

CASE 1784: Application of STANDARD  
OIL CO. OF IND. for an unorthodox  
gas well location in Itoka-Penn. Pool.

copy 12/24/48

Case No.

1764

Application, Transcript,  
Small Exhibits, Etc.

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. 1764  
Order No. R-1496.

APPLICATION OF STANDARD OIL  
COMPANY OF TEXAS FOR AN UN-  
ORTHODOX GAS WELL LOCATION  
FOR A WELL IN THE ATOKA-  
PENNSYLVANIAN GAS POOL, EDDY  
COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 30, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 9th day of October, 1959, the Commission, a quorum being present, having considered the application the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 is the owner and operator of the NE/4, the W/2 SE/4, and the SE/4 SE/4 of Section 14, Township 18 South, Range 26 East, N.M.P., Eddy County, New Mexico.

(3) That the applicant is negotiating the communitization of the above-described acreage and the remaining acreage in the E/2 of said Section 14, to form a standard 320-acre Atoka-Pennsylvanian gas proration unit, comprising the entire E/2 of said Section 14.

(4) That upon completion of the communitization agreement, the applicant proposes to drill an Atoka-Pennsylvanian gas well at an unorthodox location 1850 feet from the South line and 1650 feet from the East line of said Section 14.

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Case No. 1704  
Order No. R-1496

(5) That the approval of the proposed unorthodox gas well location, effective upon completion of the communitization agreement, will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Standard Oil Company of Texas, be and the same is hereby granted an exception to the well location requirements of Order No. R-1417, and is authorized to complete the J. H. Everest Unit 2 Well No. 1 at an unorthodox location 1850 feet from the South line and 1650 feet from the East line of Section 14, Township 18 South, Range 26 East, N.M.P., Eddy County, New Mexico.

PROVIDED HOWEVER, That the subject well shall serve as the unit well for a 320-acre standard Atoka-Pennsylvanian gas proration unit, consisting of the E/2 of said Section 14.

PROVIDED FURTHER, That the authorization herein provided shall become effective upon the successful communitization of the acreage within the E/2 of said Section 14.

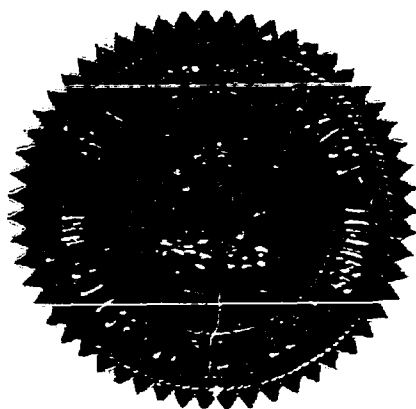
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JOHN BURROUGHS, Chairman

  
MURRAY E. MORGAN, Member

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



lcr/

DOCKET: EXAMINER HEARING SEPTEMBER 30, 1959

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner, or A. L. Porter, Jr., Secretary-Director.

CONTINUED CASE

CASE 1739: Application of Shell Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Henshaw Deep Unit Agreement comprising 4824 acres, more or less, of Federal and State lands in Township 16 South, Ranges 30 and 31 East, Eddy County, New Mexico.

NEW CASES

CASE 1760: Application of The Atlantic Refining Company for an automatic custody transfer system and for permission to produce more than 16 wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from all Horseshoe-Gallup oil wells on its Navajo "B" Lease comprising certain acreage in Township 31 North, Range 16 West, San Juan County, New Mexico.

CASE 1761: Application of Stanton Oil Company, Ltd., for a pilot water flood project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Turkey Track Pool in Eddy County, New Mexico, by the injection of water into the Queen formation through four wells located in Section 34, Township 18 South, Range 29 East.

CASE 1762: Application of Newmont Oil Company for an unorthodox water injection well location. Applicant, in the above-styled cause, seeks an order authorizing it to reopen and utilize for water injection a well located on an unorthodox location at a point 1620 feet from the North line and 1020 feet from the West line of Section 32, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico.

CASE 1763: Application of Southwestern Hydrocarbon Company for an order abolishing the Sawyer-San Andres and South Sawyer-San Andres Oil Pools in Lea County, New Mexico, and creating the Sawyer-San Andres Gas Pool; or in the alternative for an order extending the horizontal limits of the South Sawyer-San Andres Oil Pool to include the NE/4 of Section 6, the N/2 of Section 5 and the NW/4 of Section 4, Township 10 South, Range 38 East, Lea County, New Mexico, and removing all gas-oil ratio limitations for wells in said pool; or in the alternative for an order combining the Sawyer-San Andres and the South Sawyer-San Andres Oil Pools, as well as the intervening acreage, and removing all gas-oil ratio limitations for such pool.

