

CASE 5078: Appli. of FRANKLIN,
ASTON & FAIR FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY.

CASE No.

5078

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
October 17, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Franklin, Aston)
& Fair for an unorthodox gas)
well location, Eddy County,)
New Mexico.)

Case No. 5078

BEFORE: DANIEL S. NUTTER,
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 MR. NUTTER: Call Case Number 5078.

2 MR. CARR: Case 5078, Application of Franklin,
3 Aston & Fair for an unorthodox gas well location, Eddy
4 County, New Mexico.

5 MR. KELLAHIN: I'm Tom Kellahin of Kellahin and Fox,
6 Santa Fe, New Mexico, appearing on behalf of the Applicant
7 and I have one witness.

8
9 GRANT M. SMITH,
10 being called as a witness, and after being duly sworn,
11 testified as follows:

12 DIRECT EXAMINATION

13 BY MR. KELLAHIN:

14 Q Will you please state your name, by whom you're employed
15 and in what capacity?

16 A My name is Grant M. Smith and I'm employed by Franklin,
17 Aston and Fair as a petroleum geologist.

18 Q Have you previously testified before this Commission or
19 one of its hearing Examiners and had your qualifications
20 as an expert accepted and made a matter of record?

21 A Yes, I have.

22 Q Have you examined and are you familiar with the facts
23 surrounding this particular application?

24 A Yes.

25 MR. KELLAHIN: Mr. Examiner, are the witness's

1 qualifications acceptable?

2 MR. NUTTER: Yes, they are.

3 A (By Mr. Kellahin) Will you please refer to what has
4 been marked as Exhibit Number 1, identify it for us and
5 explain briefly what the applicant is seeking?

6 A Exhibit Number 1 is a Land Plat of what we call the
7 Loco Hills Deep Unit involving Sections 20, 21 and 22
8 Township 17 South, Range 30 East, Eddy County, New
9 Mexico, unitizing all formations from the base of the
10 Abo through the Pennsylvanian for the purpose of drilling
11 a Pennsylvanian Morrow sand test.

12 Q Will you locate for me the particular well?

13 A The re-entry well will be the McIntyre, Franklin, Aston
14 and Fair and McIntyre 6A located 990 from the south
15 and 1650 from the east of Section 20.

16 Q And it's labeled as Well No. 1 on your plat?

17 A Well No. 1 on the plat.

18 Q What acreage do you propose to dedicate to this well?

19 A The east half of Section 20.

20 Q What is the prior history on the McIntyre 6A well?

21 A The 6A well was a 6875 foot Abo reef dry hole, approximately
22 1800 feet of 8 5/8 inch casing circulated to surface
23 with cement. The well was abandoned in September of 1962
24 with the intention of taking it to the Morrow at a
25 later date.

- 1 Q It's your intention now to re-enter this well and test
2 the Pennsylvanian Morrow sand at an interval of
3 approximately 11,300 feet?
- 4 A That is correct.
- 5 Q Is this well within any designated Abo pool?
- 6 A It's a dry hole in what could be the Loco Hills Abo Pool.
- 7 Q Would you indicate for us in what way your location is
8 unorthodox, Mr. Smith?
- 9 A Only insofar as that it is near the 1980 feet from the
10 narrow end of a 320 acre proration unit.
- 11 Q Would you please refer to what has been marked as Exhibit
12 Number 2 and identify it, please?
- 13 A Exhibit Number 2 is a map showing the outline of the Loco
14 Hills Deep Unit with the Pennsylvanian Morrow sand
15 section illustrated on the map in the wells nearest the
16 unit that have produced from the Pennsylvanian Morrow
17 sand section.
- 18 Q Will you please refer to what has been marked as Exhibit
19 Number 3 and identify it, please?
- 20 A Exhibit Number 3 is a USGS application for permit to
21 drill deeper than the plug back approved by the USGS,
22 subject to approval of an unorthodox gas location by
23 the New Mexico Oil and Gas Conservation Commission.
- 24 Q And Exhibit Number 4.
- 25 A Exhibit Number 4 is the survey plat showing the location

1 of the McIntyre 6A well and dedicating the east half of
2 Section 20 to that well.

