

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 414

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

RECORDED
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October 15, 1952
Regular Hearing

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

MR. SPURRIER: 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 15 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 13½ 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 subdivision 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.

