

Case No.

668

Application, Transcript,
Small Exhibits, Etc.

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

Transcript of Hearing in
Case No. 668

February 18, 1954

Regular Hearing.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9845 AND 5-9846
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico
February 18, 1954
Afternoon Session

In the Matter of:

Application of Lowry et al Operating Account
for approval of an unorthodox location for
its Well No. T-123 located 700 feet from the
north line and 1800 feet from the east line
of Section 7, Township 26 North, Range 6 West,
Rio Arriba County, New Mexico, in exception
to Rule 104 of the Commission's Rules and Re-
gulations and also to pool rules for the South
Blanco-Tocito Pool as set forth in Order R-326.

Case No. 668

(Notice of Publication read.)

MR. KELLAHIN: Jason Kellahin representing the Lowry et al
Operating Account, petitioner in this case. We have one witness,
Mr. Art Holland. This application is for the approval of an un-
orthodox location in the South Blanco-Tocito Pool. Under normal
conditions the Commission Director could approve it because of the
fact it is due to topographical conditions. However, the pool
rules adopted by the Commission in R-326 make it necessary for us
to have a hearing for approval of the location. Were it not for the
pool rules the Commission Director could approve the application.

A. F. HOLLAND

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. KELLAHIN:

Q Would you state your name, please?

A My name is A. F. Holland.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-2645 AND 5-2546
ALBUQUERQUE, NEW MEXICO

Q By whom are you employed? A Lowry Oil Company.

Q In what position?

A As Petroleum Engineer.

Q Have you testified before this Commission before?

A I have.

Q Qualified as an expert?

A I have in previous hearings.

Q As an engineer? A I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. SPURRIER: They are.

Q Mr. Holland, in your position with Lowry Oil Company, are you familiar with your well, T-123?

A In general I am familiar with the drilling and completion of that well.

Q Could you state to the Commission what the location of the well is?

A The location is 700 feet from the north line and 1800 feet from the east line of Section 7, Township 26 North, Range 6 West Rio Arriba County, New Mexico.

Q I hand you a plat which has been marked as Exhibit Number 1 and ask you to state what that shows.

A This is a plat prepared to show the location of the Lowry et al Operating Account. Well -- it is located in the South Blanco-Tocito Pool, Rio Arriba County, New Mexico.

Q Is that location an orthodox location, Mr. Holland?

A It is not, it is the pool rules for the South Blanco-Tocito Pool permit a tolerance of 100 feet from the center of the particular 40-acre tract upon which this well is located. Due to

topographic conditions it was necessary to make the location in excess of the 100 foot tolerance; as the plat shows it is 180 feet east of the center of this particular 40-acre tract.

Q Who is the closest offset operator, Mr. Holland?

A The lease, the closest lease offsetting this tract is owned by the Johnson Oil and Gas Company.

Q How far is that lease^{line} from the well location?

A The well is 700 feet from their lease line.

Q There is no other interested operator closer than 660 feet is there?

A That is right. The well was moved toward the, was moved away from the Johnson Oil and Gas Company lease. The normal location would be 660 feet from that lease line and the well location is 700 feet.

Q I hand you what has been marked as Exhibit Number Two and ask you to state what that shows.

A That Exhibit is a log of the well which was filed with the United States Geological Survey and the New Mexico Oil Conservation Commission. It is a summary of the well completion information.

Q I hand you what has been marked as Exhibit Number Three, Mr. Holland, and ask you what that shows.

A Exhibit Number Three is a photograph of the orthodox location of the well. If you will note, there is a flag in the picture and that shows where the orthodox location, by orthodox I mean the center of the 40-acre tract, would be.

Q Could you point out that flag for the Commission?

A It is to the left of the center.

MR. SPURRIER: I can see it.

Q I hand you what has been marked as Exhibit Number Four, and ask you to state what that shows.

A Exhibit Number Four is another photo of the area of the location of this well. It is the western edge of the photo that was presented as Exhibit Number One. It shows the cliff in detail.

Q I hand you what has been marked as Exhibit Number Five and ask you what that shows.

A That is another photograph in the immediate area of the well location. It is along the northern edge of this location and shows a canyon to the north.

Q Does that show the orthodox location or the actual well location, Mr. Holland?

A It shows the reserve mud pits that were used in the drilling of this well.

Q I see.

A That is why it was necessary to move slightly south of an orthodox location.

Q I hand you what has been marked as Exhibit Number Six and ask you to state what that shows.

