

Case No.

414

Application, Transcript,
Small Exhibits, Etc.

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

Application of The Atlantic Refining)
Company for Approval of Unorthodox)
Drilling Location in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of)
Section 2, Township 15 South, Range)
37 East, Lea County, New Mexico)

Case No. 414

To: New Mexico Oil Conservation Commission
Santa Fe
New Mexico

Comes the undersigned, The Atlantic Refining Company, a corporation with offices at Dallas, Texas, and hereby makes application for the approval of an unorthodox well location in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 2, Township 15 South, Range 37 East, Lea County, New Mexico, for the drilling of The Atlantic Refining Company State "T" Well No. 6 in the Denton Field, Lea County, New Mexico, and in support thereof respectfully shows:

1. The Atlantic Refining Company is the owner and holder of an Oil and Gas Lease issued by the Commissioner of Public Lands of the State of New Mexico embracing the following described land situated in Lea County, New Mexico, to-wit:

The SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$ of
Sec. 2, Twp. 15 S., Rge. 37 E.,
N.M.P.M.

That applicant commenced operations upon said lease for the drilling of a test well for oil and gas on September 4, 1952, at a location 2,310 feet from the North line and 2,310 feet from the West line of said Section 2. The location for said well was made by applicant, and application for approval of said location was made to the Hobbs Office of the New Mexico Oil Conservation Commission prior to the commencement of drilling operations; however, the applicant in making the location did not take into consideration that Section 2 is an irregular Section in that Lots 1, 2, 3, and 4 along the North boundary thereof each contain less than 40 acres, which made the location slightly less than

330 feet from the South line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 2, to-wit, 316.51 feet, and for that reason said well location was not strictly an orthodox location as prescribed by the rules of the New Mexico Oil Conservation Commission in that the error in locating said well made the same 13.49 feet farther south than a regular or orthodox location.

2. That the Skelly Oil Company is the owner and holder of the Oil and Gas Lease covering the W $\frac{1}{2}$ NW $\frac{1}{4}$ and NE $\frac{1}{4}$ NW $\frac{1}{4}$ and the W $\frac{1}{2}$ NE $\frac{1}{4}$ of said Section 2; that the Gulf Oil Corporation is the owner and holder of an Oil and Gas Lease covering the SE $\frac{1}{4}$ of said Section 2, and the Shell Oil Company is the owner and holder of an Oil and Gas Lease covering the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 2. That The Atlantic Refining Company is the owner and holder of the Oil and Gas Lease covering the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 2 which lies immediately to the south of said well location and, consequently, said well is located 330 feet or more from the boundaries of all lease lines surrounding the subdivision upon which said well is located.

3. That there is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat of Section 2, Township 15 South, Range 37 East, N.M.P.M., showing the producing wells located thereon; the location of The Atlantic State "T" Well No. 6, and the ownership of the respective oil and gas leases embracing lands in said Section 2.

4. That the error in locating said well was not discovered until after all preparations for the drilling of said well had been made and drilling operations had progressed to a considerable depth, and that said well was drilling at a depth of 4,400 feet on September 15, 1952, and applicant expects to carry said well to a depth of 9,500 feet to the Wolfcamp Formation. That said

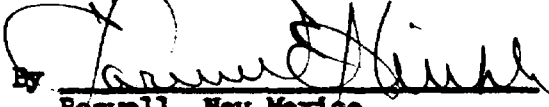
well location has been approved by a representative of the New Mexico Oil Conservation Commission conditional upon approval thereof as an unorthodox location after due hearing thereon as prescribed by regulations of the Commission.

