

Case No.

183

Application, Transcript,
Small Exhibits, Etc.

W. W. PORTS
GEOLOGIST—GEOLOGICAL ENGINEER
ARTESIA, NEW MEXICO

April 15, 1949.

Mr. Dick Spurrier,
Oil Conservation Commission,
Santa Fe, New Mexico.

Dear Sir;

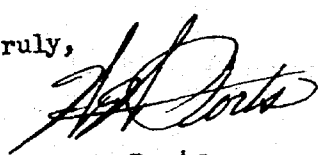
On October 15, 1948, upon the request of Mr. V. S. Welch, a survey was made to verify a location previously made. The location was for the proposed Redlake Oil Co.-Williams, 3-B, NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, Sec. 29, T17S., R28E., Eddy Co.

The survey was started at the U.S.G.L.O.S. iron stake marking the common corner between Sec. 28 and Sec. 29, at the so called "quarter corner". The survey was extended North a distance of 990', thence West a distance of 1650'. The distances were measured to the proposed location, which was subsequently drilled, and it was found to be 70' East and 37' South of the surveyed location. Deductions were made from the measured distances and a certified plat was prepared showing the corrected distances to the location drilled. This location was also, using standard dimentional figures for a section, 1687' from the North line and 1580' from the East line.

As the drilled location was considered unorthodox, a resurvey was made on April 4, 1949, using the North "quarter corner" of Section 29 as a starting point. Due to the rain cold and snow that day, the distance East from the North corner stake was all that was measured. It was found that the then drilled well was 1001' from the North/South center line of the Section 29, or 11' too far East. With this calculation, the well appears to be 11' East and 37' South of the desired location.

Hoping this will clerify this matter, I am

Yours very truly,


W. W. Ports.

LEA COUNTY OPERATORS COMMITTEE

DRAWER 1

HOBBS, NEW MEXICO

January 21, 1949

BW

Mr. R. R. Spurrier
Director
Santa Fe, New Mexico

Dear Mr. Spurrier:

Acting upon the request of Mr. R. E. Canfield of the U. S. G. S., we wrote a letter to the Artesia Pipe Line Company on January 13, 1949, cancelling the January allowable for the Red Lake Oil Company's Williams "B" #2-G, 29-17-28, Red Lake Pool, for the reason that it was an unorthodox location that had not been approved by the Oil Conservation Commission. We sent a copy of this letter along with a copy of Mr. Canfield's letter to you.

In the transporter's reply to our letter it is stated that they have authorization to run oil until such time as the requirements set out in the U. S. G. S. letter have been met. We are inclosing a copy of their reply and since this is a regulatory matter we are referring it to you for handling.

Yours very truly,

Glenn Staley
Glenn Staley

ALP/rm

Encl.

cc: Red Lake Oil Company
New Mexico Asphalt & Refining Co.

Scout Rep
USGS agrees of ops. Lohr

See Case 183

C-110/Edley County

NEW MEXICO ASPHALT & REFINING COMPANY
P. O. BOX 367
Artesia, New Mexico

January 17, 1949

Mr. Glenn Staley
Lea County Operators Committee
Drawer Eye
Hobbs, New Mexico

Dear Sir:

Reference is made to your letter of January 13, 1949,
cancelling the January allowable for the Red Lake Oil Company's
Williams #2-G, 29-17-28, Red Lake Pool.

C-1105
This is to advise that we have on file proper authori-
zation to run oil from this well, signed by R. R. Spurrder, until
such time as the requirements set out in the U. S. G. S. letter
of January 11, 1949 have been met.

Trusting that these facts will meet your approval, we are

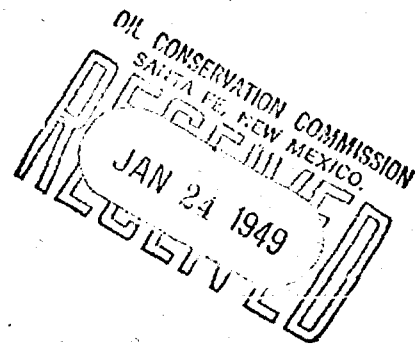
Very truly yours,

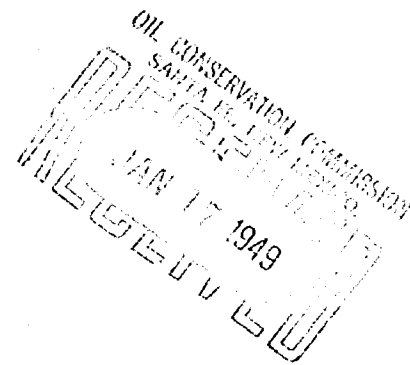
NEW MEXICO ASPHALT & REFINING CO.

