

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

Santa Fe, New Mexico  
September 17, 1953

In the Matter of:

The application of R. J. Palmer for  
order prohibiting Greenbrier Oil Com-  
pany from removing, taking or in any  
other manner interfering with the  
tubing, casing or other equipment  
located in or on the Palmer No. 1  
Well, NE/4 SW/4 SE/4 of Section 1,  
Township 24 North, Range 2 West, NMPM  
Rio Arriba County, New Mexico.

Case No. 574

TRANSCRIPT OF HEARING

MR. SPURRIER: The meeting will come to order, please. We have had several requests to jockey these cases around and change the order on them. We don't know quite how to arrange things to everyone's advantage, so we are going to take them in the order in which they have been set. The next case on the Docket is Case 574.

(Notice of Publication read by Mr. Graham)

MR. McKENNA: We have two witnesses - Mr. Lunt and Mr. Palmer. Let the record show that Mr. H. J. Gutthman and Tom McKenna are appearing for Mr. Palmer.

(Witnesses sworn)

R. J. PALMER

after having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. McKENNA:

Q. Will you state your name?

A. R. J. Palmer

Q. Where do you live, Mr. Palmer?

A. On my farm near Lindrith, N.M.

Q. Are you the owner of Section 1, Township 24 North, Range 2 West?

A. I am.

Q. Is that land under lease to anyone at all? By that I mean, is it under any oil and gas lease?

A. No, sir.

Q. Has there been a well completed on Section 1-24N-2W?

A. Well, now completed ---

Q. I'm talking about - has Greenbrier Oil Company drilled a well in Township 24N, R. 2 West?

A. Yes, sir.

Q. When did they drill this well?

A. In 1952, I believe - 1951.

Q. Was it in the fall of 1951?

A. In the summer of 1951.

Q. Do you know what the status of this well is now? By that I mean what condition is the well in now? Is it a shut-in well, is it actually producing, or what?

A. Well, I think it is a shut-in well.

Q. Have you every had any discussion with Greenbrier Oil Company or any of its representatives when they were drilling this well or after the well had been completed and had been in a shut-in stage? By that I mean, has anyone every told you - a representative of the Greenbrier Oil Company, just what this well did show, what the potentialities of the well are?

A. Well no, they never would give me any information that they thought would be of any benefit to me.

Q. Did they give you any indication that the well may be, that it may have been a valuable discovery of gas?

A. Yes, sir.

Q. When was this conversation carried on?

A. Well -- when they was there - I talked to Harry Miller.

Q. Who was Harry Miller?

A. He was a field man representing the Greenbrier Oil Company.

Q. Now, after that conversation with Mr. Miller of Greenbrier, did you ever have any subsequent conversations with Mr. Miller or any representative of the Greenbrier, after this well was shut-in?

A. Well---

Q. Did anyone take any action in connection with this well - did they move any equipment on it or anything like that?

A. Yes. Let's see - last spring they moved in a sputter rig there to set up over the well there for ten days waiting for orders but I guess they never did do anything, I guess they never got any orders.

Q. What is the present status of the well? Is it still a shut-in well?

A. That there's what I think, what I know.

Q. Mr. Palmer, did you enter into any sort of an amendment or ratification on the oil and gas lease which you originally had and which was then subsequently transferred and if you did, I ask you if this is the amendment that you entered into?

A. Yes, sir, it is.

Q. Can you tell the Commission the date of that amendment?

A. May, 1952.

Q. Do you know what the contents of this amendment are, this paper. Well, what does it do, what does it provide for? I call your attention to Paragraph 1 wherein they talk about shut-in royalty. What does that agreement attempt to do in connection with the shut-in royalty? Does it provide for shut-in royalty to you.

A. I think so. That would be the way I would understand it.

MR. McKENNA: If the Commission please, I would like to read Paragraph 1 and the preamble to this agreement which states: "that a test well for oil on state land to a great extent has been recovered and gas has been recovered in paying quantities." I offer this in evidence.

(Marked for identification)

MR. SPURRIER: Is there objection to the admittance of this evidence? If not, it will be admitted.

(Direct Examination Continued)

By Mr. McKenna:

Q. Mr. Palmer, I hand you a check, a photostatic copy of a check which is made payable to Roger J. Palmer and signed by Greenbrier Oil Company and is dated May 8, 1952 in the amount of \$50.00. Can you tell the Commission what that check was for?