3 Q Do you believe that any of the offset owners would suffer
4 drainage or otherwise be impaired by your particular
5 location?

6 A No, they would not. The east offsetting 320 acre
7 proration unit involves all the people who are in the
8 Loco Hills Deep Unit.

9 Q Same parties in interest?

10 A That's right.

11 Q Do you have the support of all those offsetting interests?

12 A Yes, they are carrying their interest in the proposed
13 re-entry.

14 Q Why have you considered the re-entry of this particular
15 well as opposed to, let's say, drilling a new well?

16 A Economic reasons, primarily. We feel that we can
17 probably test the Morrow for 90,000 by re-entering this
18 well. To drill a new well from the top down would
19 probably be in the neighborhood of \$250,000.00. We feel
20 that we can complete a Morrow test in this for probably
21 155,000.

22 Q In your opinion, Mr. Smith, will the approval of this
23 application result in the prevention of waste?

24 A Yes, I believe it will. In our contacting the other
25 interest holders in this area, or operators in this area,

1 they were all cooperative and if you will refer again
2 to Exhibit Number 1, you will see that there are six
3 Abo dry holes in this three section unit that are all
4 capable of being re-entered and deepened to the Morrow and
5 yet, in this three section unit, there is not one
6 operator with a 320 acre proration unit and this, I
7 think it will definitely prevent waste.

8 Q Were Exhibits 1 through 4 either prepared by you or
9 prepared under your direction and supervision?

10 A Yes, they were.

11 MR. KELLAHIN: Mr. Examiner, we move the
12 introduction of Applicant's Exhibits 1 through 4.

13 MR. NUTTER: Applicant's Exhibits 1 through 4 will
14 be admitted in evidence.

15 MR. KELLAHIN: That concludes the examination.

16
17 CROSS EXAMINATION

18 BY MR. NUTTER:

19 Q Mr. Smith, these three purple wells on Exhibit Number 2
20 are presently complete in the Morrow formation as gas
21 wells, is that right?

22 A They were completed. Some of them are no longer
23 producing. The Wooly well or General American Well,
24 southeast of the northwest of Section 18 has produced
25 I think, to the first of the year, almost 11½ billion

1 cubic feet of gas. The Texaco Wooly well in Section 16
2 drilled probably eight years ago, I don't have the date
3 on it, attempted a completion through 3½ inch tubing
4 and has produced 238,366,000 cubic feet of gas. The old
5 Odessa Natural Gas well in Section 36 of 1730 is no longer
6 producing, but it had produced almost 103,000 cubic feet
7 of gas and we think at that time, we were not aware of
8 the sensitivity of the Morrow sands to the damage from the
9 drilling mud. We have since, I think, learned to control
10 this and we feel that the area warrants another test.

11 Q So, you have formed this three section unit and if you're
12 successful, you'll have some additional --

13 A That's right. It's a working type unit.

14 MR. NUTTER: Any further questions of Mr. Smith?

15 (No Response)

16 MR. NUTTER: He may be excused.

17 (Witness Excused)

18 MR. NUTTER: Do you have anything further,
19 Mr. Kellahin?

20 MR. KELLAHIN: Nothing.

21 MR. NUTTER: Does anyone have anything to offer
22 in Case Number 5078?

23 (No Response)

24 MR. NUTTER: We'll take the case under advisement.
25

dearnley, meier & associates

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1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

PAGE 9

1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF BERNALILLO)

4 I, Donna Keith, A Certified Shorthand Reporter, in and for
5 the County of Bernalillo, State of New Mexico, do hereby
6 certify that the foregoing and attached Transcript of Hearing
7 before the New Mexico Oil Conservation Commission was reported
8 by me; and that the same is a true and correct record of the
9 said proceeding to the best of my knowledge, skill and ability.

10 Donna Keith
11 CERTIFIED SHORTHAND REPORTER

12 I do hereby certify that the foregoing is
13 a complete and correct transcript of the proceedings in
14 the New Mexico Oil Conservation Commission
15 heard by me on 10/17/73.