CASE 1764: Application of Standard Oil Company of Texas for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location in the Atoka-Pennsylvanina Gas Pool, at a point 1850 feet from the South line and 1650 feet from the East line of Section 14, Township 18 South, Range 26 East, Eddy County, New Mexico.

Docket No. 33-59

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- CASE 1765: Application of The Ohio Oil Company for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water into the Lower San Andres formation through its State B-4286 "A" Well No. 2, located in Unit F, Section 2, Township 17 South, Range 36 East, Lea County, New Mexico. The proposed injection interval is from 5725 feet to 5968 feet.
- CASE 1766: Application of Northwest Production Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its "S" Well No. 16-2, located in the SW/4 SW/4 of Section 2, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to produce oil from an undesignated Gallup oil pool and to produce oil from an undesignated Dakota oil pool through parallel strings of tubing.
- CASE 1767: Application of El Paso Natural Gas Products Company for permission to produce more than 16 wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing the production of a maximum of 35 wells in the Horseshoe-Gallup Oil Pool into a common tank battery. Said wells are located on applicant's Horseshoe Ute Lease comprising portions of Sections 27, 28, 33 and 34, Township 31 North, Range 16 West, San Juan County, New Mexico.
- CASE 1768: Application of T. F. Hodge for the rededication of acreage assigned to three oil wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order rededicating the acreage assigned to three oil wells on his Mary E. Wills Lease, Section 33, Township 26 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico. Applicant proposes to dedicate 40 acres to each of the three wells, said 40-acre units not to comprise a quarter-quarter section or legal subdivision.
- CASE 1769: Application of Pan American Petroleum Corporation for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Northeast Hogback Unit Agreement, comprising 10,572 acres, more or less, in Township 30 North, Range 16 West, San Juan County, New Mexico.
- CASE 1770: Application of Pan American Petroleum Corporation for approval of a lease automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the automatic custody transfer of oil produced from its Lois Wengerd Lease in Sections 23 and 24, Township 12 South, Range 37 East, Gladiola-Devonian Pool, Lea County, New Mexico.
- CASE 1771: Application of Pan American Petroleum Corporation for approval of a lease automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the automatic custody transfer of oil produced from its USA Malco Refinery "F" Lease, Section 1, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico.
- CASE 1772: Application of Pan American Petroleum Corporation for approval of an automatic custody transfer system for four state leases in the Empire-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order amending Order No. R-1292 to provide for automatic custody transfer of oil commingled thereunder.

- CASE 1773: Application of Pan American Petroleum Corporation for approval of two automatic custody transfer systems for seven federal leases in the Empire-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order amending Order No. R-1399 to provide for automatic custody transfer of oil produced into the two commingled tank batteries authorized therein.
- CASE 1774: Application of Continental Oil Company for a non-standard gas unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas unit in an undesignated Tubb gas pool consisting of the E/2 NW/4 and the W/2 NE/4 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Britt B-15 No. 10 Well, located in the SW/4 NE/4 of said Section 15.
- CASE 1775: Application of Continental Oil Company for a non-standard gas unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas unit in an undesignated Tubb gas pool consisting of the E/2 SE/4 of Section 15 and the W/2 SW/4 of Section 14, all in Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's SEMU Well No. 70, located in the NW/4 SW/4 of said Section 15.
- CASE 1776: Application of Continental Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for nine wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:  
Ascarate D-24 Well No. 1, Unit J, Section 24, T-25-S, R-36-E, Danciger A-8 Well No. 2, Unit P, Section 8, T-23-S, R-36-E, Jack A-20 Well No. 4, Unit G, Section 20, T-24-S, R-37-E, Jack A-29 Well No. 3, Unit H, Section 29, T-24-S, R-37-E, Meyer A-29 Well No. 1, Unit O, Section 29, T-22-S, R-36-E, Meyer B-28 Well No. 1, Unit E, Section 28, T-22-S, R-36-E, State A-32 Well No. 4, Unit F, Section 32, T-22-S, R-36-E, Stevens A-34 Well No. 1, Unit E, Section 34, T-23-S, R-36-E, Wells B-1 Well No. 1, Unit A, Section 1, T-25-S, R-36-E, all in Lea County, New Mexico.
- CASE 1777: Application of El Paso Natural Gas Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing its E. J. Wells Lease Well No. 13, Unit L, Section 5, and its Wells B-4 Lease Well No. 1, Unit D, Section 4, both in Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to compensate for their overproduced status without being completely shut-in in order to prevent possible waste.
- CASE 1778: Application of Olsen Oils, Inc., for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for four wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:  
Cooper B Well No. 2, NE/4 NW/4 of Section 14, T-24-S, R-36-E, Myers B Well No. 1, SE/4 NW/4 of Section 13, T-24-S, R-36-E, S. R. Cooper well No. 1, SE/4 NE/4 of Section 23, T-24-S, R-36-E, Winningham Well No. 3, NE/4 SE/4 of Section 30, T-25-S, R-37-E, all in Lea County, New Mexico.