/s/ Max G. Schulze, Jr.
Crude Purchases Division

MGS/

cc: Mr. Van S. Welch
Red Lake Oil Company
Artesia, New Mexico





January 15, 1949

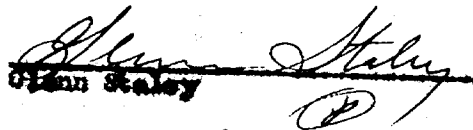
Artesia Pipe Line Company
Box 387
Artesia, New Mexico

Gentlemen:

In accordance with a letter from the Department of Interior under date of January 11, 1949, a copy of which is enclosed, we are, hereby, cancelling the January allowable for the Red Lake Oil Company's Williams B #2-G, 28-17-28, Red Lake Pool.

The above listed well will be withheld from the production schedule until such time as we are notified by the Oil Conservation Commission that the requirements as set out in the enclosed letter have been met by the operator.

Yours very truly,


Glenn Staley

ALP/m

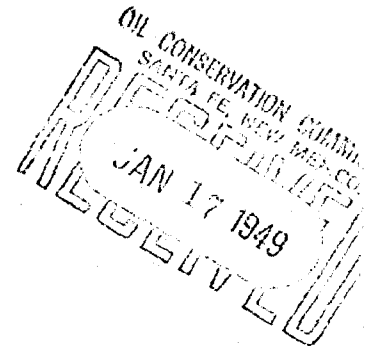
cc: Red Lake Oil Company
Oil Conservation Commission
Federal Petroleum Board
Mr. R. E. Canfield, U. S. G. S., Roswell, N. M.

See Case 183

C
O
P
Y

UNITED STATES DEPARTMENT OF THE INTERIOR
Geological Survey

P. O. Box 997
Roswell, New Mexico
January 11, 1949



Red Lake Oil Company
P. O. Box 1058
Artesia, New Mexico

Re: Las Cruces 046250 (b)

Gentlemen:

Records in this office indicate that your well No. 2-B on subject lease in Sec. 29, T. 17 S., R. 28 E. is an unorthodox location being only 250 feet west of a 40 acre subdivision line.

Section 1 (a) of Order No. 637, Statewide Proration Order, reads in part: "No well shall be drilled closer to any unit boundary line than 330 feet or less than 660 feet from any other well except on petition, notice and hearing as provided by law, provided such an unorthodox well location will create neither waste nor hazards conducive to waste."

Accordingly, it is requested that you do not produce your well No. 2-B until you have petitioned the "Oil Conservation Commission" and obtained approval for this unorthodox well location.

Very truly yours,

(Orig. Sgd.) R. E. Canfield
Acting Supervisor, Oil and Gas Operations.

PTM:jw
cc: Mr. Glenn Staley
Artesia

Mr. Glenn Staley:

It is requested that you withhold allowable for this well on proration schedule until such time as unorthodox location is approved by Oil Conservation Commission.

(Sgd.) R. E. C.

January 10, 1949

Mr. Van S. Welch
Booker Building
Artesia, New Mexico

Dear Van:

This letter is written following the telephone conversation we had some two weeks ago, about an unorthodox location which you have in the Artesia pool.

The New Mexico Oil Conservation Commission rules and regulations say: "No well shall be spaced closer than 330 feet to the unit boundary". It is also mentioned in these rules and regulations that a hearing may be held for an unorthodox location and the location thereby permitted.

The same rules and regulations and the statutes do not give us the authority to permit the drilling, completion or producing or production of any unorthodox location. The rules and regulations say, and I think it was intended by the men who wrote them, that no one member of the Commission should have the authority to permit or refuse unorthodox or other locations.

The U.S.G.S. through their supervisor, Mr. Morrell, may permit such locations. Since this well is on Federal land, and you say they have given you permission, then you have every right to feel that you are cleared with them. We do, however, realize that their rules and regulations say that they shall, whenever possible, follow the State rules and regulations. We have always felt that the State rules should be followed within the State borders, and I doubt very much if we should attempt to condone the authority which the U.S.G.S. already assumed. The only way in which your location can be legalized is for you to come before the Commission for a hearing.

In the meantime we understand that Mr. Newman has signed the C-110, in order that you may transport oil from this well and not be unduly inconvenienced.

Very truly yours,

R. R. Spurrier
Secretary and Director

RRS:bw

cc: Mr. Newman

Section..... Township..... Range.....

