

CASE 2424: Application of O. H.
RANDEL for a 30-acre non-standard
OIL PRODUCTION UNIT.

~~Hold pending
receipt of waters
Randel is to furnish
me to change in location
advertising
OK~~

-asa / No.

249D

plication, Transcript,
all Exhibits, Etc.

**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. 2490
Order No. R-2225**

**APPLICATION OF O. H. RANDEL
FOR A NON-STANDARD OIL PRO-
DUCTION UNIT, EDDY COUNTY,
NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 7, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 30th day of April, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, O. H. Randel, seeks the establishment of a 50-acre non-standard oil proration unit in the Abo formation, comprising Lot 3 and the North 702 feet of Lot 4, all in Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (3) That inasmuch as it appears that the North 10 acres of Lot 3 is non-productive in the Abo formation, a 40-acre non-standard oil proration unit should be established consisting of the South 917 feet of Lot 3 and the North 702 feet of Lot 4, all in said Section 19.
- (4) That the applicant originally proposed to dedicate said unit to a well to be drilled at a location 1629 feet from the South line and 537 feet from the West line of said Section 19, but, at the hearing of this case, amended his application, subject to waivers from all offset operators, to locate said well 1500 feet from the South line and 537 feet from the West line of said Section 19.

-2-

CASE No. 2490
Order No. R-2225

(5) That waivers of protest to the proposed well location have been received from all offset operators.

IT IS THEREFORE ORDERED:

(1) That a 40-acre non-standard oil proration unit in the Abo formation is hereby established, consisting of the South 917 feet of Lot 3 and the North 762 feet of Lot 4, all in Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(2) That said proration unit shall be dedicated to a well to be drilled 1500 feet from the South line and 537 feet from the West line of said Section 19, which location is hereby approved.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



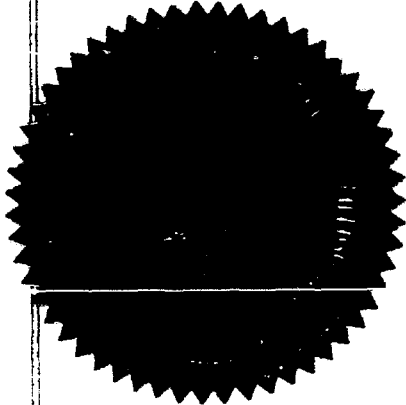
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

May 1, 1962

Re: CASE NO. 2490

ORDER NO. R-2225

APPLICANT:

O.H. RANDEL

Mr. O. H. Randel
P. O. Box 88
Carlsbad, New Mexico

Dear Sir:

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

Very truly yours,

A handwritten signature in cursive script that reads "A. L. Porter, Jr.".

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

OTHER

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 5, 1962

Mr. O. H. Randel
P. O. Box 88
Carlshad, New Mexico

Dear Mr. Randel:

Reference is made to Case No. 2490, heard by me as Commission Examiner on February 7, 1962, in which you requested the formation of a 50-acre non-standard oil production unit in the Abo formation.

Inasmuch as you wished to revise the well location from that which we had legally advertised, we advised you that no order could be entered in the case until such time as we had received waivers of objection to the new location from offset operators.

Our records do not reflect that such waivers have been received. Please advise whether the waivers have been obtained and if so, when they will be forthcoming so that some disposition may be made of this case.

Very truly yours,

DANIEL S. NUTTER
Trial Examiner

DSN/ir

C
O
P
Y

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

FEBRUARY 7, 1962

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 328-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

IN THE MATTER OF:

Application of O. H. Randel for a 50-acre non-standard oil proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to establish a 50-acre non-standard oil proration unit in the Abo formation, comprising Lot 3 and the North 702 feet of Lot 4, all in Section 19, Township 17 South, Range 31 East, Eddy County, New Mexico, said unit to be dedicated to a well to be drilled at a location 1629 feet from the South line and 537 feet from the west line of said Section 19.

CASE NO.
2490

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case No. 2490.

MR. WHITFIELD: Case No. 2490: Application of O. H. Randel for a 50-acre non-standard oil proration unit, Eddy County, New Mexico.

(Witness sworn.)

O. H. RANDEL,

called as a witness, having been first duly sworn on oath, was examined and testified as follows:



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

PAGE 2

MR. RANDEL: I have a short statement that I can read to the Commission, if it please them. It corresponds with our request. It could be put in the record without being read.

