

CASE 1982: Application of OTTO
 REYNOLDS for Unorthodox Oil Well
 Location for his Wash. State Oil Co.

Casa No.

1982

Application, Transcript,
Small Exhibits. Etc.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

June 7, 1960

Mr. Otto Reynolds
Box 402
Bloomfield, New Mexico

Dear Sir:

We enclose herewith two copies of Order R-1690
in Case 1982 issued by the Oil Conservation
Commission this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Enclosures: (2)

Carbon copy of order to:

Hobbs OCC
Aztec OCC

C
O
P
Y

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. 1982
Order No. R-1690

APPLICATION OF OTTO REYNOLDS
FOR AN UNORTHODOX OIL WELL
LOCATION IN THE BLOOMFIELD-
FARMINGTON OIL POOL, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 1, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 7th day of June, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Otto Reynolds, is the owner and operator of the Wood Well No. 1, located 330 feet from the South line and 1629 feet from the West line of Section 14, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico.

(3) That the requested unorthodox oil well location is necessitated by surface obstructions in the area of an orthodox location, and since the only operator who will be crowded by the requested unorthodox oil well location has waived objection, approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That an unorthodox oil well location for the applicant's Wood Well No. 1 in the Bloomfield-Farmington Oil Pool at a point

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CASE No. 1982
Order No. R-1690

330 feet from the South line and 1629 feet from the West line of
Section 14, Township 29 North, Range 11 West, NMPM, San Juan
County, New Mexico, be and the same is hereby approved.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


John T. Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

esr/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 6-2-60

CASE 1882. Hearing Date 6-1-60

My recommendations for an order in the above numbered cases are as follows:

1. Grant Otto Reynolds request for an unorthodox location for his Wood #1 located 330/5 1629/W 14-29N-11W. in the Bloomfield - Jammington Oil Pool.
2. It was necessary to move this location 21 ft. West in order to clear an old bridge foundation.

Glenn H. [Signature]

New Mexico Oil Conservation Commission
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

*Delivered
Mailed 5-19-60*
April 21, 1960

Mr. Otto Reynolds
Box 402
Bloomfield, New Mexico

Re: Otto V. Reynolds #1 Wood
330' FSL, 1629' FWL, 14-29N-11W
San Juan County, New Mexico

Dear Sir:

The Notice of Intention to Drill, form C-101, was approved for the captioned well "subject to approval of the non-standard location". Our attorney advises that no application has been presented for approval of the non-standard location as of this date.

The stock tank for the captioned well has not had a fire wall constructed around it as agreed on March 9, 1960. Such operation is in violation of our safety regulations.

Please be advised that all operations must be in compliance with all rules and regulations on or before May 5, 1960, to prevent legal action being initiated.

If we can be of assistance please contact us.

Yours very truly
A. R. Kendrick
A. R. Kendrick
Engineer, District #3

ARK:mp

Enc: Mr. Nelson Standerfer
Box 913
Farmington, N. M.

Mr. Oliver Payne
N. M. O. C. C.
Santa Fe, N. M.

Call Al Kendrick on This



J. H. HICKS AGENCY

INSURANCE

1928 E. Main St. — P. O. Box 913

Phones: DAVIS 5-2152, DAVIS 5-2751

FARMINGTON, NEW MEXICO

March 22, 1960

NSL
[Signature]

Mr. A. L. Porter
Secretary & Director
Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico
Dear Mr. Porter:

I am writing you as requested by Mr. Otto Reynolds in regards to a non-standard well location known as the Woods No. 1 in The Glenwood Sub-division and staked as follows ; 1650 feet from the West line and 330 feet from the South line of Section 14 T29N R11W.

Mr. Reynolds wants to move the location 50 feet south in order not to be on the boundry line of two different owners of surface rights as this has been sub-divided into small lots. As I am the lease owner Joining him (Burger Drilling Co.) he is asking for my approval as well as yours which I give.

Sincerely

[Signature]
John Funn
Burger Drilling Co.

New Mexico Oil Conservation Commission

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

April 15, 1960

Mr. Nelson Standefer
c/o J.H. Hicks Agency
Box 913
Farmington, New Mexico

Re: Reynolds #1 Wood
N-14-29N-11W
San Juan County, N.M.

Dear Sir:

Rule 310 of our Rules and Regulations requires a fire wall around all tanks within 500 feet of any inhabited dwellings. I was advised on March 9, 1960 that the tank for subject well would be properly constructed immediately. The fire wall has not been constructed. File Form C-102 in triplicate, showing a detailed account of your proposed operations including the proposed dates of accomplishing each operation.

We shall expect an early correction of the situation.

All oil produced from subject well is illegal oil and must not be removed from the lease.

Yours very truly

A. R. Kendrick
Engineer, District #2

ARK:ks

cc: Otto Reynolds
Bloomfield, N.M.