16 Donna Keith Examiner
17 New Mexico Oil Conservation Commission
18
19
20
21
22
23
24
25

I N D E XWITNESSPAGE

GRANT M. SMITH

3

Direct Examination by Mr. Kellahin

7

Cross Examination by Mr. Nutter

E X H I B I T SAPPLICANT'SOFFERED ADMITTED

Exhibit 1

Land Plat

7

7

Exhibit 2

Map

7

7

Exhibit 3

USGS Application

7

7

Exhibit 4

Survey Plat

7

7

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5073
Order No. R-4654

APPLICATION OF FRANKLIN, ASTON
& FAIR FOR AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 17, 1973, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of November, 1973, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Franklin, Aston & Fair, seeks authority to re-enter its McIntyre Well No. 6-A, an old hole located 990 feet from the South line and 1650 feet from the East line of Section 20, Township 17 South, Range 30 East, NMPN, Eddy County, New Mexico, to test the Morrow formation.
- (3) That the E/2 of said Section 20 is to be dedicated to the well.
- (4) That utilization of the subject well at said unorthodox location will enable applicant to effect a considerable economic saving by not having to drill some 6,875 feet.
- (5) That no offset operator objected to the proposed unorthodox location.
- (6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Franklin, Aston & Fair, are hereby authorized to re-enter its McIntyre Well No. 6-A, an old hole located at a point 990 feet from the South line and 1650 feet from the East line of Section 20,

-2-

CASE NO. 5078
Order No. R-4654

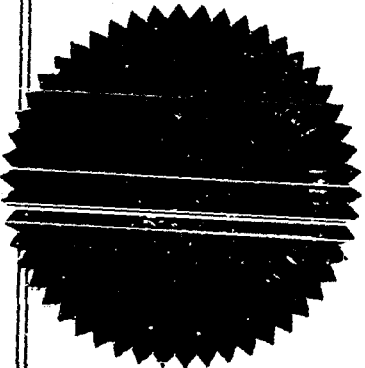
Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, to test the Morrow formation.

(2) That the E/2 of said Section 20 shall be dedicated to the above-described well.

(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



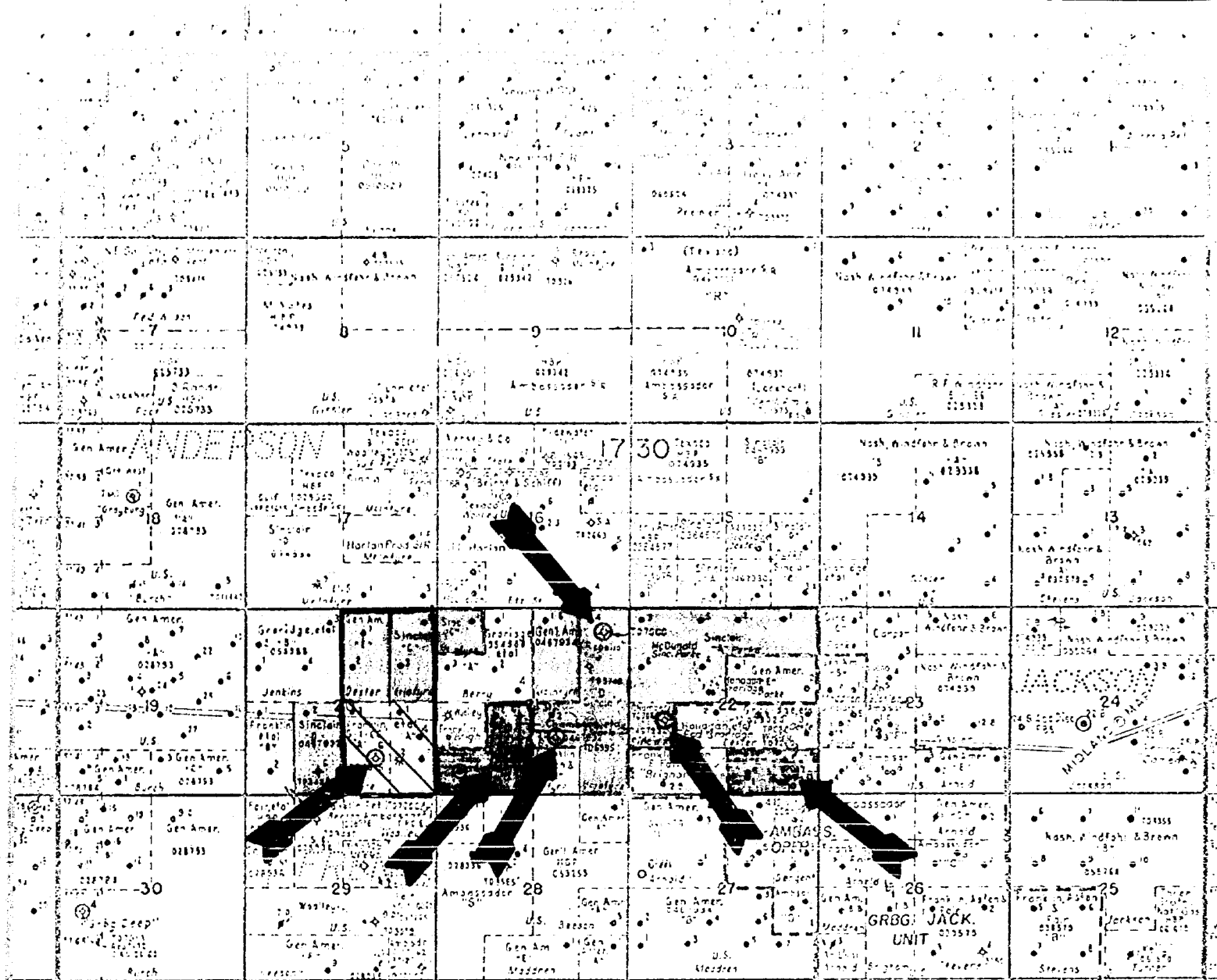
L. R. Trujillo
L. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

