

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 5, 1962

Mr. O. H. Randel
P. O. Box 88
Carlsbad, New Mexico

Dear Mr. Randel:

Reference is made to Case No. 2490, heard by me as Commission Examiner on February 7, 1962, in which you requested the formation of a 50-acre non-standard oil production unit in the Abo formation.

Inasmuch as you wished to revise the well location from that which we had legally advertised, we advised you that no order could be entered in the case until such time as we had received waivers of objection to the new location from offset operators.

Our records do not reflect that such waivers have been received. Please advise whether the waivers have been obtained and if so, when they will be forthcoming so that some disposition may be made of this case.

Very truly yours,

DANIEL S. NUTTER
Trial Examiner

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MAIL OFFICE REC
1962 JAN 18 AM 11 34

Carlsbad, New Mexico
January 17, 1962

A. L. Porter
Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Sir:

This letter is intended to be a request for an examiner's hearing requesting that a 50 acre tract be pooled out of Lot 3 and the north 702' of Lot 4 both being in Section 19, Township 17 South, Range 31 East, Eddy County, New Mexico. Lots 3 and 4 in their entirety contain 65.32 acres. Lot 3 and the north 702' of Lot 4 contain 50 acres. It is our contention and representation at this time, and we will be prepared to present testimony to such effect, that the described 50 acres has reasonable expectation of producing from the Abo formation within the Cedar Lake Abo Pool.

The operator of the property herewith requests the Commission to set up for hearing the matter of creating a 50 acre drilling tract composed of the above described 50 acres in conformance with Rule 104, particularly sections (l) and (m).

It is further stated for your information that should the request be granted that the test well will be drilled 537' from the west line and 1629' from the south line of Section 19. Such location will place it in the precise center of the 50 acre tract.

Mr. O. H. Randel will represent himself at the hearing, accompanied by Vilas P. Sheldon to present geological evidence.

Yours very truly,

O. H. Randel

O. H. Randel

by Vilas P. Sheldon

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Handwritten notes:
1-26-62
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O. H. RANDEL
P. O. Box 88
CARLSBAD, NEW MEXICO

APR 11 1962

1962 APR 30 AM 11:18

April 9, 1962.

New Mexico Oil Conservation Commission,
P. O. Box 871,
Santa Fe, New Mexico.

Dear Mr. Witter:

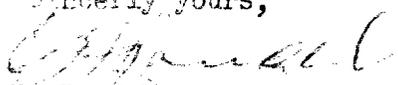
Re: Case No. 2490

In connection with your letter of April 5, wish to advise that waivers have been received from all offset owners with exception of Delhi-Taylor and I am again writing them today air mail requesting that they please let me have an immediate reply.

Will advise you further in connection with this matter just as soon as I can hear from Delhi-Taylor.

Thanking you for your cooperation, I am,

Sincerely yours,


O. H. Randel.

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Oil Conservation Commission
Box 871
Santa Fe, New Mexico

To be typed into
Record, case 2490

STATEMENT OF O. H. RANDEL IN CONNECTION WITH CASE 2490;
EXAMINER HEARING FEBRUARY 7, 1962

I am a part owner of (and am associated with and act as representative and agent for the other working interests), Lots 3 and 4 of Section 19, Township 17 South, Range 31 East, Eddy County. We have produced oil from this land for several years out of the Grayburg and Seven Rivers formations. I live in Carlsbad, New Mexico and operate my oil properties from that city.

Lots 3 and 4 above described contain, according to General Land Office Plats, some 65.32 acres. Normal development of the Abo producing trend has now resulted in one producing Abo well 1/2 mile to the west and another 1/2 mile to the east of a normal location on our lease, ~~and we are ready to attempt an Abo completion.~~

It is our geological thinking that two wells could very probably be completed upon the 65.32 acre tract by drilling them 660' apart and 330' from the legal subdivision lines. We are reluctant to do this for several reasons.

1. the investment would be out of line as we would not have the normal two well allowable
2. Geologically, we think probably by so doing we might actually miss the very highest crest of the reef and thus be unable to recover oil in the crestal dome
3. We see no reason to drill two wells so close together merely to have more allowable, as we are confident that one properly located producer can adequately drain the reservoir
4. Wastage of steel and material to drill the second well is against the rules of conservation and does promote waste.

We are therefore asking the Commission to grant permission to drill an unorthodox location and further we are asking the Commission to establish a 50 acre non-standard oil proration unit in the Abo formation comprising Lot 3 and the north 702 feet of Lot 4. In our original application for a hearing, we requested that the well be authorized 1629' from the south line and 537' from the west line. We would like to amend that, if it please the Commission, so as to locate the well 1529' from the south and 537' from the west. This change is minor but fits our geological thinking some better and also became desirable after actually seeing the location in the field. I am not sure whether such change can be made without further hearing, however, we make such plea.

