

Case No.

381

Application, Transcript,
Small Exhibits, Etc.

Memo

From

To Copies sent to

Wilson Oil Co, Santa Fe

" " " , Artesia
(Raymond Lamb)

P-20-52

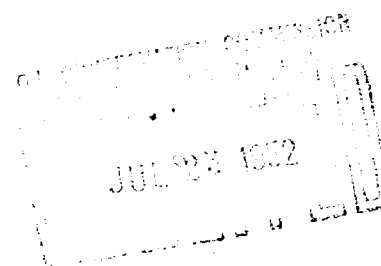
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BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 381

July 15, 1952
Regular Hearing



ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

JULY 15, 1952

In the Matter of:

Wilson Oil Company's application for approval of an unorthodox location 1370' from S line and 1270' from W line of 7-21S-35E, order to secure information as to drainage of the 160-acre tract by the four normally spaced wells now producing, and to develop data as to feasibility of a water-flooding project for the area.

Case No. 381

(Notice of publication read by Mr. Graham.)

RAYMOND LAMB,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SETH:

Q State your name, please.

A Raymond Lamb.

Q By whom are you employed and in what capacity?

A Wilson Oil Company, Vice-President.

Q Are you familiar with the application and the general area that the application covers?

A I am.

Q Would you state the lease ownership upon which the proposed well is to be drilled?

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PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

A It is stated lease No. B 1399 which is originally owned by Shell and was farmed out to the Wilson Oil Co., Shell retaining an over riding interest in the lease.

Q Does Shell concur in the petitioner's application in this case?

A That is right.

Q Do you have a letter from them?

A Yes.

Q Will you mark this as an exhibit, please?

(Marked Wilson's Exhibit No. 1,
Case No. 381 for identification.)

MR. SETH: We would like to offer Wilson's Exhibit No. 1. in evidence.

MR. SPURRIER: Without objection it will be received.

(Whereupon, said Wilson's Exhibit No. 1 having been received in evidence is in words and figures as follows:)

"Shell Oil Company is owner and holder of all rights below 4500 feet and has an overriding royalty on all oil and gas above 4500 feet on State of New Mexico Lease B-1399 insofar as that lease concerns the SW/4 of Section 7, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Shell Oil Company has assigned to Wilson Oil Company all rights above 4500 feet in the aforementioned SW/4 of Section 7, excepting an overriding royalty on all oil and gas produced. Further, Shell Oil Company has reviewed the application made by Wilson Oil Company to drill their Shell-State 14 to be located 1370

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PHONES 7-9645 AND 5-9546
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feet from the south line and 1124 feet from the west line of Section 7, Township 21 South, Range 35 East, N.M.P.M. After due consideration it is the opinion of Shell Oil Company that in the interest of oil conservation and waste prevention a well at the aforementioned unorthodox location would be justified.

By this means Shell Oil Company wishes to express its concurrence with Wilson Oil Company's application".

Q Would you state the section and township of proposed location?

A Section 7, Township 21 South, Range 35 East, N.M.P.M.

Q On the 160 acre tract concerned here are there any other wells?

A Four other wells.

Q State briefly the production, rate of production or the allowable for these particular wells.

A The No. 1 well now producing around 7 barrels. No. 2 well is temporarily abandoned and shut in. No. 3 well is now producing less than five barrels and No. 4 is 7 barrels.

Q Is it the intention of the Company to five spot these particular wells as you have described?

A Yes.

Q Have you testified before this Commission before?

A Yes.

MR. SETH: Are his qualifications acceptable?

MR. SPURRIER: They are.

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ALBUQUERQUE, NEW MEXICO

Q Upon what 40 is it proposed that the well be drilled?

A The well is proposed on the same 40 with the well,
No. 3. In other words 50 feet out of the east and south corners
of the 40.

Q Describe the 40.

A It is described as Lot 3 of Section 7.

Q In what quarter is that?

A It would be the northwest of the southwest.

Q Would you state the rate of production or the allowable
on the well on that particular 40?