Mr. Oliver Payne
OCC, Santa Fe, N.M.

Encls. - C-102's

**Commercial
Insurance Company
of Newark, N.J.**
ORGANIZED 1909

For Oliver Payne

LOYALTY GROUP

H. A. CLARK, VICE-PRESIDENT
LLOYD W. BROWN, 2ND VICE-PRESIDENT
ERNEST RICHTER, 2ND VICE-PRESIDENT
ARCH. PLICKENSTAFF, 2ND VICE-PRESIDENT

Nelson Stancefer
J. H. RICKS AGENCY
TELEPHONE: DAVIS 8-2182
1928 EAST MAIN STREET
P. O. BOX 913
FARMINGTON, NEW MEXICO

April 9, 1960

Mr. A.R. Hendrick
Engineer District #3
Oil Conservation Commission
1000 Rio Brazos Road
Ateco, New Mexico



Re: Reynolds #1 Well

Dear Sir:

I was in your office Friday April 8, 1960 and talked to Mr. Arnoll as you were out of the office at that time, in regards to your letter to Mr. Otto Reynolds dated April 7, 1960. As Otto has been sick and under Doctors care and as I am also interested in this well, I am answering your letter for him.

We have not been producing the well for something like three weeks as we have been waiting for a report from Dowell's laboratory in Tulsa. We sent them cores from the well and they are analyzing them and are to make recommendations to us on a safe job. I have inquired at their office twice and so far they don't have a final report for us.

Our stock tank has not had a fire wall built yet, because we have about a half of a tank of oil in it and we need to empty it before we move it. This oil we intend to use in our fracturing. This has all been hinging on our report from Dowell which we should have any day.

In regards to letter seeking approval for the non-standard location. I wrote a letter dated March 22, 1960 for Mr. John Burn of Burger Drilling Co. He signed it and I mailed it to Mr. Porter in Santa Fe.

Noting this letter will satisfactorily explain our actions and wishing to comply with your rules and regulations, I wish to request an extension of two weeks to finish completing this well.

Yours very truly,

Nelson Stancefer
Nelson Stancefer.



Nelson Standefer
J. H. HICKS AGENCY
INSURANCE

1928 E. Main St. — P. O. Box 913
Phones: DAVIS 5-2152, DAVIS 5-2751
FARMINGTON, NEW MEXICO

*Farmington
oil well
location*

April 26, 1960

*check at hearing whether
fire wall has been built
as req'd by Kendrick
letter of April 21*

Mr. A.L. Porter
Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

I am enclosing copies of two letters, one from Mr. A.R. Kendrick in regards to approval of a non-standard location for a well known as Otto V. Reynolds #1 Woods. The other is a copy of a letter I wrote and Mr. John Dunn signed which, I mailed you your office. I was told to send Mr. Dunn's letter to you for approval but, as Mr. Kendrick states they have had no word from your office about this. I can get Mr. Dunn to sign another letter to his approval of our non-standard location but, at the present time he is in Oklahoma and I don't know when to expect him back. Maybe this will help clear up the matter.

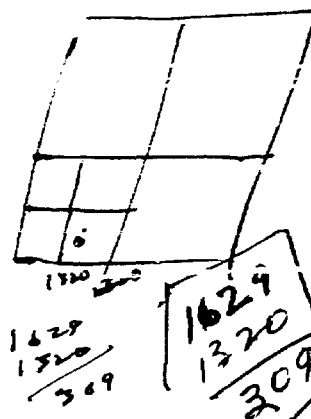
Very truly yours,

Nelson Standefer
Nelson Standefer.

*Do not
mail*

5-19-60

*Set for hearing
on June 1. Applicant
is Otto Reynolds -
Request is for unorthodox
oil well location.*



*1429
1320
309*

*1629
1320
309*

*1650
1320
330*

DOCKET: EXAMINER HEARING JUNE 1, 1960

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, N.M.
The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate Examiner:

CASE 1970: Application of Gulf Oil Corporation for approval of a gas-oil dual completion. Applicant, in the above-styled cause, seeks permission to dually complete its Lea-State "AQ" Well No. 8, located in Unit E of Section 32, Township 19 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the East Pearl-Seven Rivers Gas Pool and the production of oil from the Pearl Queen Pool through the casing-tubing annulus and 2-3/8 inch tubing respectively, utilizing a retrievable type packer to separate the two producing horizons.

CASE 1971: Application of Gulf Oil Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Tubb gas condensate from all wells presently completed or hereafter drilled on its Evelyn Lineberry lease, consisting of the N/2 SW/4 of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Blinebry oil production.

CASE 1972: Application of Gulf Oil Corporation for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Blinebry gas condensate and Tubb gas condensate from all wells on its T. R. Andrews lease comprising the E/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Blinebry oil production.