jr/



LOCOT HILLS DEEP UNIT

ARCO

GEN. AM.

F.A.F. INC.

PETCO

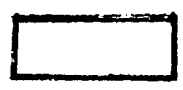
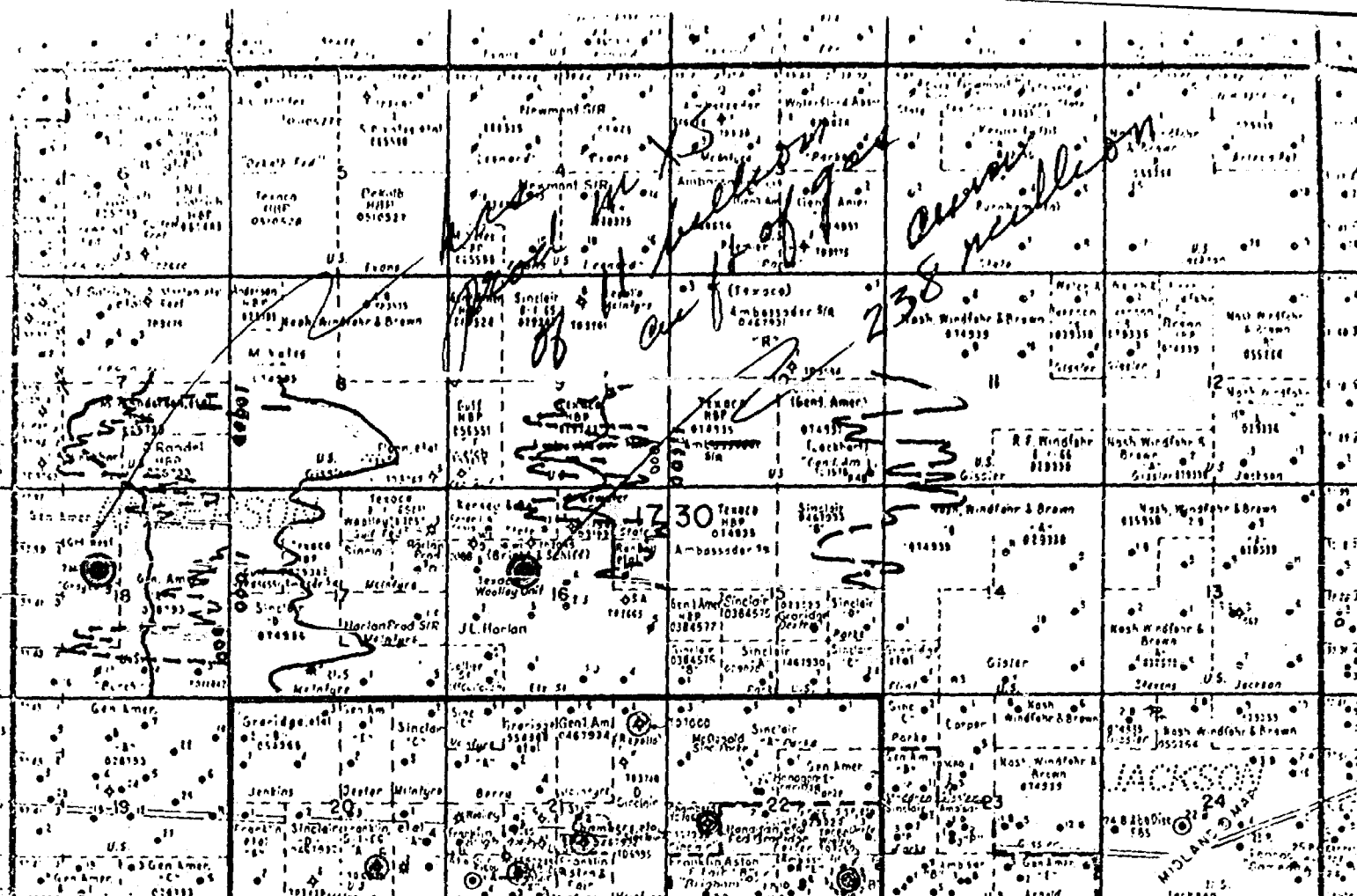
F.A.F. INC., ARCO