MR. NUTTER: I believe, if you will, read this, Mr. Randel.

MR. RANDEL: It is dated February 7, 1962, and addressed to the Commission.

"I am a part owner of (and am associated with and act as representative and agent for the other working interests), Lots 3 and 4 of Section 19, Township 17 South, Range 31 East, Eddy County. We have produced oil from this land for several years out of the Grayburg and Seven Rivers formations. I live in Carlsbad, New Mexico and operate my oil properties from that city..

"Lots 3 and 4 above described contain, according to General Land Office Plats, some 65.32 acres. Normal development of the Abo producing trend has now resulted in one producing Abo well 1/2 mile to the west and another 1/2 mile to the east of a normal location on our lease.

"It is our geological thinking that two wells could very probably be completed upon the 65.32 acre tract by drilling them 660' apart and 330' from the legal subdivision lines. We are reluctant to do this for several reasons.

"1. the investment would be out of line as we would not have the normal two well allowable



"2. Geologically, we think probably by so doing we might actually miss the very highest crest of the reef and thus be unable to recover oil in the crestal dome

"3. We see no reason to drill two wells so close together merely to have more allowable, as we are confident that one properly located producer can adequately drain the reservoir.

"4. Wastage of steel and material to drill the second well is against the rules of conservation and does promote waste.

"We are therefore asking the Commission to grant permission to drill an unorthodox location and further we are asking the Commission to establish a 50 acre non-standard oil production unit in the Abo formation comprising Lot 3 and the north 702 feet of Lot 4. In our original application for a hearing, we requested that the well be authorized 1629' from the south line and 537' from the west line. We would like to amend that, if it please the Commission, so as to locate the well 1500' from the south and 537' from the west. This change is minor but fits our geological thinking some better and also became desirable after actually seeing the location in the field. I am not sure whether such change can be made without further hearing, however, we make such plea.

"After careful study, we believe:

"1. That one properly located well will recover more oil than two wells located in orthodox locations

"2. We will, in the long run, be better off with one



good well having a 50 acre allowable than a possible two inferior wells having 65.32 acre allowable.

"3. The saving of material will prevent economic waste. The drilling of the optimum location will promote conservation and actually result in recovery of more oil.

"4. Following the trend of development in the area the probable first location, if two wells were contemplated would be in Lot 3, and the location as herein requested is in Lot 3, - thus, without this hearing the resultant well would be granted a 32-acre allowable. The decision to ask for a 50-acre allowable hinges on the assumption that the north 702 feet of Lot 4 has Abo oil accumulated thereunder. This will be supported by the testimony of our geologist, Vilas P. Sheldon. Admittedly, the line of demarcation is arbitrary, however, we present it as being reasonable and probable.

"Summing up, we contend that we could, by wasteful practices, achieve a 65.32 acre allowable, that we prefer to drill one well with a 50 acre share of the total reservoir contents, that our proposal promotes conservation and prevents waste.

"We do then, respectively, plead the granting of our application, as amended."

MR. NUTTER: Do you have anything further?

A No, I don't know that I do.

MR. NUTTER: Does anyone have any questions they wish to ask Mr. Randel?



CROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Randel, in your statement, you asked that amendments be made on your application. Have you informed your offset operator to the east and west of you, of your proposed amendment to the application?

A I don't believe so.

Q I believe that the Commission can properly go ahead and, at this Hearing, consider your application as amended, if you will secure a waiver of protest from all of your offset operators, but unless you can submit to us the waiver of protest, we would have to readvertise the matter and bring it on for another hearing.

A Yes.

Q Can you provide the Commission with those waivers within a reasonable time?

A I think we can do that.

MR. MORRIS: That is all.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Randel, in your testimony here, you mentioned that there is one well to the west in Section 24?

A Yes.

Q You mentioned another well located to the west?

A That is the Fran well in the Northwest of the Southeast



of 19.

Q There is a well in the Northwest of the Southwest of 19?

A Yes, sir. It has been in some thirty days or forty days.

MR. SHELDON: I believe it is in the Southwest of the Southeast.

A That is right. I believe it is the Southwest of the Southeast.

Q (by Mr. Nutter) Do you have a lease plat that you could submit to us, Mr. Randel?

A I believe Mr. Sheldon can probably give you information in connection with that when you are ready for him.

