

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

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TRANSCRIPTION OF HEARING

CASE NO. 304

August 21, 1951  
(DATE)

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

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In re:

In which Nelson-Moore Development  
Company has applied for permission  
to make an unorthodox location  
165' east of the west line and  
165' north of the south line of  
SW SE 33-30N - 29E, NMPM. (A CO<sub>2</sub> well.)

Case No. 304

TRANSCRIPT OF HEARING

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MR. SPURRIER: Case No. 304.  
(Mr. Graham reads the notice of publication.)

MR. SKINNER: May it please the Commission, as Mr. Graham has stated this is a petition on the part of Nelson-Moore Development Company for exception to Rule 104, paragraph B, regarding the location of a wild-cat well. This happens to be a carbon dioxide or CO<sub>2</sub> well. The proposed location is in the southwest of the southwest of the southeast of Section 33, Township 30 North, Range 29 East NMPM. The request is to locate the proposed well 165 feet east of the west boundary and 165 feet north of the south boundary of that quarter section. The request is grounded on two adjoining grounds. One is that certain topographical features prevent the drilling of the well at the required location. The location required which by the rule and further that drilling in another direction would jeopardize the possibility of discovering carbon dioxide gas in marketable quantities. It is a wild-cat well, as I have previously stated. I think Mr. Nelson, who is one of the members of the Nelson-Moore Development Company, applicant, can testify as to certain features. The Commission already had before it, I believe, in connection with the petition, a survey or drawing which shows the railroad and telephone lines mentioned in the petition which are considered to be topographical features barring the location.

MR. GRAHAM: May I suggest that the application be amended to conform to the surveyors plat.

MR. SKINNER: The 170 feet.

MR. SPURRIER: The record will show that the application is

amended to show 170 feet instead of 165 in both directions.

L. E. NELSON,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SKINNER:

Q Mr. Nelson, will you state your name?

A L. E. Nelson of the Nelson-Moore Development Company. We are drilling on this, where our location was picked, on this location 170 feet from the corner which is not orthodox as set forth by the rules of the Commission, but there is a high line, <sup>line</sup> communication~~s~~, that goes through there, ~~that carries as we~~ were informed, carries a national hook-up broadcasting service and they immediately, when we went to go on our regular location, they came out there and opposed such drilling because we would have to go under their line with our equipment and the line is too low for our equipment to go under and there is no way to cut, ~~to~~ get around that. The railroad would be on the other side. The orthodox location would be right in the center of the railroad as is shown by the map. So those are two very obvious reasons why we couldn't drill there. ~~Then~~ there is also, by geologist that went over this ground, it is down structure some, I would say 75 or 80 feet. I have a map showing that. The geologist prepared showing if we had drilled a down structure there. (Explains map to the Commissioners.)

Q Mr. Nelson, would you state for the record your idea of how high that telephone line is from the ground and how high

your equipment is?

A Our equipment runs a little over 14 feet when it is followed down in height and the telephone lines are approximately 12 feet.

Q That would necessitate your moving the lines or endangering the lines every time you moved the equipment in or out?

A That is right. With the mascot it is some 55 feet.

Q Have you contacted the off set operators? Who owns the leases surrounding?

A There is one party that owns the lease south of us that we are unable to locate at all. We made an effort to do that and he is in the east and I understand, and we could not find him at the address he has given us. The other operators of adjoining leases are here with us. Mr. Jones and Miss Arvell.

Q Have you talked with the owner of the land south of this proposed location?

A Yes, we have talked to the owners and they are very desirous of us. They have no objections to our location. They are desirous of getting a well in there.

MR. SKINNER: I would like to point out to the Commission that this drawing is in general agreement with a similar drawing of a much larger area, Bulletin 8, New Mexico School of Mines, entitled the Oil and Gas Resources of New Mexico, Second Edition, at Page 144. There is a general showing of the underlying strata up in that part of the country. Union, Colfax County, which I think if you care to look at the picture, generally conforms to the drawing. Of course, the drawing is on a smaller

scale.

MR. NELSON: That ink spot is right on the railroad that goes through there and you can see, going down the location it would be going down the structure on that. The high part of the structure comes northwest.

MR. SKINNER: That is all the questions I have of Mr. Nelson.

MR. SPURRIER: Any questions of Mr. Nelson? You may proceed.

(Witness excused.)

G. T. AMOS,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SKINNER:

Q Mr. Amos will you state your name?

A G. T. Amos, Des Moines, New Mexico

Q Are you a land owner in the neighborhood of this proposed location?

A Yes.

Q Are you acquainted with the physical features of the particular quarter quarter section on which this well is proposed to be drilled?

A I am.

Q You know about this telephone line and the railroad line?

A Yes, sir.

Q You have heard Mr. Nelson testifying concerning the approximate height of those telephone lines. Does that conform with

your opinion of their height?

A Yes, I think so.

Q You, of course, know nothing about the geology of this land and know nothing about the fact that it is up or down?

A No, sir.

Q Up or down structure.

A Nothing more than what the structure maps show.

Q Do you as a land owner in that vicinity have any objections to the proposed change?

A No, sir, we do not. We would like to see the well drilled, in its present and proposed location.

MR. SKINNER: I think that is all the questions I have.

MR. GRAHAM: Do you own the land west of that?

