

Casa No.

909

Application, Transcript,
Small Exhibits, Etc.

...ing Co., Inc. appli-
... five-spot location
... Pool, Remy County

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

June 15, 1955

C
O
P
Y

Mr. Neil B. Watson
P.O. Box 56
Artesia, New Mexico

Dear Sir:

In behalf of your client, Texas Trading Company, Inc., we enclose
Order R-648 issued by the Commission in Case 909, heard on May 18th.

The order was signed and entered in our records as of June 13, 1955.

Very truly yours,

W. B. Macey
Secretary - Director

WEM:bry
Enclosure

BEFORE THE
Oil Conservation Commission

SANTA FE, NEW MEXICO

May 19, 1955

IN THE MATTER OF:

CASE NO. 909

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

605 SIMMS BUILDING

TELEPHONE 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 19, 1955

IN THE MATTER OF:

Application of Texas Trading Company, Inc., for
approval of its projected Grier Well No. 5 as a
"five-spot" location at a site 1345' from South
and West lines of Section 29, Twp. 16 South,
Rge. 31 East, Eddy County, New Mexico, in the
Square Lake Pool.

Case No. 909

BEFORE:

Honorable John Simms, Jr.
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 909.

MR. WATSON: Neal B. Watson, Artesia, New Mexico, represent-
ing the applicant, Texas Trading Company. I have as my witness,
Mr. H. B. Thomas, Superintendent of the Texas Trading Company.

In the beginning, if the Commission please, I would like to
amend the application, which is for a "five-spot" location on the
Texas Trading Company's Grier Government lease, to change the well
location from a site 1345 feet from the south and west lines of
Section 29, to a site 1412 feet from the south and west lines.

The reason for that change, as will be brought out by Mr. Thomas,
on the actual survey of the location in preparation for the hearing,
it developed that the site requested was almost directly under the
electric transmission line in the field, and it would be a hazard
to drill the well at that particular location.

Also, at this time I would like to file with the Commission, consent of the offset owners, the first one being by Carper Drilling Company, operator of the offset leases to the north and east, and the consent of Mr. John Fidel, owner of the offset lease to the west.

H. V. T H O M A S ,

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

DIRECT EXAMINATION

By MR. WATSON:

Q Will you state your name, please?

A H. V. Thomas.

Q Are you an official of the Texas Trading Company, Inc., the applicant in this case?

A I am.

Q What position do you hold?

A General Superintendent.

Q How long have you held that position?

A Twenty-seven years.

Q You are familiar with the Texas Trading Company Government Lease, Las Cruces 060723?

A I am.

Q That covers the southwest quarter of Section 29, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico?

A Yes.

Q In what field is that in?

A Square Lake.

Q Will you state just briefly the wells, giving the location of the wells and the well numbers on that lease, please?

A Well, that is, Grier No. 1 would be in the southwest of the southwest, and Grier No. 2 would be in the southeast of the southwest. Grier No. 4 would be in the northeast of the southwest, and Grier No. 3 would be in the northwest of the southwest.

Q About what time were those wells drilled?

A About November '42.

Q That is when the No. 1 was completed?

A Yes.

Q The rest of them were drilled thereafter in '42 and '43?

A Yes.

Q What is the production from those holes at the present time, the approximate daily production?

A I would say they would average around four barrels, possibly ten barrels for Grier No. 4, which would be in the northeast of the southwest.

Q From what formation are those wells producing, Mr. Thomas?

A I would say San Andres sand.

Q Would you state whether or not that formation is a tight formation or --

A (Interrupting) Relatively tight.

Q The Texas Trading Company has filed its application to drill a five-spot location at 1412 feet from the south line and 1412 feet from the west line of Section 29. What are the reasons of the Texas Trading Company for this application to drill this well?

A Relatively speaking we have been making some general inquiries throughout the Square Lake Field, and we have found out from various companies such as Sinclair, the Burnham Oil Company,

the Carper Drilling Company and Zuppy and Zuppy, Tulsa, Oklahoma, that they have been sand fracking some new wells, and old wells and new wells, and have had some good results on some wells, and some wells they have had poor results. It seems that the engineers are advising them to drill through these various formations in the San Andres's pay, which would be known as 5, 6, 7 and 8, and 8 is commonly called the Lovington sand. We propose to drill a well and complete, run pipe through and shoot out with land wells. and according to our engineers, sand frac these wells as to a kind of a trial test.