Q I was just wondering where this other well was, trying to determine whether this proposed location will be in the Jackson Abo Pool or the Cedar Lakes Abo Pool, or is it your opinion, Mr. Randel, that these two pools will eventually constitute a single pool?

A That is my opinion.

Q And this development will close the gap between them?

A I believe so.

MR. NUTTER: Any further questions of Mr. Randel?

You may be excused.

(Witness excused.)

MR. NUTTER: Do you wish to call Mr. Sheldon to the stand?



MR. RANDEL: Yes, I do.

VILAS P. SHELDON,

called as a witness, having been first duly sworn on oath, was examined and testified as follows:

MR. SHELDON: Are my qualifications accepted?

MR. NUTTER: Yes, sir.

MR. SHELDON: I am Vilas P. Sheldon, geologist of the State of New Mexico. We have Exhibit 1 prepared by myself, if we may introduce it in evidence after we have testified to it. Exhibit No. 1 is in two parts. There is a schematic layout of the South half of Section 19, Township 17 South, Range 38, showing Fran Oil Company's Well 16, 17, and the drilling well No. 18. Sixteen and seventeen are satisfactory producers. It also shows, of course, Lots 3 and 4 of the O. H. Randel lease, showing the dimensions thereof and, in a red crayon, the proposed suggested 50-acre units outlined. The unit would be 2,022 feet long and 1,074 feet wide. The map is computed, using information from the Fran wells and from the Nash-Winford and Brown, west a half a mile to the west. Then the other section of the map is a schematic cross section showing the reef, the producing part of the reef, and it ties in directly to the map so that we can project or line it up and find out what would happen on any location we drill on.

It will be noted that the reef is exceedingly narrow, or the producing portion thereof, is exceedingly narrow. It has



a tremendously steep front. The Fran well No. 17 and 18, a quarter of a mile apart, and almost on this tract.

The No. 18 well was 300 feet higher on the Abo than the 17 was.

The conclusion that I draw from this cross section of the map, of course, is that the ideal location for the Randel well would be in the center or would be 537 feet from the West line and 1500 feet from the South line of the 50-acre unit, or stating it more concisely, it will be 537 feet from the West line and 1140 feet from the North line of Lot 3, Section 19, Township 17 South, Range 31 East.

That is the testimony as I see it.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Sheldon, this well that is in, I presume it is in the Northeast of the Southwest quarter?

A Yes.

Q Directly east of your proposed well, is that a well presently completed or presently being drilled?

A Well, it is to its total depth; it is shut down waiting for orders before it can be completed.

Q Was test made in the Abo?

A Yes.

Q What was the result of that?

A There were four tests made. The first three tests were



gas and the last was water. The oil-water content turned out to be some 2470 minus 2475; it shows up on the cross section.

Q That is the No. 18? Now, the water-oil content was minus 2475?

A Yes.

Q Is it your opinion, if that well had been drilled further south, it would have had a better chance of being a producer?

A Yes, sir, or further north, perhaps. I did not bring an electric log of that well. It will be filed with the Commission, but I do not have it today. The Abo came in at what we thought was tremendously -- it was 6500, it shows here to be minus 3,000, minus a few feet. You see on the cross section, it was very, very high and the top 50 feet of the reef was very poor, very poor; but it contained gas; it is definitely a commercial hydrocarbonite reservoir.

Q Would the fact that the No. 18 well did not produce oil tend to indicate that perhaps there would be some question as to the productivity of the north lot of No. 3?

A Yes.

Q Now, as I understand it, the request is for all of Lot 3 and also the north 702 feet of Lot 4. That is the request?

A Yes, sir.

CROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Sheldon, I am a little confused with the configura-



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6091

tion of Lots 3 and 4. You have a note on your Exhibit that a 40-acre unit would be 1619 feet long, is that correct?

A Yes, I have the note there.

Q How long is the lot?

A Well, if I may reach over, this line here (indicating) does divide Lots 3 and 4. You see, it is what you call a legal quarter section line for the 16 section line. It is obscured by the contouring, but it is there.

Q How long is Lot 3 on the north side?

A It is a standard 1320.

Q Lot 4 is the same?

A Yes.

Q But the lots are narrower?

A Yes, sir.

Q So that according to your calculations, a 40-acre unit will be 1601 feet?

