

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Application of C. W. Trainer for an un-  
orthodox oil well location, Lea County,  
New Mexico.

CASE NO. 2396

TRANSCRIPT OF HEARING

October 4, 1961

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ALBUQUERQUE, NEW MEXICO



BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

October 4, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of C. W. Trainer for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate his Hobbs Well No. 1 at an unorthodox oil well location in the Hobbs Pool, 2545 feet from the North line and 1184 feet from the East line of Section 34, Township 18 South, Range 38 East, Lea County, New Mexico

CASE NO.  
2396

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

EXAMINER UTZ: We call Case No. 2396.

MR. MORRIS: Application of C. W. Trainer for an unorthodox oil well location, Lea County, New Mexico.

MR. TRAINER: C. W. Trainer. I am here to represent myself.

EXAMINER UTZ: Are there other appearances in the case?

MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, representing Samedan Oil Company.

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MR. SETH: Oliver Seth, representing Shell Oil Co.

EXAMINER UTZ: Are there any further appearances?

You may proceed, Mr. Trainer.

(Witness sworn)

MR. TRAINER: I have made application to drill this Hobbs No. 1 well 2545 feet from the North line and 1184 feet from the East line, Section 34, Township 18 South, Range 38 Ease, Lea County, New Mexico. This will be an unorthodox location. The basis for the request is because of the topographic hazard in the City of Hobbs. I will show that this is about the only place on the lease that I can drill very practically.

This is a plat of the City of Hobbs with the section in question. Now, these small plats on Commission form C-128, show the offset lease ownership and a survey shows that the location falls 136 feet from the west line of my lease, which is the east line of Shell's lease, and 100 feet from the north line of the Samedan lease. Now, you will notice in Block 102, Highland Park, City of Hobbs, at the Corner of Snyder Street and Houston Street, are colored in -- the three lots are colored in yellow. Those lots are vacant. I have an option to purchase them. I thought it would probably be a cleaner deal if I bought the property that I was going to drill on.

You will notice this -- we may want to -- I put two circles on that lot. The reason for that, the further south circle is the location advertised, 100 feet from the Samedan

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lot line. Now, after -- I could move it to the northern location if it would be of any help, 60 feet further north. That resulted from a miscue.

EXAMINER UTZ: You would put that 160 feet further north on the lot?

MR. TRAINER: Yes, sir. I can get up that far from them.

Now, then, this photograph is a proposed drill site of a vacant lot at Houston and Snyder Streets colored in yellow. Here is another view of the same thing. I have circled the northernmost location. I went out and staked it. This photograph here is across the street. This is a view of that property from the alley. There are three families living on that 37½ foot lot and three separate houses. Here is a front view of the same property located at 505 East Austin. Here is another of those views from the alley of that same thing, but in the first place, if I have these 37½ foot lots, that wouldn't be enough. Now, from that a fellow could squeeze these in and drill on a 75 foot lot, but here is another problem. The property that I want to drill on - there's three of the 37½ foot lots, which would be 112½ on Snyder and 140 on Houston, which would be adequate. We could drill that with careful programming. I thought that perhaps I could move across the street from that 505 East Austin and buy Mrs. Gary's house. She has one little house there on two lots and I tried to trade with her, but she's real old



and I offered more than the property was worth. I offered her \$7,500 for the house and it just upset her. She had her brother come in and he wanted more for it. I didn't want to pay \$10,000 for a shack. You can appreciate that, I think.

Now then, when I was talking to Mrs. Gary, I talked to Shell and she said they appreciated my problem and they'd let me in if I could make a trade for that corner there and drill 300 feet, they'd let that go, which I appreciated and I worked some along that line, but there are four families living on that corner, actually four houses and again, we may wind up having to do something like that, but it's going to be pretty tough.

MR. NUTTER: You're talking about the southeast corner of Houston and Austin?

THE WITNESS: 124, across the street.

MR. NUTTER: I see.

THE WITNESS: That store, I didn't try to buy it. It really is a pretty tough problem. Now, there is another little lot colored in yellow in Block 101, which is vacant. I could get the house next to it, but I would still be too close to Samedan. It belongs to the sheriff and he's a friend of mine. Now, it seems to me that looking on down Houston Street, if you drive down Houston, you drive by the Samedan Turner B-1 located to the west. That well was permitted by Order No. 105, J. F. Cusack, in 1938, in February. It is said that the location that he asked for was a practical location which would not create



waste and it has produced 330,000 barrels.