Q As I understand it, Mr. Thomas, from your testimony there, it is your information, from an engineering standpoint, that it would not be practical to try to sand frac these existing wells?

A That is right.

Q And your results would be better if you would drill a new well and sand frac that new well?

A That is right.

Q You are not asking the Commission for any additional allowable on account of the drilling of this well?

A No.

Q At the time the application was filed, the location was 1345 feet from the south and west lines of Section 29. You desire now to amend that application to show the location to be 1412 feet from the south and west lines, for what reason, Mr. Thomas?

A Well, when we made that location, as I understand, the Commission requires you to move a five-spot and favor one or the other particular 40's that is involved in 160. We propose to drill

25 feet on the northeast, on the northeast of the southwest, in

ADA DEARNLEY & ASSOCIATES

STENOGRAPHIC REPORTERS

ALBUQUERQUE, NEW MEXICO

TELEPHONE 3-6691

order to establish this location, particularly for one reason, to charge the amount of recoverable oil on that particular 40.

When we made the survey we got out there and immediately found out it came right underneath a high line. We have been very fortunate in trying to get electricity into the Square Lake Field. We didn't feel that we wanted to put the high line out, any trouble to come over there and move a big high tension line or cause of 100 feet northeast. We thought it would be all right with the Commission, in order that we might move that location rather than have those people go to all that trouble to move that line, when there was only 100 feet involved.

Q Mr. Thomas, do you know the offset lease owner, oil and gas lease owner to the south, having this 160 acres?

A That is the Texas Trading Company, that would be the State, in 32, 16, 31, it would be the northwest of the northwest, No. 1; the northeast of the northwest No. 2.

Q That is the Texas Trading Company's State of New Mexico oil and gas lease?

A That is right.

Q The offset owner to the west of your Grier Lease --

A (Interrupting) Is the northwest --

Q (Interrupting) No, the offset owner to the west of the Grier Lease?

A John Fidel.

Q On the north and east side of the Grier Lease, who is the offset owner?

A Carper Drilling Company.

Q Mr. Thomas, have you made application to the United States Geological Survey for permission to drill this well?

A Yes.

Q Do you have that permission from the United States Geological Survey, subject to obtaining the permission of the Oil Conservation Commission of New Mexico?

A Yes.

MR. WATSON: Does the Commission have any questions?

MR. RHODES: Just one. Are there any other five-spot locations in this area?

A In the same pool, there is a well in, I believe it is 16, 30, 31. I am not sure what the description of the well is, but it would be the Burnham Oil Company, yes.

MR. WATSON: That is all.

MR. MACEY: Anyone else have a question of the witness? If no further questions the witness may be excused.

(Witness excused.)

MR. WATSON: Apparently there is no opposition to the application. I have prepared a tentative form of order.

MR. MACEY: Thank you. Does anyone have anything further in this case?

GOVERNOR STIMMS: Let the record show the trial amendment was allowed and the two exhibits were accepted.

MR. MACEY: We will take the case under advisement.

STATE OF NEW MEXICO)
 : ss.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby
certify that the foregoing and attached transcript of proceedings
before the New Mexico Oil Conservation Commission at Santa Fe,
New Mexico, is a true and correct record to the best of my
knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial
seal this 1st day of June, 1955.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires:

June 19, 1955

NEIL B. WATSON

ATTORNEY AT LAW
ARTESIA, NEW MEXICO

April 25, 1955

PLAIN OFFICE 000
APR 25 1955 PM 1:20

Mr. W. B. Macey, Secretary,
New Mexico Oil Conservation Commission,
Box 871,
Santa Fe, New Mexico.

Dear Mr. Macey:

As attorney for Texas Trading Co., Inc., I am enclosing an Application, in triplicate, for an unorthodox well location on the Texas Trading Co., Inc. Government Grier lease. You will note this application is to drill the Texas Trading Co., Inc. Grier No. 5 Well, which will be 25 feet north and 25 feet east of the center of the SW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East, N.M.P.M., or, as shown, 1345 feet from the west line and 1345 north of the south line of said Section 29, Township 16 South, Range 31 East, N.M.P.M.

I trust you find the Application in order and that this request may be granted for the reasons noted; but, if you need any additional information, please let me know as soon as possible.

I would appreciate it if I could have your reply and decision by May 2, 1955, as the representative of Texas Trading Co., Inc. will be back here in Artesia on the following day to make arrangements for the drilling of the well, if approval can be granted by that time.

Yours very truly,

Neil B. Watson
Neil B. Watson.