A Yes, sir. This is probably not a geological observation, but if I may state our thinking, as to what the 150-unit will do to the rest of this little narrow Abo field. There are other operators thinking along the same lines. Should they crowd around the same line, citing for an 80-acre allowable, you are running or you are taking the chance of damaging the field by greedily asking for greater allowables, or should it be developed to the best scientific knowledge that we can provide, which admittedly is not going to be very good with our trial and



error or mistake method.

Q Mr. Sheldon, I agree that it is necessary in every instance of this type for the Commission to arrive at the productive average within your leasehold interests here, in order that a well not be assigned and an allowable, a proportional allowable greater than its productive range. What is your estimate in the east and west directions?

A I think I understand your question; it would be very difficult for me to answer the question. Certainly, I cannot answer it from a geological or from an expert's standpoint. I certainly don't want to evade the issue. All I can say is that if and so long as these operators who are managing the wells are willing to dig in the so-called orthodox locations, they would get 40 acres every time they completed a well, even though practically anybody that knew anything about the well knew that there was only one little corner that likely had oil. Of course, as you well know and I well know, it is very difficult to get very dogmatic on just exactly where oil might be in an oil field. It is almost impossible to start ruling certain corners of the certain leases out. Just as soon as one of us gets that smart, someone calls a location and shows us we don't know hardly anything about it.

I really don't know how to answer your question. It would be --

Q Mr. Sheldon, does Mr. Randel now own all of Lots 3 and



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

4?

A Yes.

Q A 40-acre proration unit could be created, could it not, by including the south 810 feet of Lot 3 and the north 810 feet of Lot 4?

A Yes, just so it was 1619 feet long.

Q So, you could create a 40-acre unit in this area by taking half of -- well, not half, but an equal share from Lots 3 and 4?

A Yes.

Q If such a 40-acre unit were formed, do you feel that 40-acre unit would be right on top of the trend?

A The south part of Lot 3 and north part of Lot 4?

Q Right.

A Yes, sir.

Q You feel that it would?

A Yes, sir.

Q Then you would propose to drill your well how far south, rather how far north of the lot line?

A Well, we wouldn't move the location any.

Q How far north of the south line of Lot 3 was your well located?

A One hundred eighty feet -- well, we are going back to the question of the correlative rights there, because that depends on what the other location is. If the owners on the east and



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

west crowd his line, then Mr. Randel is going to lose oil and I presume that economics will force him to try to protect himself. It seems to me we are facing the large question of what is waste and what is conservation.

MR. NUTTER: I have no further questions.

Does anyone have any further questions of Mr. Sheldon?

You may be excused, Mr. Sheldon.

(Witness excused.)

MR. MORRIS: I would like to, before the case is taken under advisement, to remind the applicant that no action at all can be taken upon your unorthodox location request until the waiver of protest is received from each of your offset operators.

MR. RANDEL: Yes, is that all three directions?

MR. SHELDON: Well, it will be just three of them.

MR. NUTTER: Do you have anything you wish to offer in this case, Mr. Randel?

MR. RANDEL: No, sir. I don't believe so.

MR. NUTTER: We will take the case under advisement and take a fifteen-minute recess.

(Recess taken at 3:05 o'clock p.m.)



INDEX

WITNESS

PAGE

O. H. RANDEL

Direct Testimony	2
Cross Examination by Mr. Morris	5
Cross Examination by Mr. Nutter	5

VILAS P. SHELDON

Direct Testimony	7
Cross Examination by Mr. Nutter	8
Cross Examination by Mr. Morris	9




DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243 6691

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

I, CECIL LANGFORD, NOTARY PUBLIC in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of hearing was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.


NOTARY PUBLIC

My Commission Expires:



NO. 4-62

DOCKET: EXAMINER HEARING - WEDNESDAY, FEBRUARY 7, 1962

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Utz, as alternate examiner:

