee has met on three occasions, those being January 28, February 20, and April 15, 1986.
- ¶3 For the first meeting, invitations were sent to approximately 90 individuals who were either in attendance at the January 7 hearing when the committee was appointed or had otherwise worked with other NMOCD committees in the past or were involved in the production of gas from the San Juan Basin.
- ¶4 The first meeting was held in Farmington and a list of attendees is included for your information. Here the problem was introduced to the committee and study began.
- ¶5 The second meeting was held in Santa Fe and a list of attendees at this meeting is included. At this meeting, Northwest Pipeline Company agreed to do some special calculations of allowables and submit those results to the committee. These calculations were made using three variations of the formulas currently in use for calculating the allowables for wells in the Basin Dakota and Blanco Mesaverde Pools. These calculations were furnished to the members of the committee soon after this meeting for each individual to study.
- ¶6 The last meeting was held in Farmington and an attendance list is included. Each member of the committee had had an opportunity to review the work submitted by Northwest Pipeline Company. Some of the findings of the committee include:
- ¶7 1. There are some problems recognizable in the manner of assigning allowables to some gas proration units in the Blanco Mesaverde and Basin Dakota Pools. (Those pools where optional infill drilling has been authorized.)
- ¶8 2. Various allocation formulas would equate allowables between infill drilled standard gas proration units and non-infill drilled non-standard gas proration units.
- ¶9 3. Some allocation formulas would equate allowables between non-infill drilled standard gas proration units and other non-infill drilled non-standard gas proration units with larger or smaller acreage factors.

¶110 4. Formulas that offer equality of allowables between non—standard non—infill drilled gas proration units do not offer the same equality of allowable between gas proration units when some gas proration units have been infill drilled.

¶111 5. On the same basis of allocation, one formula has not been devised that will offer equality assignment of allowables to various size gas proration units when some gas proration units have been infill drilled and others have not.

¶112 After a thorough discussion, the membership called for a vote on what the committee should do. The choices voted on and the results are:

¶113 1. That there is a problem in the manner in which allowables are assigned to wells in the pools where infill drilling has occurred and we should recommend to the NMOCD that a change be made in the allocation formula to correct this problem.

This choice failed.

¶114 2. That there has been noticed that a small inequity does exist in the assignment of allowables to wells in pools where infill drilling has occurred. The problem did not exist before infill drilling was begun. The problem affects only a small number of wells and, the committee should recommend to the NMOCD that no change be made in the allocation formula at this time.

This choice passed.

¶115 It is my duty to report the above findings of the committee to you. As this committee was formed as the result of information presented at the January 7, 1986 hearing in Case No. 8749, I presume you would like this report made into the NMOCC record of that hearing. If that is the case, please notify me of the hearing date and I will be there to present this data. If there is anything further you wish to have in this matter, please so advise.

¶116 Also, I extend a heartfelt thanks to each of those members who chose to participate in this committee's deliberations.

