

Case No.

605

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Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

November 19, 1953

IN THE MATTER OF:

The application of Wilson Oil Company  
for an order granting permission to  
drill a well at an unorthodox location  
25 feet from the west line of Section 18,  
and 50 feet south of the north line of lot 2,  
Section 18, Township 21 South, Range 35  
East (Wilson Pool), Lea County, New Mexico. ) Case No. 605

BEFORE:

Edwin L. Mechem, Governor  
E. S. Walker, Land Commissioner  
R. R. Spurrier, Secretary, Oil Conservation Commission

TRANSCRIPT OF PROCEEDINGS

MR. SPURRIER: The meeting will come to order. The  
next case on the docket is Case 605.

(Notice of publication read by Mr. Graham.)

MR. JASON KELLAHIN: Jason Kellahin, representing Wilson  
Oil Company. At this time, we would like to amend the application  
to read as follows:

"Application for permission to drill a well at an un-  
orthodox location, 25 feet from the west line of section 18 and  
25 feet south of the north line of lot two, section 18, changing  
it from 50 feet south of the north line to 25 feet south of the  
north line."

The reason for the change being that upon further examina-  
tion, it was discovered the proposed location would be immediately  
adjacent to the pipeline right of way, and as a matter of fact,

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the well could not be drilled without the rig encroaching upon the right of way and to move 25 feet south of the north line would insure a safe distance from that right of way.

MR. SPURRIER: Is there objection to counsel's motion to amend the petition?

MR. KELLAHIN: At this time, we would like to call Mr. Lamb as a witness.

RAYMOND LAMB

the witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. KELLAHIN:

Q State your name, please.

A Raymond Lamb.

Q By whom are you employed?

A Wilson Oil Company.

Q What capacity?

A Vice President.

Q Have you testified before this Commission in the past?

A That is correct.

MR. KELLAHIN: We submit that the witness is qualified, if the Commission will accept his qualifications.

MR. SPURRIER: It will.

Q Mr. Lamb, are you familiar with the applications proposed in Case 605?

A That is correct.

Q Did you prepare that application?

A Wilson Oil Company did. I am familiar with it.

Q Are you familiar with the locations as proposed in the

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amended application?

A That is correct.

Q Have you prepared a plat of that location, Mr. Lamb?

A I have.

(Marked Exhibit No. 1, Wilson  
Oil Company, for Identification)

Q I will ask you, Mr. Lamb, does that plat show the proposed location as provided for in the amended application?

A That is correct. Twenty-five feet from the north and west lines of lot two, section 18, 21, 35 Lea County.

Q In regard to the amendment to the application that is changing it from 50 to 25 feet, would you state briefly to the Commission, the reasons for the change?

A Oh, a preliminary survey, it was our opinion that the El Paso Gas line was a little further south of the corner from when we surveyed we found it was only a hundred feet from the corner. We wanted to stay northwest of the gas line. After a survey of the area we found that the gas line is 75 feet south of the corner, thus we propose to amend the original application 25 feet out of the corner to stay off El Paso's right of way. It isn't their mainline, it is one of the lines going to the west coast, I think it carries 500 pounds pressure.

Q That is the only reason for this

A That is correct.

Q Mr. Lamb, does the plat show the ownership through the vicinity of this acreage?

A That is correct.

Q Would you state briefly to the Commission what that owner-

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ship is?

A The lot two on which the proposed location is to be drilled is owned by Wilson Oil Company, with Shell Oil Company retaining an override lot two, the same ownership and the acreage to the northwest and to the southwest was owned by Wilson Oil Company and Shell under the same basis.

Q In other words, would that location be in the middle of a 160 acre tract?

A Approximately, yes.

Q Who is the owner of the 160?

A Wilson Oil, Shell Oil retaining override.

Q Would you discuss the ownership adjacent to that?

A I might add on that particular point the 160 acres just mentioned, Wilson Oil Company owns the rights to 4,000 feet and not the deeper rights on it. The acreage to the north of this particular unit is owned by the Wilson Oil Company, the acreage to the east is owned by Shell, the acreage to the south by Amerada and Wilson Oil Company.

Q How far away is the Amerada?

A Thirteen hundred feet.

Q At the proposed location, Mr. Lamb, on what formation do you expect to produce?