MR. NUTTER: What is the footage description of that?

THE WITNESS: It's as far from the street as mine is, 130 feet from the West line of the East half of the southeast quarter and 1,000 feet from the north line.

EXAMINER UTZ: Is that the Turner A-1?

THE WITNESS: Turner B-1. The one due south. Now, the B-2 which I don't show on this Hobbs city map -- it's down at the corner of White and Houston and it would be in Block 46 on the line between Lot 23 and 24, I imagine, maybe in 23. I believe that -- I don't know what my rights are in this case. I know that Shell wrote me and said their rights would keep me over here and these people, Samedan, have some rights. I'd like to determine my rights at this hearing. In Shell's protest, they said that if I would directly drill the well and bottom it 330 feet from their east line, they would no objection, and I have not agreed to that yet. The reason for hesitating to directionally drill, it's some hazardous, and the way I would like to drill this well, I would hire the best rig I could get and try to move in Friday and exclude those school kids for one week if I could drill it during the teachers' meeting the last half of this month.

MR. NUTTER: Where is the school?

THE WITNESS: On the south side of Snyder, Block 96, Lot 3, and then --



MR. NUTTER: That big block is all school?

THE WITNESS: It's Houston Jr. High School. I don't know -- I sometimes wish I hadn't picked on this one. It's pretty tough, but the facts are that I have worked six months now getting over seventy-seven mineral owners to go in this lease. They probably have some rights. My lease expires November 15. I would like to get it settled. Would it be all right for me to drill 136 feet from my well as it was for Samedan to drill 130 feet from their west line. That figure 330,000 barrels of oil in that location has been denied the other operators.

MR. MORRIS: Do you feel that you will have 40 productive acres in the Hobbs Pool?

THE WITNESS. I hope so.

MR. MORRIS: Do you believe you do on the basis of gallons?

THE WITNESS: Frankly, I don't have much geology. Shell's wells are the only wells on that plat that have been logged. There is one of Samedan's there. These figures are cumulative production and they are all allowable. I don't have any geology.

MR. MORRIS: If you drill the well at the location you propose, do you feel that the reduction in allowable would be in order?

THE WITNESS: No, sir. I couldn't drill it. It's going to cost us a lot anyway. I'll be over 1100 feet from the



closest well, so I don't believe that I would try to drill it if I was going to have reduced allowable. It never would pay.

MR. NUTTER: Are these four vacant lots the only vacant lots in this forty-acre tract that you would dedicate to the well?

THE WITNESS: That is about all I can find, those four. I didn't search real carefully. I have driven up and down all the streets and I believe I can say that's the only one.

MR. NUTTER: How far east from that colored area does the forty-acre tract run?

THE WITNESS: Right here, the center line of El Paso.

MR. NUTTER: What is the northern boundary?

THE WITNESS: Sanger Street. Sanger is eighty, so it would be along about Clinton, in between Clinton and Scarber, I believe.

MR. NUTTER: It would run about down the alley between Scarber and Clinton?

THE WITNESS: I'd say that's about right.

MR. NUTTER: What's the western boundary of the forty-acre tract? Is that on McKinley Street?

THE WITNESS: The center block 102, 136 feet away. Three of those 37½ lots and then a little more.

MR. NUTTER: And then the middle of Snyder is the south boundary?





THE WITNESS: Yes, sir. That west boundary might be misplaced one of those half blocks to the west.

MR. MORRIS: You have explored the area within this forty-acre unit? You don't believe it would be feasible to locate your well at a standard location anywhere else within this area?

THE WITNESS: No, sir, I don't. I believe the well would have been drilled twenty-five years ago if there hadn't been a Methodist parsonage on these lots colored in yellow. That's been moved away.

EXAMINER UTZ: You say you have searched and found no vacant lots in the north of this area within the forty-acre tract?

THE WITNESS: That's right. There would be one of those 37½ foot ones up there. I was looking especially for as much as 75 feet.

MR. NUTTER: You can't see directly drilling?

THE WITNESS: No, sir. I tried to directionally drill it about this depth a year ago. I would hate to try.

MR. NUTTER: You can't see a reduction of allowable?

THE WITNESS: No, sir.

MR. MORRIS: Mr. Trainer, let's suppose the worst. Suppose the Commission were faced with the decision as to whether either denying your application or require you to directionally drill.



THE WITNESS: I propose to go back and investigate the possibility of drilling in the street, there on Austin Street. That's not too bad. It's a nice level location. I would make these streets keyholes and the residence areas dead-end and build a fence around it. You know, it might be the best way out. It would help me to trade with him if you all had told me I couldn't do anything else.