Respectfully submitted,

H. L. Babe Kendrick
Committee Chairman

NAME	COMPANY	ADDRESS	CITY-STATE	ZIP	TELEPHONE
ADAMS, DON	MERIDIAN OIL	P. O. BOX 4289	FARMINGTON, NM	87499	505-325-2841
ARNOLD, EMERY	CONSULTANT	200 CRANDALL	AZTEC, NM	87410	505-334-3498
BOYCE, CHARLES	AMOCO PRODUCTION CO.	P. O. BOX 800	DENVER, CO	80201	303-830-4890
CASEY, MIKE W.	CHEVRON U.S.A. INC.	P. O. BOX 670	HOBBS, NM	88240	505-393-4121
CATHEY, STEVE	CONOCO, INC	501 AIRPORT # 115	FARMINGTON, NM	87401	505-327-9557
CHAVEZ, FRANK	NMOCO	1000 RIO BRAZOS ROAD	AZTEC, NM	87410	505-334-6178
COOPER, W. K.	UNION TEXAS PETROLEUM	375 U. S. HIGHWAY 64	FARMINGTON, NM	87401	505-325-3587
COSTELLO, MARK	CHEVRON U.S.A. INC.	P. O. BOX 1635	HOUSTON, TX	77251	713-754-7705
CURTIS, WARREN	NORTHWEST PIPELINE CORP.	295 CHIPETA WAY	SALT LAKE CITY, UT	84108	801-584-6669
DUGGER, ALICE	NMOCO	1000 RIO BRAZOS ROAD	AZTEC, NM	87410	505-334-6178
EVANS, JACK	SCHALK DEV. CO.	P. O. BOX 2078	FARMINGTON, NM	87401	505-325-5018
GARCIA, HAROLD	NMOCO	P. O. BOX 2088	SANTA FE, NM	87504	505-827-5813
HUGHES, GARY D.	SOUTHERN UNION EXPLORATION	P. O. BOX 2179	FARMINGTON, NM	87401	505-327-4481
INGRAM, HUGH	CONOCO, INC.	P. O. BOX 460	HOBBS, NM	88240	505-393-4141
KENDRICK, A. R.	CONSULTANT	P. O. BOX 516	AZTEC, NM	87410	505-334-2555
KENDRICK, H. L. BABE	EL PASO NATURAL GAS CO.	P. O. BOX 1492	EL PASO, TX	79978	915-541-6133
LARGE, BOB	GAS COMPANY OF NM	P. O. BOX 1899	BLOOMFIELD, NM	87413	505-632-3311
MABE, L. E. ED	MERIDIAN OIL, INC.	P. O. BOX 4289	FARMINGTON, NM	87499	505-327-0271
MOLLO, PAUL	GAS COMPANY OF NM	P. O. BOX 26400	ALBUQUERQUE, NM	87102	505-296-9505
PERRY, CYNDI	GAS COMPANY OF NM	P. O. BOX 1899	BLOOMFIELD, NM	87413	505-632-3311
RENDO, SUSAN	SOUTHERN UNION EXPLORATION	1217 MAIN SUITE 400	DALLAS, TX	75202	214-742-6051
ROE, JOHN	DUGAN PRODUCTION CORP.	P. O. BOX 208	FARMINGTON, NM	87499	505-325-1821
SALZMAN, BRADLEY	AMOCO PRODUCTION CO.	501 AIRPORT DR.	FARMINGTON, NM	87401	505-325-8841
SMITH, JAMES W.	SOUTHLAND ROYALTY CO.	2200 BLOOMFIELD HIGHWAY	FARMINGTON, NM	87499	505-325-1841
STEWART, JOSEPH D.	COLUMBUS ENERGY CORP.	1860 LINCOLN ST.	DENVER, CO	80295	303-861-5252
WHISLER, MAXIE	GAS COMPANY OF NM	P. O. BOX 26400	ALBUQUERQUE, NM	87110	505-888-8392
WHITAKER, STELLA	GAS COMPANY OF NM	P. O. BOX 1899	BLOOMFIELD, NM	87413	505-632-3311

NAME	COMPANY	ADDRESS	CITY-STATE	ZIP	TELEPHONE
BOYD, CHARLES	AMOCO PRODUCTION CO.	P. O. BOX 800	DENVER, CO	80236	303-830-4890
BRINK, GARY	MERIDIAN OIL CO.	P. O. BOX 4289	FARMINGTON, NM	87499	505-327-0251
CASEY, M. W.	CHEVRON, USA INC.	P. O. BOX 670	HOBBS, NM	88240	505-393-4121
CLARK, WILLIAM	BLACKWOOD & NICKOLS CO.	P. O. BOX 1237	DURANGO, CO	81302	303-247-0728
EATON, LILLIAN	NORTHWEST PIPELINE CO.	P. O. BOX 1526	SALT LAKE CITY, UT.	84110	801-584-6674
EVANS, JACK	SCHALK DEVELOPMENT	P. O. BOX 2078	FARMINGTON, NM	87401	505-325-5018
GARCIA, HAROLD	NMDCO	P. O. BOX 2088	SANTA FE, NM	87501	505-827-5813
GIBB, ROBERT	TENNECO OIL EXPL & PROD	P. O. BOX 3249	ENGLEWOOD, CO	80155	303-740-4855
INGRAM, HUGH	CONOCO, INC	P. O. BOX 460	HOBBS, NM	88240	505-393-4141
KENDRICK, H.L. BABE	EL PASO NATURAL GAS CO.	P. O. BOX 1492	EL PASO, TX	79978	915-541-6133
MCCLURE, RAY	EL PASO NATURAL GAS CO.	P. O. BOX 1492	EL PASO, TX	79978	915-541-6100
MOLLO, PAUL D.	GAS COMPANY OF NM	2444 LOUISIANA NE	ALBUQUERQUE, NM	87110	505-888-8395
RENO, SUSAN	SOUTHERN UNION EXPLORATION	1217 MAIN SUITE 400	DALLAS, TX	75202	214-742-6051
STEWART, JOSEPH D.	COLUMBUS ENERGY	1860 LINCOLN SUITE 1100	DENVER, CO	80295	303-861-5252
WHISLER, MAXIE	GAS COMPANY OF NM	P. O. BOX 26400	ALBUQUERQUE, NM	87125	505-888-8392
WHITAKER, STELLA	GAS COMPANY OF NM	P. O. BOX 1899	BLOOMFIELD, NM	87413	505-632-3911