A. Well, it's payment of this here -- on this well.

Q. Was that the shut-in royalty payment?

A. Yes, sir, shut-in royalty payment, as I understood it.

Q. And that was on the Greenbrier Palmer #1?

A. Yes, sir, Greenbrier Palmer #1

Q. And that is the well we are talking about here?

A. That is the well we are talking about here.

MR. MCKENNA: I'd like to offer the check by Greenbrier Oil Company, in evidence.

MR. SPURRIER: Is there objection? Without objection, it will be admitted.

(Exhibit marked for identification)

Q. Mr. Palmer, have these folks been bothering you lately, about trying to do something with this well?

A. Yes, sir. A short time ago I don't recall the exact date, Harry Miller came to my place one night and told me that they were going to pull the casing on Monday, the following Monday and then I began to take some action.

Q. And prior to this conversation with this Mr. Miller, have they also indicated to you their desire to pull the casing in this well?

A. Not since them. I haven't saw anyone since that night Harry Miller was at my house.

Q. And prior to that time have they indicated to you that they wanted to pull this tubing and casing? In other words they have been after the tubing and casing for quite a while, is that right?

A. Why, yes. I would say sometime, I don't remember just how long.

Q. Does Greenbrier Oil Company have any lease on this land now?

A. No.

Q. Mr. Palmer, do you know why this lease with Greenbrier Oil Company is no longer in existence? What was the reason for it ending?

A. They didn't make their yearly rental payment.

Q. In other words it just didn't expire by operation of law but was cancelled for non-payment of rental, is that right?

A. Yes, sir.

CROSS EXAMINATION

By OLIVER SETH

MR. SETH: Oliver Seth, representing Greenbrier Oil Company. I would just like to ask you a few questions, Mr. Palmer.

Q. MR. SETH: Did you have a lease at one time with Greenbrier you did, isn't that correct?

A. Why, I leased to a couple of boys from Tulsa, Oklahoma by the name of Murta and Cobb and they peddled this here lease to a drilling company and as I understood, the drilling company sold it to Greenbrier.

Q. Then at one time or another Greenbrier did own an interest in the lease and they had the well drilled, is that correct.

A. Yes.

Q. Why do you want to prevent the removal of the equipment? Do you believe that it belongs to you at this point.

A. Well, it has been there so long and they never have done anything.

Q. Do you believe that the equipment belongs to you at this point?

A. I don't see any reason why it shouldn't. It's been there and they haven't done anything.

Q. Does the lease that you had with them make any provision what will become of the tubing, casing and equipment as the lease terminates?

A. No, I don't know.

Q. Well, then, your position is that since you own the land the equipment belongs to you, is that correct?

A. Well, yes.

Q. Now, would you explain in view of that check, just how the lease terminated, Mr. Palmer? Wasn't that check in payment of shut-in royalty.

A. Why, I think so, that would be my attitude as payment for shut-in royalty.

Q. Did you give the company a notice of cancellation on some grounds? Cancellation of the lease? Do you remember sending them the paper? Did your lawyer prepare a paper cancelling the lease and what was the reason given?

A. Yes. Well, they didn't make regular rental payments.

Q. When the equipment was placed in the ground, Greenbrier had the lease at that time, did they not, as far as you know?

A. Yes, sir.

Q. And that was done under the lease that you had?

A. The lease that I had with Murta and Cobb.

Q. (MR. McKENNA) You consider that -- your concern about this pulling of the tubing and the casing, is it because you figure this may ruin this valuable well you have on your land?

A. Why, yes, it will.

Q. (MR. MCKENNA) That is your main contention, your worry about it?

A. Yes, sir.

MR. MCKENNA: I offer Exhibit III in evidence.

MR. SPURRIER: Without objection it will be admitted.

LAMAR LUNT

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. MCKENNA

Q. Will you please state your name?

A. Lamar Lunt.

Q. Where do you reside Mr. Lunt?

A. Santa Fe.

Q. What is your profession?

A. Petroleum Engineer.

Q. Can you tell the Commission what your education is in that field?

A. I attended the University of Texas Engineering School for two years and Texas Christian University School of Geology for one year.

Q. Can you also tell the Commission some of your experience in that field?

A. I worked with David Donahue, Consultant Engineer, Fort Worth for four years and the Gulf Oil Corporation in West Texas for three years as Petroleum Engineer. I worked as a Gas-Lift Engineer from 1937 to 1939; from 1939 to 1941 I worked as Production

Superintendent for the Intercoast Petroleum Corporation. From 1941 to 1945 as Production Superintendent and Engineer for the Forrest Oil; from 1945 to 1945 as Production Superintendent for Union Oil Company of California.