After careful study, we believe:

1. That one properly located well will recover more oil than two wells located in orthodox locations
2. We will, in the long run, be better off with one good well having a 50 acre allowable than a possible two inferior wells having 65.32 acre allowable.
3. The saving of material will prevent economic waste. The drilling of the optimum location will promote conservation and actually result in recovery of more oil.
4. Following the trend of development in the area the probable first location, if two wells were contemplated would be in Lot 3, and the location as herein requested is in Lot 3, - thus, without this hearing the resultant well would be granted a 32 $\frac{1}{2}$ acre allowable. The decision to ask for a 50 acre allowable hinges on the assumption that the north 702 feet of Lot 4 has Abo oil accumulated thereunder. This will be supported by the testimony of our geologist, Vilas P. Sheldon. Admittedly, the line of demarcation is arbitrary, however, we present it as being reasonable and probable.

Summing up, we contend that we could, by wasteful practices, achieve a 65.32 acre allowable, that we prefer to drill one well with a 50 acre share of the total reservoir contents, that our proposal promotes conservation and prevents waste.

We do then, respectively, plead the granting of our application, as amended.

O. H. Randel

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MAIN OFFICE 010

1962 APR 16 PM 1 53

VILAS P. SHELDON

Consulting Geologist and Registered Land Surveyor
Valuations, Appraisals, Geological Reports, Surveys

~~VILAS P. SHELDON~~

ARTESIA, NEW MEXICO

April 17, 1962

Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Re: Case 2490
O. H. Randel

Gentlemen:

We are enclosing waivers concerning the amendment to subject docket from the following companies:

Plemons and Hewitt
Fren Oil Company
Nash, Windfohr and Brown
Delhi-Taylor Oil Corp.
Sinclair Oil and Gas Co.

Very truly yours,

Vilas P. Sheldon
Vilas P. Sheldon

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Encs.

cc: O. H. Randel

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OCT 1 1953

O. H. Rundel
Box 88
Carlsbad, New Mexico

Dear Sir:

In regard to Oil Conservation Commission Docket #2490, we do not object to your amendment seeking to move the proposed location 199' south of the advertised footage. This statement is confined to the amendment and is in no way an expression concerning other aspects of the matter heard under Docket #2490.

Yours very truly,

PLEMONS AND HEWITT

By 

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February 8, 1962

O. H. Mandel
Box 10
Carlsbad, New Mexico

Dear Sir:

In regard to Oil Conservation Commission Docket #2490, we do not object to your amendment seeking to move the proposed location 129' south of the advertised footage. This statement is confined to the amendment and is in no way an expression concerning other aspects of the matter heard under Docket #2490.

Yours very truly,

FREN OIL COMPANY

By *Max Enginger*

NASH, WINDFOHR & BROWN
OIL PRODUCERS
FIRST NATIONAL BANK BUILDING
FORT WORTH, TEXAS

February 9, 1962

1962 APR 10 PM 1 150
OFFICE OF THE COMMISSIONER

Mr. O. H. Randel
P. O. Box 88
Carlsbad, New Mexico

Dear Sir:

In regard to Oil Conservation Commission Docket #2490, we do not object to your amendment seeking to move the proposed location 129 feet south of the advertised footage.

This statement is confined to the amendment and is in no way an expression concerning other aspects of the matter heard under Docket #2490.

Yours truly,

NASH, WINDFOHR & BROWN



R. F. Windfohr

RFW:ard

1932 APR 19 PM 1:50
MAIN OFFICE OCC

Mr. O. H. Randel,
P. O. Box 38,
Carlsbad, N. M.

Dear Sir:

In regard to Oil Conservation Commission Docket #2490, we do not object to your amendment seeking to move the proposed location 129' south of the advertised footage. This statement is confined to the amendment and is no way an expression concerning other aspects of the matter heard under Docket #2490.

Yours Very truly,

Delhi-Taylor Oil Corp.

By *J. H. Baughman*
Manager, Production Dept.

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FEB 23 1962

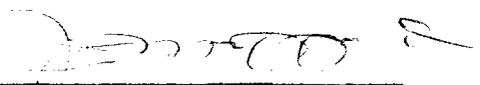
O. L. Randel
Box 88
Carlshad, New Mexico

Dear Sir:

In regard to Oil Conservation Commission Docket #2490, we do not object to your amendment seeking to move the proposed location 129' south of the advertised footage. This statement is confined to the amendment and is in no way an expression concerning other aspects of the matter heard under Docket #2490.

Yours very truly,

SINCLAIR OIL AND GAS CO.

By 

Joe Mefford
Division Production Superintendent

February 23, 1962

OK
M.B.

MAIN OFFICE OCC

1962 APR 17, PM 1:30

*File Case
2490*

DW

Mr. Vilas P. Shelton,
Artesia, N. M.

Dear Mr. Shelton:

At last I have received waiver in connection with our case Docket #2490 which was heard by the New Mexico Oil Conservation Commission February 7, 1962.

I am enclosing the waiver from Delhi-Taylor and ask that send it with the other waivers which you have to the New Mexico Oil Conservation Commission, P. O. Box 871, Santa Fe, New Mexico to the attention of Mr. Daniel S. Nutter.

Thanking you for your prompt attention in connection with this matter, I am,

Sincerely yours,

O. H. Randal
O. H. Randal.

cc/ New Mexico Oil Conservation Commission,
Santa Fe, N. M.

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