A Now, less than five barrels.

Q Who owns the offset acreage to the west of the 160
acre tract?

A Atlantic has a lease to the west 80 acre lease.

Q This proposed location is farther from the offset line
than the two westerly wells on the 160?

A That is correct.

Q Is this a normal sized 40 acre tract?

A No, after checking the record very thoroughly we find
that it is not a full 40 acre unit and contains 35.57 acres.

Q Did that necessitate an adjustment of the exact location
proposed?

A That is correct. Our original problem was that the
well should be 50 feet from the east line and 50 feet from the
south line of Lot 3 calculating now on the 35.57 acres it should
be corrected and instead of 1270 feet it should be 1124 feet.

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PHONES 7-9545 AND 5-9546
ALBUQUERQUE, NEW MEXICO

MR. SETH: If the Commission please we would like to have the record show that our application has been amended to show the proposed location to be 1124 feet from the west line in this section in view of the fact it is not a normal shaped section same distance from the south line as the application. It doesn't effect any adjoining ownership.

MR. SPURRIER: Is there any objection to Wilson Oil Company's problem, to amend their application to 1124?

Q That is the distance from the west line of the section?

A Yes, and the distance from the west offset operator.

Q Do you plan to drill this well to production?

A Yes, to the regular Wilson-Yates Seven Rivers pay zone approximately 3800 feet.

Q Do you expect in that drilling to secure additional reservoir information?

A Yes, it is our plan to cable tool the pay zone and have the cores analyzed for engineering data to get the suitability of the reservoir for water flooding.

Q Will you likewise gather information as to the drainage?

A That is right.

Q On the particular 160?

A This well will give us an idea as to the relative drainage of the entire north part of the Wilson Pool.

Q What is your recommendation for the handling of the allowable for this five spot well?

A I would recommend that the allowable for the Lot 3

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ALBUQUERQUE, NEW MEXICO

which now has Well No. 3 on it not exceed top allowable as set by the Commission at their monthly meeting. In other words the two wells should not produce in excess of top unit allowable.

Q Why was the location picked on the particular 40 that it has been?

A Well, the tank battery is located in approximately the center of the 160, slightly to the east. Therefore the location approaching the center was best on Lot 3.

MR. SETH: I believe that is all.

MR. SPURRIER: Are there any question of this witness?

MR. SETH: Have you filed a contour map of this area with the Commission?

A That is correct.

MR. SPURRIER: If no further question the witness may be excused.

Do you have any further questions?

MR. SETH: No, that is all.

MR. SPURRIER: Anyone else to be heard in this case? If not, the case will be taken under advisement.

(Witness excused.)

We will move on to Case 382.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 381 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on July 19, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this _____ day of July, 1952.

REPORTER

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 12, CROMWELL BLDG.
PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

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. 381
ORDER NO. 127

THE APPLICATION OF WILSON OIL
COMPANY FOR AN ORDER GRANTING IT
PERMISSION TO DRILL AN UNORTHODOX
LOCATION ON ITS STATE B-1399 LEASE
LOCATED IN THE NW/4 SW/4 OF SECTION
7, TOWNSHIP 21 SOUTH, RANGE 35 EAST,
NMPM, LEA COUNTY, NEW MEXICO, IN THE
WILSON POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on ^{July} ~~April~~ 15, 1952, at Santa Fe,
New Mexico, before the Oil Conservation Commission of New Mexico, herein-
after referred to as the "Commission."

NOW, on this ^{August} ~~May~~ day of ~~May~~ 1952, the Commission, a quorum being
present, having considered the testimony adduced and the exhibits received at
said 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) That, Wilson Oil Co., is the owner of all oil and gas rights
down to a depth of 4500 feet on State of New Mexico Oil and Gas lease B-1399
insofar as said lease covers the SW/4 of Section 7, Township 21 South, Range
35 East, ~~located~~ NMPM, Lea County, New Mexico, the same being within the
defined limits of the Wilson Pool.