Q. What is your present occupation?

A. I do consulting engineering work.

Q. Have you ever testified before this Commission?

A. No, sir.

MR. McKENNA: If the Commission please, I offer his qualifications as an expert witness and ask that you approve them as such.

MR. SPURRIER: They are.

Q. (MR. McKenna) Mr. Lunt, you heard the testimony. Now, assuming that there has been a valuable discovery of oil and gas, or gas in the Palmer No. 1 - Greenbrier Palmer #1 and assuming that the well is capable of producing, what is your opinion as an expert witness, if Greenbrier Oil Company should come in and remove the casing in this well.

A. Well, it would be abandoned and the well would be lost.

Q. Also, as an expert witness, is it your opinion that it is in keeping with conservation and prevention of waste that this well, which assuming that there is a valuable discovery made of the well, is it your opinion that it is in keeping with conservation and prevention of waste that this casing should be pulled and the well ruined and lost?

A. No, sir.

CROSS EXAMINATION

By MR. SETH

Q. Mr. Lunt, would you explain your answer to the last question? Why do you say it would be waste to pull the casing?

A. Well, there is a reserve of gas there.

Q. How do you know there is a reserve of gas there?

A. There must be, there is gas in the well. I was at the well and it had a pressure of 1280# on it. That would indicate there was some reserve there.

Q. What about the volume?

A. I didn't test the volume.

Q. There is no way of testing by observing the pressure?

A. No, sir.

Q. Then you don't know whether there is a valuable discovery of gas there? That was just presumed in the question to you, was it not? Mr. McKenna just made that assumption in his question?

A Yes, sir.

Q. If the well is properly plugged in accordance with practices and the rules of the Commission can there be any underground waste?

A. No, sir.

Q. What kind of waste were you referring to in your answer to the question?

A Well, you have a gas well capable of producing some gas that could be utilized. It would furnish gas for a fairly large sized community.

Q. How can you say that, if you don't know how much gas can be produced?

A. Well, I opened the well for thirty minutes and I would estimate it to make probably 100,000 feet a day.

Q. How did you arrive at that?

A. Just by experience.

Q. Did you listen to it?

A. I blew it down pretty good until it was fairly stable.

Q. What would a well like that cost to drill?

A. I would guess thirty thousand, forty thousand dollars.

Q. And how close are the nearest pipeline connections?

A. That might be a mile or so.

Q. When you say waste, you just mean that there would be gas that wouldn't be produced, isn't that what you mean?

A. Yes, the well would not be utilized as a gas well locally unless it were reworked and a larger volume obtained.

Q. You don't mean to testify to the Commission that there would be underground waste?

A. No, sir.

Q. I believe Mr. McKenna assumed that the lease had been cancelled. You don't have any opinion as to whether the lease was cancelled properly?

A. No, sir.

Q. (by MR. MCKENNA). You are not in a sound position at this time to testify as to the potentialities of that well, as to the complete potentialities of that well?

A. No, sir.

Q. But you did examine the well and it is your opinion that there is a valuable discovery there anyway, the extent of it you do not know?

Q. Now, is it your opinion that possibly this well could be reworked - recompleted so that if there is a low potentiality it could be increased at proper working.

A. It is possible.

Q. Mr. Lunt as an expert witness, do you believe this is a good conservation practice, also in keeping with the elements of conservation and prevention of waste that a producing well should be plugged and abandoned?

A. No, sir.

MR. SPURRIER: Anyone else have a question of the witness: If not the witness may be excused. Does anyone else have anything in the case - to offer that is? Mr. McKenna.

MR. MCKENNA: I have a statement. I am referring to Exhibit I. The particular language in this amendment of the oil and gas lease. When there is a recital that gas has been discovered in paying quantities. Mr. Palmer is in no position to determine how much gas was discovered and whether or not there is a sufficient amount which would be normally consistent of a producing well.

I would also like to point out that Greenbrier Oil Company - that this lease did not expire by operation of law. They lost it by inadvertence and negligence on their part. They also have submitted and paid to Mr. Palmer a shut-in royalty payment. I need not labor on that point at all. You all know that you do not make a shut-in royalty payment unless there is a well on the premises capable of producing. We all know the basis for the payment of shut-in royalty payment.