- CASE 2487: Application of Gulf Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its W. A. Ramsay (NCT-C) Well No. 3, located 1650 feet from the South line and 330 feet from the West line of Section 36, Township 24 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional), in the North Justis-Ellenburger, North Justis-Fusselman and North Justis-McKee Pools with the production of oil from all zones to be through parallel strings of 2 3/8-inch tubing.
- CASE 2488: Application of Texaco Inc., for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its State "R" NCT-4 Well No. 1, located in Unit C of Section 7, Township 18 South, Range 35 East, Lea County, New Mexico, as a dual completion (tubingless) in an undesignated Drinkard pool and an undesignated Abo Pool with the production of oil from both zones to be through parallel strings of 2 7/8-inch casing cemented in a common well bore.
- CASE 2489: Application of Caulkins Oil Company for an amendment of Rule 5, Order No. R-1191, Rio Arriba County, New Mexico. Applicant, in the above styled cause, seeks an amendment of Rule 5 of the Special Rules and Regulations for the South Blanco-Tocito Oil Pool, Order No. R-1191, to permit bottom hole pressure tests on all wells to be taken annually during the month of October of each year instead of semi-annually as Rule 5 presently prescribes.
- CASE 2490: Application of O. H. Randel for a 50-acre non-standard oil proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to establish a 50-acre non-standard oil proration unit in the Abo formation, comprising Lot 3 and the North 702 feet of Lot 4, all in Section 19, Township 17 South, Range 31 East, Eddy County, New Mexico, said unit to be dedicated to a well to be drilled at a location 1629 feet from the South line and 537 feet from the West line of said Section 19.
- CASE 2491: Application of D. W. Falls, Inc., for the promulgation of special rules governing oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, and for four non-standard oil proration units. Applicant, in the above-styled cause, seeks the promulgation of special rules governing

oil wells in the Basin-Dakota Pool, San Juan and Rio Arriba Counties, New Mexico, including a provision defining an oil well in said pool as a well having a gas-oil ratio of 30,000 to 1, or less, and producing liquid hydrocarbons with a gravity of 49° API, or less; applicant seeks rules establishing 160-acre oil proration units and fixing well location requirements for said wells. Applicant further seeks the establishment of the four following non-standard oil proration units, all in Township 28 North, Range 13 West, San Juan County:

E/2 of Section 10, comprising 137.58 acres;
W/2 of Section 10, comprising 137.78 acres;
E/2 of Section 11, comprising 137.78 acres;
W/2 of Section 11, comprising 137.58 acres;

CASE 2492:

Application of Western Development Company and Yates Petroleum Corporation for a waterflood in the Artesia Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Artesia Pool on the State 648 Lease located in Section 10, Township 19 South, Range 28 East, Eddy County, New Mexico; the injection of water into the Grayburg formation initially will be through six wells located on said lease, said project to be governed by the provisions of Rule 701.

CASE 2493:

Application of Waterflood Associates, Inc., Western Development Company and Yates Petroleum Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Artesia Pool on the State 14 and State 647 Leases located in Section 14, Township 18 South, Range 28 East, Eddy County, New Mexico; the injection of water into the Grayburg formation initially will be through six wells located on said leases, said project to be governed by the provisions of Rule 701.

MAIN OFFICE OCC
1962 JAN 18 AM 8:34

Carlsbad, New Mexico
January 17, 1962

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

Dear Sir:

This letter is intended to be a request for an examiner's hearing requesting that a 50 acre tract be pooled out of Lot 3 and the north 702' of Lot 4 both being in Section 19, Township 17 South, Range 31 East, Eddy County, New Mexico. Lots 3 and 4 in their entirety contain 65.32 acres. Lot 3 and the north 702' of Lot 4 contain 50 acres. It is our contention and representation at this time, and we will be prepared to present testimony to such effect, that the described 50 acres has reasonable expectation of producing from the Abo formation within the Cedar Lake Abo Pool.

The operator of the property herewith requests the Commission to set up for hearing the matter of creating a 50 acre drilling tract composed of the above described 50 acres in conformance with Rule 104, particularly sections (1) and (m).

It is further stated for your information that should the request be granted that the test well will be drilled 537' from the west line and 1629' from the south line of Section 19. Such location will place it in the precise center of the 50 acre tract.

Mr. O. H. Randel will represent himself at the hearing, accompanied by Vilas P. Sheldon to present geological evidence.

Yours very truly,

O. H. Randel

O. H. Randel

by Vilas P. Sheldon

ld

1-26-62

1 3
DOWNEY BLDG.
TU 5-6321

O. H. RANDEL

P. O. Box 88

CARLSBAD, NEW MEXICO

April 9, 1962.

MAIN OFFICE OCC

1962 APR 10 AM 3:18

New Mexico Oil Conservation Commission,
P. O. Box 871,
Santa Fe, New Mexico.

