

Case No.

306

Application, Transcript,
Small Exhibits, Etc.

DONALD M. OLIVER

FRED F. KOTYZA

OLIVER & KOTYZA

CONSULTING GEOLOGISTS

PHONE 598 BOX 1755

MIDLAND, TEXAS

September 10, 1951

C. H. SWEET - REQUEST FOR SPECIAL PERMIT TO DRILL
660 feet from North line and 1325 feet from East
Line of Section 23, Township 18 South, Range 37
East, Lea County, New Mexico

*Applicants Exhibit 1
Case 306*

C. H. SWEET - REQUEST FOR SPECIAL PERMIT TO DRILL

The requested location 660 feet from North line and 1325 feet from the East line of Section 23, Township 18 South, Range 37 East, Lea County, New Mexico, is situated on the Northwest flank of the Northwest-Southeast trending Hobbs anticline. The accompanying plat is a detail contour map of the immediate area.

The Shell #1E Sloan State, SE/4 of the SE/4 Section 14, Township 18 South, Range 37 East established a water table for this section of the field when it encountered water in the top of the San Andres (white crystalline lime) at a sub sea datum of -510. The attached sample log and well history of the Shell #1 E Sloan State shows the top of the San Andres to be 4195 and at a depth of 4225 the well swabbed 100% sulphur water which could not be lowered. Since this well was drilled and abandoned in 1936 and since the Hobbs field is an excellent example of a water drive reservoir there is good reason to believe that the water table has risen to the estimated datum of -500 as indicated on the plat.

A normal 1650 feet from East line of Section 23 location would encounter the reservoir San Andres formation at or below the known water level making it useless to attempt to complete a well at that structural position. Since the dip of the Northwest part of the Hobbs structure is relatively steep it is believed that the requested location of 660 feet from the North line and 1325 feet from the East line of Section 23, will be in such a structural position as to encounter the San Andres formation at a sub sea level datum of between -470 and -480 which will be high enough to ensure a producing well (See Plat). This fact is borne out by the Sweet #2 Shell State (SE/4 of NE/4 Section 23) and the Samedan #4 C State (SW/4 of SW/4 Section 24) which are producing from a similar structural position as that occupied by the requested location.

In view of the facts that:

- (1) A producing well could not be completed at a normal location on the 40 acre tract in question.
- (2) The present day need for increased petroleum reserves.
- (3) Requests for similar locations have been granted in the past (see Samedan #3 C and #4 C State on plat), located in SW/4 of Section 24.

It is urgently requested that a special permit be granted to drill a well on the 40 acres comprising the NW/4 of the NE/4 of Section 23, Township 18 South, Range 37 East at a location

of 660 feet from the North line and 1325 feet from the East line
of the said Section 23.

W. R. Donnell

W. R. Donnell

TESTS OF THE SAN ANDRES FORMATION IN THE SHELL #1 E SLOAN
STATE - Taken from the original Shell Records

Location - 660' FSL and 330' FEL
Section 14, T 18-S, R 37-E

Elevation - 3685'

