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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
October 24, 1957

#1
TRANSCRIPT OF HEARING
CASE NO. 1333

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
October 24, 1957

IN THE MATTER OF:)

)
Application of Malco Refineries,)
Inc., for an unorthodox oil well)
location in the Red Lake Pool,)
Eddy County, New Mexico.)
Applicant, in the above-styled)
cause, seeks an order authorizing)
the unorthodox location of its)
William Stirling No. 4 Well at a)
point 2,540 feet from the North)
line and 1,650 feet from the)
West line of Section 7, Township)
18 South, Range 27 East, Red Lake)
Pool, Eddy County, New Mexico.)
)

CASE NO.
1333

BEFORE:

MR. DANIEL S. NUTTER, Examiner.

TRANSCRIPT OF HEARING

Mr. Nutter; The next case will be Case No. 1333.

MR. COOLEY: Case No. 1333. Application of Malco Refineries, Inc., for an unorthodox oil well location in the Red Lake Pool, Eddy County, New Mexico.

MR. BUSSIAN: My name is Robert Bussian, I'm attorney for Malco Refineries, Incorporated. I was wondering whether there are any other parties of interest present at the hearing in this case.

MR. NUTTER: Any parties interested in Case No. 1333?

If so, please identify themselves.

MR. BUSSIAN: I would like to present a witness,
Audley Morden.

(Witness sworn)

AUDLEY D. MORDEN, JR.

having been first duly sworn, testifies as follows:

DIRECT EXAMINATION

BY MR. BUSSIAN:

Q Would you please state your name?

A Audley Morden.

Q What is your capacity?

A I'm a geologist in charge of southeast New Mexico.

Q Would you explain to the Examiner your background
and education in the oil field?

A I have a Bachelors degree and Masters degree in geology,
and approximately eight years experience including Texas, New
Mexico and Mississippi.

Q Have you ever testified before this commission?

A No.

Q What conservation commissions have you testified before?

A The commission in Mississippi.

MR. BUSSIAN: Do you have any questions?

MR. NUTTER: What is this witness going to testify to,
Mr. Bussian?

MR. BUSSIAN: Well, he's going to testify to the locating of this well and just the general nature of it. I don't think he'll actually give an opinion, but I did think I would qualify him.

MR. NUTTER: Will he testify as to surveying?

MR. BUSSIAN: No, he won't. Although he will examine the exhibits as to surveying, testify as to the exhibits that were filed.

MR. NUTTER: The witness' qualifications are acceptable.

Q Mr. Morden, did you supervise the William Stirling No. 4 well located in the southeast quarter of Section 7 --

A Yes, sir.

Q -- Township 18 South, Range 27 East, Eddy County, New Mexico?

A Yes, sir.

Q I have here the applicant's Exhibit "A" which is New Mexico Oil Conservation Commission form C128 prepared by Otis P. Sheldon for location of Malco Refineries, Inc., William Stirling No. 4 Well located in the Southeast quarter, northwest quarter of Section 7, Township 18 South, Range 27 East, Eddy County, New Mexico.

MR. BUSSIAN: I was wondering, Mr. Cooley, would you like to examine this exhibit before I offer it, ask him about it. Mark this as Applicant's Exhibit "A".

(Marked Applicant's Exhibit "A")

Q Mr. Morden, I hand you Applicant's Exhibit "A", and would you explain it, what it is to the commission?

A Well, it's a form C128 filed with the conservation commission by the applicant and simply states the location of the stake put in the ground by the surveyor and it's located 1,650 feet from the west and 2,310 from the north of Section 7, Township 18 South, Range 27 East.

MR. BUSSIAN: I would like to offer Applicant's Exhibit "A" in evidence.

MR. NUTTER: Without objection Exhibit "A" will be received in Case 1333.

Q Was the Malco Refineries, Inc. William Stirling No. 4 Well spudded in accordance with the survey as reflected by Exhibit "A"?

A Yes, sir.

Q What was the date Malco Refineries, Inc. William Stirling No. 4 Well was completed?

A July 8, 1957.

Q Would you describe to the examiner the events which occurred subsequently as to the completion of the well?