That combined with the statement in the amendment shows that there has been a valuable discovery. Mr. Palmer is in no position to know to what extent, nor is Mr. Lunt. The information has just recently been filed with the Commission as to what happened on this well but we can safely state that there is a well capable of producing gas.

The Statement made by Mr. Lunt - he thought it might produce a certain amount of cubic feet.

I think that this might be a little bit of an unusual situation for the Commission. There is no reason in the world why a person should come in and plug a producing well. Usually as a matter of fact it is not contemplated in the lease allowing the lessee to come in and pull casing and tubing.

Now, as to general principles in conservation and prevention of waste, we all know what the definition of waste includes in addition to its ordinary meaning. Here is a very definite definition. Generally speaking it is a valuable source of information. We also know that the economics of the oil and gas business is tied very closely to conservation practices. It is not a law in keeping with the economic practices, to go ahead and plug a producing well.

I'd like to say also that there doesn't seem to be any authority, rule or regulation whatsoever allowing a plugging of a producing well. I would also like to say gentlemen, something that strikes very close to heart - that the Commission secures some of its funds from producing wells and I don't think they would like to have producing wells plugged and abandoned.

With those closing remarks, I think it is very clear that this demonstrates a case where there is conservation involved. It is very clear that Greenbrier lost this lease. Whatever motive they have now to do in and pull the casing may be even economically unwise for them to so do.

MR. SPURRIER: Mr. Seth. Do you have a short statement?

MR. SETH: Unfortunately it is more than that. We want to let the petitioner complete his case and I would like to make a motion , that if it is denied, we will put on a witness who will provide some of the information that is not known by Mr. Palmer and as Mr. McKenna said, this is an unusual case and it is unusual of course because it is a legal problem and not a question for the Conservation Commission.

The questions involved as shown by the petitioner in testimony whether the lease was properly and legally terminated, which involves the construction of the lease itself and the amendment which was submitted. The counsel assumes, of course, in his argument that the lease has been properly terminated. We do not feel it has been properly terminated and the second question which is complete in itself is whether or not -- if it has been terminated the casing and equipment can be removed. The original lease is not in evidence but I think that, again is a legal question whether or not the casing can be removed from the well under a lease which provides by its terms that the casing may be removed and terminate the lease.

We appreciate Mr. Palmer's feelings in this matter and we sympathize with his thought that the well is on his land and nobody is using it consequently he should have the equipment but, again, and our motion is based upon the proposition that this is a legal question. In fact there are three or four legal questions involved and it is not a matter that the Commission can get into. If it started getting into differences of opinion over the construction of leases, why it would be years day in and day out- it would be a full time job. That is the job of the courts to determine those differences of opinion on lease matters and consequently we move that the Commission find that it has no jurisdiction in this action and that the petition of Mr. Palmer be denied and that the temporary order issued restraining Greenbrier from doing anything in connection with these premises, be likewise terminated.

MR. SPURRIER: We will take a short recess.

(RECESS)

MR. SPURRIER: The meeting will come to order, please. Mr. Seth, the Commission will deny your motion and suggests that you put your witness on.

HARRY MILLER

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SETH

Q. Please state your name and your connection with Greenbrier Oil Company?

A. My name is Harry Miller and I am Superintendent of Construction for Greenbrier Oil Company.

Q. Are you familiar with the Palmer #1 Well in Rio Arriba County?

A. I am.

Q. Do you know whether or not that well was drilled under a lease that was held at the time by Greenbrier Oil Company?

A. It was.

Q. Are you familiar with the actual drilling of the well?

A. I supervised the drilling of it.

Q. I hand you what has been marked Exhibit I and ask you whether that is your recollection that that is a copy of the lease under which the well was drilled?

A. I'd say it was sir.

Q. Could you state to the Commission, please, Mr. Miller, what equipment was put in the well and as far as you know is still there on the ground --in the ground?

A. 130.98 feet of 10 3/4 32.75# casing; 3460.62 feet of 7" casing; 3371.30 feet of 2 1/2" of tubing. There is a National Supply christmas tree on the well.

Q. Do you have any data available as to the cost as to the original cost of the equipment?

A. Approximately \$10,000.00

Q. Is that on the premises?

A. As far as I know - it's supposed to be there.

Q. Mr. Miller, will you state to the Commission, briefly, your practical experience?

A. I started in the oil business about 1920. I was in the Wyoming fields for about eight years; worked in California as Superintendent of Production for the Doheny interests for twenty-five years; came to Texas about three years ago and drilled some wells back there and worked for the Greenbrier Oil Company starting in June, 1951, I believe, with headquarters at Durango.