NEW:lve
enc.

cc :U.S.G.S. Office,
Post Office Building,
Roswell, New Mexico.

cc :U.S.G.S. Office,
Ward Building,
Artesia, New Mexico.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

Application of Texas Trading Co.,
Inc., for approval of its projected
Grier Well No. 5 as a "five-spot
location at a site 1345' from South and
West lines of Section 29, Twp. 16 South,
Rge. 31 East, Eddy County, N. M.,
in the Square Lake Pool.

CASE NO. 909.

CONSENT OF OFFSET OWNER

COMES NOW John Fidel, and acknowledges receipt of a copy of the application of Texas Trading Co., Inc., to drill a well on it's Government Oil and Gas Lease Las Cruces 060723, with said well to be located 1345 feet from the South line and 1345 feet from the West line of Section 29, Township 16 South, Range 31 East, N.M.P.M., and John Fidel states that he is the owner and operator of an oil and gas lease which offsets the SW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East, N.M.P.M., on the west side thereof. The undersigned, John Fidel, states that he is the owner of Government Oil and Gas Lease Las Cruces 060971 which covers the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 30, Township 16 South, Range 31 East, N.M.P.M.

John Fidel does hereby waive service of a copy of application of Texas Trading Co., to drill at said unorthodox location, and does hereby waive service of the notice of hearing on said application and does hereby consent and agree that the Oil Conservation Commission of the State of New Mexico may grant the application of the Texas Trading Co., Inc., for an approval of its projected Grier Well No. 5 as a "five-spot" location at

the site 1345 feet from the South and West lines of Section 29,
Township 16 South, Range 31 East, Eddy County, New Mexico, in
the Square Lake Pool.

Dated this 9th day of May, 1955.

John Fidel
John Fidel.

STATE OF NEW MEXICO
COUNTY OF BERNILLO SS.

SUBSCRIBED AND SWORN to before me this 9th
day of May, 1955.

George E. Syme
Notary Public.

~~My Commission Expires:~~

My Commission Expires September 20, 1956

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

Application of Texas Trading Co., Inc., for approval of its projected Grier Well No. 5 as a "five-spot" location at a site 1345' from South and West lines of Section 29, Twp. 16 South, Rge. 31 East, Eddy County, N. M., in the Square Lake Pool.

CASE NO. 909

CONSENT OF OFFSET OWNERS

COME NOW Carper Drilling Co., Inc., M. S. Bruning, and Rex Wheatley, and acknowledge receipt of a copy of the application of Texas Trading Co., Inc., to drill a well on it's Government Oil and Gas Lease Las Cruces 060723, with said well to be located 1345 feet from the South line and 1345 feet from the West line of Section 29, Township 16 South, Range 31 East, N. M. P. M., and state that the undersigned are the offset owners of the oil and gas lease to the North and East of the SW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East, N.M.P.M. as follows:

Carper Drilling Co., Inc., and M. S. Bruning are the owners of lease Las Cruces 060543 covering SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East N.M.P.M.

Carper Drilling Co., Inc., is the owner and operator of lease Las Cruces 060544 covering SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East N.M.P.M., and is the owner and operator of lease N. M. 016803 covering NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East, N.M.P.M.

Carper Drilling Co., Inc., and Rex Wheatley are the owners of lease Las Cruces 061379 covering SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East, N.M.P.M.

The undersigned offset owners to the North and East of said SW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East, N.M.P.M., do hereby waive service of a copy of the application

Page No. 2

of the Texas Trading Co., Inc., to drill its Grier Well No. 5 at said unorthodox location, and do hereby waive service of the notice of hearing on said application, and do hereby consent and agree that the Oil Conservation Commission of the State of New Mexico may grant the application of the Texas Trading Co., Inc., for approval of its projected Grier Well No. 5 as a "five-spot" location at a site 1345 feet from the South and West lines of Section 29, Township 16 South, Range 31 East, Eddy County, New Mexico, in the Square Lake Pool.

Dated this 14 day of May, 1955.

CARPER DRILLING CO., INC.,

By

Arthur L. Carper Executive Pres.

Attest:

Glen A. Carrey
Asst. Secretary.

M. S. Bruning
M. S. Bruning.

Rex Wheatley.

MAIN OFFICE OCC

1955 MAY 22 AM 8:20

NEIL B. WATSON

ATTORNEY AT LAW
ARTESIA, NEW MEXICO

May 10, 1955

Mr. W. B. Macey, Secretary,
New Mexico Oil Conservation Commission,
Box 871,
Santa Fe, New Mexico.