MR. MORRIS: I feel sure that the Commission rather than flatly denying your application might consider the possibility of requiring you to drill a directional hole if you insist on a surface location as proposed in the location here and would also want to make certain requirements as to deviational or directional surveys. I am speculating as to the alternative.

THE WITNESS: I have contacted the best directional driller that I have been able to locate. If you are going to directionally drill this well, you will have to drill it straight to 3,000 feet and then you could get over 330 feet and then angle up to 15 degrees.

EXAMINER UTZ: How deep would it be?

THE WITNESS: 4250 feet.

If you do require me to drill, I'd like for all, whatever you want to have done, to be set out in your order so that we don't have to come back up here.

EXAMINER UTZ: Mr. Trainer, you recognize that there is one basic difference between your well location and the



Samedan's B-1 location which is also at a 130 feet location.

They own all of such acreage, which you do not.

THE WITNESS: I'd like to call the Commission's attention to an order that they granted permitting this type of thing. It was permitted in the Hobbs field. That was in the Turner B-1, order No. R-105; then Order No. R-732, which was the Roy H. Sanger No. 1, which was 650 feet from the south line and 2635 feet from the east line of Section 27, which made it only five feet from Shell's offset lease line. Shell didn't protest that one, probably because it was formed out from Shell and they had an interest in it. Then there was a Standard Oil order in 1945; then the Samedan Turner B-2 was order No. R-395 and it's two locations south of where I wanted to drill. There was one other one, too, Cecil Sweet, but the well never was drilled. I suspect from reading it that you granted permission to drill and then told him he couldn't have any allowable. I didn't find the one from reading the order. I don't see why he didn't drill it.

That was Order No. 95, Case No. 306.

EXAMINER UTZ: Are there any other questions of the witness?

CROSS EXAMINATION

BY MR. KELLAHIN:

Q Mr. Trainer, as I understand it, you have checked this entire area and you say positively there is no other vacant



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location, is that correct?

A I sure didn't. That is correct. I didn't find one.

Q Is that a street?

A Yes. If you started moving houses, you could make room.

Q What is the nature of the housing in the area?

A About like these pictures, Mr. Kellahin.

Q As I understand it, you received a firm offer from this lady you said owned the location?

A No, I didn't. I made her a firm offer and here is a copy of it.

Q Did you receive a counter offer?

A Yes, I got a counter offer of \$10,000. I offered \$7,500. I have prices, however firm they may be, from some others. Looking at the north side of Austin Street, that corner of Austin and Houston, there are three houses along Houston Street on that lot that can be bought for I believe \$7,400 and then one between it and Mrs. Gary's white house for about \$3,350.

Q Is that three lots?

A Two lots.

Q Would that be sufficient to drill on?

A Well, if you could put the engines over in Mrs. Gary's yard, it would. I mean, you would block the street, but once you got stood up, you'd be in pretty good shape.

Q That would be closer to a standard location?



A That would be 500 feet from yours and between 200 and 300 feet from Shell's.

Q What is your objection to using that location, Mr. Trainer?

A Well, I may use it. It's a lot of money. What am I going to do with all those houses? I hate to inconvenience Mrs. Gary, really.

Q That's understandable. Maybe we could work something out. It's a possibility.

A Yes, there are lots of possibilities.

Q You say that in your opinion the entire forty acres is productive?

A There's been 175,000,000 barrels of oil come out of the Hobbs Field.

Q And on that basis you think all of your tract is productive of oil, is that correct?

A Well, I am willing to drill a well on it.

Q You would anticipate getting top allowable for the well?

A Yes, sir. We'd nearly have to or you couldn't justify doing it.

Q What do you estimate your well cost to be?

A I figure \$50,000 to \$60,000 for the completed well.

Q Completed?

A Yes. It would depend on how this real estate trading



comes out.

Q What ratio of profit would you anticipate on that investment then?

A I haven't calculated it.

Q On the basis of production which has been derived from the Samedan well, you certainly would expect the well to pay out rather promptly, would you not?

A Well, for \$60,000 we should have top allowable rates. That's rough but that's about right.

Q You don't have any estimate worked out on the anticipated pay reserve in the area?

A No, sir. I worked this out in the area down the street from yours.

Q On the basis of experience there, would you consider \$10,000 for a building site excessive?