(3) That the applicant proposes to drill a well located 1370 feet
from the South Line and 1124 feet from the west line of Section 7, Township
21 South, Range 35 East, NMPM, Lea County, New Mexico, and that a well drilled
at the proposed location would be in the interest of conservation, prevention of
~~the proposed location would be in the interest of conservation, prevention of~~
waste, and would enable the greatest ultimate recovery of oil and gas.

(4) That no offset operators ~~and~~ or royalty owners would be
adversely affected by the proposed unorthodox location.

IT IS THEREFORE ORDERED

(1) That the application of Wilson Oil Company, as amended during
the course of the hearing, be and the same hereby is approved and Wilson Oil
Company is hereby authorized to drill a well to be known as their Shell-State,
No. 14, to be located 1370 feet from the South Line and 1124 feet from the
west line of Section 7, Township 21 South, Range 35 East, NMPM, Lea County,
New Mexico.

(2) ~~That upon completion of the Shell-State, No. 14 well, the allowable assigned the~~ That upon
completion of the Shell-State, No. 14 well, the allowable assigned the
Shell State No. 14 well plus the allowable assigned the Shell State No.
3 well, which is located in the same 40 acre production unit as the proposed well,
shall not exceed the Normal Top Unit allowable as fixed by the Commission
for the Wilson Pool.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF WILSON
OIL COMPANY FOR AN ORDER GRANTING IT PER-
MISSION TO DRILL AN UNORTHODOX LOCATION
ON ITS STATE B 1399 LEASE LOCATED IN THE
NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 7, TOWNSHIP 21 SOUTH,
RANGE 35 EAST, N.M.P.M., IN THE WILSON POOL
OF LEA COUNTY, NEW MEXICO.

CASE NO. 381
Order No. _____

ORDER OF THE COMMISSION

This cause having come on for hearing at 9:00 o'clock a.m.
on July 15, 1952, at Santa Fe, New Mexico, before the Oil
Conservation Commission, and the Commission, having considered the
testimony and the evidence adduced at the hearing, and being fully
advised in the premises, finds that it is in the interest of
conservation, prevention of waste and to enable the greatest ultimate
recovery of oil and gas that the applicant be permitted to drill at
the unorthodox location which is 1124 feet from the West line of the
NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 7, Township 21 South, Range 35 East, N.M.P.M., and
which is 1370 feet from the South line of the described Section.

The Commission further finds that said location will in no way
adversely affect the rights of adjoining owners and that the
correlative rights of all interested parties will be protected.

IT IS, THEREFORE, ORDERED that

1. The application of the Wilson Oil Company in Case No. 381
be and the same is hereby approved as amended during the course of
the hearing.

2. The petitioner is hereby granted permission and authority
to drill a well at the unorthodox location which is 1124 feet from
the West line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 7, Township 21 South, Range
35 East, N.M.P.M., and which is likewise 1370 feet North from the
South line of the described Section.

3. The allowable for the said well be fixed in accordance with the prevailing rules and regulations of this Commission.

DONE at Santa Fe, New Mexico this _____ day of July, 1952.

STATE OF NEW MEXICO OIL
CONSERVATION COMMISSION

BY _____
Chairman

Member

Secretary

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF WILSON
OIL COMPANY FOR AN ORDER GRANTING IT PER-
MISSION TO DRILL AN UNORTHODOX LOCATION
ON ITS STATE B 1399 LEASE LOCATED IN THE
NW 1/4 34/4 of Section 7, TOWNSHIP 21 SOUTH,
RANGE 35 EAST, N.M.P.M., IN THE WILSON POOL
OF LEA COUNTY, NEW MEXICO.

CASE NO. 381
Order No. _____

ORDER OF THE COMMISSION

This cause having come on for hearing at 9:00 o'clock a.m.
on July 15, 1952, at Santa Fe, New Mexico, before the Oil
Conservation Commission, and the Commission, having considered the
testimony and the evidence adduced at the hearing, and being fully
advised in the premises, finds that it is in the interest of
conservation, prevention of waste and to enable the greatest ultimate
recovery of oil and gas that the applicant be permitted to drill at
the unorthodox location which is 1124 feet from the West line of the
NW 1/4, Section 7, Township 21 South, Range 35 East, N.M.P.M., and
which is 1370 feet from the South line of the described Section,
tract.