A Yates Seven Rivers.

Q What depth?

A 3850.

Q Would you describe to the Commission, have you made an examination of the sub-surface?

A That is correct.

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Q Would you state briefly the reason for selecting this particular location?

A The geological condition there is that it will be practically level with the well now producing to the northeast and to the well to the southwest. In other words, it will be in line with those and there was a well drilled in the center of lot two which was plugged and abandoned in 1940, I believe it was. The proposed location should be about 50 feet higher than the Shell six which was on the 40. The records show the well was plugged and abandoned and from information we have developed in drilling wells deeper and engineering studies, we would not say that now the well could not be made as a producer, but the mechanical condition of the hole is not in a condition that it can be recompleted.

Q Is it your opinion then that that well could have been made a producer?

A Well, possibly.

Q Is it your opinion that a well in an orthodox location would be productive?

A I beg your pardon?

Q Is it your opinion that a well at an orthodox location would be commercially productive?

A It would be productive, but probably would not be economical to drill. In other words, it wouldn't be worth while to, you're recovery would not be great enough to offset your expenses in drilling the well.

Q Is it your opinion that a well drilled at the proposed location as shown by the amended application would recover oil that would not otherwise be recovered?

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A It would recover oil that would not otherwise be produced from a well drilled at an orthodox location.

Q In that manner would it prevent waste?

A Mainly.

Q Are correlative rights of other operators and owners protected by your proposal?

A Well, yes, as I say, we are 1300 feet north of the Amerada line and as far as the Shell Oil Company is concerned we have a letter from them giving approval or permission for the drilling of the well. In other words, they have no objection whatsoever to the drilling of the well.

Q Do you have that letter with you?

A I could have.

Q Will you hand that to the reporter?

(Marked Exhibit No. 2 for  
Identification, Wilson Case  
605.)

Q Does that exhibit show that Shell Oil Company has no objection?

A It contains two paragraphs, the first one outlining the connection; the last paragraph. "This is to advise that the Shell Oil Company has no objection to your drilling at an unorthodox location described above. Signed M. A. Sherwood, General Superintendent."

Q Do you have anything to add to your testimony?

A I believe not.

MR. KELLAHIN: We offer in evidence the exhibits one and two, application and exhibits one and two.

MR. SPURRIER: Without objection they will be admitted.

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Does anyone have a question of the witness?

MR. JIM TOWNSEND: Jim Townsend, representing Stanolind Oil and Gas Company.

By MR. TOWNSEND:

Q Mr. Lamb, what is the basis that you stated was for the prevention of waste as the reason for this location?

A It is my opinion if a well is not drilled in this immediate vicinity of the unorthodox location, a certain amount of oil will be left in the reservoir unproduced.

Q Is it your opinion that the well to the north, I believe it is number five?

A That is right.

Q And the well to the west, number 13?

A That is correct.

Q Would not produce the oil from under this location.

A That is my opinion, that it will not.

Q What is the basis for that opinion?

A As I stated a few minutes ago, the two, three wells which you mentioned, the two wells in the unorthodox location are structurally equal.

Q How about the well number ten to the northwest?

A Well number ten is lower structurally, but is on the back side of the ridge. Thus it would be a matter of moving the oil completely over to high to be produced from number ten.

Q Why did you say it would be impractical or impossible to drill an orthodox location?

A I said it probably would not be economical, it would



not pay out.

Q Why would it not pay out an orthodox location, but would pay out at the unorthodox?

A Your proposed unorthodox location would be 25, 30 feet higher structure than the orthodox location.

MR. TOWNSEND: I think that is all.

MR. SPURRIER: Anyone else have a question? If not the witness may be excused.

(Witness excused)

MR. SPURRIER: Do you have any other witnesses?

MR. KELLAHER: No.

MR. SPURRIER: Do you have anything further, Mr. Townsend?

MR. TOWNSEND: Just a statement to the Commission that Stanolind has two tracts of land in section 24 which is about half a mile from the location proposed. It is our feeling that the evidence presented does not show that it is necessary to locate the well at this point to prevent waste as testified and that the application is merely seeking to gain an undue drainage advantage by having an additional well in this area by virtue of this location.

MR. LAMB: May I ask a question?

MR. SPURRIER: Certainly, if he wishes to answer.