A I don't know. If this Whipstock if I can get them I may go over there and try it. I want to get out as cheap as I can.

Q That is a long section, is it not

A It is a little bit long. It doesn't add up to the figure 2545.2 which would make it for the half section 5.2 feet longer than a half section.

Q That would be the normal figure 94.8 feet from the Samedan line?

A Yes.



Q You haven't surveyed the location?

A That's a part of the confusion. I went out and stuck some sticks in the area and I went looking around over Shell's and found that it was on the wrong lease. There's 75 feet difference. Your surveying doesn't add up. I surveyed mine and Shell's both and I found 66 feet of error and 15 of error in Shell's.

Q How long have you been negotiating to get the lease on this tract?

A Since about April; all summer.

Q Is that all on one lease?

A No, sir. The minerals are all undivided. There are roughly seventy people. I believe there were filed thirty-six different lease forms of record. There were as many as four or five, or I think seven, who signed one lease.

Q You say the minerals are in one ownership?

A Yes. Well, no. Someone in Hobbs owned I believe about a fourth of an acre of minerals undivided under the eighty-acre tract.

Q And then the tracts are held in an undivided interest?

A Yes.

Q That would leave you approximately a seventy-acre undivided tract to put that lease on?

A Yes. I don't quite have them all. I have about ninety-seven or ninety-eight percent of them. I started trying



to trade for the lease in late April, early May. We spent time in title work learning who were the owners.

Q This situation existed at the time you started getting these leases?

A Yes.

Q Did you take that into consideration in making your offers for the leases?

A Perhaps I was not strong enough. I just drove by yours and thought if they can drill there, I can too.

Q It's a situation which you knew at the time you got the lease, though, is that correct?

A I knew about that.

Q You didn't have a standard drilling site when you got these leases, is that correct?

A I wouldn't say that.

Q You did have a standard drilling site?

A I haven't gone into that far enough to know what was and what wasn't a standard drilling site.

Q Have you had any experience in normal deviating of a well bore in drilling?

A I have drilled some wells.

Q Did you run an additional survey?

A Yes.

Q What kind of deviation did you find?

A Well, you normally try to keep standard. Shell says





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that you should keep the deviation less than seven degrees, less than five degrees over any sustained interval.

Q Are you familiar with the state-wide rules which permit up to five percent in 500 feet deviation?

A Yes.

Q Such a deviation as that permissible under the rules would not bottom the well on your lease, would it, where the deviation is in the direction of either Shell or Samedan?

A From top to bottom?

Q Yes, sir.

A I don't know. You would be getting over there pretty close.

Q Actually, it would be over there, wouldn't it? Have you figured that out?

A No.

Q Would you agree that a deviation of one degree sixteen minutes, that a deviation of one degree sixteen and eight-tenths minutes would bottom the well on Samedan's lease?

A From top to bottom?

Q Yes, sir. At the depth you're drilling.

A I's not sure of that.

MR. NUTTER: You are assuming there a drift in the constant direction?

THE WITNESS: Well, if it's a fact, I couldn't help but agree to that.



Q (by Mr. Kellahin) If it was a mathematical calculation you'd agree to it?

A Yes.

MR. KELLAHIN: That's all the questions I have.

THE WITNESS: In directionally surveying the well which I did in connection with my core, you normally find that if you're trying to drill a well in a particular direction, it will tend to wind up structure from where they started.

EXAMINER UTZ: Are there any further questions of the witness?

CROSS EXAMINATION

BY MR. SETH:

Q You have had a lot of experience with Slumber and surveying well?

A Nine years with them.

Q You have had considerable engineering experience in that connection?

A Well, I suppose. I was manager most of the time.

Q How long have you been on your own?

A Five years.

Q You have drilled quite a few wells during that time?

A Yes, I imagine 15 or 20.

Q Now, in your experience, does the drift ordinarily go up structure in a situation like this?

A Nearly anybody would say that, oh, two-thirds of the



time it would, anyway.

Q The chances are that it will?

A The chances are that it will, yes.

Q So that the up structure is in the direction of Shell or Samedan or both of them, in this case.

A Yes, that's logical.

Q You're not a country boy now, are you?

A Yes, sir. I'm pretty much of a country boy.

Q How much of a deviation would it take to get ninety-five feet away?

A About 136. It probably would still be less than two degrees.

Q At what depth do you expect to encounter the San Andreas?

A About 4250; 4200.

Q Do you have any estimate on where you would encounter the water in your proposed location?