A That is a photograph of the actual well location. The drilling rig that was used in the operation has been partly disassembled and has not been removed from the location. This photograph can be correlated with the others and shows that you can see the canyon and as to the reasons why it was necessary to remove the well a greater distance than the tolerance permitted.

Q The orthodox location could have been in the canyon, Mr. Holland, in relation to that last picture, Exhibit Number Six?

A It wasn't possible to drill the well and have the necessary

mud pits and the necessary operating room at the orthodox location, as the Exhibit Number Four, I believe the first photograph, presented shows that it is right on the edge of the canyon.

Q In your opinion, would it have been practical to have drilled in an orthodox location as provided by the pool rules, Mr. Holland?

A It would have been virtually impossible.

Q Do you have anything to add? A No.

MR. KELLAHIN: That completes our case. As I stated, if it were not for the pool rules, this is a matter which could have been approved by the Commission Director, but the pool rules modify the state-wide rule on that, that is the reason we asked for the hearing.

MR. SPURRIER: Anyone have a question of the witness? If not the witness may be excused.

(Witness excused.)

MR. SPURRIER: Does anyone else have a comment in this case? If not we will take it under advisement and move on to case 669.

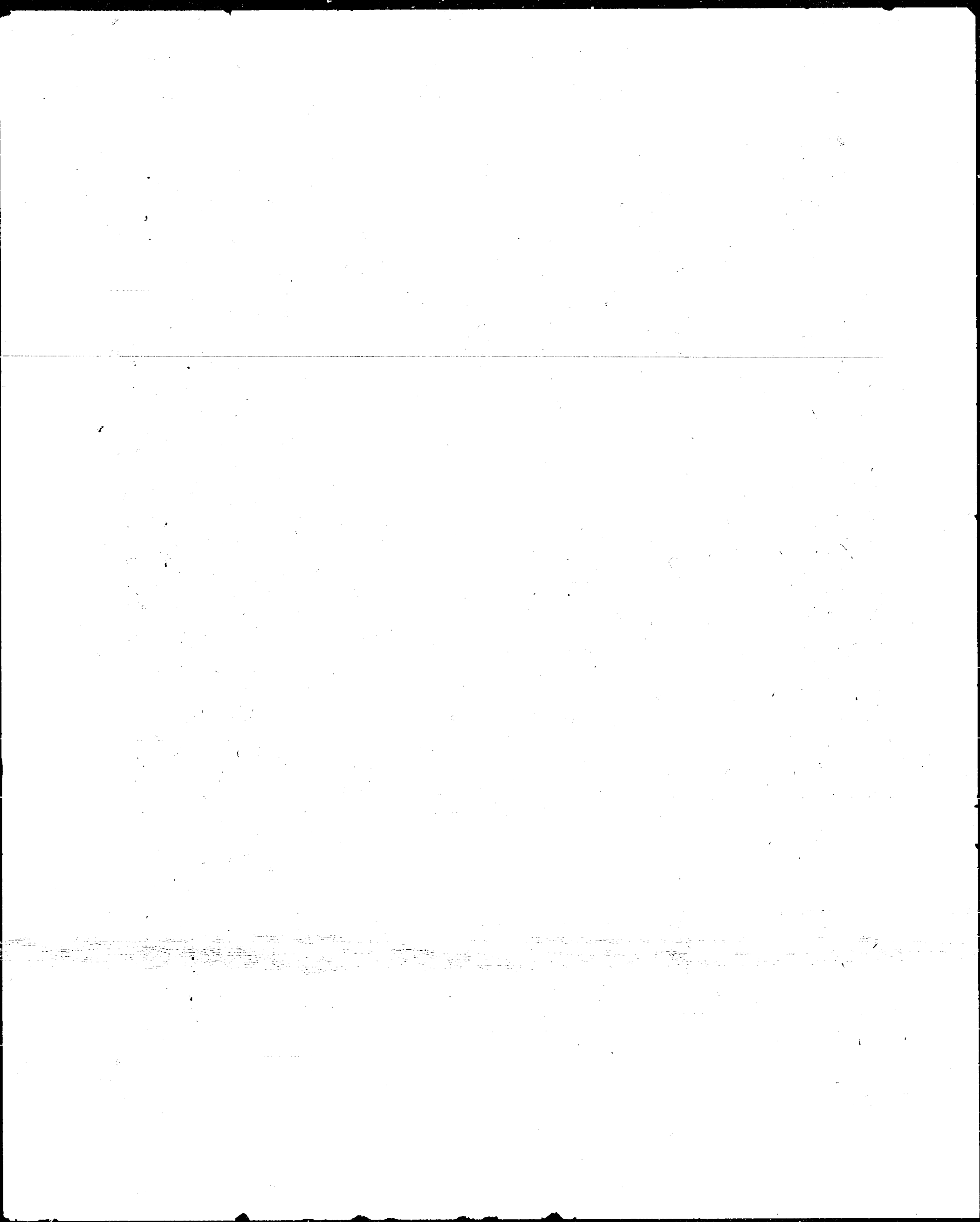
STATE OF NEW MEXICO }
COUNTY OF BERNALILLO }