ASE 1973: Application of Graridge Corporation for approval of the unorthodox locations of three water injection wells. Applicant, in the above-styled cause, seeks approval of an unorthodox location for three water injection wells to be located in the SE/4 NE/4 of Section 28, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.

- CASE 1974: Application of C. T. Robertson for an order authorizing a water flood project. Applicant, in the above-styled cause, seeks an order authorizing him to institute a water flood project in the Coyote-Queen Pool, Chaves County, New Mexico, by the injection of water into the Queen formation through six wells located in Sections 11 and 14, Township 11 South, Range 27 East.
- CASE 1975: Application of Amerada Petroleum Corporation for approval of, an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State LM "T" Well No. 5, located in Unit A, Section 36, Township 23 South, Range 36 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Jalmat Gas Pool and the production of oil from the Langlie-Mattix Pool through parallel strings of 1-inch tubing and 2-3/8 inch tubing respectively, utilizing a retrievable type packer to separate the two producing horizons.
- CASE 1976: Application of Caulkins Oil Company for approval of a gas-gas dual completion and for the establishment of a non-standard gas unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Reuter PC-297 well in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Gas Pool and the production of gas from the Dakota Producing Interval through parallel of 1 1/4-inch and 2 3/8 inch tubing respectively. Applicant further seeks an order establishing a non-standard gas unit to be dedicated to the subject well in the Dakota Producing Interval consisting of the SW/4 of Section 15 and the NW/4 of Section 22, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 1977: Application of Hondo Oil & Gas Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Empire-Abo Pool from all wells presently completed or hereafter drilled on the Hondo-Western-Yates State 647 lease, which lease consists of acreage in Sections 25, 26, 34, 35, and 36, all in Township 17 South, Range 28 East, Eddy County, New Mexico.

CASE 1978:

Application of Shell Oil Company for an order authorizing two salt water disposal wells. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its State ETA Well No. 1, located in the NE/4 NE/4 of Section 8, Township 16 South, Range 35 East, Lea County, New Mexico, with the injection to be in the Wolfcamp formation in the interval from 10,365 feet to 10,463 feet. Applicant further seeks an order authorizing the disposal of produced salt water through its State EDA Well No. 2, located in the SW/4 SW/4 of Section 7, Township 16 South, Range 35 East, Lea County, New Mexico, with injection to be in the Wolfcamp formation in the interval from 10,712 feet to 10,734 feet.

CASE 1979:

Application of The Atlantic Refining Company for an order authorizing a water injection project in the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the injection of water, for purposes of pressure maintenance and/or secondary recovery, into the Horseshoe-Gallup Oil Pool through 15 wells located in Sections 19, 20, 29, 30 and 31, Township 31 North, Range 16 West, San Juan County, New Mexico. Applicant further requests that special rules and regulations be promulgated governing the operation of this water injection project including the assignment of a project allowable.

CASE 1980:

Application of Hudson and Hudson for nine unorthodox locations. Applicant, in the above-styled cause, seeks an order authorizing the drilling of wells at nine 5-spot locations on its Puckett "A" Lease, Maljamar Pool, Lea and Eddy Counties, New Mexico, said wells to be located in the 40-acre units hereinafter described, and within 100 feet of the indicated corner thereof.

SW Corner Unit O, Section 13, and the following wells in Section 24.

SE Corner Unit D,	SE Corner Unit F;
NW Corner Unit C;	NE Corner Unit G;
SW Corner Unit B;	NW Corner Unit K;
NW Corner Unit A;	NW Corner Unit I;

all in Township 17 South Range 31 East, Eddy County.

- CASE 1981: Application of El Paso Natural Gas Company for an order amending the special pool rules for the Blanco-Mesaverde Gas Pool. Applicant, in the above-styled cause, seeks an order amending the special pool rules for the Blanco-Mesaverde Gas Pool, Rio Arriba and San Juan Counties, New Mexico, to authorize district supervisors to approve "slim hole" completions in the Blanco-Mesaverde Gas Pool, regardless of depth.
- CASE 1982: Application of Otto Reynolds for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for his Wood Well No. 1, located 330 feet from the South line and 1629 feet from the West line of Section 14, Township 29 North, Range 11 West, San Juan County, New Mexico.
- CASE 1983: Application of Ralph Lowe for permission to commingle the production from several separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from an undesignated Delaware pool from several separate leases comprising the N/2 NW/4 of Section 17 and the E/2 NE/4 and the E/2 NW/4 of Section 18, Township 25 South, Range 30 East, Eddy County, New Mexico.
- CASE 1984: Application of Mountain States Petroleum Corporation for an unorthodox gas well location and for a 183-acre non-standard gas unit. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for a well to be drilled 1050 feet from the North line and 750 feet from the West line of partial Section 31, Township 26 North, Range 2 West, Rio Arriba County, New Mexico. Applicant further seeks the establishment of a 183-acre non-standard gas unit in the Pine Lakes-Pictured Cliffs Gas Pool consisting of all of said partial Section 31 to be dedicated to the subject well.
- CASE 1985: Application of Charles Loveless, Jr. for a 280-acre non-standard gas unit. Applicant, in the above-styled cause, seeks the establishment of a 280-acre non-standard gas unit in the Atoka-Pennsylvanian Gas Pool consisting of the NE/4 NE/4, W/2 NE/4, NW/4 of Section 11, Township 18 South, Range 26 East, or in the alternative to force pool all mineral interest owners in the SE/4 NE/4 of said Section 11 in the Atoka-Pennsylvanian Gas Pool with the interests of those in the above-described non-standard unit in said pool. Said unit is to be dedicated to a well to be drilled 1650 feet from the North and West lines of said Section 11, Township 18 South, Range 26 East, Eddy County, New Mexico.