Q. Now, Mr. Miller, in view of your experience, if this casing and equipment is removed from this well and if the well is plugged in accordance with the rules and regulations of the Commission, will there be any commingling of gas, oil or water between the strata and the well?

A. Not any more than there is at the present time.

Q. Was it the intent of Greenbrier, that in the event of abandonment that it would be plugged in accordance with the rules?

A. That is correct according to the Commission order.

Q. Does Greenbrier have a plugging bond in the State of New Mexico?

A. We have a blanket bond.

Q. (By MR. SETH) If the Commission, please, your petitioner has provided executed copy of the lease agreement and we would like to offer it in evidence if there is no objection.

MR. SPURRIER: Without objection, it will be admitted

(Exhibit marked for identification)

(Cross examination continued by Mr. Seth)

Q. Mr. Miller, referring to page 3 in paragraph 9 of the lease agreement, is provision made for the removal of the equipment in the lease?

A. Yes, sir, it is.

Q. What does it provide?

A. That the lessee shall have the right to use free of cost, gas, oil and water found on said land for its operations thereon except water from the well of the lessor. When required by lessor, the lessee shall bury pipeline below plow depth and shall pay for damages caused by its operation of drilling. No wells will be drilled nearer than 200 feet to the house or barn now on said premises without a written consent of the lessor. The lessee shall have the right at any time during or after the expiration of this lease to remove all the machinery, fixtures, houses or buildings and other structures placed on said premises, including the right to remove all casing.

Q. Mr. Miller, has it been called to your attention, since this petition has been filed that the lease may not have been actually terminated, as Mr. Palmer believes?

A. Yes, sir.

Q. Has some doubt arisen as to whether there has been any failure to pay rentals under the lease as would permit a termination of the lease?

A. Will you state that question again?

Q. Is there some doubt as to whether or not any payment, if it was made, was of such a character as would permit a forfeiture of the lease.

A. No, sir.

Q. It has been brought to your attention that there are legal problems in the termination of this lease, is that correct?

A. Yes, sir.

Q. And that as far as Greenbrier is concerned, is it presently contemplated, if necessary, that all the legal problems will be developed as fully as possible?

A. That is right.

Q. Did you have any discussion with Mr. Palmer as to your rights under the lease to remove the casing and tubing and equipment?

A. I -- sometime back, I don't recall the date, I called on Mr. Palmer and we discussed the situation and it was a very friendly meeting, I thought. He asked me to come to Santa Fe with him the following day and have a talk with his attorney. I was due in Albuquerque on some other business and was unable to come on.

Q. Then you have discussed with him the problem of the construction of the lease?

A. Yes, sir.

Q. In view of your experience in the field, is it customary under lease provisions of this character that the casing and equipment be removed from wells abandoned by the operator? Is it customary for operators operating under a lease of this type to remove the casing and tubing?

A. Absolutely.

Q. In your opinion can any waste result from the removal of the casing and tubing if the well is properly plugged and abandoned?

A. No, sir.

Q. Do you have an opinion as to whether or not the well at the present time or at the last time you had occasion to observe it, is it a commercial well, or not?

Before we get into that question, I might ask you a preliminary question as to approximately how much the well cost to drill?

A. Approximately \$62,000.00.

Q. And what is the approximate price of gas in the vicinity of this well, if there is any?

A. I don't know if there is any.

Q. How far from pipeline connections is it?

A. About, I would say probably thirty miles - thirty-five miles.

Q. In your opinion, would the well pay out in any reasonable period of time, or you cannot tell?

A. No, I don't believe it would.

Q. Are you familiar with the recitations made in the amendment to the lease which was introduced by the petitioner that the discovery had been made? Are those conclusions somewhat a matter of opinion from time to time?

A. I rather think they were.

Q. Your opinion now though appears that the well would not pay out, is that right?

A. Yes, sir.

MR. SETH: That is all on the direct.

