

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
May 23, 1956

IN THE MATTER OF:)
CASE NO. 1075)

TRANSCRIPT OF PROCEEDINGS

BEFORE THE
OIL CONSERVATION COMMISSION
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In the matter of the application of Humble Oil & Refining Company for an order granting an exception to Section 2 (c) of the Special Rules and Regulations of the Crosby Devonian Pool as set forth in Order R-639 in establishment of an unorthodox location for its Charles T. Bates No. 1 well in the Crosby Devonian Pool in Section 29, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE NO. 1075

Applicant, in the above-styled cause, seeks an order granting an unorthodox location for its Charles T. Bates No. 1 Well to be drilled in the Crosby Devonian Pool at a location 920 feet from the North line and 2170 feet from the West line of Section 29, Township 25 South, Range 37 East, Lea County, New Mexico; said request for unorthodox location is necessitated by surface obstructions.

DIRECT EXAMINATION

by Warren W. Mankin, Examiner

EXAMINER MANKIN: The next case is Case 1075, the application of Humble Oil and Refining Company for an order granting exception to Section 2 (c) of the Special Rules and Regulations of the Crosby-Devonian Pool as set forth in Order R-639 in the establishment of an unorthodox location for a well in Lea County, New Mexico.

HOWARD BRATTON: I am Howard Bratton, representing the Humble Oil and Refining Company. Mr. Graybill will take the stand.

J. W. GRAYBILL

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

BY BRATTON:

Q. Would you state your name please?

A. J. W. Graybill.

Q. What is your occupation, Mr. Graybill, by whom are you employed?

A. Assistant Division Petroleum Engineer of the Western Division of the Humble Oil and Refining Company.

Q. Does that include Lea County, New Mexico?

A. Yes, sir.

Q. How long have you been so engaged, Mr. Graybill?

A. 26 years.

Q. As such, has your work and your supervision included the area of Lea County, New Mexico, during that period of time?

A. Yes, sir.

Q. During all that period of time, has your occupation and has your position been the same? What positions have you occupied?

A. I advanced from Junior Petroleum Engineer to Assistant Division Petroleum Engineer. I have been Assistant Division Petroleum Engineer since 1935.

MR. BRATTON: Are the qualifications of the witness satisfactory to the Commission?

MR. YANKIN: They are. Will you please speak directly into the microphone, Mr. Graybill? With the air-conditioning here we need to be sure we get it for the transcript.

MR. BRATTON: Will you state the purpose of this hearing, Mr. Graybill?

A. Humble Oil and Refining Company seeks an order granting an unorthodox location for its Charles T. Bates No. 1 in the Crosby-Devonian Pool in Section 29, Township 25 South, Range 37 East, Lea County, New Mexico. The location sought is in the NE/4 of the NW/4 of Section 29 and is 920 feet from the North line and 2170 feet from the West line of the above-mentioned section. This location is unorthodox in that it is less than 660 feet from the tract boundary and violates Section 2 (b) of the Special Crosby-Devonian Rules as set forth in Order R-639.

Q. Mr. Graybill, you have prepared a map of the area?

A. Yes, sir.

Q. Explain what this map shows with relation to the area in question, Mr. Graybill?

MR. GURLEY: Excuse me just a minute. Mr. Bratton, how many copies of this do you have?

MR. BRATTON: Four.

MR. GURLEY: It is customary to have five.

MR. MANKIN: Could we have another copy, please, for our staff?

A. This plat is enlarged to scale of the NE/4 of the NW/4 of Section 29, and shows the surface obstructions at present that require this location to be unorthodox. In the first place, the orthodox location is located 660 feet from the North and 1980 feet from the West, would be approximately in the center of New Mexico State Highway 18, the other obstructions are the Texas-New Mexico Railway, El Paso Natural Gas Company industrial yard, the City of Jal, New Mexico residential dedicated area, which eliminates moving the location west or southwest. The location of R. Olsen Industrial Area occupying the NE/4 of the tract prevents moving the location directly east. The location presently sought is within the minimum workable area required by a drilling operation and is as close as permitted by the industrial area to the North.

Q. Have you prepared a map showing the ownership of the operating rights in the area in consideration and the status of the development within the area?