A I had occasion to see a map that the Carlsbad Irrigation District has made on a survey for relocation of the Pecos River Channel. This map I saw had several of the wells adjacent to the

channel located and had our William Stirling No. 4 located, what appeared to be an unorthodox location, so I went to the field and checked it, and knew that something was wrong through additional development in the field, and I notified Mr. Donald Anderson.

Q What did you and Mr. Anderson decide to do about this problem?

A Decided to have a re-survey made by a different surveyor.

Q I have Applicant's Exhibit --

MR. NUTTER: One moment. Would you identify Mr. Donald Anderson?

A He's vice-president in charge of pipeline and exploration, Malco Refineries.

MR. NUTTER: In other words, you notified your supervisor --

A Yes, sir.

MR. NUTTER: -- of the condition you saw in the field?

A Yes, sir.

MR. NUTTER: Proceed.

Q I have Applicant's Exhibit "B". New Mexico Oil Conservation Commission form C128 prepared by John A. Mathis, Jr., determining the correct location of Malco Refineries William Stirling No. 4 Well. Mr. Morden, I hand you here Applicant's Exhibit "B" and would you explain to the examiner what that is?

A The re-survey of the Malco Refineries William Stirling

No. 4 Well indicated the well to be at a point 2,540 from the north and 3,630 from the east or 1,650 from the west.

MR. BUSSIAN: I would like to offer Exhibit "B", Applicant's Exhibit "B" in evidence.

MR. NUTTER: Without objection Exhibit "B" will be received in this case.

Q Upon receipt of Exhibit "B" from Mr. Mathis, did the applicant notify the New Mexico Oil Conservation Commission?

A Yes, sir.

Q And upon notifying the commission what did the commission order the applicant to do?

A The well was shut immediately.

Q And what is the present status of this well?

A It's still shut.

Q Based upon surveys shown in Exhibit "B", do you believe the well to be located 2,540 feet from the North line and 1,650 feet from the West line of Section 7, Township 18 South, Range 27 East, Red Lake Pool in Eddy County, New Mexico?

A Yes.

MR. BUSSIAN: I have no further questions.

BY MR. NUTTER:

Q Mr. Morden, I note that the original survey of the well as far as it's west direction is concerned was made from the west line of Section 7 and the distance was 1,650 feet; subsequent

survey was made from the east line and the distance was 3,630. Now, I realize that 3,630 and 1,650 add up to 5,280. To your knowledge is Section 7 a standard section and 5,280 feet wide?

A Yes, sir, according to the United States Geological Survey.

MR. NUTTER: Any further questions of the witness?

BY MR. NUTTER:

Q Would you establish for the sake of the record, Mr. Morden, the distance that the well is located from the lot lines of the 40 acre tract on which the well is located, what is the distance from the south line?

A One hundred feet.

Q One hundred feet from the south line?

A Yes, sir.

Q What is the distance from the west line of that 40 acres?

A 330 feet.

MR. NUTTER: Thank you. Any further questions of the witness?

MR. COOLEY: Yes.

BY MR. COOLEY:

Q This well was projected then as a 330 foot by 330 foot location out of the southwest corner of the 40 acre tract?

A Yes, sir.

Q And was erroneously located due to the fact the surveyor made a mistake?

A Yes, sir.

Q Who owns the 40 acre tract immediately offsetting the acreage to the south?

A Weier Drilling Company.

Q How do you spell that?

A W-e-i-e-r.

MR. BUSSIAN: Mr. Cooley, we have an exhibit "C" attached to our application which shows the entire ownership of all of the offset locations and with their addresses, which was filed with our location.

MR. COOLEY: Was a copy of the application in Case 1333 sent to Weier Drilling Company?

MR. BUSSIAN: No, it wasn't.

MR. COOLEY: To your knowledge they have not been notified of this?

MR. BUSSIAN: Well, I believe, I think one of our personnel talked to them on the telephone and they indicated to us that they have no objection to the location of the well.

MR. NUTTER: You presume they have been notified by the legal advertisement in the case though?

MR. BUSSIAN: Yes, I do. And we believe to the best of our knowledge all parties of interest were set, their names and

addresses were set forth in the application.

MR. COOLEY: That's all the questions I have.

MR. NUTTER: Any further questions of Mr. Morden? If not he may be excused. Any further questions or statements in Case 1333? If not, we will take the case under advisement.

(Witness excused)