- CASE 1779: Application of Jal Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for four wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:  
Legal Well No. 2, NE/4 SE/4 of Section 21,  
Dyer Well No. 3, SE/4 NE/4 of Section 31,  
Jenkins Well No. 2, NE/4 SW/4 of Section 29,  
Repollo Well No. 1, SW/4 NW/4 of Section 28,  
all in Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1780: Application of Husky Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for one well in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing its Montecito Woolworth Well No. 2, Unit M, Section 33, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to compensate for its overproduced status without being completely shut-in in order to prevent possible waste.
- CASE 1781: Application of Texaco, Inc. for permission to continue producing an overproduced Jalmat gas well at a lesser rate. Applicant, in the above-styled cause, seeks an order authorizing it to produce its C. C. Fristoe (b) NCT-4 Well No. 2, Unit M, Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, at a maximum rate of 2500 MCF per month for lease use until over production has been compensated for.





# STANDARD OIL COMPANY OF TEXAS

P. O. BOX 1249 • HOUSTON 1 • TEXAS

September 3, 1959

MAIN OFFICE CCC

11:11 AM

RECEIVED

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Secretary and Director

Gentlemen:

Attached is the Application of Standard Oil Company of Texas for an exception to Order No. R-1417, special rules for the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, to permit drilling the Standard Oil Company of Texas' J. H. Everest et al Unit 2 Well No. 1 at a location, 1850 feet from the south line and 1650 feet from the east line, Section 14, T-18-S, R-26-E.

It is requested that this application be set for examiner hearing at a time and place convenient to the Commission.

Also attached is a map of the area indicating the location of the wells in the Atoka-Pennsylvanian Gas Pool. Standard Oil Company of Texas' acreage is colored in yellow.

Yours very truly,

  
C. W. Segnar, Chief Engineer

RLMc:ja

Attachments

*Lochert Mailed*  
*9-15-59*

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

APPLICATION OF STANDARD OIL COMPANY  
OF TEXAS FOR AN UNORTHODOX GAS WELL  
LOCATION IN THE ATOKA-PENNSYLVANIAN  
GAS POOL, EDDY COUNTY, TEXAS, EXCEPTION  
TO THE SPACING REQUIREMENTS FOR SAID  
POOL AS PROMULGATED BY ORDER NO. R-1417.

N. M.

A P P L I C A T I O N

In support of the application, the applicant, Standard Oil Company of Texas, submits the following:

1. The applicant is owner of oil and gas leases and has the right to produce gas and condensate from the Pennsylvanian formation, source of supply of the Atoka-Pennsylvanian Field, underlying the NE/4 and W/2 of SE/4 and SE/4 of SE/4, Section 14, T-18-S, R-26-E, Eddy County, New Mexico
2. Negotiations are in progress with the Hondo Oil and Gas Company, owner of oil and gas leases in the NE/4 of SE/4 of Section 14, to form a 320 acre gas unit consisting of the E/2 of Section 14, T-18-S, R-26-E. Drilling of a well on the proposed unit will not commence until the unit agreement is completed.
3. Order No. R-1417, by this Commission, adopted temporary rules and regulations for the Atoka-Pennsylvanian Gas Pool, providing for 320 acre units comprising any two contiguous quarter sections of a single section and wells located in the northwest quarter or southeast quarter and located no nearer than 990 feet to the outer boundary of the quarter section nor nearer than 330 feet to the quarter-quarter section line.
4. The spacing exception is necessary to permit drilling the Standard Oil Company of Texas' J. H. Everest et al Unit 2 Well 1 at a location 1850 feet from the south line and 1650 feet from the east line of Section 14, T-18-S, R-26-E. A location 1650 feet from the south line and 1650 feet from the east line would comply with the field rules, but the National Drilling Company's Everest No. 1 well, an Atoka Field well, is completed at the latter location. Therefore, the exception is requested to permit drilling the subject well 200 feet north of the National Drilling Company's Everest No. 1 to avoid the possibility of encountering this well during drilling operations.
5. The proposed location of the Standard Oil Company of Texas' J. H. Everest et al Unit 2 Well No. 1 would permit the efficient drainage of the 320 acre drilling unit and would not adversely affect the correlative rights of the interested parties in the pool.