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Docket No. 15-60

CASE 1986:

Application of J. M. Welch for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of his Etz Well No. 3, located in the NE/4 SE/4 of Section 13, Township 16 South, Range 30 East, Eddy County, New Mexico, in such a manner as to produce gas from the Penrose sand of the Queen formation and to produce oil from the Lovington sand of the San Andres formation in the Henshaw (San Andres) Pool, through the casing-tubing annulus and 2-inch tubing respectively, utilizing a retrievable type packer to separate the two producing horizons.

New Mexico Oil Conservation Commission
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

1482
C. R. Kendrick

April 7, 1960

Mr. Otto Reynolds
Box 402
Bloomfield, New Mexico

Re: Reynolds #1 Wood
SW¹ Section 14-20N-11W
San Juan County, N.M.

Dear Sir:

We reached an oral agreement on March 9, 1960 on subject well.
However you have not constructed the required fire wall around
tank or cleaned up the location as agreed.

We have received no word from our Santa Fe Office relative to a case
being called by you seeking approval for the non-standard location
of subject well.

Therefore drilling and producing operations on subject well are
herby suspended and must cease immediately.

Yours very truly

ARK:ks

A. R. Kendrick
Engineer, District #3

cc: Mr. Oliver Payne
Chief Attorney
OCC, Santa Fe, N.M.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 1, 1960

EXAMINER HEARING

IN THE MATTER OF: Application of
Otto Reynolds for an unorthodox
oil well location.

Case 1982

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 1, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Otto Reynolds for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for his Wood Well No. 1, located 330 feet from the South line and 1629 feet from the West line of Section 14, Township 29 North, Range 11 West, San Juan County, New Mexico.

Case 1982

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 1982.

MR. PAYNE: Application of Otto Reynolds for an unorthodox oil well location.

(Witness sworn.)

OTTO REYNOLDS

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. PAYNE:

Q Will the witness please state his name?

A Otto Reynolds.



Q Mr. Reynolds, did you file, or did you cause to be filed, the application in Case No. 1982?

A Yes.

Q Would you explain to the Commissioner --

A No, no, I didn't.

Q You caused it to be filed, didn't you?

A Yes, sir.

Q Would you explain to the Examiner what you seek by that application?

A Well, there was a concrete foundation that we couldn't, see, this is 700 foot Farmington oil well location and we can put four wells per 40 acres and get the full allowable providing they'll make it drill one well to 10 acres. So rather than mess up a location, we decided it 19 foot to get away from the old concrete foundation and everyone is happy with the well, we made a nice little well. The land owner and Mr. Al Kendricks and Mr., oh, his boss up there, what's his name?

MR. UTZ: Emory Arnold.

A Emory, suggested that I write you all and get approval so it wouldn't mess up any more locations on the 40 for me.

Q Now, have you constructed the fire wall?

A Yes, sir. He thought I ought to build a fire wall, so I built a fire wall twice the capacity of my tank and I built an 8 foot fence around it, the children can't climb.



Q Is this location as advertised, is this correct, is it 330 from the South line?

A Yes.

Q And 1629 from the West line?

A Yes. And I think you have a copy of a letter in your files from the man that we're 19 feet too close to. He was very willing and happy to do it.

Q Yes, he has waived an objection to the location. This location was due to a surface obstruction?

A Yes. Thank you.

MR. PAYNE: Thank you.

MR. UTZ: Any other statements in this case? The case will be taken under advisement.



STATE OF NEW MEXICO)
 : SS
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 8th day of June, 1960.

Ada Dearnley
 Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1982, heard by me on June 1, 1960.

Shirley A. [Signature] Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



NEW MEXICO OIL CONSERVATION COMMISSION

Examiner hearing - Elvis A. Utz

Santa Fe , NEW MEXICO

REGISTER

HEARING DATE June 1, 1960 TIME: 9 a.m.

[illegible]