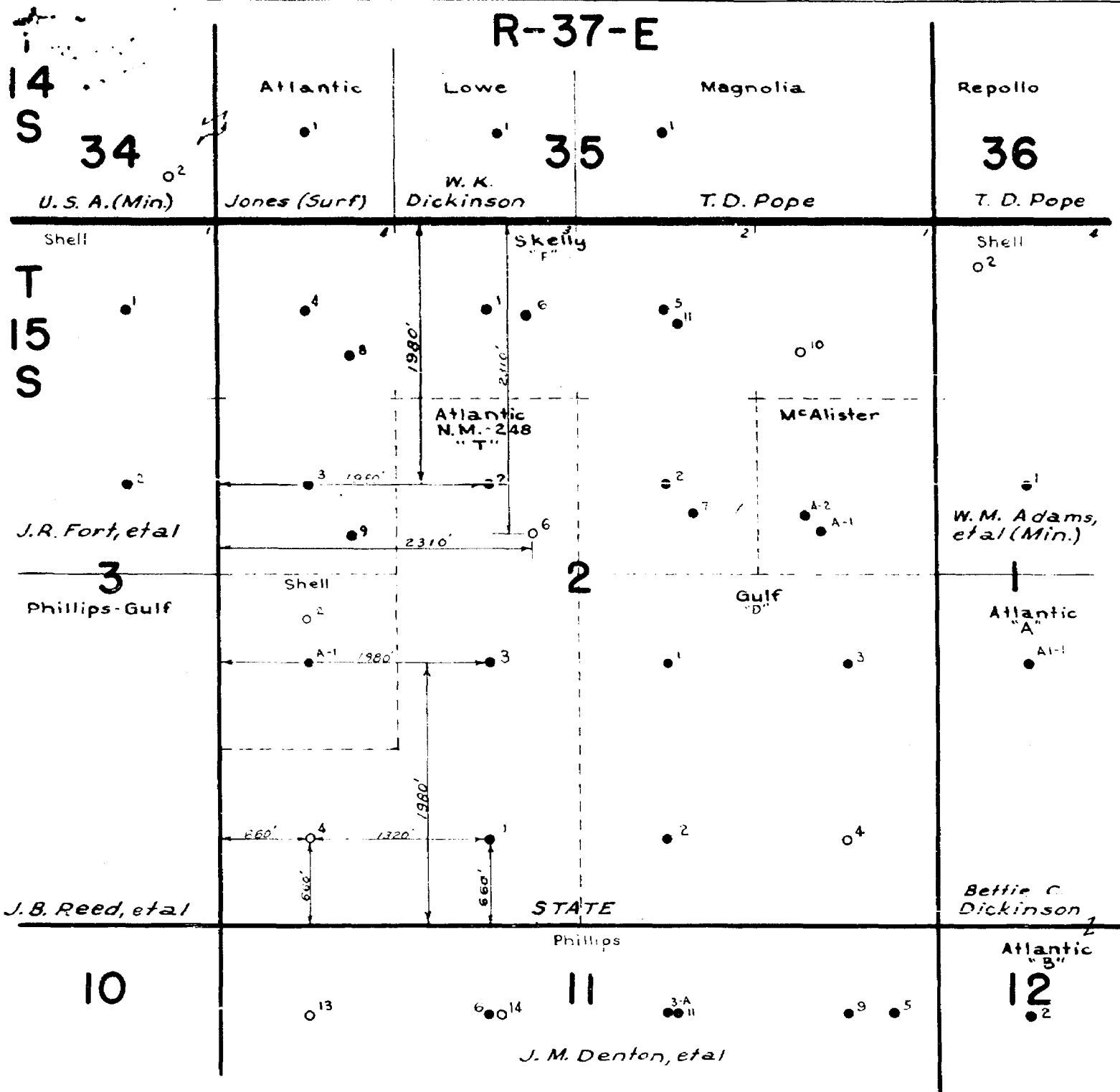
Respectfully submitted,

THE ATLANTIC REFINING COMPANY

By 

HERVEY, DOW & HINKLE

By 
Roswell, New Mexico
Attorneys for Applicant.



Operator THE ATLANTIC REFINING COMPANY

Lease STATE "T" (B-9774)

Field DENTON POOL

Description SW/4 SW/4, Sec. 2, T-15-S, R-37-E, Lea Co., N.M.

Date Plat Drawn Jan, 5, 1951

N. M. 248

Case 414

EX'A

Scale: 1"=1000'

THE ATLANTIC REFINING COMPANY SURVEYING DEPARTMENT DALLAS, TEXAS	SUR. DRAWN DRN: J.E.E.	APPROVED: <i>W. L. Burkart</i>	DATE: 1-5-51 REV: 6-21-52 A-1250
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Case 414

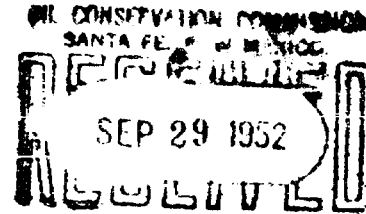
LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

J. M. HERVEY
HIRSH M. DOW
CLARENCE E. HINKLE
W. E. BONOURANT, JR.
GEORGE H. HUNKER, JR.

ROSS MADOLE
WILLIAM C. SCHAUER

September 27, 1952

Mr. R. R. Spurrier
Executive Secretary
New Mexico Oil Conservation Commission
Capitol Building
Santa Fe, New Mexico



Dear Dick:

We enclose in triplicate Application of the Atlantic Refining Company for approval of Unorthodox Location in the Denton Field, Lea County, New Mexico. This is the application which I discussed with you over the telephone for which you stated you would go ahead and get out the necessary notices so that the matter might be heard at the regular hearing on October 15. I have not yet received a copy of the notice, but assume that it has been published and would appreciate your sending me a copy of the same.