STANDARD OIL COMPANY OF TEXAS

  
By C. N. Segner, Chief Engineer

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1764 ✓

TRANSCRIPT OF HEARING

SEPTEMBER 30, 1959

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
SEPTEMBER 30, 1959

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IN THE MATTER OF:

CASE 1764: Application of Standard Oil Company of Texas for :  
an unorthodox gas well location. Applicant, in :  
the above-styled cause, seeks an order authoriz- :  
ing an unorthodox gas well location in the Atoka- :  
Pennsylvanian Gas Pool, at a point 1850 feet from :  
the South line and 1650 feet from the East line or :  
Section 14, Township 18 South, Range 26 East, Eddy :  
County, New Mexico. :  
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BEFORE:

Daniel S. Nutter, Examiner.

T R A N S C R I P T     O F     P R O C E E D I N G S

MR. NUTTER: Take next Case 1764.

MR. PAYNE: Case 1764. Application of Standard Oil  
Company of Texas for an unorthodox gas well location.

MR. KELLAHIN: If the Commission please, Jason Kella-  
hin, Kellahin & Fox, appearing for the applicant, Standard Oil Com-  
pany of Texas. We have one witness.

(Witness sworn)

ROBERT E. MURPHY, JR.

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Robert E. Murphy, Jr.

Q By whom are you employed and in what position, Mr. Murphy?

A Standard Oil Company of Texas. I am the District Development Geologist located in Monahans.

Q Have you had any special training in the field of geology?

A Yes, sir. I received a B. S. degree, majoring in geology, from the University of Illinois in 1950; Master of Science degree, again a major in geology from Emory University in Atlanta, Georgia in 1953. I have been employed as a geologist by Standard of Texas since 1953.

Q Have you had occasion to work in the area involved in the application in this case. Case 1764?

A Yes, sir. I've worked in this area for approximately two and a half years.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, sir.

Q Mr. Murphy, are you familiar with the application in Case 1764?

A Yes, sir.

Q Will you state briefly what is proposed in this appli-

cation?

A Standard is requesting an unorthodox gas well location in the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico. I would like to submit these Exhibits.

Q Will you have the Exhibits marked?

A Yes, sir. Production in the Atoka-Pennsylvanian Field is from the Lower Pennsylvanian sand. Exhibit 1 is an isopach of that sand. There are three producing wells in the field now. Two are Standard of Texas, one Pan American. One Standard dry hole off to the northwest. The location which we desire to drill is marked in red -- in green, excuse me. It is in the SE/4 of Section 14. Sand is encountered at a depth of about 1900 feet, thickness from 54 feet to 55 feet. It's a sand bar type of deposit. You can see on Exhibit 1 it extends northeast, southwest. Its thickness varies considerably and rapidly, as you can see, between our Martin No. 1, which has 54 feet of sand in the SE/4 of Section 15, and is a dry hole in the NE/4 of Section 15, generally 5 feet of sand. The present and temporary field rules call for 320-acre spacing. The rules further specify that the wells be located in the northwest and southeast quarter sections. The discovery well, our Everett No. 1 does not fit this pattern, and it was drilled as a Devonian test to the Atoka. The Atoka was the secondary objective. It was dry in the Devonian. According to the Commission's rules, there are four possible locations in the SE/4 of Section 14 that we could drill. These would be 1650 feet from the South and East

line, 990 from the South and East line, 1650 from the East, and 990 from the East, and 1650 from the South line. Of these four locations, we would like to drill one further east -- northwest, and there are several reasons for that. First, we would reduce the risk of missing this sand bar completely by getting as far toward the trend as we can, as we know it today, and also we would encounter a thicker section of sand at this most northwesterly location. We believe that the Atoka sand underlies the whole 320 acres in question, but it is much thicker, as shown on the map in the north -- northern and northwest part of this 320 acres, in fact. If we could disregard field rules, the best location I could recommend to my company would be in the northwest corner of the northeast corner, the northwest corner section.