MR. LAMB: You state your acreage is some half a mile?

MR. TOWNSEND: That was my estimate.

MR. LAMB: About three quarters. So it would be a matter of oil moving three quarters of a mile before it would effect you? And you have no producing well there at all. The nearest producing you have is 3,349.2 feet from the proposed

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location.

MR. KELLAHIN: What is the production of that well?

MR. LAMB: It is on a higher zone than we propose to produce on this location.

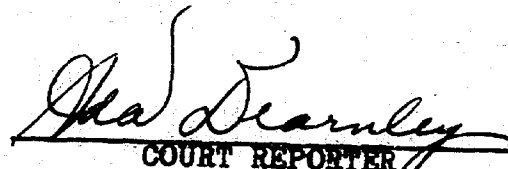
MR. TOWNSEND: I haven't measured it.

MR. SPURRIER: Any further questions? Anyone else have a comment? If nothing further in the case, we will take it under advisement and move on to 603.

\* \* \* \* \*

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing transcript of proceedings was taken by me on Thursday, November 19, 1953; that the same is a true and correct record to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 27th day of November, 1953:

  
COURT REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
ROOM 105-106, EL CORTEZ BLDG.  
PHONES 7-9645 AND 5-9546  
ALBUQUERQUE, NEW MEXICO

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:

Case No. 605  
Order N. R- 390

THE APPLICATION OF WILSON OIL  
COMPANY FOR PERMISSION TO DRILL  
A WELL AT AN UNORTHODOX LOCATION  
25 FEET FROM THE WEST LINE OF  
SEC. 18, AND 50 FEET SOUTH OF THE  
NORTH LINE OF LOT 2, SEC. 18, T.  
21 S., R. 35 E. N.M.P.M., WILSON  
POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case came on for hearing at 9 a. m., November 19,  
1953, at Santa Fe, New Mexico, before the Oil Conservation  
Commission, hereinafter referred to as the "Commission."

NOW, on this 24<sup>th</sup> day of November, 1953, the Commis-  
sion, a quorum being present, having considered the testimony  
presented, exhibits received, and statements of interested  
parties, and being fully advised in the premises,

FINDS:

(1). That due public notice having been given as re-  
quired by law, the Commission has jurisdiction of this cause  
and the subject matter thereof.

(2). That in open hearing, and without protest, applicant  
moved to amend its petition to read as follows:

"Application for permission to drill a well at an  
unorthodox location 25 feet from the West line of  
Section 18, and 25 feet South of the North line of  
Lot 2, Section 18, Township 21 South, Range 35 East,  
N.M.P.M., Wilson Pool, Lea County, New Mexico."

and there being good cause shown for said amendment, and no  
protest thereto, and it appearing that said amendment did not  
enlarge the scope of the hearing or impair the rights of others,  
said amendment was allowed in open hearing.

(3). That the well location as proposed in the petition,  
as amended, is near the center of a 160-acre tract held by

ILLEGIBLE

applicant.

(4). That correlative rights of applicant will be protected by approval of such a location, and the correlative rights of others will not be impaired.

(5). That said well location will result in the prevention of waste, will result in the recovery of oil that would not otherwise be recovered, and is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

IT IS THEREFORE ORDERED:

That the application of the Wilson Oil Company for an unorthodox well location 25 feet from the West line of Sec. 18, and 25 feet South of the North line of Lot 2, Sec. 18, Township 21 South, Range 35 East, N.M.P.M., Wilson Pool, Lea County, New Mexico, be, and the same hereby is approved, and applicant, Wilson Oil Company is hereby authorized to drill a well at said location.

DONE at Santa Fe, New Mexico, on the day and year hereinabove written.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHAM, Chairman

E. S. WALKER, Member

H. R. SPURRIER, Secretary

(Seal)

INDEXIBLE

Legal Notice OCC Hearing

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Publication:

Date: Nov 19-1953

CASE 605 :

In the matter of the application of Wilson Oil Company for an order granting permission to drill a well at an unorthodox location 25 feet from the West line of Section 18, and 50 feet South of the north line of Lot 2, Sect. 18, Twp. 21 South, Rge. <sup>35</sup> ~~34~~ East (Wilson Pool), Lea County, New Mexico.