You will note from the plat attached to the Application, as Exhibit "A", that the Atlantic Refining Company is the owner of the lease covering the 40 acre legal subdivision immediately to the south of the location and which is contiguous to the line from which the location was slightly less than 330 feet. You will also note that the leases surrounding the 40 acre legal subdivision upon which the well is being drilled are owned by the Skelly Oil Company, Gulf Oil Corporation and the Shell Oil Company. Since preparing the Application we have been furnished with waivers from these companies waiving their right of protest, which we also enclose to be filed in the case.

It may be that on account of these waivers you will not want to send separate notices to these companies. However, we have no objection to your mailing notices to them.

If there is any change regarding the hearing on October 15, I would appreciate your advising us promptly.

Yours sincerely,

HERVEY, DOW & HINKLE

By

A handwritten signature in dark ink, appearing to read "Clarence E. Hinkle". The signature is written over a horizontal line and is slightly slanted to the right.

CEH:JH
Enclosure

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

September 26, 1952

C
O
P
Y

Mr. George Selinger
Skelly Oil Company
Tulsa, Oklahoma

Dear Mr. Selinger:

RE: OCC Case 414

We enclose a copy of legal notice issued this week in connection with Case 414 which is scheduled to be heard before the Oil Conservation Commission at its regular hearing on October 15, 1952.

As adjoining lessee, your company is herewith being notified in conformance with provisions of Rule 104 of the Commission's Rules and Regulations.

Very truly yours,

W. B. Macey
Chief Engineer

VIA REGISTERED MAIL

Form 3806-S (Rev. 3-49)

Receipt for Registered Article No. 10011

Postmaster per

POSTMARK

Fee paid cents. Class postage

Declared value Surcharge paid, \$

Return Receipt fee Spl. Del'y fee

Delivery restricted to addressee

In person or order Fee paid

Accepting employee will place his initials in space indicating restricted delivery.

67-16-1943-4 GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

(Name of addressee)

(P. O. and State of address)

Form 3806-S (Rev. 3-49)

Receipt for Registered Article No. 10015

Postmaster per

POSTMARK

Fee paid cents. Class postage

Declared value Surcharge paid, \$

Return Receipt fee Spl. Del'y fee

Delivery restricted to addressee

In person or order Fee paid

Accepting employee will place his initials in space indicating restricted delivery.

67-16-1943-4 GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

(Name of addressee)

(P. O. and State of address)

Form 3806-S (Rev. 3-49)

Receipt for Registered Article No. 10016

Postmaster per

POSTMARK

Fee paid cents. Class postage

Declared value Surcharge paid, \$

Return Receipt fee Spl. Del'y fee

Delivery restricted to addressee

In person or order Fee paid

Accepting employee will place his initials in space indicating restricted delivery.

67-16-1943-4 GPO

NOTICE TO SENDER—Enter below name and address of addressee as an identification. Preserve and submit this receipt in case of inquiry or application for indemnity.

(Name of addressee)

(P. O. and State of address)

Registered Mail—Fees for indemnity limited to:

\$5.....	25¢	\$200.....	60¢	\$700.....	\$1.20
25.....	35¢	300.....	70¢	800.....	1.30
50.....	40¢	400.....	85¢	900.....	1.40
75.....	45¢	500.....	1.00	1,000.....	1.50
100.....	50¢	600.....	1.10		

The fee on domestic registered matter without intrinsic value and for which indemnity is not paid is 25 cents.

Domestic registered mail is subject to surcharges when the declared value exceeds the maximum indemnity covered by the registry fee paid. Fees on domestic registered C. O. D. mail range from 55 cents to \$1.55. Indemnity claims must be filed within 1 year (C. O. D., 6 months) from date of mailing.

Consult postmaster as to the registry fees chargeable on registered parcel post packages for foreign countries.

o7-16-19433-4

Registered Mail—Fees for indemnity limited to:

\$5.....	25¢	\$200.....	60¢	\$700.....	\$1.20
25.....	35¢	300.....	70¢	800.....	1.30
50.....	40¢	400.....	85¢	900.....	1.40
75.....	45¢	500.....	1.00	1,000.....	1.50
100.....	50¢	600.....	1.10		

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Domestic registered mail is subject to surcharges when the declared value exceeds the maximum indemnity covered by the registry fee paid. Fees on domestic registered C. O. D. mail range from 55 cents to \$1.55. Indemnity claims must be filed within 1 year (C. O. D., 6 months) from date of mailing.

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75.....	45¢	500.....	1.00	1,000.....	1.50
100.....	50¢	600.....	1.10		

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Consult postmaster as to the registry fees chargeable on registered parcel post packages for foreign countries.

o7-16-19433-4

Case 414

CX 2.
Atlantic

September 15, 1952

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Dear Mr. Spurrier:


It is our understanding that it is the intention of The Atlantic Refining Company to file an application for a special permit to drill Well No. 6 on its State "T" Lease located in the Denton Wolfcamp Field, Lea County, New Mexico at the following described location:

2310' from the North line and 2310' from the West line of Section 2, Township 15 South, Range 37 East.

