

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

November 19, 1953

IN THE MATTER OF:

The application of Wilson Oil Company)
for an order granting permission to) Case No. 605
drill a well at an unorthodox location)
25 feet from the west line of Section 18,)
and 50 feet south of the north line of lot 2,)
Section 18, Township 21 South, Range 35)
East (Wilson Pool), Lea County, New Mexico.)

BEFORE:

Edwin L. Mechem, Governor
E. S. Walker, Land Commissioner
R. R. Spurrier, Secretary, Oil Conservation Commission

TRANSCRIPT OF PROCEEDINGS

MR. SPURRIER: The meeting will come to order. The next case on the docket is Case 605.

(Notice of publication read by Mr. Graham.)

MR. JASON KELLAHIN: Jason Kellahin, representing Wilson Oil Company. At this time, we would like to amend the application to read as follows:

"Application for permission to drill a well at an unorthodox location, 25 feet from the west line of section 18 and 25 feet south of the north line of lot two, section 18, changing it from 50 feet south of the north line to 25 feet south of the north line."

The reason for the change being that upon further examination, it was discovered the ~~proposed~~ location would be immediately adjacent to the pipeline right of way, and as a matter of fact,

the well could not be drilled without the rig encroaching upon the right of way and to move 25 feet south of the north line would insure a safe distance from that right of way.

MR. SPURRIER: Is there objection to counsel's motion to amend the petition?

MR. KELLAHIN: At this time, we would like to call Mr. Lamb as a witness.

R A Y M O N D L A M B

the witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. KELLAHIN:

Q State your name, please.

A Raymond Lamb.

Q By whom are you employed?

A Wilson Oil Company.

Q What capacity?

A Vice President.

Q Have you testified before this Commission in the past?

A That is correct.

MR. KELLAHIN: We submit that the witness is qualified, if the Commission will accept his qualifications.

MR. SPURRIER: It will.

Q Mr. Lamb, are you familiar with the applications proposed in Case 605?

A That is correct.

Q Did you prepare that application?

A Wilson Oil Company did. I am familiar with it.

Q Are you familiar with the locations as proposed in the

A It would recover oil that would not otherwise be produced from a well drilled at an orthodox location.

Q In that manner would it prevent waste?

A Certainly.

Q Are correlative rights of other operators and owners protected by your proposal?

A Well, yes, as I say, we are 1300 feet north of the Amerada line and as far as the Shell Oil Company is concerned we have a letter from them giving approval or permission for the drilling of the well. In other words, they have no objection whatsoever to the drilling of the well.

Q Do you have that letter with you?

A I could have.

Q Will you hand that to the reporter?

(Marked Exhibit No. 2 for
Identification, Wilson Case
605.)

Q Does that exhibit show that Shell Oil Company has no objection?

A It contains two paragraphs, the first one outlining the connection; the last paragraph. "This is to advise that the Shell Oil Company has no objection to your drilling at an unorthodox location described above. Signed M. A. Sherwood, General Superintendent."

Q Do you have anything to add to your testimony?

A I believe not.

MR. KELLAHIN: We offer in evidence the exhibits one and two, application and exhibits one and two.

MR. SPURRIER: Without objection they will be admitted.

Does anyone have a question of the witness?

MR. JIM TOWNSEND: Jim Townsend, representing Stanolind Oil and Gas Company.

By MR. TOWNSEND:

Q Mr. Lamb, what is the basis that you stated was for the prevention of waste as the reason for this location?

A It is my opinion if a well is not drilled in this immediate vicinity of the unorthodox location, a certain amount of oil will be left in the reservoir unproduced.

Q Is it your opinion that the well to the north, I believe it is number five?

A That is right.

Q And the well to the west, number 13?

A That is correct.

Q Would not produce the oil from under this location.

A That is my opinion, that it will not.

Q What is the basis for that opinion?

A As I stated a few minutes ago, the two, three wells which you mentioned, the two wells in the unorthodox location are structurally equal.

Q How about the well number ten to the northwest?

A Well number ten is lower structurally, but is on the back side of the ridge. Thus it would be a matter of moving the oil completely over to high to be produced from number ten.

Q Why did you say it would be impractical or impossible to drill an orthodox location?

A I said it probably would not be economical, it would

not pay out.

Q Why would it not pay out an orthodox location, but would pay out at the unorthodox?

A Your proposed unorthodox location would be 25, 30 feet higher structure than the orthodox location.

MR. TOWNSEND: I think that is all.

MR. SPURRIER: Anyone else have a question? If not the witness may be excused.

(Witness excused)

MR. SPURRIER: Do you have any other witnesses?

MR. KELLAHIN: No.

MR. SPURRIER: Do you have anything further, Mr. Townsend?

MR. TOWNSEND: Just a statement to the Commission that Stanolind has two tracts of land in section 24 which is about half a mile from the location proposed. It is our feeling that the evidence presented does not show that it is necessary to locate the well at this point to prevent waste as testified and that the application is merely seeking to gain an undue drainage advantage by having an additional well in this area by virtue of this location.

MR. LAMB: May I ask a question?

MR. SPURRIER: Certainly, if he wishes to answer.

MR. LAMB: You state your acreage is some half a mile?

MR. TOWNSEND: That was my estimate.

MR. LAMB: About three quarters. So it would be a matter of oil moving three quarters of a mile before it would effect you? And you have no producing well there at all. The nearest producing you have is 3,349.2 feet from the proposed

location.

MR. KELLAHIN: What is the production of that well?

MR. LAMB: It is on a higher zone than we propose to produce on this location.

MR. TOWNSEND: I haven't measured it.

MR. SPURRIER: Any further questions? Anyone else have a comment? If nothing further in the case, we will take it under advisement and move on to 603.

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I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing transcript of proceedings was taken by me on Thursday, November 19, 1953; that the same is a true and correct record to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 27th day of November, 1953:


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