The Commission further finds that said location will in no way
adversely affect the rights of adjoining owners and that the
correlative rights of all interested parties will be protected.

IT IS, THEREFORE, ORDERED that

1. The application of the Wilson Oil Company in Case No. 381
be and the same is hereby approved as amended during the course of
the hearing.

2. The petitioner is hereby granted permission and authority
to drill a well at the unorthodox location which is 1124 feet from
the West line of the NW 1/4, Section 7, Township 21 South, Range
35 East, N.M.P.M., and which is likewise 1370 feet North from the
South line of the described Section.

3. The allowable for the said well be fixed in accordance with the prevailing rules and regulations of this Commission.

DONE at Santa Fe, New Mexico this _____ day of July, 1952.

STATE OF NEW MEXICO OIL
CONSERVATION COMMISSION

BY _____

Chairman

Member

Secretary



MAILING ADDRESS
P. O. BOX 1509
MIDLAND, TEXAS

SHELL OIL COMPANY

MIDLAND AREA

GENERAL OFFICES
PETROLEUM BUILDING
MIDLAND, TEXAS

July 2, 1952

TO WHOM IT MAY CONCERN:

Shell Oil Company is owner and holder of all rights below 4500 feet and has an overriding royalty on all oil and gas above 4500 feet on State of New Mexico Lease B-1399 insofar as that lease concerns the SW/4 of Section 7, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Shell Oil Company has assigned to Wilson Oil Company all rights above 4500 feet in the aforementioned SW/4 of Section 7, excepting an overriding royalty on all oil and gas produced. Further, Shell Oil Company has reviewed the application made by Wilson Oil Company to drill their Shell-State 14 to be located 1370 feet from the south line and 1124 feet from the west line of Section 7, Township 21 South, Range 35 East, N.M.P.M. After due consideration it is the opinion of Shell Oil Company that in the interest of oil conservation and waste prevention a well at the aforementioned unorthodox location would be justified.

By this means Shell Oil Company wishes to express its concurrence with Wilson Oil Company's application.

M. A. Sherwood

M. A. Sherwood,
Area Production Manager

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. 381
ORDER NO. R-177

THE APPLICATION OF WILSON OIL
COMPANY FOR AN ORDER GRANTING IT
PERMISSION TO DRILL AN UNORTHODOX
LOCATION ON ITS STATE B-1399 LEASE
LOCATED IN THE NW/4 SW/4 OF SECTION
7, TOWNSHIP 21 SOUTH, RANGE 35 EAST,
NMPM, LEA COUNTY, NEW MEXICO, IN THE
WILSON POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a. m. on July 15, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this ^{5th} day of August, 1952, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said 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) That, Wilson Oil Co., is the owner of all oil and gas rights down to a depth of 4500 feet on State of New Mexico Oil and Gas lease B-1399 insofar as said lease covers the SW/4 of Section 7, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, the same being within the defined limits of the Wilson Pool.

(3) That the applicant proposes to drill a well located 1370 feet from the South Line and 1124 feet from the west line of Section 7, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, and that a well drilled at the proposed location would be in the interest of conservation, prevention of waste, and would enable the greatest ultimate recovery of oil and gas.

(4) That no offset operators or royalty owners would be adversely affected by the proposed unorthodox location.

IT IS THEREFORE ORDERED:

(1) That the application of Wilson Oil Company, as amended during the course of the hearing, be and the same hereby is approved and Wilson Oil Company is hereby authorized to drill a well to be known as their Shell-State No. 14, to be located 1370 feet from the South Line and 1124 feet from the West Line, of Section 7, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico.