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 668 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 18, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 20th day of February, 1954.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9845 AND 5-9546
ALBUQUERQUE, NEW MEXICO

COURT REPORTER



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:

THE APPLICATION OF LOWRY ET AL
OPERATING ACCOUNT FOR APPROVAL
OF AN UNORTHODOX LOCATION FOR
ITS WELL NO. T-123 LOCATED 700
FEET FROM THE NORTH LINE, AND
1800 FEET FROM THE EAST LINE
OF SEC. 7, TWP. 26 N., RGE. 6
W., RIO ARriba COUNTY, NEW MEXICO,
SOUTH BLANCO-TOCITO POOL.

CASE NO. 668

ORDER NO. R-414

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., February 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 17th day of MARCH, 1954, the Commission, a quorum being present, having considered the testimony offered and 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 the Lowry et al, Operating Account is operator of a well designated as T-123, located 700 feet from the North line, and 1,800 feet from the East line of Sec. 7, Twp. 26 N., Rge. 6 W., N.M.P.M., South Blanco-Tocito Pool, Rio Arriba County, New Mexico.

(3) That said well is productive of oil in the Tocito sands in the South Blanco-Tocito Pool, and was completed as a

producer on December 1, 1953.

(4) That the subject well is located more than 660 feet from any lease line of an off-setting operator.

(5) That the location of said well is necessitated by topographical conditions, it being impossible to drill in conformity with the tolerance allowed by the South Blanco-Tocito Pool Rules as entered by this Commission in Order No. R-326.

(6) That unless such location is approved by this Commission the applicant herein will be denied of his opportunity to recover his just and equitable share of production in the South Blanco-Tocito Pool.

(7) That approval of said location is in the interest of conservation, will protect correlative rights, and prevent waste.

(8) That no objection has been filed to the application for approval of said unorthodox location, and no objection was made thereto at said hearing.

IT IS THEREFORE ORDERED:

(1) That the application of Lowry et al Operating Account for approval of an unorthodox location for its T-123 well located 700 feet from the North line, and 1,800 feet from the East line of Sec. 7, Twp. 26 N., Rge. 6 W., N.M.P.M., South Blanco-Tocito Pool, Rio Arriba County, New Mexico be, and the same hereby is approved, as an exception to Commission Rules No. 104(f) as modified by the Commission's Order No. R-326 being the pool rules for the South Blanco-Tocito Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