#### CROSS EXAMINATION

By MR. GUTTHMAN:

Q. Mr. Miller, you testified that there was about \$10,000.00 worth of equipment in that well, is that correct?

A. Yes, sir.

Q. What would it cost to remove it, approximately?

A. About approximately \$1,000.00.

Q. Does that include the plugging of the well?

A. Yes, sir.

Q. Do you know whether or not Greenbrier Oil Company considers this a shut-in well?

A. No, I do not.

Q. Would you say that they did based on the shut-in royalty payment made?

A. Well, I can't answer that, I don't know.

Q. Would they make a payment on a shut-in well, if it weren't a shut-in well?

A. I don't know that.

Q. What is your position with Greenbrier?

A. Production Superintendent.

Q. So you know nothing of the office procedure?

A. I don't

Q. Do you know whether they consider this a shut-in well of any kind?

A. I think we did at one time.

Q. Do you know if they paid any shut-in royalty payments?

A. I gather they did.

Q. No, you testified about the original lease as to a certain paragraph - with rights to removal of the equipment at the expiration of the lease, is that correct. Were you present when that lease was drawn up?

A. No, sir.

Q. Do you know if the parties contemplated that the pipe should be pulled out if it were a dry hole or did they contemplate that it would be pulled out if it were a producer?

A. That, I don't know.

Q. So you actually don't know what the parties had in mind when the lease was drawn up, do you?

A. Not being there, I couldn't say.

Q. Is it good practice to pull the casing out of a producing well.

A. May I ask you a question, what do you mean by a producing well?

Q. One that is considered a commercial well that couldn't produce whether it is producing or whether it is shut-in.

A. Well that takes quite a bit of territory. If it is a commercial well, it would not be possible to pull the casing out.

Q. Even though it was a shut-in well?

A. I don't know what you mean by a shut-in well.

Q. One that is capable of producing, one that is considered could be made a commercial well?

A. In my opinion the well is not a commercial well so far as taking into consideration the cost of drilling a well with the possibility of ever paying out.

Q. Would any shut-in royalty be paid if the well were not a commercial well or could not be made a commercial well?

A. I don't know.

Q. You testified that since you received this notice of the petitioner that you considered the lease was not legally cancelled, is that correct? Why did you say that, what is your basis for that?

MR. SETH: I am going to object to that question. Mr. Miller is not qualified to answer that. This is a conservation matter.

MR. SPURRIER: Counsellor is correct in his motion. We will confine our testimony to conservation matters. How much did the well make and not to the legal question

MR. GUTTHMAN: I just wanted to straighten the matter out that one point. He said there had been some legal doubt brought to his attention since he received notice of this hearing.

MR. SPURRIER: You are not qualified as a lawyer, are you Mr. Miller?

MR. MILLER: No, sir.

MR. SPURRIER: I suggest that you skip the question so that we can get on with the case.

Q by Mr. Guthman. Do you know R W. Anderson?

A. Yes, sir.

Q. Have you ever seen his signature?

A. I have.

Q. I'll ask you if that is his signature?

A. I believe it is.

MR. GUTTHMAN: I offer this exhibit in evidence.

MR. SPURRIER: Without objection it will be admitted.

(Exhibit marked for identification)

Q by MR. SPURRIER: Mr. Miller how far is it to a pipeline that is market, from this well?

A. I don't know exactly. I've heard it's about 35 miles.

Q. Where would that be?

A. That would be over towards Dulce in the Dulce area.

Q. How much do you estimate this well would make?

A. Less than one hundred thousand.

Q. How much pipe do you think you can recover from the hole?

A. The 2 1/2" tubing and probably a thousand to fifteen hundred feet of the 7".

MR. McKENNA: That is all.

MR. SETH: Why do you say that, Mr. Lunt?

MR. LUNT: I looked at the well and it was shot with 180 quarts of glycerine and it could be shot maybe with more and be caused to produce more gas, the normal thing to do.

MR. SETH: And shoot it again?

MR. LUNT: If you want to increase it, yes, sir.

MR. SETH: What about the casing in the hole when you do that?

MR. LUNT: It was in there when they shot it the first time.

MR. SETH: Do you know the total depth?

MR. LUNT: Just from the record.

MR. SETH: What was it?

MR. LUNT: 5,032 feet, I believe.

MR. McKENNA: Just to clear the record - this is a Pictured Cliffs well, is it not?

MR. LUNT: Yes, sir.

MR. SPURRIER; If there are no further questions, the witness may be excused. Is there anyone else to be heard?

If not, we will take the case under advisement and move on to Case 575.

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C E R T I F I C A T E

I, Virginia M. Chavez, hereby certify that the above and foregoing transcript of proceedings in Case 574, taken before the Oil Conservation Commission on September 17, 1953, at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

Dated in Santa Fe this 19th day of October, 1953.

My Commission Expires:  
August 8, 1956

Virginia M. Chavez  
Notary Public