(2) That upon completion of the Shell-State, No. 14 well, the allowable assigned the Shell State No. 14 well plus the allowable assigned the Shell State No. 3 well, which is located in the same 40 acre proration unit as the proposed well, shall not exceed the Normal Top Unit Allowable as fixed by the Commission for the Wilson Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem
Edwin L. Mechem, Chairman

Guy Shepard
Guy Shepard, Member

R. R. Spurrier
R. R. Spurrier, Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION)
OF WILSON OIL COMPANY FOR AN)
ORDER GRANTING IT PERMISSION)
TO DRILL AN UNORTHODOX LOCAL-)
TION ON ITS STATE B 1399 LEASE)
LOCATED IN THE NW/4 SW/4 OF)
SECTION 7, TOWNSHIP 21 SOUTH,)
RANGE 35 EAST, N.M.P.M., IN)
THE WILSON POOL OF LEA COUNTY,)
NEW MEXICO.)

Case No. 381

APPLICATION

Wilson Oil Company, Applicant herein, in connection herewith,
respectfully shows to the Oil Conservation Commission:

1. Wilson Oil Company desires, and hereby makes, applica-
tion to drill Shell-State No. 14 at the following
location:

1370 feet from south and 1270 feet from
west lines of Section 7, Township 21
South, Range 35 East, N.M.P.M.
2. That said proposed unorthodox location will be 1270
feet from property line of west offset operator and
1370 feet from property line of east offset operator,
and is "five spot" location.
3. Applicant is owner and holder of the rights to
4500 feet on State Oil and Gas Lease No. B-1399,
held under farmout agreement from Shell Oil Company.
The acreage is described as SW/4 of Section Seven
(7), Township Twenty-one (21) South, Range Thirty-
five (35) East, N.M.P.M., in Lea County, New Mexico.

4. That all wells are producing from the Wilson Pool Pay of the lower Yates and upper Seven Rivers formations encountered at approximately 3800 feet.
5. That applicant, on the basis of geological and engineering information, is of the opinion and belief that the proposed well will serve a dual purpose.
 - (a) To determine the relative drainage of the reservoir by the four wells drilled on the 160 acre tract.
 - (b) To develop additional engineering data to determine the suitability of the reservoir to water flood.

If the completion data on the proposed well indicates that the relative drainage from the center of the 160 acre tract is small, additional wells will be drilled to recover the oil remaining in the reservoir. If the engineering and completion data obtained from cores and tests on the proposed well are favorable, a water flood project will be commenced.

It is the belief of the applicant that a well drilled at the proposed unorthodox location would be in the interest of conservation, waste prevention and would enable the applicant to recover substantial quantities of oil either by "five spotting" or by water flood, which would not otherwise be produced from the lease.

Status of the four wells drilled on the 160 acre tract is as follows:

Shell-State No. 1 Total depth 3820 feet.

Now producing seven barrels of oil per day.

Shell-State No. 2 Total depth 3866 feet.

Now shut in. Temporarily abandoned.

Shell-State No. 3 Total depth 3808 feet.

Deepened to 3845 feet. Now producing less than five barrels of oil per day.

Shell-State No. 4 Total depth 3830 feet.

Now producing seven barrels of oil per day.

6. That in the event an order is hereby entered by the Oil Conservation Commission, granting permission to applicant to drill the hereinabove described unorthodox location at the location designated, and in the event the applicant decides to produce the well as a "five spot", it is not the applicant's intention, nor does the applicant ask, that it be granted any allowable other than the daily allowable as fixed monthly by the Oil Conservation Commission for the forty acre proration unit upon which said unorthodox location is drilled.

WHEREFORE, Applicant prays that the Commission set a date for hearing this application in accordance with its rules and regulations; that upon presentation of this application, applicant be granted permission to drill the unorthodox location hereinabove described; and that a proper order be entered, granting permission to applicant to produce the daily allowable from the forty acre proration unit upon which such unorthodox location is located.

ATTEST:

Charlotte L. Wilson
Secretary

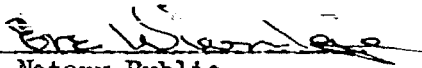
WILSON OIL COMPANY

By Harner Wilson
Executive Vice President

STATE OF NEW MEXICO)
)
COUNTY OF SANTA FE) ss.