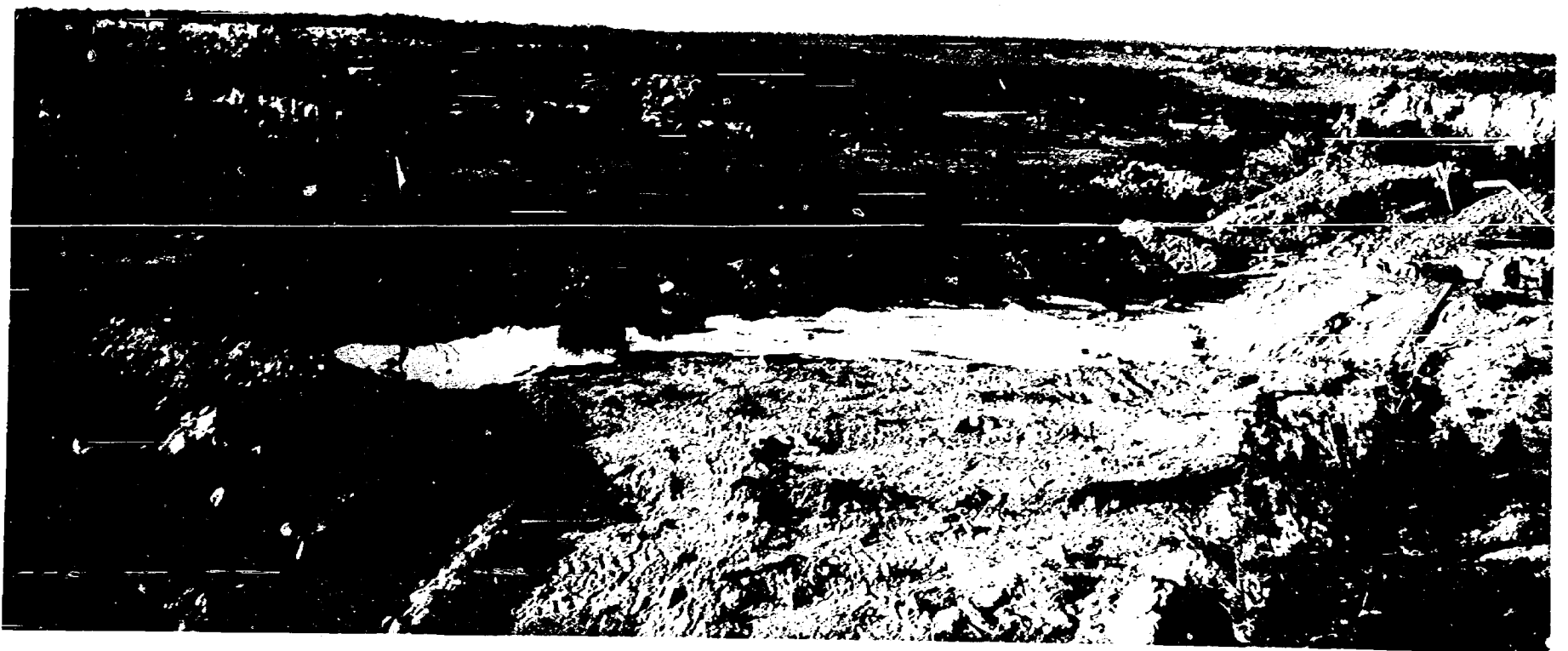
E. L. Mechem
Edwin L. Mechem, Chairman

E. S. Walker
E. S. Walker, Member

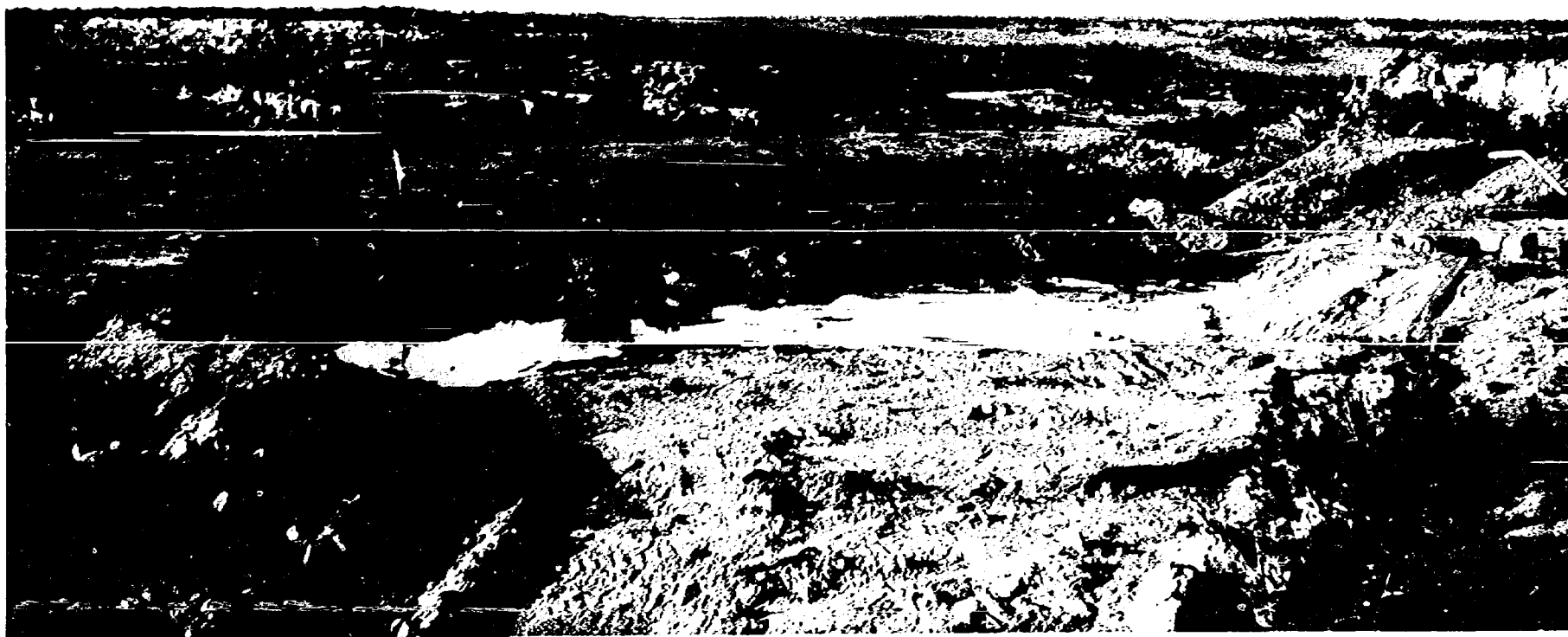
R. R. Spurrier
R. R. Spurrier, Secretary