This is to advise that the Shell Oil Company has no objection to the location as proposed and hereby waives right to protest.

Yours very truly,

SHELL OIL COMPANY

By: 

Case #14

Ex. 1. Case 414

September 10, 1952

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Dear Mr. Spurrier:

It is our understanding that it is the intention of The Atlantic Refining Company to file an application for a special permit to drill Well No. 6 on its State "T" Lease located in the Denton Wolfcamp Field, Lea County, New Mexico at the following described location:

2310' from the North line and 2310' from the West line of Section 2, Township 15 South, Range 37 East.

This is to advise that the Skelly Oil Company has no objection to the location as proposed and hereby waives right of protest.

Yours very truly,

SKELLY OIL COMPANY

Harry W. Selinger
By: Harry W. Selinger

Case 414

4.3

~~September 15, 1952~~

September 18, 1952

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Dear Mr. Spurrier:

It is our understanding that it is the intention of The Atlantic Refining Company to file an application for a special permit to drill Well No. 6 on its State "T" Lease located in the Denton Wolfcamp Field, Lea County, New Mexico at the following described location:

2310' from the North line and 2310' from the West line of Section 2, Township 15 South, Range 37 East.

This is to advise that the Gulf Oil Corporation has no objection to the location as proposed and hereby waives right of protest.

Yours very truly,

GULF OIL CORPORATION

By: G. H. Fisher

G. H. Fisher, Manager
of Exploitation

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

September 26, 1952

C
O
P
Y

Shell Oil Company
Box 1457
Hobbs, N. M.

Gentlemen:

RE: OSC Case 414

We enclose a copy of legal notice issued this week in connection with Case 414 which is scheduled to be heard before the Oil Conservation Commission at its regular hearing on October 15, 1952.

As adjoining lessee, your company is herewith being notified in conformance with provisions of Rule 104 of the Commission's Rules and Regulations.

Very truly yours,

W. B. Macey
Chief Engineer

WBM:nr

VIA REGISTERED MAIL

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

September 26, 1952

C
O
P
Y

Gulf Oil Corporation
Box 1667
Hobbs, N. M.

Attention: Mr. McPherson

Gentlemen:

RE: OCC Case 414

We enclose a copy of legal notice issued this week in connection with Case 414 which is scheduled to be heard before the Oil Conservation Commission at its regular hearing on October 15, 1952.

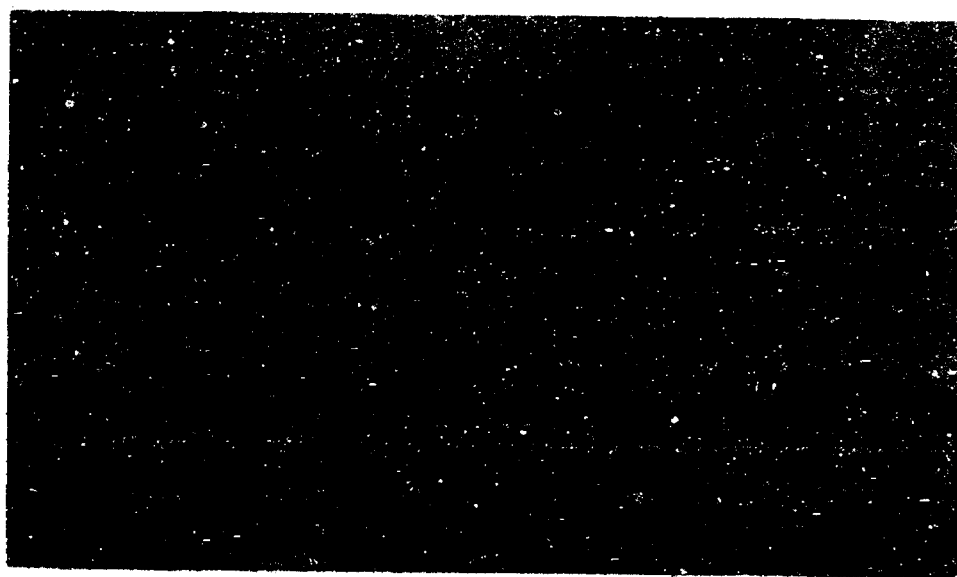
As adjoining lessee, your company is herewith being notified in conformance with provisions of Rule 104 of the Commission's Rules and Regulations.