Dear Mr. Nutter:

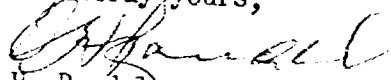
Re: Case No. 2490

In connection with your letter of April 5, wish to advise that waivers have been received from all offset owners with exception of Delhi-Taylor and I am again writing them today air mail requesting that they please let me have an immediate reply.

Will advise you further in connection with this matter just as soon as I can hear from Delhi-Taylor.

Thanking you for your cooperation, I am,

Sincerely yours,


O. H. Randel

To be filed into
Record. Case 2490

Oil Conservation Commission
Box 571
Santa Fe, New Mexico

STATEMENT OF O. H. BARNER IN CONNECTION WITH CASE 2490;
EXAMINER HEARING FEBRUARY 7, 1962

I am a part owner of (and am associated with and act as representative and agent for the other working interests), Lots 3 and 4 of Section 19, Township 17 South, Range 31 East, Elddy County. We have produced oil from this land for several years out of the Grayburg and Seven Rivers formations. I live in Carlsbad, New Mexico and operate my oil properties from that city.

Lots 3 and 4 above described contain, according to General Land Office Plat, some 65.32 acres. Normal development of the Abo producing trend has now resulted in one producing Abo well 1/2 mile to the west and another 1/2 mile to the east of a normal location on our lease, ~~and we are ready to attempt the completion.~~

It is our geological thinking that two wells could very probably be completed upon the 65.32 acre tract by drilling them 660' apart and 330' from the legal subdivision lines. We are reluctant to do this for several reasons.

1. the investment would be out of line as we would not have the normal two well allowable
2. Geologically, we think probably by so doing we might actually miss the very highest crest of the reef and thus be unable to recover oil in the crestal dome
3. We see no reason to drill two wells so close together merely to have more allowable, as we are confident that one properly located producer can adequately drain the reservoir
4. Wastage of steel and material to drill the second well is against the rules of conservation and does promote waste.

We are therefore asking the Commission to grant permission to drill an unorthodox location and further we are asking the Commission to establish a 50 acre non-standard oil proration unit in the Abo formation comprising Lot 3 and the north 702 feet of Lot 4. In our original application for a hearing, we requested that the well be authorized 1629' from the south line and 537' from the west line. We would like to amend that, if it please the Commission, so as to locate the well 1529' from the south and 537' from the west. This change is minor but fits our geological thinking some better and also became desirable after actually seeing the location in the field. I am not sure whether such change can be made without further hearing, however, we make such plea.

00 1:10 ~~1:10~~
hit field away
aston

After careful study, we believe:

1. That one properly located well will recover more oil than two wells located in orthodox locations
2. We will, in the long run, be better off with one good well having a 50 acre allowable than a possible two inferior wells having 65.32 acre allowable.
3. The saving of material will prevent economic waste. The drilling of the optimum location will promote conservation and actually result in recovery of more oil.
4. Following the trend of development in the area the probable first location, if two wells were contemplated would be in Lot 3, and the location as herein requested is in Lot 3, - thus, without this hearing the resultant well would be granted a 32 $\frac{1}{2}$ acre allowable. The decision to ask for a 50 acre allowable hinges on the assumption that the north 703 feet of Lot 4 has the oil accumulated thereunder. This will be supported by the testimony of our geologist, Vilas P. Sheldon. Admittedly, the line of demarcation is arbitrary, however, we present it as being reasonable and probable.

Summing up, we contend that we could, by wasteful practices, achieve a 65.32 acre allowable, that we prefer to drill one well with a 50 acre share of the total reservoir contents, that our proposal promotes conservation and prevents waste.

We do then, respectively, plead the granting of our application, as amended.

O. H. Randel

MAIN OFFICE OCC

1962 APR 18 PM 1:50

VILAS P. SHELDON

Consulting Geologist and Registered Land Surveyor
Valuations, Appraisals, Geological Reports, Surveys

~~FRANKENMUTH~~
ARTESIA, NEW MEXICO

April 17, 1962

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Re: Case 2490
O. H. Randel

Gentlemen:

We are enclosing waivers concerning the amendment to subject docket from the following companies:

Plemons and Hewitt
Fren Oil Company
Nash, Windfohr and Brown
Delhi-Taylor Oil Corp.
Sinclair Oil and Gas Co.

