

veyed by the Tucumcari Engineering Company.

SECRETARY SPURRIER: What was the location?

MR. HIRSCHFIELD: It was the exact center of the northeast quarter of Section 1, 13 North, 21 East.

COMMISSIONER SHEPARD: If there are no further questions, you may be dismissed. It will be granted.

MR. HIRSCHFIELD: O.K. Fine. Thank you very much.

COMMISSIONER SHEPARD: Will you read the next case, Mr. Graham?

(Reads the notice of publication in case No. 174).

Van Thompson, having been first duly sworn, testified as follows:

DIRECT EXAMINATION BY MR. SANCHEZ

Q Mr. Thompson, I hand you a blank marked Exhibit "A", which is a map of Section 29, Township 28, North, Range 10 West, where the proposed well is to be located. Will you tell the Commission the necessity of permission for locating the well outside of the 330 foot limit from the center of the section?

A As stated in the application, it was originally planned to locate this well 1680 feet from the -- 1650 feet, I believe it is -- from the north and west boundaries; but when the location was actually surveyed, we found that it came down in the bottom of a deep ravine. So the District Engineer for the U.S.G.S. came out and looked at it and suggested that we move it 208 feet west, to save considerable expense in rigging up and making the location. The real purpose of this application was to -- when the 160 acre spacing was put into effect, a well was eliminated from all approval if it was within 990 feet of the outside boundary line; and this location will be 790 feet from the outside boundary line.

Q From the west boundary of the unit?

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COMMISSIONER SHEPARD: If there are no further questions, you may be dismissed. It will be granted.

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Q From the west boundary of the unit?

MR. STALEY: I will be glad -- I am notifying all Operators of the Lea County Operators Meeting --

MR. GRAHAM (Interrupting): And that will be --

MR. STALEY (Interrupting): And we will include -- I will be glad also to send the same notice to all other Operators on our mailing list in Eddy County.

MR. GRAHAM: You don't think it is necessary to re-advertise?

MR. STALEY: I don't think so.

COMMISSIONER SHEPARD: Case No. 178, read it, please, Mr. Graham.

(Reads the notice of publication in Case No. 178).

SECRETARY SPURRIER: Gentlemen, I think you are all familiar by now with the fact that the Commission must hold an open hearing on the deletion of any part of any pool -- and for the sake of brevity, I will ask you now if any of you here have any objection to this proposal? If not, the Commission assumes that the action is justified.

COMMISSIONER SHEPARD: Does anyone have anything to say about it? (No response). Well, the order will be granted.

Case No. 179. Mr. Graham, will you read it please?

(Reads the notice of publication in Case No. 179).

COMMISSIONER SHEPARD: Will you come forward and be sworn?

MR. CHUCK ASTON was duly sworn and testified as follows:

MR. ASTON: I am chuck Aston, Consulting Geologist of Artesia, representing Franklin, Aston, and Fair in the above-entitled case, which is an application for an unorthodox well location, same to be located 1270 feet south of the north line, and 1370 feet east of the west/<sup>line</sup>of Section 7-18-30, in the Loco Hills Pool, Eddy County, New Mexico.

The reason for this request is the proximity of water

-oil contact in the Loco Hills Field in this location, and this same contact eliminates a normal 10 acres or 330 feet from the common intersection of the 40 acre location.

We respectfully ask, as submitted in the evidence, Exhibit A, you will find a map of Section 7-18-30, showing the location of the producing wells, dry holes, and the proposed unorthodox location, with a dashed line indicating the location of the water-oil contact as determined from the sub-surface geological information, as Exhibit B, because this acreage, all acreage in consideration in this case is under lease from the United States Government. As Exhibit B which we have filed with you, is a letter from the Department of the Interior of the United States Geological Survey, stating that they have no contest insofar as this unorthodox location is concerned.

If there are any questions, I will be glad to try to answer them.

MR. McCORMICK: Who owns the adjoining leases?

MR. ASTON: Franklin, Aston and Fair owns all the leases. There is no lease within 1270 feet within the proposed unorthodox location.

MR. McCORMICK: You have a lease on the entire West Half of Section 7?

MR. ASTON: Yes, sir.

MR. McCORMICK: Is it one lease?

MR. ASTON: Yes, sir, it is all the same, all "A" lease, Federal "A" lease.

MR. McCORMICK: How about over-writing royalty?

MR. ASTON: The royalty set-up on that, I am not too familiar with, but it would all be the same, because it is all operated