*Wilson Exhibit No. 2*  
*Case 605*



# **SHELL OIL COMPANY**

MIDLAND AREA

MAILING ADDRESS  
P. O. BOX 1509  
MIDLAND, TEXAS

GENERAL OFFICES  
PETROLEUM BUILDING  
MIDLAND, TEXAS

November 13, 1953

Re: Unorthodox location  
Lot 2-S18-21S-35E  
State Lease #B-1400

Wilson Oil Company  
P. O. Box 627  
Santa Fe, New Mexico

Attention: Mr. N. Raymond Lamb

Gentlemen:

You have advised that you have filed application with the New Mexico Oil Conservation Commission for an order granting permission to drill a well located 25 feet from the north and west lines of Lot 2, Section 18, T-21-S, R-35-E, Lea County, New Mexico. The tract on which you propose to drill this unorthodox location was obtained by you under a sublease from Shell Oil Company.

This is to advise that Shell Oil Company has no objection to your drilling at the unorthodox location described above.

Yours very truly,

*M. A. Sherwood*  
M. A. Sherwood  
General Superintendent

WEO:GM

cc - Mr. C. R. Bickel  
Shell Oil Company, Hobbs

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
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STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*  
EDWIN L. MECHEM, Chairman

*E. S. Walker*  
E. S. WALKER, Member

*R. R. Spurr*  
R. R. SPURR, Secretary

(Seal)



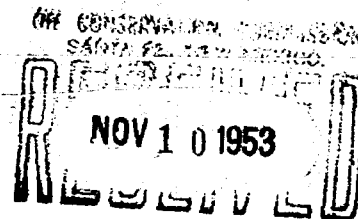
# Wilson Oil Company

INCORPORATED UNDER THE LAWS OF NEW MEXICO



P. O. BOX 627  
SANTA FE, NEW MEXICO  
TELEPHONE 68

November 9, 1953



Mr. W. B. Macy  
Oil and Gas Conservation Commission  
Santa Fe, New Mexico

Dear Bill:

In connection with our application for an unorthodox well in Section 18-T21S, R35E (Case No. 605) we are enclosing a certified copy of Glenn Staley's survey and Raymond's map showing the proposed location.

Copies of this map and survey will be submitted at the hearing but we thought you might like to have these for your file in the meantime.

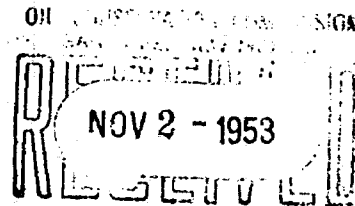
*Regards*  
Yours very truly,

*Parker Wilson*  
Parker Wilson

PW:w  
Incls.

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
of Wilson Oil Company for an order  
granting permission to drill a well  
at an unorthodox location in the NW $\frac{1}{4}$   
Sec. 18, T. 21 S., R. ~~34~~<sup>35</sup> E., NMPM



APPLICATION

COMES NOW, the Wilson Oil Company, a corporation, and  
states:

1.

The Applicant is a lease owner and has the right to drill  
and produce from State Lease #B-1400, which covers in part Lots 1  
and 2 in the NW $\frac{1}{4}$  of Section 18, Township 21 S., Range ~~34~~<sup>35</sup> E., NMPM.

2.

Application is hereby made for an unorthodox well located  
as follows:

25 feet from the West line of Section 18, and 50 feet  
South of the North line of Lot 2, Section 18, in Township 21 S.,  
Range ~~34~~<sup>35</sup> E.

3.

The proposed location is not closer than 330 feet to any  
offset acreage in any other ownership, nor closer than 660 feet  
to the nearest well drilling or capable of producing from the pool  
and owned by any other party.

4.

The Applicant did not ask for any allowable in excess of  
the normal unit allowable for the 40 acre tract upon which the un-  
orthodox well is to be located.

5.

Production history of adjoining wells indicate that the drilling of the proposed location will result in the greatest ultimate recovery of oil and will prevent waste.

6.

Applicant has attached hereto a map showing the location of the proposed unorthodox well and showing adjoining wells.

WHEREFORE, applicant prays that this matter be set down for hearing and that upon hearing, permission be granted to drill upon the unorthodox location proposed.

Respectfully submitted,

WILSON OIL COMPANY

By

  
Its President