Another reason we would choose this northwesterly location of the four I mentioned is, it would tend to somewhat balance the drainage which is somewhat upset by the unorthodox location of the first well. Of the four locations that I mentioned, three have already been drilled as San Andres or Atoka San Andres field wells. These are marked on our map as oil well symbols.

The fourth location would be 990 from the East line and 1650 from the South line, and would be a regular gas well location. At this location we would lose approximately 20 percent of our sand. And at the furthest southeast location we probably would lose maybe as much as 30 percent of the sand, and we are only working with about 25 feet, to begin with, so we feel it is to our advantage to

get as far northwest as we can, which would be 200 feet north of the National Drilling Company well located 1650 from the South and East line of the section. The location we desire to drill would be 1850 from the South line and 1650 from the West line of Section 14, 8 South, 26 East.

Q You mean the East line or the West line, Mr. Murphy?

A The location we want to drill would be 1850 from the South line and 1650 from the -- it should be the East line of the section.

Q The plat shows part of the area covered in yellow. What does that indicate?

A This is acreage held by Standard of Texas.

Q Now, within the proposed area to be dedicated to this well, a portion of that is shown in white. Do you know the status of that acreage?

A That interest is held by Humble Oil Company, and we are now in the process of negotiating with them for that interest, and, of course, the well wouldn't be started until those negotiations are settled.

Q The only other open location would be on that acreage there, would it not?

A Yes, sir. And, as I pointed out, we would lose probably six, seven feet of sand, and we are not starting out with much as it is.

Q Taking into consideration the present location of the



producing wells in the Atoka-Pennsylvanian Field, do you have any opinion as to the drainage pattern which would be created by a well located, as proposed by this location?

A I think it would fit the pattern that has been established by Pan American wells and by the R. Martin well, and it would tend to get as far north and drain this upper part, which would be undrained if we drilled in the southern part of this 320 acres. The Everett No. 1, the discovery well, is also located in the S/2 of this section, and that leaves the northern half of the section, unfortunately, undrilled.

Q In your opinion, is all of the acreage which is to be dedicated to this well productive of gas?

A We believe all of this 320 acres is underlain by Atoka-Pennsylvanian sand, and it is considerably thicker in the southeast and thicker in the northwest, and we believe it to be gas productive.

Q In your opinion, will the well located, as proposed in this application, adequately drain the 320 acres to be dedicated to it?

A Yes, sir, I believe it would.

Q Now, have you prepared a map, structure map of the area?

A Exhibit 2 is a structure map which shows -- if we are allowed to drill a location, as requested, we would be in a better structural position; we would be approximately 50 feet higher in structure.

Q Would that be a better location for drainage in the area to be dedicated, Mr. Murphy?

A I believe it would.

Q Were Exhibits 1 and 2 prepared by you or under your direction and supervision?

A Exhibit 1 was prepared by me, and No. 2 was prepared by people working under me.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibits 1 and 2.

MR. NUTTER: Standard's Exhibits 1 and 2 will be admitted in evidence.

MR. KELLAHIN: That's all the questions we have, Mr. Nutter.

MR. NUTTER: Does anyone have any questions of Mr. Murphy?

MR. PAYNE: Yes, sir.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Murphy, you are not seeking deviation from the general spacing pattern for this pool, which requires that the wells be located in the NE/4 and the SE/4 of the section, are you?

A No, sir. We are only seeking permission to drill north of an existing well at a regular location.

Q It would be impossible to drill a regular location in this quarter-quarter section?

A Yes, sir. There is a San Andres producer at that location.

Q So you have to drill somewhere, and you are seeking permission to drill 200 feet north of that required location for that quarter-quarter?

A Yes, sir.

Q Do you think this entire 320 acres will be productive of gas?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Murphy? He may be excused.

(Witness excused)

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1764? Take the case under advisement.

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 6<sup>th</sup> day of October  
1959, in the City of Albuquerque, County of Bernalillo, State of  
New Mexico.

Joseph A. Tynell  
NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the District Court of Case No. 1764  
heard by the court 9-30 1959.

*[Signature]* Examiner  
New Mexico Oil Conservation Commission