

CASE NO. 60

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. 60

The Petition of the Stanolind Oil and Gas Company for an unorthodox spacing for the following well: Stanolind Oil and Gas Company - W. S. Capns No. 10X in the NESE, Section 3, Township 19S, Range 38E, Hobbs Field - proposed location to be 1980 feet north of the south line and 1293 feet west of the east line of said section.

Pursuant to notice by the Commission, duly made and published setting February 12, 1945 at ten o'clock a.m., for hearing in the above entitled matter, said hearing was convened on said day, at said hour, in the Coronado Room of the La Fonda, Santa Fe, New Mexico, the Commission sitting as follows:

HON. JOHN J. DEMPSEY, Governor
HON. JOHN E. MILES, Member
HON. CARL B. LIVINGSTON, Chief Clerk & Legal Adviser

R E G I S T E R

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
Ray McGlothlin	Petroleum Products Mfg. Co.	Prewitt, N. M.
Roy O. Yarbrough	Oil Conservation Commission	Hobbs, N. M.
G. H. Gray	Repollo Oil Company	Midland, Texas
W. E. Scott	Buffalo Oil Company	Artesia, N. M.
H. R. Merkley	Phillips Petroleum Company	Odessa, Texas
H. C. Webb	Phillips Petroleum Company	Odessa, Texas
H. K. McKinnon	Shell Oil Company	Midland, Texas
R. U. Fitting, Jr.	Consultant	Midland, Texas
B. W. Jarboe	Me-Tex	Hobbs, N. M.
Ralph L. Gray	Stanolind Oil Company	Hobbs, N. M.
Foster Morrell	U. S. G. S.	Roswell, N. M.
O. F. Hedrick	T. P. Coal & Oil	Midland, Texas
C. G. Campbell	T. P. Coal & Oil	Midland, Texas
W. K. Davis	El Paso Natural Gas Co.	Jal, N. Mex.
C. C. Cragin	El Paso Natural Gas Co.	El Paso, Texas
D. D. Bodie	C. S. Oil Company	Hobbs, N. M.
Glenn Staley	Lea County Operators	Hobbs, N. M.
James M. Murray Sr.	Me-Tex	Hobbs, N. M.

"NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission as provided by law hereby gives notice of the following hearing to be held at Santa Fe, New Mexico, at 10 A.M., February 12, 1945:

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. 60

The Petition of the Stanolind Oil and Gas Company for an unorthodox spacing for the following wells: Stanolind Oil and Gas Company - W. S. Capps No. 10X in the NESE, Section 3, Township 19S, Range 38E, Hobbs Field - proposed location to be 1980 feet north of the south line and 1293 feet west of the east line of said section.

Given under the seal of said Commission at Santa Fe, New Mexico
on

OIL CONSERVATION COMMISSION

S E A L"

P R O C E E D I N G S

BY MR. A. K. MONTGOMERY: Mr. Gray is here to represent this case - have there been any objections or protests filed?

MR. CARL LIVINGSTON: None so far - barring late mail.

(After being duly sworn, Mr. G. H. Gray testified as follows)

MR. MONTGOMERY: Before proceeding, I might make a statement as to exactly what this petition is all about - the Stanolind Oil and Gas Company has a lease covering the entire south half in the Hobbs field. Its lease covers the south half and northwest quarter. The Samedan Oil Corporation has a lease on the northeast quarter. This petitioner seeks to locate and drill an unorthodox well, not in the center of the forty acre tract specifically - it wishes to locate its well at a point 1,293 feet west of the east line of the Section. The Samedan Corporation owns the wells which are producing in exactly the same position with regards to section lines north and south boundaries. Stanolind owns the acreage on the west and south of this proposed location and Samedan owns on the north.

WILL YOU PLEASE STATE YOUR NAME?

MR. GRAY: Ralph L. Gray.

MR. MONTGOMERY: What is your official position or connection with Stanolind?

MR. GRAY: I am field engineer for the Hobbs area.

MR. MONTGOMERY: Where are you located?

MR. GRAY: Hobbs.

MR. MONTGOMERY: How long have you been with the Stanolind Oil Company?

MR. GRAY: Approximately six years.

MR. MONTGOMERY: Do you hold a degree in petroleum engineering?

MR. GRAY: Yes sir.

MR. MONTGOMERY: Where from?

MR. GRAY: New Mexico School of mines.

MR. MONTGOMERY: What other qualifications? - In regard to petroleum engineering.

MR. GRAY: Have two degrees - B.S. in petroleum engineering, also professional degree in petroleum engineering. For the past six years I have been employed in petroleum engineering in West Texas and New Mexico, also at the division office at Ft. Worth and general office at Tulsa.

MR. MONTGOMERY: Did you prepare this map marked "Exhibit A"?

MR. GRAY: Yes sir.

MR. MONTGOMERY: Will you take and explain that map with regards to this proposed location, to the Commission and reasons for wanting to locate that well at this point?

I will ask you first a question - The red arrow near the lower right-hand corner of the map pointing to a circle designated "10X" is the proposed well?

MR. GRAY: Yes sir.

MR. MONTGOMERY: The other wells pictured on this line in the south half of that section - who owns and operates them?

MR. GRAY: All owned and operated by Stanolind.

MR. MONTGOMERY: Immediately north in a north-south line, wells 314, who owns and operates them?

MR. GRAY: Samedan.

MR. MONTGOMERY: Will you explain to the Commission the difference in locations as to the 40 acre tract which that well will have as compared to the same locations in the Samedan wells to the north?

MR. GRAY: The distance from the east line of the Section will be the same for all three wells. The only difference being in the north-south dimensions from the north line of the Section.

MR. MONTGOMERY: How far will your well be from the north half section line?

MR. GRAY: 660 feet.

MR. MONTGOMERY: How far is the Samedan well? - on the north -

MR. GRAY: 1,017 feet from the Stanolind's 7x West.

MR. MONTGOMERY: How far from the Samedan's next well?

MR. GRAY: 1,095 feet.

MR. MONTGOMERY: What is the reason possibly as to why you wish to drill at this location?

MR. GRAY: We would like to drill a well at the highest structural elevation possible on this unit, and it should result in a well which would have the smallest water production, as we can show by various percentages of water for these other wells, wells further down in structure make larger percentages of water, will cause increased levels with withdrawals, this could lead to a bottom hole pressure draw down for this area - should.

GOVERNOR DEMPSEY: Anybody here in opposition to this proposal - the Commission has no objection at all.

C E R T I F I C A T E

I, Vastie Fowler, Reporter for the Oil Conservation Commission, hereby certify that I took down the statements made at the hearing held before the Commission on February 12, 1945, in the matter of the Petition of the Stanolind Oil and Gas Company for an unorthodox spacing for the following well: Stanolind Oil and Gas Company - W. S. Capps No. 10X in the NESE Section 3, Township 19S, Range 38E, Hobbs Field - proposed location to be 1980 feet north of the south line and 1293 feet west of the east line of said section, Case No. 60, and that the above transcript constitutes, to the best of my knowledge and belief, a true and correct copy of all the oral statements and exhibits presented before the Commission.

Vastie Fowler
Reporter