

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
July 11, 1956

IN THE MATTER OF:

CASE NO. 1101

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
JULY 11, 1956

IN THE MATTER OF: :

CASE NO. 1101: Application of Franklin, Aston & Fair, Inc., for an order granting an exception to Rule 104 (c) of the State Wide Rules and Regulations of the New Mexico Oil Conservation Commission for the establishment of an unorthodox location. Applicant, in the above-styled cause, seeks an order granting an unorthodox location for a well on its Federal Brigham Lease to be drilled in the Loco Hills Pool at a location 250 feet from the South and East lines of Section 31, Township 17 South, Range 30 East, Eddy County, New Mexico; said request for unorthodox location is necessitated by the lensing of sands in this area. :

BEFORE:

Mr. Warren W. Mankin, Examiner.

P R O C E E D I N G S

MR. MANKIN: The hearing will come to order. The first case on the docket is Case No. 1101, which was the application of Franklin, Aston & Fiar, Inc., for an order granting exception to Rule 104 (c). That particular case was an error in the advertisement and will be continued until 9:00 a.m., on July 25th, 1956, at Hobbs, to be held before Daniel S. Nutter, as Examiner.

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BEFORE THE

Oil Conservation Commission

SANTA FE, NEW MEXICO

July 25, 1956

IN THE MATTER OF:

CASE NO. 1101

TRANSCRIPT OF PROCEEDINGS

DEARNLEY-MEIER AND ASSOCIATES

COURT REPORTERS

605 SIMMS BUILDING

TELEPHONE 3-6691

ALBUQUERQUE, NEW MEXICO

R E G I S T E R

<u>NAME</u>	<u>REPRESENTING</u>	<u>LOCATION</u>
V. T. Lyon	Continental Oil Co.	Roswell, New Mexico
E. V. Boynton	Continental Oil Co.	Hobbs, New Mexico
Don Dorsey	Continental Oil Co.	Hobbs, New Mexico
Jason Kellahin	Continental Oil Co.	Santa Fe, New Mexico
E. K. Newman	Atwood & Malone	Roswell, New Mexico
R. R. Aston	Franklin, Aston & Fair, Inc.	Roswell, New Mexico
R. O. Berg	Cities Service Oil Co.	Hobbs, New Mexico
E. A. Turrey, Jr.	Cities Service Oil Co.	Hobbs, New Mexico
H. J. Lucchi	Cities Service Oil Co.	Hobbs, New Mexico
John L. Proctor	Skelly Oil Co.	Hobbs, New Mexico
J. R. Anello	Skelly Oil Co.	Hobbs, New Mexico
H. W. Shaw	Jake L. Hamon	Midland, Texas.
W. G. Abbott	Amerada Pet. Corp.	Monument, New Mexico
J. L. McGill	Gulf Oil Corporation	Hobbs, New Mexico
C. M. Reeder	N. M. O. C. C.	Hobbs, New Mexico
R. C. Lanner	Continental Oil Co.	Eunice, New Mexico
C. R. Smith	Continental Oil Co.	Eunice, New Mexico

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
JULY 25, 1956

IN THE MATTER OF: :

CASE NO. 1101: (Readvertisement) Application of Frank- :
lin, Aston & Fair, Inc., for an order :
granting an exception to Rule 104 (c) :
of the Statewide Rules and Regulations :
of the New Mexico Oil Conservation Com- :
mission for the establishment of an un- :
orthodox location. Applicant, in the :
above-styled cause, seeks an order :
granting an unorthodox location for a :
well on its Federal Brigham Lease to be :
drilled in the Loco Hills Pool at a lo- :
cation 250 feet from the South and East :
lines of Section 31, Township 17 South, :
Range 30 East, Eddy County, New Mexico: :
said request for unorthodox location is :
necessitated by the lensing of sands in :
this area. :

BEFORE: Daniel S. Nutter, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. NUTTER: The hearing will come to order, please. First case on the docket this morning will be Case 1101.

MR. BURLBY: Application of Franklin, Aston & Fair, Inc., for an order granting an exception to Rule 104 (c) of the Statewide Rules and Regulations of the New Mexico Oil Conservation Commission for the establishment of an unorthodox location.

How many witnesses do you have?

MR. NEWMAN: I think we have just the one witness. I am Kirt Newman, of Atwood & Malone, Roswell, appearing for Applicant.

(Witness sworn.)

R O G E R A S T O N

called as a witness on behalf of the applicant, having been first duly

sworn, testified as follows:

DIRECT EXAMINATION

BY MR. NEWMAN:

- Q State your name, please. A Roger Aston.
- Q Your residence? A Roswell, New Mexico.
- Q By whom are you employed? A Franklin, Aston & Fair, Inc.
- Q What is your position with that firm? A Vice president and general manager.
- Q Are you the applicant in Case 1101? A We are.
- Q And what is the nature of this application?

A It is an application for an unorthodox location being 250 feet from the south and east lines of Section 31, 17 South, 30 East, Eddy County.

Q 250 feet from the east and south lines?

A That is correct.

Q And what is the purpose and reason for this application?

A It is our feeling, based on geology and geophysics and offset production data, that there is a lenticular sand body there with favorable porosity and permeability that would not be tapped by an orthodox location.

Q Is that the location as determined by you from the geophysical and geological reports and from the sub-surface data from the wells drilled in the area shown on this plat?

A Yes, Exhibit 1 indicates the outline of the isolated sand lens as determined by geophysics and geology, and also as verified by the production figures and experience of our State 5BX located in the southeast corner of the southwest quarter, Section 32.