S E A L

(1) Orthodox location
for T-123



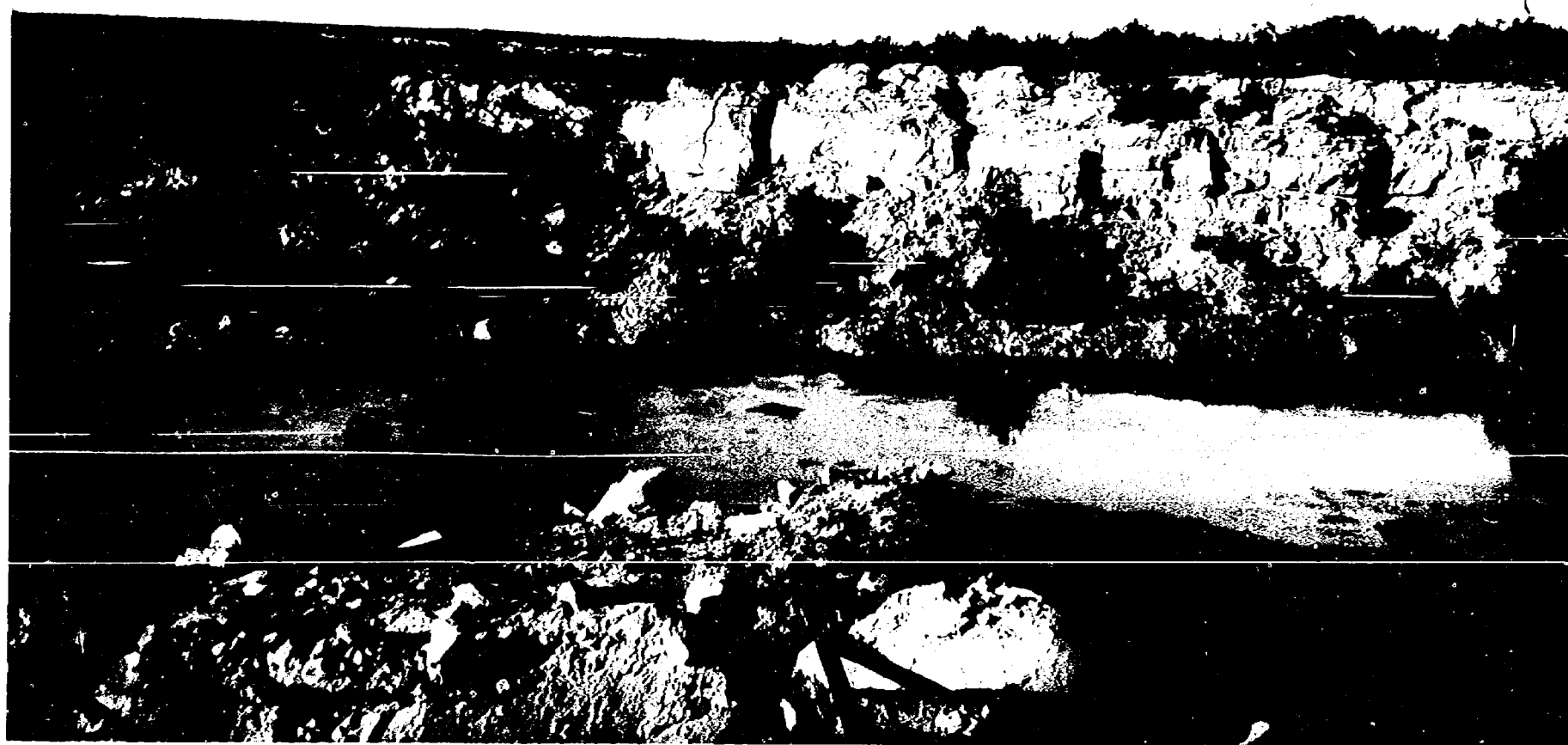
(1) Orthodox location
for T-123



(3) Northern edge of
T-123 location



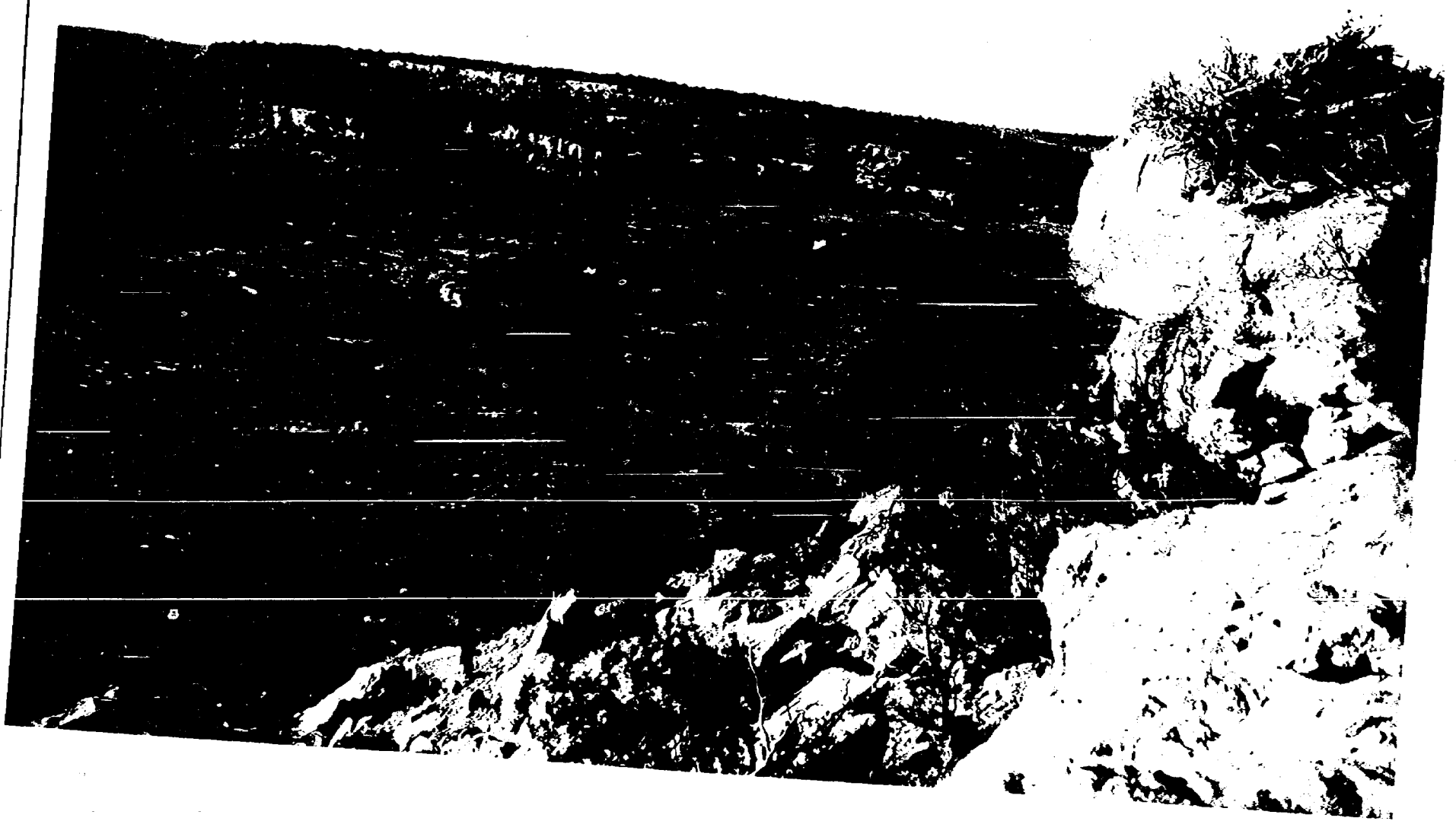
(3) Northern edge of
T-123 location



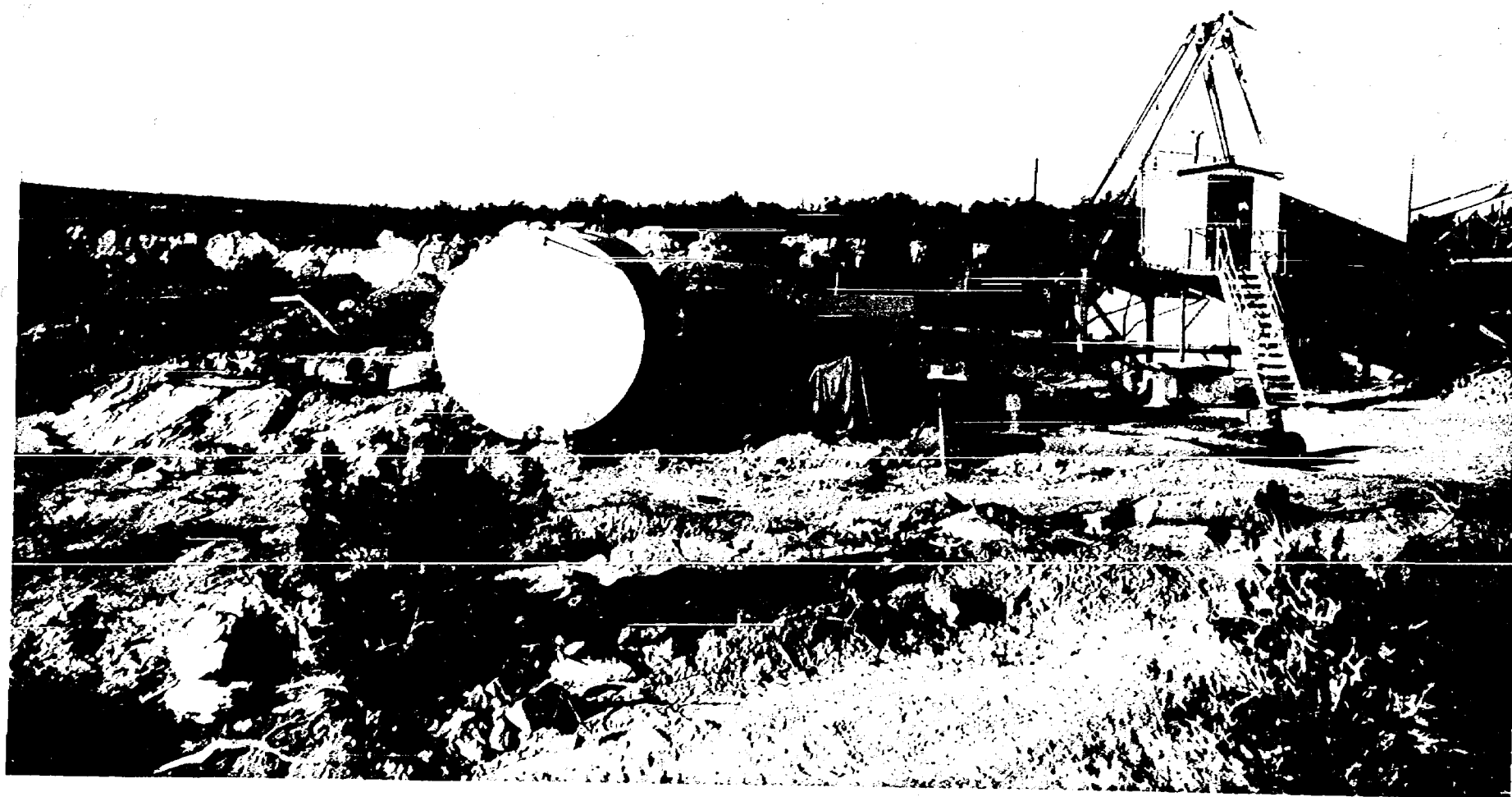
(2) Western edge of
T-123 location



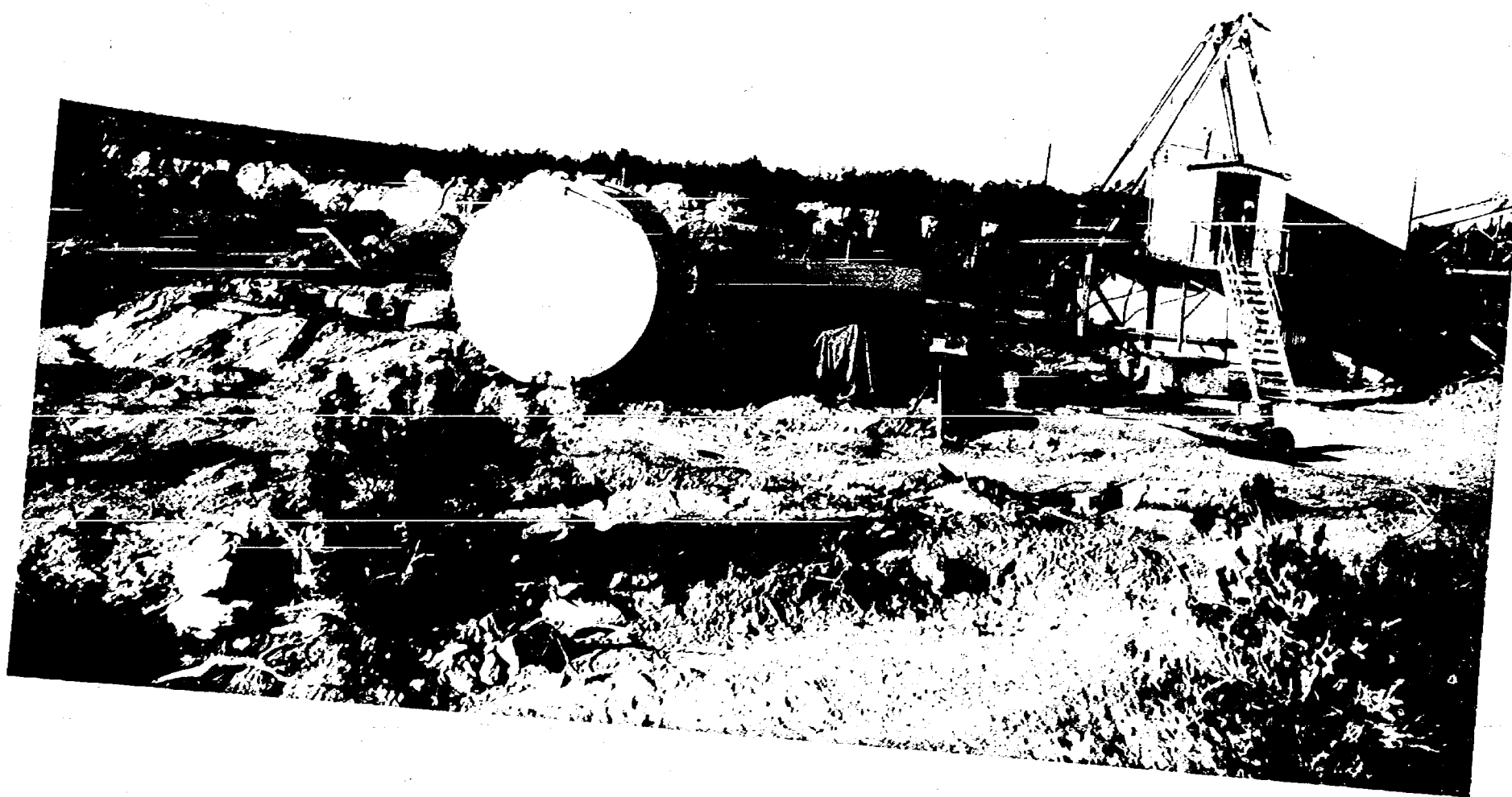
(2) Western edge of
T-123 location



(4) T-123 Location
looking north



(4) T-123 Location
looking north



NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

Case 668
IN THE MATTER OF THE APPLICATION