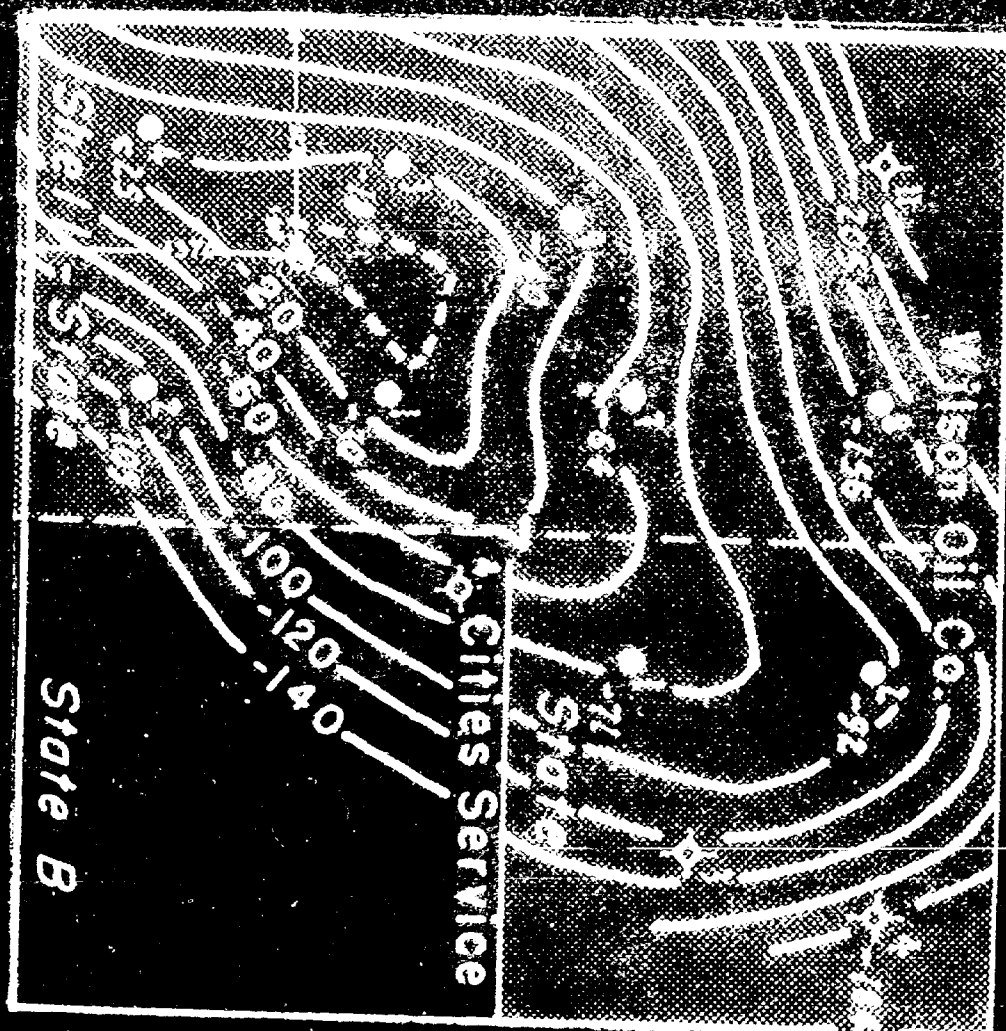
On this 17th day of June, 1952, before me personally appeared PARKER WILSON to me personally known, who, being by me duly sworn did say that he is the Executive Vice-President of the WILSON OIL COMPANY and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said PARKER WILSON acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this, the day and year first above written.



Notary Public

My commission expires July 12, 1953.



WILSON OIL COMPANY
 Wilson Pay Contour Map
 Sec. 7, T21S, R35E, Lea Co., N.M.
 Scale 1"=1000' Date 6-15-52
 Commission Case _____