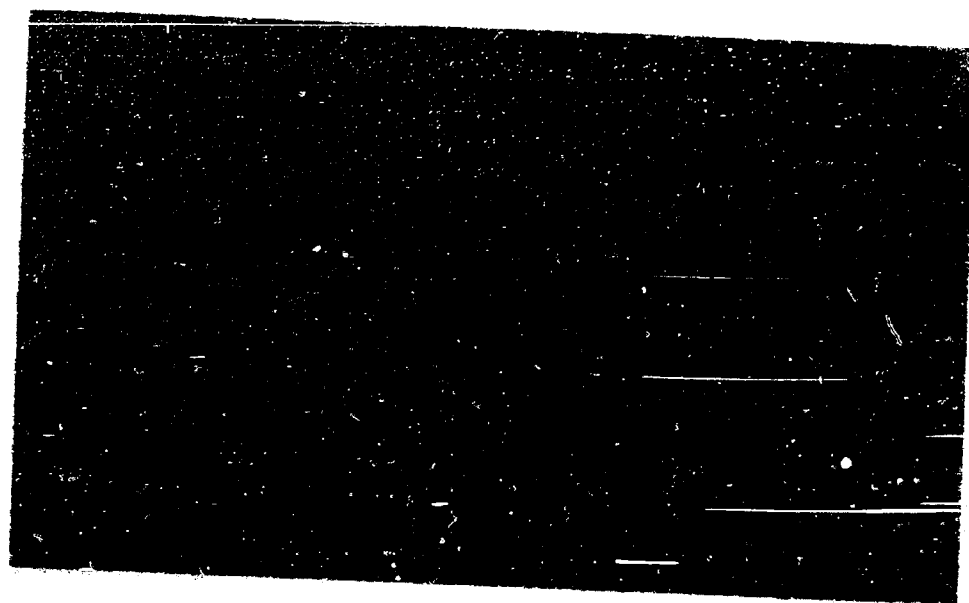
Very truly yours,

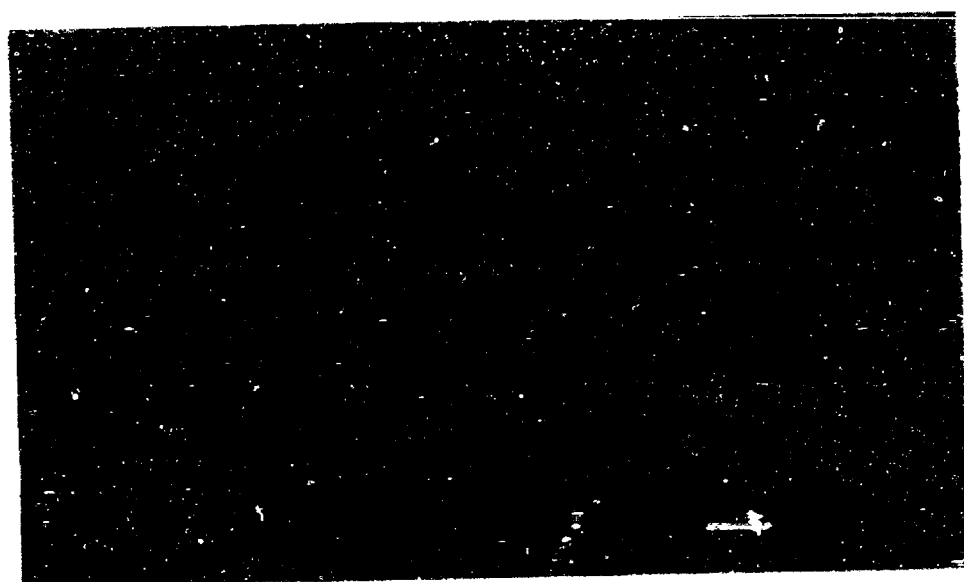
W. B. Macey
Chief Engineer

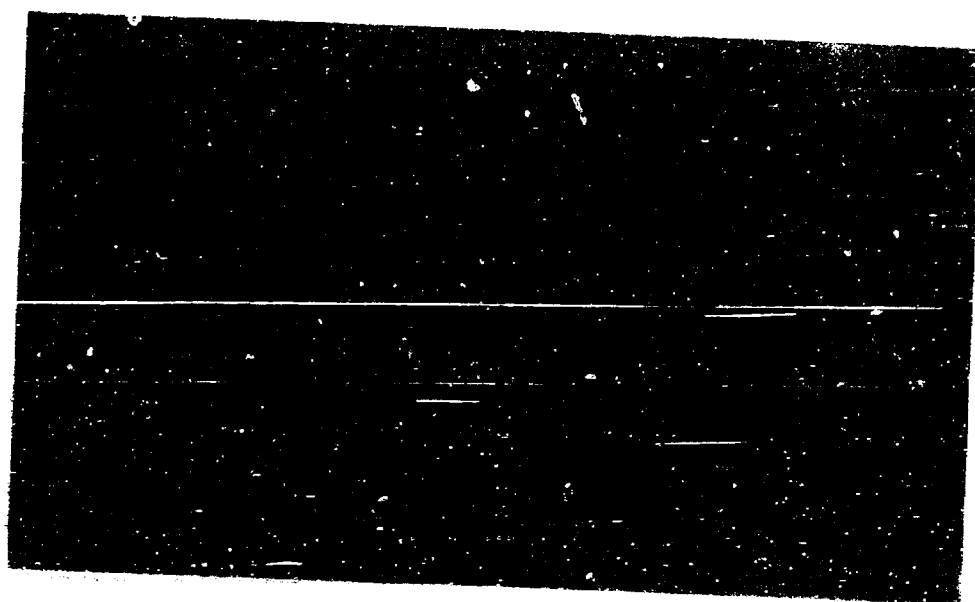
WBM:mr

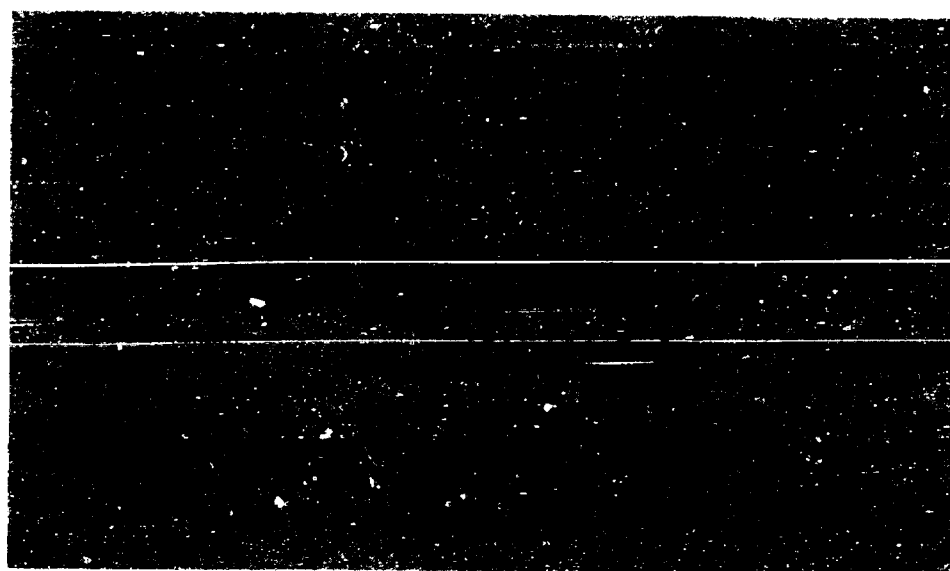
VIA REGISTERED MAIL

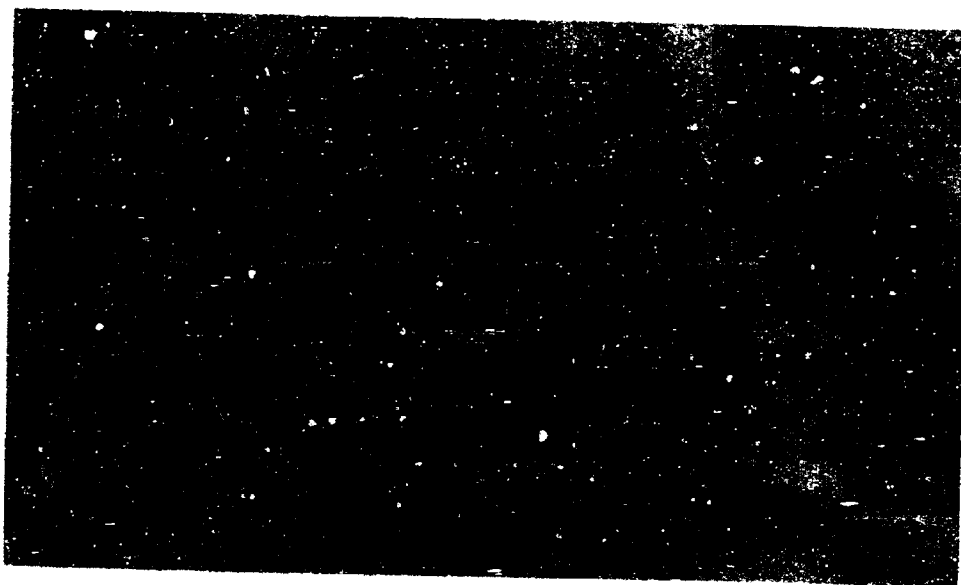












OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

October 28, 1952

C
O
P
Y

Mr. Clarence Hinkle
Hervey, Dow and Hinkle
Roswell, New Mexico

Dear Sir:

We attach herewith for transmittal to your client two signed copies of Commission Order R-206 as issued in Case No. 414, which was heard on October 15, 1952.