Very truly yours,

Vilas P. Sheldon
Vilas P. Sheldon

ld

Encs.

cc: O. H. Randel

O. H. Randel
Box 88
Carlsbad, New Mexico

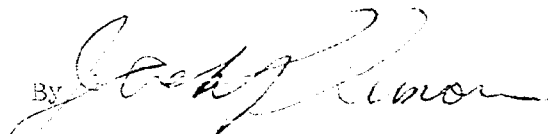
Dear Sir:

In regard to Oil Conservation Commission Docket #2490, we do not object to your amendment seeking to move the proposed location 129' south of the advertised footage. This statement is confined to the amendment and is in no way an expression concerning other aspects of the matter heard under Docket #2490.

Yours very truly,

PLEMONS AND HEWITT

By



RECEIVED
OIL CONSERVATION COMMISSION
JUN 1 1950

RECEIVED OFFICE CCC
1962 APR 19 PM 1:50
1962 APR 19 PM 1:50

February 8, 1962

O. H. Randel
Box 88
Carlsbad, New Mexico

Dear Sir:

In regard to Oil Conservation Commission Docket #2490, we do not object to your amendment seeking to move the proposed location 129' south of the advertised footage. This statement is confined to the amendment and is in no way an expression concerning other aspects of the matter heard under Docket #2490.

Yours very truly,

FREN OIL COMPANY

By *Man Enginger*

NASH, WINDFOHR & BROWN
OIL PRODUCERS
FIRST NATIONAL BANK BUILDING
FORT WORTH, TEXAS

February 9, 1962

11:11 AM OFFICE OCC
1962 APR 10 PM 1:50

Mr. O. H. Randel
P. O. Box 88
Carlsbad, New Mexico

Dear Sir:

In regard to Oil Conservation Commission
Docket #2490, we do not object to your amendment
seeking to move the proposed location 129 feet south
of the advertised footage.

This statement is confined to the amendment
and is in no way an expression concerning other as-
pects of the matter heard under Docket #2490.

Yours truly,

NASH, WINDFOHR & BROWN



R. F. Windfohr

RFW:ard

Mr. O. H. Randel,
P. O. Box 88,
Carlsbad, N. M.

Dear Sir:

In regard to Oil Conservation Commission Docket #2490, we do not object to your amendment seeking to move the proposed location 129' south of the advertised footage. This statement is confined to the amendment and is no way an expression concerning other aspects of the matter heard under Docket #2490.

Yours Very truly,

Delhi-Taylor Oil Corp.

By *J. H. Daughman*
Manager, Production Dept.

1932 APR 10 PM 1:50
MAIN OFFICE DCC

C
O
P
Y

1962 APR 18 PM 1 50
DIVISION OF OIL & GAS
NEW MEXICO

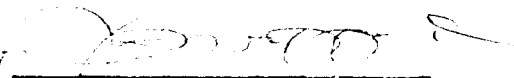
O. H. Randel
Box 88
Carlsbad, New Mexico

Dear Sir:

In regard to Oil Conservation Commission Docket #2490, we do not object to your amendment seeking to move the proposed location 129' south of the advertised footage. This statement is confined to the amendment and is in no way an expression concerning other aspects of the matter heard under Docket #2490.

Yours very truly,

SINCLAIR OIL AND GAS CO.

BY 
Joe Mefford
Division Production Superintendent

February 23, 1962

OK
AMB

$$\begin{array}{r} 1629 \\ 129 \\ \hline 1500 \end{array}$$

MAIN OFFICE OCC

1962 April 16, 1962
1:30

File Core
2490

Mr. Vlas P. Shelton,
Artesia, N. M.

Dear Mr. Shelton:

At last I have received waiver in connection with
our case Docket #2490 which was heard by the
New Mexico Oil Conservation Commission February
7, 1962.

I am enclosing the waiver from Delmi-Taylor and
ask that send it with the other waivers which you
have to the New Mexico Oil Conservation Commission,
P. O. Box 871, Santa Fe, New Mexico to the attention
of Mr. Daniel S. Mutter.

Thanking you for your prompt attention in connection
with this matter, I am,

Sincerely yours,

O. H. Randel
O. H. Randel.

cc/ New Mexico Oil Conservation Commission,
Santa Fe, N. M.

C
O
P
Y