

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. 24.

THE PETITION OF R. W. FAIR, BERT ASTON,
CHARLES A. SCHEURICH, CARL A. HATCH,
J. R. COLE, SIDNEY JOHNSON AND ANNA FRANKLIN,
FOR A LOCATION FOR A WELL FOR OIL AND GAS IN
THE NORTHWEST CORNER OF THE NE $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION
32, T. 17 S., R. 30 E., (LOCO HILLS), FOR
STRUCTURAL REASONS, AT A POINT CLOSER TO THE
BOUNDARY LINE OF SAID 40-ACRE TRACT THAN IS
PERMITTED BY PRESENT RULES OF THE COMMISSION.

ORDER NO. 322.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at nine o'clock A. M., December 12, 1940, at Santa Fe, New Mexico.

NOW, on the same said date, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises, the Commission finds:

F I N D I N G S

1. That notice by publication of the filing of the application herein, the time and the place of the hearing thereon, and the purpose of said hearing, have been regularly given in all respects as required by law, and the Commission has jurisdiction of the subject matter embraced in said petition and of the parties interested therein, and jurisdiction to issue and promulgate the hereinafter prescribed order.

2. That geological sub-surface structural conditions appear to be such within the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 32, Township 17 South, Range 30 East, N.M.P.M., as to make a well location in accordance with existing rules of the Commission to be less likely to result in the production of oil in commercial quantities, and that it further

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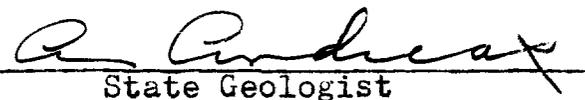
appears to the Commission that because of said structural conditions a well location one hundred fifteen (115) feet south of the north boundary line and one hundred fifteen (115) feet east of the west boundary line of said 40-acre tract is more likely to produce oil in commercial quantities. That none of the parties interested in the adjoining 40-acre units affected appeared and objected, but Mr. Bert Aston, for himself and other associated parties in interest in said adjoining 40-acre units affected, under oath waived the objection to the location sought by the Petitioners.

3. That said location petitioned for appears to be a reasonable and practicable location which will not create waste.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the Petitioners are hereby allowed to fix the well location petitioned for as follows: At a point one hundred fifteen (115) feet south of the north boundary line and one hundred fifteen (115) feet east of the west boundary line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 32, Township 17 South, Range 30 East, N.M.P.M., subject to the usual administrative requirement of filing in triplicate with the Commission a Notice of Intention to Drill upon Form C-101, setting out the location herein granted.

OIL CONSERVATION COMMISSION

By 
Commissioner of Public Lands

By 
State Geologist

CASE NO. 24

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

THE PETITION OF R. W. FAIR, BERT ASTON, CHARLES A. SCHEURICH, CARL A. HATCH, J. R. COLE, SIDNEY JOHNSON AND ANNA FRANKLIN, FOR A LOCATION FOR A WELL FOR OIL AND GAS IN THE NORTHWEST CORNER OF THE NE $\frac{1}{4}$ SW $\frac{1}{4}$, SECTION 32, T. 17 S., R. 30 E., (LOCO HILLS), FOR STRUCTURAL REASONS, AT A POINT CLOSER TO THE BOUNDARY LINE OF SAID 40-ACRE TRACT THAN IS PERMITTED BY PRESENT RULES OF THE COMMISSION.

TRANSCRIPT OF PROCEEDINGS AT HEARING IN THE
CITY HALL BUILDING
SANTA FE, NEW MEXICO
DECEMBER 12, 1940

Pursuant to order of the Commission, duly made and entered, setting December 12, 1940, at nine o'clock, A. M., for hearing in the above entitled matter, said hearing was convened at nine o'clock A. M. December 12, 1940, in the City Hall Building, Santa Fe, New Mexico, the Commission sitting as follows:

HON. FRANK WORDEN, Commissioner of Public Lands, Secretary
HON. A. ANDREAS, State Geologist
HON. CARL B. LIVINGSTON, Attorney for the Commission

APPEARANCES:

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
Chas. A. Aston	Aston & Fair	Smith, N. M.
Wirt Franklin	Anna Franklin	Ardmore, Okla.
C. A. Scheurich	" "	Clovis, N. M.
G. H. Card	Stanolind	Ft. Worth, Texas
Ed Downing	Magnolia Pet. Co.	Kermit, Texas
Edgar Kraus	Atlantic Rfg. Co.	Carlsbad, N. M.
D. R. McKeithan	Phillips Pet. Co.	Bartlesville, Okla.
C. A. Daniels	" " "	Amarillo, Texas
Glenn Staley	Proration Office	Hobbs, N. M.
A. E. Willig	The Texas Co.	Ft. Worth, Texas
Carl A. Hatch	Attorney	Clovis, N. M.
Bert Aston		Smith, N. M.