NAME	COMPANY	ADDRESS	CITY-STATE	ZIP	TELEPHONE
CASEY, M. W.	CHEVRON, USA INC.	P. O. BOX 670	HOBBS, NM	88240	505-393-4121
CHAVEZ, FRANK	NMOC	1000 RIO BRAZOS ROAD	AZTEC, NM	87410	505-334-6178
DUNN, STEVE	MERRION OIL & GAS	P. O. BOX 840	FARMINGTON, NM	87499	505-325-5093
EATON, LILLIAN	NORTHWEST PIPELINE CO.	P. O. BOX 1526	SALT LAKE CITY, UT.	84110	801-584-6674
EVANS, JACK	SCHALK DEVELOPMENT	P. O. BOX 2078	FARMINGTON, NM	87401	505-325-5018
GIBB, ROBERT	TENNECO OIL EXPL & PROD	P. O. BOX 3249	ENGLEWOOD, CO	80155	303-740-4855
GREER, AL	BENSON-MONTIN-GREER	221 PETROLEUM CENTER BLDG	FARMINGTON, NM	87401	505-325-8874
KENDRICK, A. R.	FOUR CORNERS GAS PRODUCERS	P. O. BOX 516	AZTEC, NM	87410	505-334-2555
KENDRICK, H.L. BABE	EL PASO NATURAL GAS CO.	P. O. BOX 1492	EL PASO, TX	79978	915-541-6133
LARDE, BOB	GAS COMPANY OF NM	P. O. BOX 1899	BLOOMFIELD, NM	87413	505-632-3311
LIESE, SANDY	NORTHWEST PIPELINE COMPANY	P. O. BOX 90	FARMINGTON, NM	87401	505-327-5351
LITTLE, CURTIS	INDEPENDENT	P. O. BOX 1258	FARMINGTON, NM	87499	505-327-6176
MCKEE, CAROL	MERRION OIL & GAS	P. O. BOX 840	FARMINGTON, NM	87499	505-325-5093
MERRION, T. GREG	MERRION OIL & GAS	P. O. BOX 840	FARMINGTON, NM	87499	505-325-5093
PERRY, CYNDI	GAS COMPANY OF NM	P. O. BOX 1899	BLOOMFIELD, NM	87413	505-632-3311
REISZ, MIKE	UNION TEXAS PETROLEUM	375 U. S. HIGHWAY 64	FARMINGTON, NM	87401	505-325-3587
WHISLER, MAXIE	GAS COMPANY OF NM	P. O. BOX 26400	ALBUQUERQUE, NM	87125	505-888-8392
WHITAKER, STELLA	GAS COMPANY OF NM	P. O. BOX 1899	BLOOMFIELD, NM	87413	505-632-3311



JIM BACA
COMMISSIONER

State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

Case No. 8979

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

February 3, 1992

Amoco Production Company
P.O. Box 800
Denver, Colorado 80201

Re: Forced Pooling Agreement
City of Farmington Com Well #1 & 1E
E/2- Sec. 10- T29N- R13W
San Juan County, New Mexico

Gentlemen:

The Commissioner of Public Lands approved the City of Farmington Com Wells #1 and #1E forced pooling orders OCD-R-8297 and R-8565 on August 5, 1988 for the Dakota formation in the east half of Section 10, Township 29 North, Range 13 West, San Juan County, New Mexico.

Production from these wells in the Basin Dakota pool was last reported in April 1991; no shut-in royalty on State lease V-2048 was tendered in a timely manner.

Please be advised that commitment of State lands to the City of Farmington Com Wells #1 & #1E forced pooling orders was terminated effective April 30, 1991, the last day of the month for which production from the pooled formation was reported.

If you have any questions, please do not hesitate to call Jami Bailey at (505) 827-5745.

Sincerely,
JIM BACA
COMMISSIONER OF PUBLIC LANDS

Floyd O. Prando

By: Floyd O. Prando, Director
Oil, Gas & Minerals Division
(505) 827-5744

JB/FOP/JB

cc: OCD

Fossil Associates