

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

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, representing 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.

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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

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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 because 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 SIMMS: 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