The hearing was called to order by Mr. Frank Worden, who thereupon requested Mr. Livingston to read the call of the hearing as follows:

"NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following public hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 24.

The petition of R. W. Fair, Bert Aston, Charles A. Scheurich, Carl A. Hatch, J. R. Cole, Sidney Johnson and Anna Franklin, for a location for a well for oil and gas in the northwest corner

of the NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 32, T. 17 S., R. 30 E. (Loco Hills), for structural reasons, at a point closer to the boundary line of said 40-acre tract than is permitted by present rules of the Commission. This case is set for 9:00 A. M., December 12, 1940.

Any person having any interest in the subject of the said hearing shall be entitled to be heard.

Given under the seal of said Commission at Santa Fe, New Mexico, on November 25, 1940."

BY MR. WORDEN: We are ready to proceed.

BY SENATOR HATCH: I will call Bert Aston. First, I will state this request is caused by the fact we have already drilled one dry hole, and we think this tract ought to produce, but we want to get just as far away from that dry hole as possible.

BERT ASTON,

being called as a witness on behalf of the petitioners, and being first duly sworn, was examined by Senator Hatch, and testified as follows:

DIRECT EXAMINATION

Q Your name is Bert Aston, and you reside at Smith, New Mexico?

A Yes, sir.

Q In Eddy County. Are you acquainted with the ownership of lease B-4108, covering the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Sec. 32, T. 17 S., R. 30 E.?

A I am.

Q Who is the owner of that lease?

A That lease is jointly owned by Mr. Scheurich, Aston & Fair, a partnership, Jim Cole, Mr. Johnson and Senator Hatch and Mrs. Franklin.

Q You are also acquainted with the ownership of the adjoining SE $\frac{1}{4}$ N $\frac{1}{2}$ of Sec. 32?

A I am.

Q Who owns those leases?

A Aston & Fair and R. W. Fair.

Q You are the Aston?

A Yes, sir.

Q You speak for the firm?

A In both cases, both for Fair individually and the partnership.

Q The persons who own this forty, also own the forty immediately west?

A That is right.

Q All of the surrounding 40's are owned by these individuals?

A That is right.

Q There are no conflicting interests?

A There are none.

Q So far as Aston & Fair are concerned, they are willing that a well should be drilled closer to the boundary than is permitted by the Commission?

BY MR. WORDEN: They have expressed their willingness --

A To sign any waivers necessary in this matter.

Q Speaking for that partnership, you say you are agreeable to this possible location?

A Yes, sir, and am willing to sign any waivers necessary.

Q There was another well drilled in this particular 40?

A Yes.

Q Explain what happened.

A We drilled a well on the southwest corner of the same forty, and 660 feet directly north of the well, it dropped 32 feet in 660 feet. Following the drilling of that well, Aston & Fair immediately backed off and drilled a ring, really, around it, the last one being Schuerich No. 3, owned by this same group on the same basic lease, to define the confines of that region, or whatever it is. It dropped that 30 feet, and we have production all around this forty, and the contour would lead us to believe that drawing a line from this well (indicating) to this well (indicating) which are both good producers, in the very corner we would have the opportunity to recover what oil might be in that forty acres, because that is evidently some sort of a fault or a drop that is very narrow, because we have gone a quarter of a mile north and crossed it, and north-west and southwest, so it must be some sort of a very narrow local condition.

Q Barring the hazards of drilling, you think there is a chance on this location?

A It would be my opinion if you go between those two wells we would have a good enough chance to get oil to justify the expense of looking into the sand.

BY SENATOR HATCH: I believe that is all.

BY MR. ANDREAS: You say there is no objection?

A I represent the other owner, and under oath I have made the statement that we are willing to sign a waiver.

BY MR. ANDREAS: What is the foot --

A 110 feet. It is the only productive formation at this point, and it is my honest opinion if you don't drill a well in that vicinity there will be an actual waste of oil that will never, never be recovered under that section, it will be lost for all time.

BY MR. WORDEN: Anybody present here who has any objections to changing this location and making a special location of it?

(No answer)

If there is nothing further pertaining to Case No. 24, it will be closed.

C E R T I F I C A T E

I hereby certify that the foregoing and attached three and a quarter pages of typewritten matter are a true, complete and correct transcript of the shorthand notes taken by me in Case No. 24 before the Oil Conservation Commission on the 12th day of December, 1940, and by me extended into typewriting.

Witness my hand this 23rd day of December, 1940