D	C	B	A
E	F	G	H
L	K	J	I
M	N	O	P

1320
330
5230

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 183
ORDER NO. 825

THE APPLICATION OF RED LAKE OIL COMPANY FOR
AN ORDER PERMITTING AND APPROVING AN UN-
ORTHODOX WELL LOCATION 1687 FEET SOUTH OF
THE NORTH LINE AND 1580 FEET WEST OF THE
EAST LINE OF SECTION 29, TOWNSHIP 17 SOUTH,
RANGE 28 EAST, N.M.P.M., IN THE RED LAKE
POOL IN EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 A.M., May 5, 1949, at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 31st day of May, 1949, the Commission having before it for consideration the evidence presented at the hearing of said cause, and being fully advised in the premises,

FINDS:

1. That due public notice of said cause having been given, as required by law, the Commission has jurisdiction of the case.
2. That due to irregularities in the Sections, Red Lake Oil Company located a well, known as its Williams No. 2 B, in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 17 South, Range 28 East, N.M.P.M., and it was intended that said well would be located 650 feet south of the north line and 1650 feet west of the east line of said Section 29; and that said location has been surveyed and, by reason of the irregularities, said location is actually 1687 feet south of the north line and 1580 feet west of the east line of said Section 29, Township 17 South, Range 28 East, N.M.P.M.
3. That said irregular location of said well is a result of the irregular Section or an error in the survey and was unintentional, and the location of said well is not prejudicial to any adjoining lease owners or detrimental to any lease interests in said field.
4. That owners of offset acreage to the proposed location have offered no objection to petitioner's application, for approval of such unorthodox location.
5. That the acreage involved is public domain lands of the United States of America, leased to Red Lake Oil Company under lease Las Cruces 046250.

IT IS THEREFORE ORDERED:

That the application of Red Lake Oil Company for an order approving the location of its Red Lake Oil Company - Williams No. 2 B Well in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 17 South, Range 28 East, N.M.P.M. (being more particularly described as 1687 feet south of the north line and 1580 feet west of the east line of said Section 29), be, and it hereby is, granted, and the location of said well is hereby approved.

IT IS FURTHER ORDERED:

That said well, by itself or in conjunction with other wells in said SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 17 South, Range 28 East, N.M.P.M., shall not be produced in excess of the allowable for the Red Lake Pool.

DONE at Santa Fe, New Mexico, the day and year above mentioned.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Thomas J. Mabry
THOMAS J. MABRY, CHAIRMAN

Guy Shepard
GUY SHEPARD, MEMBER

R. R. Spurrer
R. R. SPURRIER, SECRETARY

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO
* * * *

RE: PETITION FOR APPROVAL OF UNORTHODOX
LOCATION

P E T I T I O N

COMES NOW Red Lake Oil Company, a co-partnership composed of Nell Gillespie, Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, by V. S. Welch, guardian of Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, minors, and manager at Artesia, New Mexico of the said Red Lake Oil Company, and petitions the Oil Conservation Commission for an order approving an unorthodox oil and gas well location, and states:

1. That said co-partnership, known as Red Lake Oil Company, is the owner and holder of an oil and gas lease issued by the United States of America, bearing Las Cruces Serial No. 046250, and covering, among other lands not material to this application, the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 29, Township 17 South, Range 28 East, N.M.P.M., in Eddy County, New Mexico. That said lands above described are within what is known and designated as the Red Lake Field in Eddy County, New Mexico.

2. That your petitioner states on information and belief that said Section 29 is an irregular Section, and that the distance on the north line of said Section from the center of said Section to the northeast corner is 2581 feet instead of 2640 feet.

3. That Red Lake Oil Company has a well, known as

its Williams No. 2B, which well is located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29, Township 17 South, Range 28 East, N.M.P.M., and it was intended that said well would be located 650 feet south of the north line and 1650 feet west of the east line of said Section 29, so that said well would be located 330 feet from the north line of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 29 and 330 feet west of the east line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 29, Township 17 South, Range 28 East, N.M.P.M.

4. That said location has been surveyed and said well, by reason of the irregular Section, is actually located 1687 feet south of the north line and 1580 feet west of the east line of said Section 29, Township 17 South, Range 28 East, N.M.P.M.

That said unorthodox or irregular location of said well is a result of the said irregular Section, or an error in the survey, and was unintentional, but the location of said well is not prejudicial to any adjoining lease owners or detrimental to any lease interests in said field.

That petitioner is informed and believes that Delhi Oil Corporation is the owner of the offset location to the north; and the lands to the east, so petitioner is informed and believes, are lands owned by the State of New Mexico and are not leased.

WHEREFORE, petitioner prays that the location of said well, as above set forth, be approved and that all necessary and proper orders be made in the premises.

RED LAKE OIL COMPANY

by B. J. Helch
Manager at Artesia, New Mexico.