Dear Mr. Macey:

Re: Case No. 909, Application of
Texas Trading Co., Inc. for 5
Spot Location.

I have the docket for the May 18th hearing, and note the above Application has been numbered 909 and is set for May 18th.

If the hearing set at this time will last over to the 19th, it would certainly suit my convenience better to appear on the 19th, if that can be arranged. I wish you would please advise me if it would be satisfactory for me to appear on the 19th of May and whether or not I should plan to be there in the morning or will it be satisfactory to be there in the afternoon of May 19th.

Yours very truly,


Neil B. Watson.

NBW:lve

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

Case No. 909

Order No. _____

THE APPLICATION OF TEXAS TRADING CO.,
INC. FOR APPROVAL OF ITS PROJECTED
GRIER WELL NO. 5, AS A "FIVE-SPOT"
LOCATION, AT A SITE 1412 FEET (AMENDED
AT HEARING FROM 1345 FEET) FROM SOUTH
AND WEST LINE OF SECTION 29, TOWNSHIP
16 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY
COUNTY, NEW MEXICO, IN THE SQUARE LAKE
POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 1:00 P.M., May 19,
1955, at Santa Fe, New Mexico, having been continued from May 18,
1955 at 9:00 A.M., before the Oil Conservation Commission of the
State of New Mexico, hereinafter referred to as the "Commission".

NOW, on this _____ day of _____, 1955, the
Commission, a quorum being present, having considered the records
and testimony adduced, and being fully advised in the premises,

FINDS:

1. That due notice of the time and place of hearing,
and the purpose thereof, having been given as required by law, the
Commission has jurisdiction in this case and the subject matter
thereof.

2. That the acreage involved is public domain lands of
the United States of America, leased to the Texas Trading Co., Inc.
under Government Oil and Gas Lease Las Cruces 060723, and covering
the SW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East, N.M.P.M.,
in Eddy County, New Mexico, and in the Square Lake Field.

3. That the Texas Trading Co., Inc. is the owner of the
entire working interest in said oil and gas lease and has four
wells located on said 160 acre tract, with the location and the
names of the wells being as follows:

Texas Trading Co., Inc. No. 1 Well, SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section
29, Township 16 South, Range 31 East, N.M.P.M.

Texas Trading Co., Inc. No. 2 Well, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section
29, Township 16 South, Range 31 East, N.M.P.M.

Texas Trading Co., Inc. No. 3 Well, NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 29, Township 16 South, Range 31 East, N.M.P.M.

Texas Trading Co., Inc. No. 4 Well, NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 29, Township 16 South, Range 31 East, N.M.P.M.

4. That said wells at this time are producing, and the approximate daily production of oil from said wells is as follows:

Well No. 1, SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 29 -	3 barrels per day
Well No. 2, SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 29 -	2 $\frac{1}{2}$ barrels per day
Well No. 3, NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 29 -	5 barrels per day
Well No. 4, NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 29 -	10 barrels per day.

5. That Texas Trading Co., Inc. filed its Application to drill a "five-spot" well at a location 1345 feet from the south and west lines of said Section 29, Township 16 South, Range 31 East, N.M.P.M., and, at the hearing, by and with the consent of the Commission, amended its said Application to apply for approval to drill said well 1412 feet from the south and west lines of said Section 29, Township 16 South, Range 31 East, N.M.P.M., by reason of the fact that the proposed location of 1345 feet would be near enough to the electric transmission line of the Rural Electrification Cooperative to cause a hazard in drilling at such location.

6. That Texas Trading Co., Inc. desires to drill said Grier No. 5 Well as a "five-spot" location, for the following reasons, to wit:

(a) That it considers said well necessary to adequately drain the 160 acre tract, by reason of the tightness of the formation; and

(b) That said well is to be drilled to the bottom of the San Andreas Formation and, in drilling said well, sandfracturing or other methods will be used on an experimental or test basis, to test methods of completion not in use in the industry at the time the original four wells were drilled.

7. That applicant is not requesting any additional allowable for the forty acre tract on which said well will be drilled.

8. That said proposed Grier No. 5 Well will not be located near enough to the boundary line of any adjoining lease owner so as to require notice or consent of any adjoining lease owner, but the operators of the adjoining leases and owners of offset acreage have offered no objection to petitioner's Application and have, in fact, filed their written consent thereto.