A Well, at minus 620, in that water table and 3620 elevation, so that it would be 4240 water level. We would probably be pretty close to it if the geology turns out.

Q Everyone has asked you if the entire property is going to be productive and you haven't answered two of them. I will ask you the same question. In your opinion, from your experience, do you expect the entire acreage to be productive? Can you answer yes or not? We are not asking you to promise at this



time here and now.

A I have absolutely no control on the east, Mr. Seth. I have control on the south and west but there are no logs or anything to work with.

Q Do you think you might lose us some of it up to the northeast part?

A No, sir, I don't. The Tatum is on over east to El Paso and then that Rory King Sanger well north of us, up there, the old drilling report on it said it swabbed two fifty-gallon drums, four fifty-gallon drums of oil and four fifty-gallon drums of water in eight hours. I believe that with modern techniques that might cover a well.

Q Would you have any objection to a penalty on the allowables figured on a percentage assuming a radial drainage there figured on the percentage that you're over on Shell and Samedan?

A If I thought I was leaving myself open, then I wouldn't. I don't believe I could justify drilling the well.

Q Don't you believe, as a matter of fact, you would be draining them if you got this proposed location? Isn't that the reason for the state setting up these orthodox locations for a drainage area primarily?

A That's right.

Q And the more you got out of them and the more you would be getting off on somebody else. That's just a general proposition? That is a definite possibility?



A Yes, sir.

Q Especially if you got a corner lot, wouldn't that be possible to get a cheap corner lot and work part of it in the street?

A If I drilled in the street, in Austin Street, and I could purchase it, it would be in Block 124 on which there is a little white house situated on the 37½ foot lot.

Q Where is that?

A Block 124, Lot 10, which would be next to the corner, between Mrs. Gary and where those three Mexican families live.

Q Mrs. Gary is on the corner?

A There are three Mexican families on the corner. Mrs. Gary is the third and fourth lot from the corner. She has two lots is why I wanted here, but I sure would like to get it if the city would hold still for my drilling in the street.

Q It's possible that you have some legal right there?

A I don't know. One lawyer told me that I did and another one told me that he didn't know.

Q How far would that location be from Shell?

A 330 feet from you if we put it in the street.

Q You said you knew the mayor and the sheriff.

A I may not when this is all over.

Q On your figures again for the top of the water in the San Andreas. Would you give us that again? There is apparently some discrepancy in that. Would you check that for us? Where



do you expect the top of the San Andreas and what did you use as a top there? Do you know offhand?

A I read some of that old literature. They came to the top of the White lime when they were getting into the Hobbs pay drilling by rotary methods. They lost all their circulation by table tools because they would fall. I don't know.

Q How deep would that be?

A 4200 feet; 4100 feet.

Q And the water?

A 4240 is reported figure. I haven't done geology work on this drilling. I just figured on drilling a Hobbs Field well and see how it turned out.

Q That is going toward the San Andreas, though?

A Yes, that's the great white hope.

Q That's the bulk of the reservoir?

A Yes.

MR. SETH: That's all I have, Mr. Examiner.

EXAMINER UTZ: Are there any other questions of the witness? If not, the witness may be excused.

Are there any other statements to be made in this case?

Let the record show Exhibits 1 and 2, in six parts, was accepted into the record.

We will take a five-minute recess.

(Recess taken.)

EXAMINER UTZ? The hearing will come to order.



Mr. Seth?

MR. SETH: I don't think we will put on any case, Mr. Utz. I would like to make just a couple of observations, if I may. This is obviously one of those difficult situations as far as Shell and Samedan are concerned. The state rules are what they are and the state rules are to protect correlative rights in just such a situation as this and that is the reason we are objecting to it, because obviously if the well is drilled at this location, if it were not bottomed on us, as it could very well be, despite all reasonable precautions, which I am sure Mr. Trainer would make, it certainly would obviously drain Shell. In this area, Mr. Trainer feels that the entire area is productive. I think the burden is on him to find a location within the ordinary well location permitted by the Commission.

I think effort on his part will develop such a location. He does have legal rights under the lease and can assert these rights, I am sure, and find a suitable location that is an orthodox location and if the entire area is productive, as everybody feels it is, why, there is no reason for him to crowd the corner.

I think the testimony shows, as far as Shell is concerned, that a small deviation will bottom the hole on us.

I believe that's all we want to say at this time.

EXAMINER UTZ: Mr. Seth, in the event the selected block 124, lot 10, that would still be slightly crowding Shell's lease, would it not?