ANADARKO
and FRANCIS J.
WELLER ESTATE

WELL LEGEND

	TD	NEW TD	ADDITIONAL FOOTAGE
WELL #1	6,875'	11,300'	4,425'
WELL #2	7,000'	11,300'	4,300'
WELL #3	6,995'	11,300'	4,305'
WELL #4	7,000'	11,200'	4,200'
WELL #5	7,030'	11,300'	4,240'
WELL #6	7,260'	11,350'	4,090'

BEFORE THE UNITED STATES DISTRICT COURT
OIL & GAS DIVISION
Franklin-Asta TRUST NO. 1
CASE NO. 5078



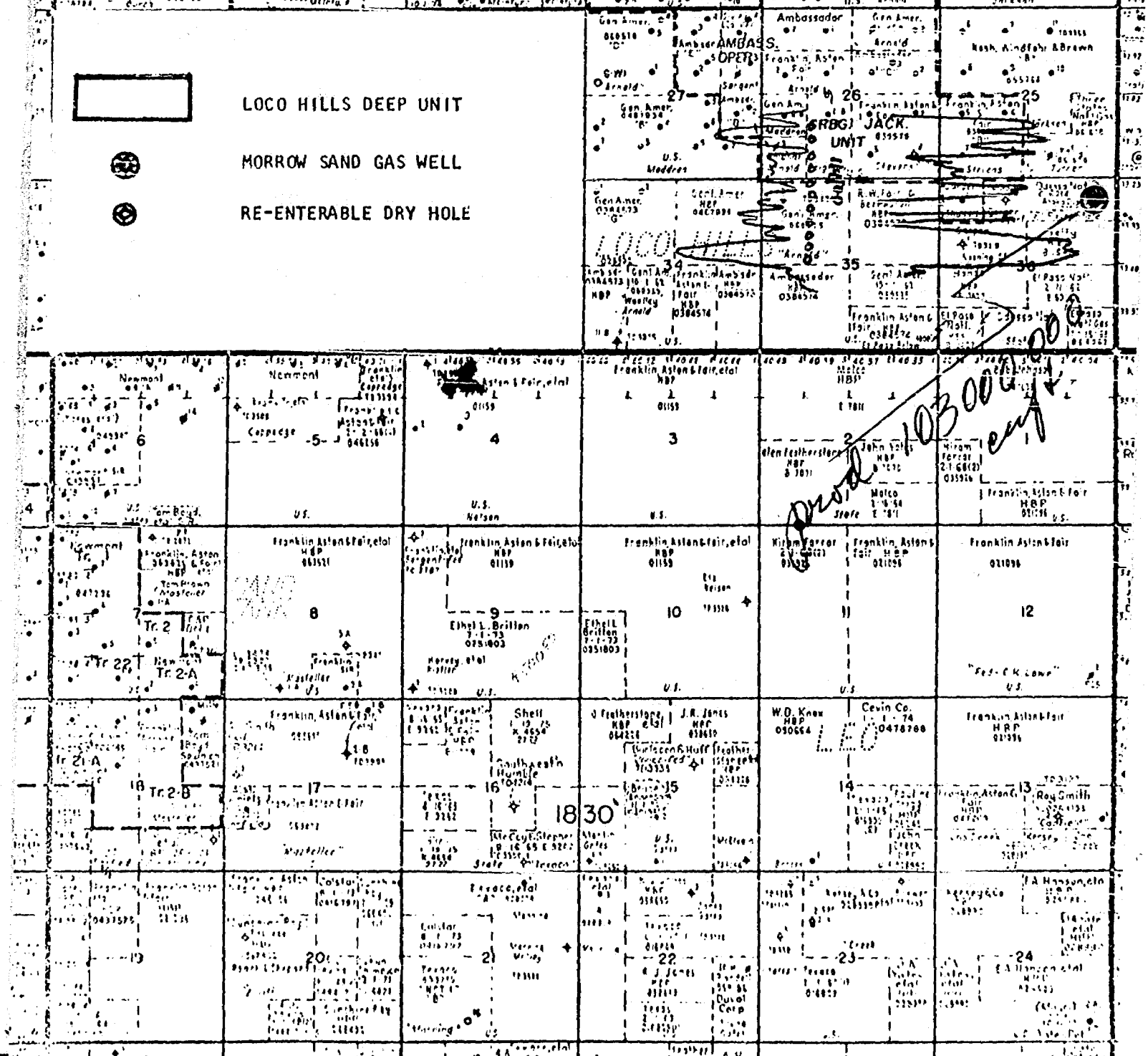
LOCO HILLS DEEP UNIT



MORROW SAND GAS WELL



RE-ENTERABLE DRY HOLE



RECEIVED BY _____
DATE _____
CT _____
FRANKLIN ASTON
CASE NO. 5078

OPERATOR'S COPY

Form 2-431C

SEE INSTRUCTIONS ON REVERSE SIDE

Budget Bureau No. 42-111425

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☐

DEEPEEN ☒

PLUG BACK ☐

1b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER ☐

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

FRANKLIN ASTON & FAIR, INC.

3. ADDRESS OF OPERATOR

P. O. Box 1080, Roswell, New Mexico 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

920' FSL & 1650' FEL, Sec. 20, T.17S.-R.30E., N.M.P.M.
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

One Mile West

10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any)

920'

16. NO. OF ACRES IN LEASE

80

17. NO. OF ACRES ASSIGNED TO THIS WELL

320 acres will be communitized

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

11,400'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DP, RT, GR, etc.)

3633' GR

22. APPROX. DATE WORK WILL START*

October 1, 1973

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
	8-5/8"	24#	1050'	220 sacks circulated to surface
7-7/8"	5-1/2"	17#	11400'	250 sacks cement

This well was temporarily abandoned September 6, 1962, at 6875' total depth with the hole filled with 3H, 42 deg. viscosity mud. 8-5/8" J-55 casing is set at 1050' with 200 sacks of cement circulated to surface.

On or before October 1, 1973, we plan to re-enter this hole and deepen it to approximately 11,400' to test the Pennsylvanian (Morrow Sands). Should the Pennsylvanian (Morrow Sands) appear productive, 5 1/2" casing will be run for completion.