A My land is south. I have talked with Mrs. Rogers, the administrator of the J. J. Rogers estate, who owns the land adjoining this 40 acres on the south. They are cooperating and would like to see the well drilled; also talked to Mr. Bennett who owns the land west of this location and he is very agreeable to it.

MR. WHITE: You can't find the people, or the owners of the property at the south?

MR. SKINNER: We know the owner. The leasor we are not certain about. He tends to buy a lot of leases and just sit on them and trying to find him is a little of a difficult proposition.

MR. SPURRIER: Who is the leasee?

MR. NELSON: Mr. Knight.

MR. WHITE: With additional time, do you think you could run him down or obtain a waiver from him?

MR. NELSON: Well, I wouldn't know how to answer that. I know Mr. Knight quite well from back east but I couldn't just know of his record is all.

MR. GRAHAM: In all likelihood, Mr. Knight would protect himself?

MR. NELSON: Yes, he is a typical property mother.

MR. SPURRIER: Who is the royalty owner?

MR. AMOS: For the information of the Commission, Mr. Paddock, who is the attorney for the Rogers estate has tried repeatedly since last February to get something out of Mr. Knight and up to the time I left Des Moines, up until Friday, he had not heard anything from Mr. Knight. He could not get any communication from him.

MR. SPURRIER: I understand correctly that Mr. Knight has the lease immediately south of your location?

MR. NELSON: That is right.

(Discussion off the record.)

MR. SPURRIER: How far is it from this proposed location, actually, to the telephone line?

MR. SKINNER: I think that is shown on the engineers drawing. You perhaps have to measure it. I have a ruler here. The telephone people seem to be very anxious to keep us away from their line.

MR. SPURRIER: If this scale is correct, it is about 250 feet from the line. So you could make an orthodox location by

moving 165 feet closer to the line, is that right?

MR. NELSON: They objected to that. The telephone company didn't want us any closer than 200 feet or more from the line.

MR. SPURRIER: What is their right of way width?

MR. SKINNER: It is not a question of having a right to drill next to them. If there is any danger involved -- these people say it is a national broadcasting company, long distance line. This is pure hearsay that should the line be broken and it is proven that it is our negligence that breaks it, there will be all kinds of damages because the national broadcasting has all kinds of broadcasters and they want their program and this and that. There is the danger that a suit could be brought.

MR. NELSON: It wouldn't be the damage to the line but the damage to their hook-up.

MR. SKINNER: My understanding is that unorthodox locations wouldn't --

MR. SPURRIER: I am thinking about as a matter of development in the future.

MR. SKINNER: I see.

MR. GRAHAM: Assuming the telephone lines are not present and assuming that it is a regular location, what is the prospect of missing the pool?

MR. NELSON: Quite a good prospect.

MR. SKINNER: It is the usual up-structure argument. Nobody can be certain that we are going to hit anything if we go anyplace.

MR. NELSON: We are spending between 75 and 80 thousand dollars on this wild-cat.

MR. SPURRIER: Well, all the parties that you have here are off-setters, we would be glad to hear from them.

MR. SKINNER: Supposing we are unable to contact them?

MR. WHITE: You have entered the appearance of those who have no objections to it. Name them of record and say that they have appeared and are in favor of the petition.

MR. SKINNER: I can't enter Mr. Bennetts. Mr. Amos tells me he is --

MR. WHITE: Didn't you say some were present?

MR. SKINNER: Mr. A. E. Jones and Mrs. Jean Harvell. I can enter an appearance for them and show for the record that they consent to the proposed location.

MR. WHITE: What do you think if we were to set it down for hearing and call the telephone company in to show cause why it shouldn't be in the location that Mr. Spurrier speaks of?

MR. SKINNER: Well, here is the danger, Mr. White, on that. As I say, they probably would have no objection to our cutting the lines if we are answerable in damages and we probably are not to the extent they claim them. We can't -- you understand that a lot of lawsuits can be brought without any real grounds for them. We can't be sure that something would happen or wouldn't happen which would make them say you were negligent and we are going to sue you. Whereas, it might be nothing but a windstorm in that country. We might be forced because of a mere location to defend a lawsuit which we wouldn't have to if we were far enough away from it. That is the possibility that I think should be considered. It may seem foolish at this time but they have

told us they are pretty anxious about the lines. It is the Mountain States that is involved.

MR. NELSON: I might mention one other fact that in the operation of the well that it takes, should a large territory to handle your trucks and guy lines that it comes out there close to their line as is.

MR. GRAHAM: Mr. Amos, how many miles to the nearest CO<sub>2</sub> well from this location?

MR. AMOS: There is no CO<sub>2</sub> wells. There was a well drilled in 1935 about a mile and, about three-quarters of a mile southwest of this well and according to the log of that well, CO<sub>2</sub> gas was hit in commercial quantities at about 2600 feet.

MR. GRAHAM: I mean the producing well?

MR. AMOS: None.

MR. NELSON: None

MR. GRAHAM: About 100 miles?

MR. AMOS: Yes.

MR. NELSON: Yes.

MR. SPURRIER: We will take this case under advisement and we will have an order out fairly soon.

Let the record show that Exhibits 1 and 2 were admitted.

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STATE OF NEW MEXICO )  
                                  :  
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 304, before the Oil Conservation Commission, taken on August 21, 1951, at Santa Fe, New Mexico, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 2nd day of October, 1951.

Ada Dearnley  
REPORTER