9. That the irregular location of Texas Trading Co., Inc. proposed Grier No. 5 Well, at a site 1412 feet from the south and west lines of Section 29, Township 16 South, Range 31 East, N.M.P.M., in the Square Lake Field, is not prejudicial to any adjoining lease owner or detrimental to any lease interests in said Field, and should be granted by the Commission.

IT IS, THEREFORE, ORDERED:

That the Application of Texas Trading Co., Inc., as amended, for an order approving its projected Grier Well No. 5 as a "five-spot" location, at a site 1412 feet from the south and west lines of Section 29, Township 16 South, Range 31 East, N.M.P.M., in the Square Lake Field, be, and it hereby is, granted, and the location of said well is hereby approved.

IT IS FURTHER ORDERED:

That said well, by itself or in conjunction with other wells in said NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East, N.M.P.M., shall not be produced in excess of the allowable production for the Square Lake Pool.

DONE at Santa Fe, New Mexico, the day and year above mentioned.

STATE OF NEW MEXICO,
OIL CONSERVATION COMMISSION.

Chairman

Member

Secretary

NEIL B. WATSON

ATTORNEY AT LAW
ARTESIA, NEW MEXICO

May 23, 1955

OK

UPM

MAIN OFFICE 100
FEBRUARY 10 1955

Mr. W. B. Macey, Secretary,
New Mexico Oil Conservation Commission,
Box 871,
Santa Fe, New Mexico.

Dear Mr. Macey:

Re: Texas Trading Co., Inc.

In my haste to get this uncontested matter before the Commission, as speedily and concisely as possible, I forgot to advise you that, on the Consent of Offset Owners, Carper Drilling Company is the operator of the three leases mentioned but, on one 40 acre lease, M. S. Bruning has an interest and, on the other 40 acre lease, Rex Wheatley has an interest.

Mr. Wheatley did not sign, but it was only because he was not here at the time, but was visiting somewhere up in the northwest, and I did not have an opportunity to contact him about it. Since Carper Drilling Company is the operator, I presume you may grant the Application without the consent of Mr. Wheatley, since I doubt if the consents are required in this case. I did not want you to think, in going through the file, that Rex Wheatley had an opportunity to sign it and refused to do so. He does not know anything about it, and I am sure he would follow the recommendation of Carper Drilling Company and sign, if requested.

Yours very truly,

Neil B. Watson
Neil B. Watson.

NBW:lve

Case 907

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

* * * * *

RE: APPLICATION OF TEXAS TRADING CO., INC. FOR
ADMINISTRATIVE APPROVAL TO DRILL A WELL AT A NON-
STANDARD LOCATION.

COMES NOW Texas Trading Co., Inc., by Neil B. Watson,
its attorney, and makes application to the New Mexico Oil
Conservation Commission for administrative approval of a non-
standard well location, and makes the following statements: -

1. That the complete legal description of the acreage
involved is the SW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31
East, N.M.P.M., in Eddy County, New Mexico, which is Government
Oil and Gas Lease Las Cruces 060723.

2. That the location and names of the wells on said
lease are as follows:

Texas Trading Co., Inc. No. 1 Well, SW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 29, Township 16 South, Range 31 East,
N.M.P.M.

Texas Trading Co., Inc. No. 2 Well, SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 29, Township 16 South, Range 31 East,
N.M.P.M.

Texas Trading Co., Inc. No. 3 Well, NW $\frac{1}{4}$ SW $\frac{1}{4}$
Section 29, Township 16 South, Range 31 East,
N.M.P.M.

Texas Trading Co., Inc. No. 4 Well, NE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 29, Township 16 South, Range 31 East,
N.M.P.M.

7-13-13

10

That
amendment
granted on
May 19, 1955

3. That Texas Trading Co., Inc., owner of said lease,
desires to drill a well ¹⁴¹²~~1345~~ feet from the south line of said
Section 29, Township 16 South, Range 31 East, N.M.P.M., and
¹⁴¹²~~1345~~ feet from the west line of said Section 29, Township 16
South, Range 31 East, N.M.P.M., which said well will be located
in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 29, Township 16 South, Range 31
East, N.M.P.M., where the No. 4 Well is presently producing.

That said No. 4 Well is now producing approximately ten (10) barrels per day, and this Application is not made for any additional allowable, but Texas Trading Co., Inc. desires to drill said additional well in order to more adequately drain the 160 acre lease described as the SW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East, N.M.P.M., by drilling a well near the center of said 160 acre tract; and the information received by Texas Trading Co., Inc. is that, due to the tightness of the formation, such additional well would be advantageous in order to obtain a greater production of oil from said lease. That Texas Trading Co., Inc. intends to drill said well to the bottom of the San Andreas Formation found in the area and, in drilling said well, Texas Trading Co., Inc. also desires to drill said well to test methods of completion which were not in use in the industry at the time the original four wells were drilled, such as sandfracturing or other methods to increase production.