RECEIVED

AUG 20 1973

U. S. GEOLOGICAL SURVEY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Ernest M. Smith

TITLE

Geologist

DATE

August 23, 1973

(This space for Federal or State office use)

APPROVED

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

W. L. DEERMAN

ACTING DISTRICT ENGINEER

THIS APPROVAL IS REVOKED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS

EXPIRES

DEC 20 1973

Subject to compliance with well
regulations and subject to approval
attached and subject to approval
Approval as to the proposed
location and depth of well
for completion agreement prior
to producing from well.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

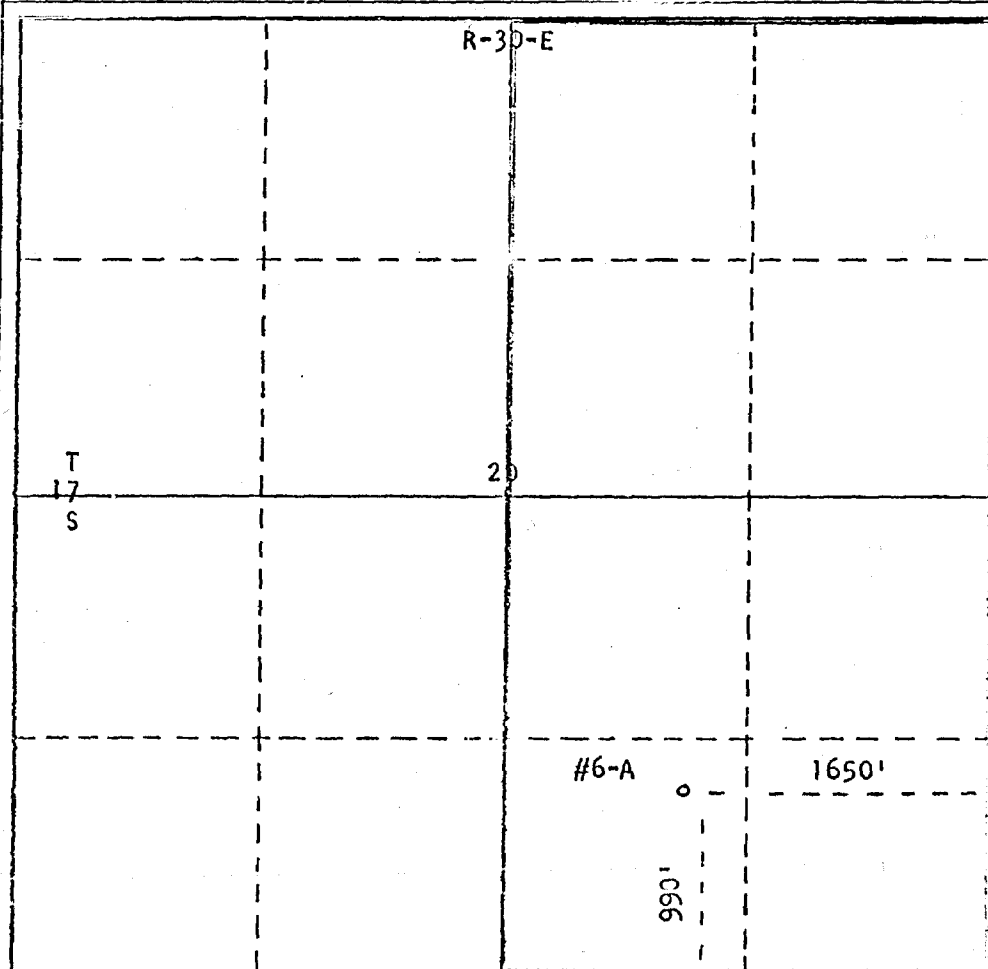
Operator FRANKLIN, ASTON & FAIR, INC.			Lease Federal (Mc Intyre)		Well No. 6-A
Unit Letter 0	Section 20	Township T-17-S	Range R-30-E	County Eddy	
Actual Footage Location of Well:					
990 feet from the South line and		1650 feet from the East line			
Ground Level Elev. 3633 GR	Producing Formation		Pool	Dedicated Acreage: 320	Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation If a gas well, 320 acres will be communitized.

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name Grant M. Smith
Position Geologist
Company FRANKLIN, ASTON & FAIR, INC
Date August 28, 1973

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

SEP 17 1973
U. S. GEOLOGICAL SURVEY
ALBUQUERQUE, NEW MEXICO

Date Surveyed
August 9, 1962
Registered Professional Engineer
and/or Land Surveyor

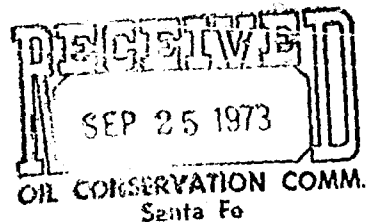
Certificate No.