A. Yes, sir.

Q. I would like to have this map marked as Humble's Exhibit No. 2. Mr. Graybill are you familiar with the development in the area under consideration of the Crosby-Devonian?

A. Yes, sir.

Q. In your opinion, will the granting of this order be necessary to prevent waste and protect correlative rights?

A. Yes, sir.

Q. In your opinion, will the granting of this order injure the owner of any operating rights within the area?

A. In my opinion, it will not.

Q. Have you sought waivers from the owners of the operating rights within the area?

A. Yes, sir.

Q. Do you have them with you?

A. Yes, sir.

MR. BRATTON: Mr. Examiner, we have waivers from all of the operators within the area. We will be glad to submit them to the Commission if they are of interest to the Commission. We can mark them as one Exhibit and submit all of them.

MR. MANKIN: It will not be necessary if you are prepared to make a statement to that effect-- that they were obtained from all offset operators.

Q. Have you obtained waivers from all of the offset operators within this area, Mr. Graybill?

A. Yes, sir.

Q. Do you have those waivers and are they available for the Commission if the Commission so desires?

A. They are, sir.

Q. Do you have any further statement that you care to make in connection with this matter, Mr. Graybill?

A. No, sir, I don't.

MR. BRATTON: I would like to enter in evidence, Humble's Exhibits 1 and 2.

MR. MANKIN: Is there objection in entering Humble's Exhibits 1 and 2 in this case? If not, they will be so entered. Mr. Graybill, would you list the names of those persons which you have received waivers from?

MR. GRAYBILL: We have a list of them which we will submit to the Commission as Exhibit No. 3, marked Humble's Exhibit No. 3.

MR. MANKIN: Is there objection to entering Exhibit No. 3 in this case? If not it will be so entered. For the record, I would prefer to indicate who these operators are so that everyone is aware of it: R. Olsen, R. Olsen Oil Company, Amerada Petroleum Corporation, Anderson Prichard, Sun Oil Company, E. A. Culbertson, Wallace L. W. Irwin, Atlantic Refining, W. B. Redman, Sinclair Oil and Gas, Cities Service Oil and Gas, Argo Oil Corporation, A. Wittingham, Peerless Oil and Gas, Hugh Cordigan and Continental Oil Company. Do you have anything further in this case, Mr. Bratton.

MR. BRATTON: We would like to call the attention of the Commission to the fact that on the Docket this case is listed as a request as an Exception to Section 2 (c). We believe it is an Exception to 2 (b) of Rule R-639. I don't believe that it makes any difference in the purpose of the ----

MR. GURLEY: You don't happen to have a copy of that order here available with you?

MR. BRATTON: I believe that shows 2 (b) to be the spacing portion of the order.

MR. GURLEY: Yes, I believe that's right. Do you move at this time that your record be amended to show that paragraph?

MR. BRATTON: Yes, sir, I will.

MR. MANKIN: We will consider it as an exception to Section 2 (b) of the Special Rules and Regulations of the Crosby-Devonian Pool as set forth in Order R-639 in this case. Do you have anything further, Mr. Bratton?

MR. BRATTON: Nothing in this case. We would like to file a letter with the Commission relative to Mr. House's letter which requested this hearing. The letter which we desire to file at this time shows a lease designation plat which has been amended in some regards and we would merely like to file that with the Commission. We do not desire to enter it in the record of the case as I don't

believe it is evidence in the case.

MR. MANKIN: So your original application of May 1st, you are amending that particular portion of your letter dated May 1st in this letter dated May 22nd in which the lease ownership plat has been changed.

MR. BRATTON: That is correct.

MR. MANKIN: And which is, likewise, reflected by your Exhibit No. 2 as presented in this case?

MR. BRATTON: Yes, sir.

MR. MANKIN: Anything further?

MR. BRATTON: We have nothing further.

MR. MANKIN: Is there question of the witness in this case? If there is no question of the witness, the witness may be excused. Is there any statements to be made in this case? If not, we will take the case under advisement.

STATE OF NEW MEXICO)

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ss

COUNTY OF SANTA FE)

I, Nancy Chowning, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner at Hobbs, New Mexico, is a true and correct record, to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico this 25th day of September, 1956.

Nancy Chowning