OF LOWRY, ET AL OPERATING ACCOUNT
FOR THE APPROVAL OF AN UNORTHODOX
LOCATION FOR ITS T-123 WELL LOCATED
700 FEET FROM THE NORTH LINE AND
1,800 FEET FROM THE EAST LINE OF
SEC. 7, TWP. 26 N., RGE. 6 W.,
N.M.P.M., SOUTH BLANCO TOCITO POOL,
RIO ARriba COUNTY, NEW MEXICO

PETITION

Comes now Lowry et al Operating Account with offices at 142 Monroe NE, Albuquerque, New Mexico, and petitions this Commission for approval of the unorthodox location of its T-123 well located 700 feet from the north line and 1,800 feet from the east line of Sec. 7, Twp. 26 N., Rge. 6 W., N.M.P.M., South Blanco Tocito Pool, Rio Arriba County, New Mexico, as an exception to the provisions of Rule 104 (f) as modified by Commission's Order No. R-326 being pool rules for the South Blanco Tocito Pool, and in support thereof would show:

1. That the Petitioner is operator of the subject well and that said well is located more than 660 feet from any lease line of an off-setting operator as is shown by the attached plat which is hereby incorporated and made a part of this petition by reference.

2. That the location of said well is necessitated by topographical conditions it being impossible to drill in conformity with the tolerance allowed by Order No. R-326.

3. That said well was completed for the production of oil from the Tocito sand on December 1, 1953, South Blanco Tocito Pool.

Wherefore Petitioner respectfully requests to set this matter down for hearing February 17, 1954, and that upon hearing, the Commission enter its order approving said location.

Respectfully submitted,

By Jason W. Kellahin
Jason W. Kellahin, Attorney

LOWRY et al OPERATING ACCOUNT