Yours very truly,

W. B. Macey
Chief Engineer

WBK:mr

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. 414
ORDER NO. R-206

THE APPLICATION OF ATLANTIC REFINING
COMPANY FOR AN ORDER APPROVING AN UN-
ORTHODOX LOCATION FOR ITS STATE 'T',
WELL NO. 6, LOCATED 2310 FEET FROM THE
NORTH AND WEST LINES OF SECTION 2, TOWNSHIP
15 SOUTH, RANGE 37 EAST, NMFM, LEA COUNTY,
IN THE DENTON-WOLF CAMP POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this *20th* day of *October*, 1952, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

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

(2) That the location of the Atlantic Refining Company's State 'T', Well No. 6, was staked 2310 feet from the north and west lines of Section 2, Township 15 South, Range 37 East, NMFM, Lea County, New Mexico.

(3) That said Section 2, Township 15 South, Range 37 East, NMFM, is a short section and said location resulted in an unorthodox location for said well, which fact, as a result of inadvertence, was overlooked.

(4) That said well is now drilling.

(5) That the unorthodox location of said well should be approved, to avoid unnecessary drilling, and that such approval will not interfere with or impair the correlative rights of adjoining lessees.

IT IS THEREFORE ORDERED:

(1) That the location of the Atlantic Refining Company State 'T', Well No. 6, located 2310 feet from the north and west lines of Section 2, Township 15 South, Range 37 East, NMFM, Lea County, New Mexico, be and the same hereby is approved.

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

J. M. HERVEY
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.

WILLIAM C. SCHAUER
HOWARD C. BRATTON
S. B. CHRISTY, IV

LAW OFFICES
HERVEY, DOW & HINKLE
ROSWELL, NEW MEXICO

October 20, 1952

R. R. Spurrier
Oil Conservation Commission
Santa Fe, New Mexico

Re: Case No. 414 - Atlantic
Unorthodox Location
SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 2, T. 15 S.,
R. 37 E., Denton Field,
Lea County, New Mexico.

Dear Mr. Spurrier:

In anticipation that the Oil Conservation Commission will favorably consider Atlantic's application for approval of the above described unorthodox location, which matter the Commission took under advisement on October 15, 1952, we have prepared and hand you herewith in triplicate a form of Order which you may use in promulgating your decision.

We would appreciate hearing from you at an early date with regard to this matter.

Yours very truly,

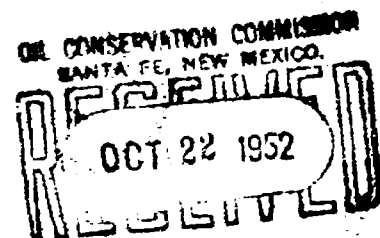
HERVEY, DOW & HINKLE

By: 

GHH:mb
Enc.

cc: A. D. Tanco, Legal Dept.
The Atlantic Refining Co.
P. O. Box 2819
Dallas, Texas
(Your File SW 67-3-1)

cc: The Atlantic Refining Co.
Roswell,
New Mexico



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF THE
ATLANTIC REFINING COMPANY FOR APPROVAL
OF UNORTHODOX DRILLING LOCATION IN THE
SE $\frac{1}{4}$ NW $\frac{1}{4}$ SEC. 2, T. 15 S., R. 37 E., LEA
COUNTY, NEW MEXICO.

CASE NO. 414
ORDER NO.

ORDER OF THE COMMISSION

This matter came on for hearing before the Commission on October 15, 1952, on the application of The Atlantic Refining Company for the approval of an unorthodox well location in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 2, T. 15 S., R. 37 E., Lea County, New Mexico, for the drilling of The Atlantic Refining Company State "T" Well No. 6 in the Denton Field, Lea County, New Mexico.

The Commission having heard the evidence, the statement of counsel and having taken the case under advisement,

FINDS:

1. The Commission has jurisdiction of the subject matter and of the interested parties, due notice of the hearing having been given.

2. That The Atlantic Refining Company is the owner and holder of the oil and gas lease issued by the Commissioner of Public Lands of the State of New Mexico embracing the following described land situated in Lea County, New Mexico, to-wit:

T. 15 S., R. 37 E., N.M.P.M.,
Sec. 2: SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$.

3. That through inadvertance the applicant commenced operations upon said lease for the drilling of a test well for oil and gas on September 4, 1952 at a location 2,310 feet from the north line and 2,310 feet from the west line of said Sec. 2, said location being in error since the same was made 13.49 feet farther south than a regular or orthodox location.

4. That all offset operators, namely, Skelly Oil Company, Shell Oil Company and Gulf Oil Corporation have consented to said location and have waived all rights to protest and the Commission finds that they would not be adversely affected by the unorthodox location.

IT IS THEREFORE ORDERED:

1. That the application of The Atlantic Refining Company be and the same hereby is approved and The Atlantic Refining Company is hereby authorized to drill a well known as the Atlantic State "T" Well No. 6 at a location 2,310 feet from the north line and 2,310 feet from the west line of Sec. 2, T. 15 S., R. 37 E., N.M.P.M., Lea County, New Mexico.