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1789
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505

September 21, 1973



Case 5078

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico, 87501

Gentlemen:

Enclosed, in triplicate, is the application of Franklin, Aston & Fair, Inc., for approval of an unorthodox well location in an undesignated Morrow Pool, Eddy County, New Mexico.

It is our understanding that this application will be set for hearing before the Commission's Examiner on October 17, 1973.

Yours very truly,

A handwritten signature in cursive script, reading "Jason W. Kellahin".

Jason W. Kellahin

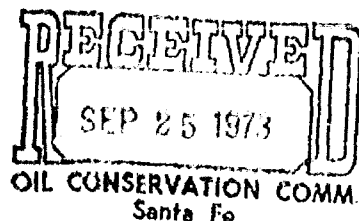
JWK:ks

Enclosure

cc: Mr. Grant Smith
w/ enclosure

DOCKET MAILED

Date 10-5-73



BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF FRANKLIN, ASTON & FAIR FOR
APPROVAL OF AN UNORTHODOX WELL
LOCATION, EDDY COUNTY, NEW MEXICO

Case 5-078

A P P L I C A T I O N

COMES NOW Franklin, Aston & Fair, Inc., and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location for its McIntyre Well No. 6-A, located 990 feet from the South line, and 1650 feet from the East line of Section 20, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico, for a Morrow test, and in support thereof would show the Commission:

1. The McIntyre 6-A well was originally drilled as an Abo test, and has been temporarily plugged and abandoned. The well was drilled to a depth of 6875 feet, with 8 5/8 inch casing set at 1850 feet, and cemented with 800 sacks of cement circulated to the surface. The hole was filled with heavy mud.

2. Applicant proposes to re-enter the well, drill out the plug, and deepen the well to a depth sufficient to test the Morrow formation of Pennsylvanian age, in an undesignated Morrow Pool. The East half of Section 20 will be dedicated to the well.

3. Approval of the application with result in the prevention of waste, including economic waste, will result in the possible recovery of hydrocarbons that would not otherwise be recovered, and will not impair correlative rights.

WHEREFORE applicant prays that this application be set for hearing at the earliest possible examiner hearing of the Commission, and that after notice and hearing, as required by law, the Commission enter its order approving the unorthodox well location as requested.

Respectfully submitted,
FRANKLIN, ASTON & FAIR, INC.,

By Jason W. Kellahin
Jason W. Kellahin
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

dr/

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:

APPLICATION OF FRANKLIN, ASTON
& FAIR FOR AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

CASE NO. 5078

Order No. R-4654

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 17, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of October, 1973, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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, Franklin, Aston & Fair, seeks
authority to re-enter its McIntyre Well No. 6-A, an old hole
located 990 feet from the South line and 1650 feet from the East
line of Section 20, Township 17 South, Range 30 East, NMPM,

~~to test the Morrow formation,~~

Eddy County, New Mexico, *to test the Morrow formation.*

(3) That the E/2 of said Section 20 is to be dedicated to the well.

utilization of the ~~afforested~~ subject
(4) That ~~a~~ well at said unorthodox location will ~~better~~ enable applicant to ~~produce the gas underlying the proration unit.~~ *effect a considerable economic saving by not having to drill some 6,875 feet.*

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Franklin, Aston & Fair, are hereby authorized to re-enter its McIntyre Well No. 6-A, an old hole located at a point 990 feet from the South line and 1650 feet from the East line of Section 20, ~~Township~~ 17 South, Range 30 East, NMPM,

Eddy County, New Mexico, to test the Morrow formation.

(2) That the E/2 of said Section 20 shall be dedicated to the above-described well.

(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.

Grand Smith -
Roswell
Memo Jason K.

From
D. S. NUTTER
CHIEF ENGINEER

To Montkaday gravel loc.

990 SL
1680 EL

5
88 1500
in.

20 175 306

Morrow 11,400

E/2

McIntyre # 6-A

Franklin Carbon & Fair

Case 5078