4. For all of the foregoing reasons, Texas Trading Co., Inc. requests the consideration by the Commission of its request for this non-standard location, and requests administrative approval be granted as soon as possible.

5. That said well will not be located within the distance from the boundary line of any adjoining lease owner so as to require notice or consent of any adjoining lease owner, inasmuch as Texas Trading Co., Inc. is the owner of the entire lease interest under the said SW $\frac{1}{4}$ of Section 29, Township 16 South, Range 31 East, N.M.P.M.

6. That the owners of the oil and gas leases offsetting said 160 acres are as follows:

Carper Drilling Company, Artesia, New Mexico, is the owner of the lease lying to the north and to the east, of the 160 acres involved.

Texas Trading Co., Inc., applicant herein, is the owner of a State Oil and Gas Lease lying immediately south of the 160 acres involved.

John Fidel, of Albuquerque, New Mexico, is the owner of lease to the west of the 160 acres involved.

WHEREFORE, Texas Trading Co., Inc. respectfully requests approval of such non-standard location.

TEXAS TRADING CO., INC.

by

Neil B. Watson
Neil B. Watson,
Attorney for Texas Trading Co., Inc.,
Box 56,
Artesia, New Mexico.

STATE OF NEW MEXICO)
COUNTY OF EDDY) ss.

SUBSCRIBED AND SWORN to before me this 25th day of April, 1955.

Lela Ellicott
Notary Public.

My Commission Expires:
Oct. 8, 1958

**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. 909
Order No. R-648**

**THE APPLICATION OF TEXAS TRADING
COMPANY, INC., FOR APPROVAL OF THE
DRILLING OF ITS GRIER WELL NO. 5 AS
A "FIVE-SPOT" LOCATION WITHIN THE
BOUNDARIES OF THE SQUARE LAKE OIL
POOL AS AN EXCEPTION TO RULE 104 OF
THE RULES AND REGULATIONS OF THE
COMMISSION; SAID LOCATION TO BE AT A
SITE 1412 FEET FROM THE SOUTH AND WEST
LINES OF SECTION 29, TOWNSHIP 16 SOUTH,
RANGE 31 EAST, NMPM, EDDY COUNTY,
NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

**This cause came on for hearing at 9 o'clock a. m. on May 18,
1955, at Santa Fe, New Mexico, before the Oil Conservation Commission,
hereinafter referred to as the "Commission".**

**NOW, on this 13th day of June, 1955, the Commission, a
quorum being present, having considered the record and the testimony
adduced at said hearing, and being fully advised in the premises,**

FINDS:

**(1) That due notice of the time and place of hearing and the purpose
thereof having been given as required by law, the Commission has jurisdiction
of this cause and the subject matter thereof.**

**(2) That petitioner is the owner of a Federal oil and gas lease
covering the SW/4 of Section 29, Township 16 South, Range 31 East, NMPM,
Eddy County, New Mexico, which lease is known as the Texas Trading
Company Grier Lease.**

**(3) That there are four producing oil wells at standard locations on
aforesaid lease, which wells are producing from the Grayburg and/or upper
San Andres formations of the Square Lake Oil Pool.**

**(4) That the four existing wells on aforesaid lease are not sufficient
to recover all the recoverable oil under this tract, and that the drilling of the
"five-spot" location as proposed in applicant's petition would be in the
interests of conservation, would prevent waste and would enable applicant to
recover substantial quantities of oil which would otherwise not be produced.**

**(5) That adjacent leasehold interests have not objected to the
drilling of such additional location, and will not be adversely affected by the
provisions of this order.**

IT IS THEREFORE ORDERED:

(1) That the application of Texas Trading Company, Inc., be and the same hereby is approved, and that applicant is hereby granted permission to drill an unorthodox "five-spot" location at a site 1412 feet from the South and West lines of Section 29, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico in the Square Lake Pool.

(2) That applicant shall not receive additional allowable by virtue of the drilling of said "five-spot" location, and that applicant shall produce only that allowable granted the 40-acre unit described as the NE/4 SW/4 of said Section 29 as ordered by the Commission under the provisions of Commission Rule 505.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACKEY, Member and Secretary

