

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 381

July 15, 1952
Regular Hearing



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

JULY 15, 1952

In the Matter of:

Wilson Oil Company's application for approval of an unorthodox location 1370' from S line and 1270' from W line of 7-21S-35E, order to secure information as to drainage of the 160-acre tract by the four normally spaced wells now producing, and to develop data as to feasibility of a water-flooding project for the area.

Case No. 381

(Notice of publication read by Mr. Graham.)

RAYMOND LAMB,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SETH:

Q State your name, please.

A Raymond Lamb.

Q By whom are you employed and in what capacity?

A Wilson Oil Company, Vice-President.

Q Are you familiar with the application and the general area that the application covers?

A I am.

Q Would you state the lease ownership upon which the proposed well is to be drilled?

A It is stated lease No. B 1399 which is originally owned by Shell and was farmed out to the Wilson Oil Co., Shell retaining an over riding interest in the lease.

Q Does Shell concur in the petitioner's application in this case?

A That is right.

Q Do you have a letter from them?

A Yes.

Q Will you mark this as an exhibit, please?

(Marked Wilson's Exhibit No. 1,
Case No. 381 for identification.)

MR. SETH: We would like to offer Wilson's Exhibit No. 1. in evidence.

MR. SPURRIER: Without objection it will be received.

(Whereupon, said Wilson's Exhibit No. 1 having been received in evidence is in words and figures as follows:)

"Shell Oil Company is owner and holder of all rights below 4500 feet and has an overriding royalty on all oil and gas above 4500 feet on State of New Mexico Lease B-1399 insofar as that lease concerns the SW/4 of Section 7, Township 21 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Shell Oil Company has assigned to Wilson Oil Company all rights above 4500 feet in the aforementioned SW/4 of Section 7, excepting an overriding royalty on all oil and gas produced. Further, Shell Oil Company has reviewed the application made by Wilson Oil Company to drill their Shell-State 14 to be located 1370

feet from the south line and 1124 feet from the west line of Section 7, Township 21 South, Range 35 East, N.M.P.M. After due consideration it is the opinion of Shell Oil Company that in the interest of oil conservation and waste prevention a well at the aforementioned unorthodox location would be justified.

By this means Shell Oil Company wishes to express its concurrence with Wilson Oil Company's application".

Q Would you state the section and township of proposed location?

A Section 7, Township 21 South, Range 35 East, N.M.P.M.

Q On the 160 acre tract concerned here are there any other wells?

A Four other wells.

Q State briefly the production, rate of production or the allowable for these particular wells.

A The No. 1 well now producing around 7 barrels. No. 2 well is temporarily abandoned and shut in. No. 3 well is now producing less than five barrels and No. 4 is 7 barrels.

Q Is it the intention of the Company to five spot these particular wells as you have described?

A Yes.

Q Have you testified before this Commission before?

A Yes.

MR. SETH: Are his qualifications acceptable?

MR. SPURRIER: They are.

Q Upon what 40 is it proposed that the well be drilled?

A The well is proposed on the same 40 with the well, No. 3. In other words 50 feet out of the east and south corners of the 40.

Q Describe the 40.

A It is described as Lot 3 of Section 7.

Q In what quarter is that?

A It would be the northwest of the southwest.

Q Would you state the rate of production or the allowable on the well on that particular 40?

A Now, less than five barrels.

Q Who owns the offset acreage to the west of the 160 acre tract?

A Atlantic has a lease to the west 80 acre lease.

Q This proposed location is farther from the offset line than the two westerly wells on the 160?

A That is correct.

Q Is this a normal sized 40 acre tract?

A No, after checking the record very thoroughly we find that it is not a full 40 acre unit and contains 35.57 acres.

Q Did that necessitate an adjustment of the exact location proposed?

A That is correct. Our original problem was that the well should be 50 feet from the east line and 50 feet from the south line of Lot 3 calculating now on the 35.57 acres it should be corrected and instead of 1270 feet it should be 1124 feet.

MR. SETH: If the Commission please we would like to have the record show that our application has been amended to show the proposed location to be 1124 feet from the west line in this section in view of the fact it is not a normal shaped section same distance from the south line as the application. It doesn't effect any adjoining ownership.

MR. SPURRIER: Is there any objection to Wilson Oil Company's problem, to amend their application to 1124?

Q That is the distance from the west line of the section?

A Yes, and the distance from the west offset operator.

Q Do you plan to drill this well to production?

A Yes, to the regular Wilson-Yates Seven Rivers pay zone approximately 3800 feet.

Q Do you expect in that drilling to secure additional reservoir information?

A Yes, it is our plan to cable tool the pay zone and have the cores analyzed for engineering data to get the suitability of the reservoir for water flooding.

Q Will you likewise gather information as to the drainage?

A That is right.

Q On the particular 160?

A This well will give us an idea as to the relative drainage of the entire north part of the Wilson Pool.

Q What is your recommendation for the handling of the allowable for this five spot well?

A I would recommend that the allowable for the Lot 3

which now has Well No. 3 on it not exceed top allowable as set by the Commission at their monthly meeting. In other words the two wells should not produce in excess of top unit allowable.

Q Why was the location picked on the particular 40 that it has been?

A Well, the tank battery is located in approximately the center of the 160, slightly to the east. Therefore the location approaching the center was best on Lot 3.

MR. SETH: I believe that is all.

MR. SPURRIER: Are there any question of this witness?

MR. SETH: Have you filed a contour map of this area with the Commission?

A That is correct.

MR. SPURRIER: If no further question the witness may be excused.

Do you have any further questions?

MR. SETH: No, that is all.

MR. SPURRIER: Anyone else to be heard in this case? If not, the case will be taken under advisement.

(Witness excused.)

We will move on to Case 382.

STATE OF NEW MEXICO)
 :
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 381 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on July 19, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this _____ day of July, 1952.

REPORTER

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