2. That upon completion of the Atlantic State "T" Well No. 6, the allowable assigned the Atlantic State "T" Well No. 6 will be the normal top unit allowable fixed by the Commission for the Denton (Wolfcamp) Field.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

IN RE: [illegible]
[illegible]
[illegible]

TRANSCRIPT OF PROCEEDINGS
[illegible]

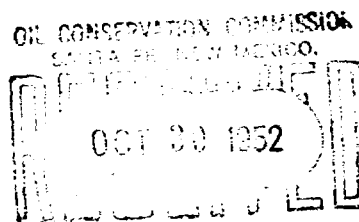


Exhibit 1, 11 &
12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100

E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1308
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico.

October 15, 1952.

In the Matter of:

Atlantic Refining Company's application
to drill State 'T' No. 6 as unorthodox
location 2310' from N and W lines 2-158-
37E, Lea County (in the Denton-Wolfcamp
Pool).

Case No. 414

TRANSCRIPT OF HEARING

(Notice of publication read by Mr. Graham.)

MR. HUNKER: For the record, my name is George Hunker
from Roswell, representing the Atlantic Refining Company.

STANLEY L. SMITH,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HUNKER:

Q Will you state your name?

A Stanley L. Smith.

Q What is your occupation?

A District Geologist for New Mexico, for the Atlantic Refin-
ing Company.

Q Have you testified before this Commission previously?

A Yes, sir, I have.

Q Did you qualify at that time?

A I did.

MR. TURNER: Is the Commission satisfied with Mr. Smith's qualifications?

MR. SPURTER: Yes.

Q Are you familiar, Mr. Smith, with Atlantic's location State 'T' Well No. 6 in the Denton Field?

A Yes, sir.

Q Where is that well being drilled?

A It is being drilled 2,310 feet from the north and west lines of Section 2, Township 16 South, Range 37 East, in Lea County.

Q Is Section 2 an irregular section?

A It is.

Q Will you tell the Commission why the well was located at the point that you have just stated it is located?

A The location was made originally not knowing that it was an irregular section. When it was surveyed the surveyor neglected to inform us that it was an irregular section. We made application to drill and got a rig in and begun drilling. When the application was denied, the surveyor had placed two stakes, one which would have an orthodox location, the other was 2,310 from the north and west lines of the section. Unfortunately, the drilling contractor moved on to the wrong stake and the well was drilling at 2,000 feet then the application was denied.

Q Mr. Smith, will you tell the Commission what the difference is between the location as it is now and a 330 location?

A It is 13 1/2 feet closer to the next legal sub-division than an orthodox location.

Q What sub-divisions in Section 2 are owned by the Atlantic Refining Company?

A We own 160 acres in the section, the southeast quarter of the northwest quarter, the east half of the southwest quarter and the southwest quarter of the southwest quarter.

Q Does Atlantic own the leasehold estate covering the sub-division immediately south of this unorthodox location?

A We do.

Q What other companies own leases in that area?

A The Skelly, Gulf, McAllister, and Shell.

Q What companies own offset leases?

A The Skelly offsets the unorthodox location to the west, the north and the east, the Gulf offsets it to the southeast, the Shell to the southwest and Atlantic to the south.

MR. HUNKER: If the Commission please, we have heretofore filed waivers signed by Skelly, Gulf and Shell, and I would like, at this time, to ask that they be admitted in evidence.

MR. SPURRIER: Without objection they will be received.

A Since there is no objection from offset operators, we are asking that we be allowed to drill and produce this unorthodox location.

Q Is Section 2 entirely a State section, Mr. Smith?

A Yes.

Q To the best of your knowledge, were all of the leases issued or sold directly to the companies that owned the leases.

A Yes.

Q To the best of your knowledge, are there any overriding royalty owners under your lease or any of the operators leases in that area?

A I think there are none.

MR. HUNKER: That completes the testimony from this witness.

MR. SPURRIER: Are there any questions of this witness? If not the witness may be excused.

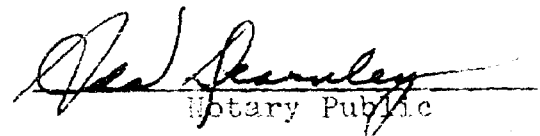
(Witness excused.)

MR. SPURRIER: Is there any objection to the granting of this unorthodox location? Any comment? - If not we will take up the next case on the Docket. No. 416.

STATE OF NEW MEXICO)
 : ss.
COUNTY OF BERNALILLO)

I hereby certify that the above and foregoing transcript of proceedings in case No. 414, taken before the Oil Conservation Commission on October 15, 1952 at Santa Fe, New Mexico, is a true and correct record.

Dated in Albuquerque, New Mexico, this 25th day of October 1952.


Notary Public

My Commission Expires:
June 19, 1955.

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