MR. NEWMAN: I would like to submit this as Applicant's Exhibit 1. We are submitting it in quintuplicate and -- do you have supporting geological reports to substantiate the location of this lens and of the relative value of the proposed location as opposed to the orthodox location?

A Yes, I do. I have a geological report here from Chuck Aston, consulting petroleum geologist, Beverly Hills, California.

MR. NEWMAN: I would like to submit that as our Exhibit 2.

Q You stated that your information relative to the existence of the sand lens which you propose to tap through the drilling of a well at the unorthodox location was also based on information gained and production data from adjoining wells and wells in the immediate vicinity. Is this the record, your record prepared concerning the completion, location and production record of those wells?

A Exhibit 3 covers this information.

MR. NEWMAN: We would like to present this Exhibit 3.

Q Explain it to the Commission in what way the production records of the wells in the area indicate the existence of the sand lens and why you presume that the orthodox location would not tap this sand lens.

A Well, as shown on the plat, Exhibit 1, our Brigham 1-A, which is in the SW/4 or the SE/4 of the SE/4 of Section 31, was treated with sand oil on June of '55; at the present time, that well is making eight barrels of oil per day, the State 5BX has not been treated, and at the present time is still making 38 barrels per day. The State 5BX was completed in April of 1945. The State 5BX has produced a large quantity of oil and is far and away the best producing

well in that whole area, which tends to verify that the porosity and permeability and sand body encountered are far superior to the other wells in that vicinity. Based on the geophysics and geology, we feel that we know the location that should tap the sand lens and thereby save any waste through failure to produce a maximum amount of oil available in that area.

Q Is the location of the sand lens also confirmed by any other geophysical means, do you have physical information on that?

A Well, our geophysical information, the dotted and dashed outline on No. 1 was based on a geophysical map prepared by G. E. Burton, from Evanston, Illinois.

Q Do you know who are the owners of the leasehold interests within 660 feet, or even farther, of this proposed location?

A Franklin, Aston & Fair are the leasehold interest holders for a radius of 660 feet around the proposed location, and the ownership in the acreage adjoining that is as indicated on the plat, by color, in Exhibit 1.

Q In other words, the tracts to the south, southwest and southeast and east are all Franklin, Aston & Fair leases?

A Yes, they are.

Q Is the royalty ownership common?

A No. the location on the Brigham lease, which is a Federal, the location of the State 5BX, which we consider as being the only well tapping this isolated lens, is a State lease.

Q Well, are the rights of the different royalty owners protected? In other words, would the production drain from other royalty owners?

A No, we don't feel that this unorthodox location would work a hardship on any other interest holders in the area.

Q In other words, in your opinion, could any orthodox location on this tract or other tracts tap this same sand lens?

A We don't feel that it could.

Q Would the unorthodox location prevent underground waste?

A We definitely feel that it would.

Q You feel that this location would permit the production of oil that would not otherwise be produced?

A We do. That is the purpose of the unorthodox location.

Q Do you have any other purpose in the drilling of this well than to have an additional well drilled at this time?

A Yes, we do, it is our intention, at such time as we have reached productive horizon in the Loco Hills to cut a diamond core throughout the section and have the core so obtained analyzed by suitable Core Lab facilities for information concerning the potential water flood possibilities of the Loco Hills.

Q If the unorthodox location were not to be granted, would a well be drilled at the orthodox location?

A Possibly some future date might indicate such but it would not be in our program at any foreseeable date, because we feel an orthodox location would be so close or off the edge of this sand lens which might very well fail to penetrate this lensing body that we feel is located there.

MR. NEWMAN: I believe that is all.

MR. GURLEY: I have a question.

BY MR. GURLEY:

Q Did you prepare each of these Exhibits, sir?

A Yes. I actually drafted the map; the data shown on the map was taken from a larger map done by E. E. Burton, the geophysicist who did the work.

Q How about No. 2?

MR. NEWMAN: You didn't prepare it?

A No, I made copies of it. You will have among the exhibits there, you have the original of Mr. Chuck Aston's geological report.

Q Was Exhibit No. 3 prepared by you?

A Yes, by our office.

Q Was it prepared by you or under your direction?

A Yes.

MR. GURLEY: You wish to submit these at this time?

MR. NEWMAN: Yes.

MR. NUTTER: Is there any objection to the introduction of Exhibits 1, 2 and 3 in this case? If there is no objection to the introduction of these exhibits, they will be admitted. Does anyone have a question of the witness?

BY MR. NUTTER:

Q Mr. Aston, what is the thickness of your sand lens in the 5BX Well?

A If I might, Mr. Newman, I would like to point out that Mr. Otis Rogers, who is my field superintendent and production manager down there is also here and is more conversed with the actual production figures on these wells than I am, but the sand lens in that area is approximately 30 feet thick.

Q I understood you, I believe, to say that you owned what is

marked on Exhibit 1 as Number 021059 lease?

A That is right, that is called the Yates "A."

Q You also own the other Federal and State leases?

A That's right.

MR. NUTTER: That is all I want. Does anyone have any further questions? If not, the witness may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further?

MR. NEWMAN: No, sir.

MR. NUTTER: Is there anything further in this case? If there is nothing further in this case, we will take it under advisement.

* * * * *

STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

I, THURMAN J. MOODY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me and/or under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand and seal, this, the 30th day of July, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


Notary Public.

My Commission Expires:
April 3, 1960.