MR. SETH: I believe he said between two and three hundred feet.

THE WITNESS: Three hundred thirty and that falls eleven feet over on lot 10.

EXAMINER UTZ: You would be approximately what, 30 feet on orthodox?

THE WITNESS: Yes.

EXAMINER UTZ: Three hundred feet from Shell's lease?

THE WITNESS: As close as I can get the rig up to the Gary house, depending on what I can work out with her, but I would say 290 anyway.

EXAMINER UTZ: Would Shell object to such a location?

MR. SETH: I think it could be done providing a directional survey were run with a five-degree drift, 500 foot interval, or even a three-degree drift. If he went to 290, I think we should insist on a directional survey.

MR. MORRIS: If you are going to make your location at an unorthodox location and not at the location that you have proposed today, it may be necessary to go through this administrative procedure again, in which event, approval could be given automatically if you submitted waivers from Shell and Samedan.

EXAMINER UTZ: In this case, you don't have to submit from Shell.

MR. MORRIS: So it wouldn't hold you up on your time so long as you could get the waiver.





THE WITNESS: A waiver from either one of them?

MR. MORRIS: A waiver from the one you are crowding.

MR. KELLAHIN: You wouldn't crowd Samedan.

EXAMINER UTZ: Are there any other questions of the witness?

MR. KELLAHIN: Samedan doesn't feel it necessary to put on any testimony in connection with this case. However, we would like to make some comments.

While this is a logical and convenient location from Mr. Trainer's point of view, it does crowd the Samedan lease and it is not the only location available to him. There is testimony showing that there are other sites that might well be available on the basis of production history in this area and certainly additional money to secure a drill site would be fully justified because Mr. Trainer expects a top allowable well and all of the acreage he proposes to dedicate to the well is productive of oil. On the basis of the location that he proposes, our calculations show a deviation of one degree, six and eight-tenths minutes, which would bottom his well, assuming this to be at a constant deviation, on Samedan's Turner B reef.

Also, as is well known, as Mr. Trainer has testified, that normal migration of well bore is up structure which would be in the direction of both Samedan and Shell, so we could anticipate if there is any migration, it would crowd the lines at least considerably closer than the surface location, if not



the well on either Samedan or Shell's lease.

Samedan has their well, it is true, drilled close to the line between their Turner A and B leases. The Samedan owns both leases and the mineral ownership is substantially common throughout. In addition to that, the Turner B-1 was a well drilled in 1938 and the Turner B-2 was drilled in 1944. I think that the Turner B-1 was drilled prior to any regulations on location to the extent involved here.

Samedan has also run vertical hole surveys on their wells in this area. They found a normal deviation from the vertical of  $1\frac{1}{4}$  degrees to  $1\frac{1}{2}$  degrees, on the average, ranging up to as much as two degrees deviation in some of the wells. A deviation of that magnitude would certainly bottom the well on somebody else's lease in this instance. If we are assuming - I think it's generally assumed that radial drainage would apply in all circumstances. What the circumstance is here, of course, I don't know, but assuming radial drainage in the area, a well located on that proposed by Mr. Trainer would drain Shell and drain far more than it would drain Mr. Trainer's well proposed in the application. However, we would concur in the location about which you questioned Mr. Seth on the same basis as Shell concurs in that we have no objection on that basis if the Commission sees fit to approve a different location by administrative procedure on the same conditions as outlined by Shell.

EXAMINER UTZ: Mr. Kellahin, your statement assumes

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that the location would be down structure. Actually, we have no way of determining whether it would be.

MR. KELLAHIN: I believe Mr. Trainer answered a question asked by Mr. Seth if it was not down structure and I believe his answer was yes.

EXAMINER UTZ: Are there any other statements to be made?

THE WITNESS: Do what you can for me.

EXAMINER UTZ: The witness may be excused and the case will be taken under advisement.

(Witness excused)

\* \* \*

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STATE OF NEW MEXICO )  
                                  ) ss.  
COUNTY OF SAN JUAN )

I, THOMAS F. HORNE, Notary Public in and for the County of San Juan, State of New Mexico, do hereby certify that the foregoing and attached transcript of hearing was reported by me in Stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 29 day of October, 1961, in the City of Farmington, County of San Juan, State of New Mexico.

Thomas F. Horne  
Notary Public

My commission expires:

10-2-65

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of case No. 2396, heard by me on Oct. 4, 1961.

Ernest J. [Signature], Examiner  
New Mexico Oil Conservation Commission