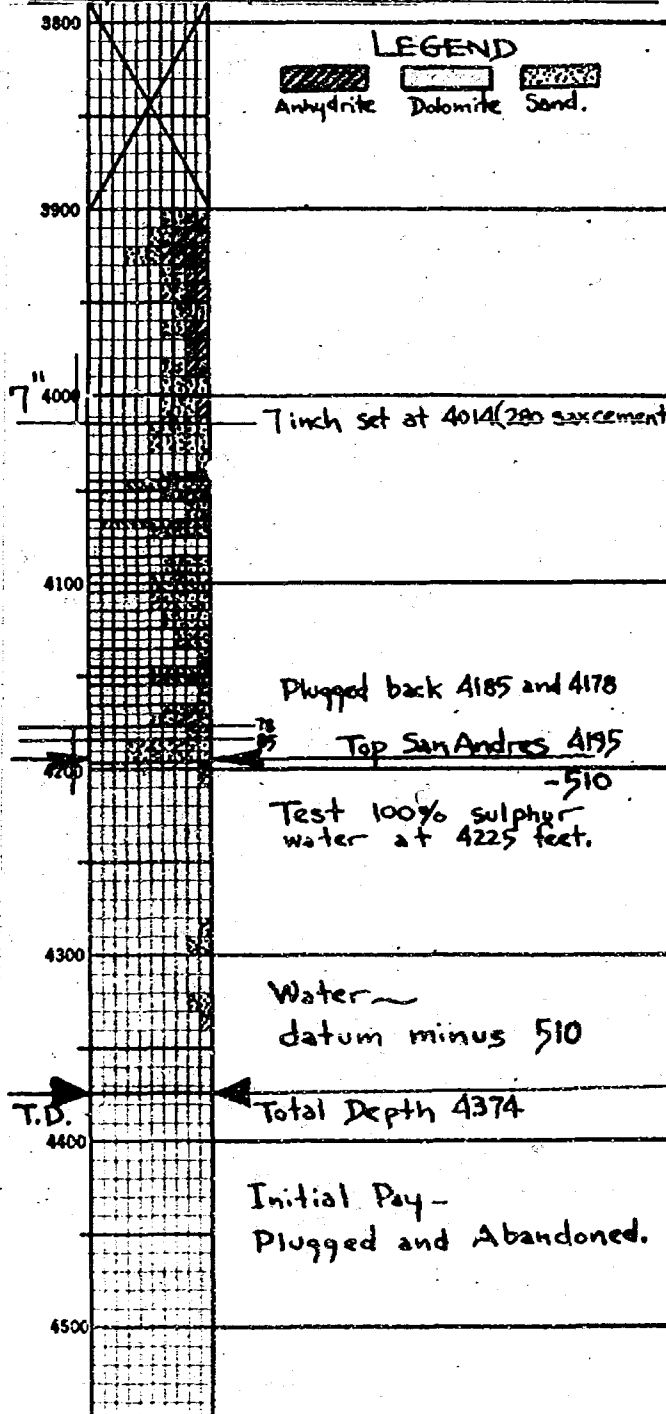
Top San Andres (white crystalline lime) 4195 - 510

At total depth of 4225' well swabbed 100% sulphur
water, could not lower with swab.

At total depth of 4271' packer at 4232' swabbed
100% sulphur water, could not lower with swab.

At total depth of 4374' packer at 4291' swabbed
100% sulphur water, could not lower with swab.

STATE New Mexico	COUNTY LEA
BLOCK	SURVEY 660' FSL + 330' FEL of Sec. 14
SEC. 14	
TWP. 18S.	RGE. 37E.
COMMENCED Dec. 2, 1935	
COMPLETED June 23, 1936	
T.D. 4374	
TOOLS Rotary to T.D. (4374)	
CASING RECORD	
LOGGED W.R.P.	
REMARKS P. Kotyza	
WELL NO. 1	
LEASE State-Sloan 'E'	
COMPANY Shell	
ELEV. 3685	
PROD. Dry & Abandoned.	



Rough Draft
OK JK

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 306
ORDER NO.

THE MATTER OF THE APPLICATION
OF C. H. SWEET FOR PERMISSION
TO DRILL AN UNORTHODOX LOCATION
1325 FEET WEST OF THE EAST LINE
AND 660 FEET SOUTH OF THE
NORTH LINE, SECTION 23,
TOWNSHIP 18 SOUTH, RANGE 37 EAST,
N. M. P. M., LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause came on for hearing at 10 A. M., on
September 13, 1951, before the Oil Conservation Commission
of New Mexico, hereinafter referred to as the "Commission",
~~with Commission Director R. R. Spurr sitting for~~
~~the purpose of taking testimony only,~~ upon the
application of C. H. Sweet for permission to drill
on an unorthodox location on lands in Lea County.

NOW, on this th 20 day of September, 1951, the Commission, a quorum being present, ~~and~~ having considered all of the testimony adduced and exhibits introduced at said hearing, and being fully advised in the ^{premises} ~~premises~~,

FINDS: (1). That due public notice having been given as required by law the Commission has jurisdiction of ^{this case} ~~the case~~ and the subject matter thereof and the parties interested therein.

(2). Due to geological conditions it is unlikely that a well drilled by applicant C. H. Sweet in an orthodox location on his lease in NW/4 NE/4, Section 23, Township 18 South, Range 37 East, N. M. P. M. Lea County, New Mexico.

(3). Applicant should be permitted to locate his well 660 feet from the North Line and 1325 feet from the East line of Section 23, Township 18 South, Range 37 East, N. M. P. M. and such location will not disturb the correlative rights of adjoining owners.

It is therefore ordered: That C. H. Sweet be permitted to drill a well.

660 feet from the North Line and
1325 feet from the East line, Section 23
Township 18 South, Range 37 East, N. M. P. M.

Done at Santa Fe, New Mexico, on the day and year hereinabove written.

State of N M

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Rough

Before the O.C.C.
of the State of N. M.

in the matter of the hearing
called by the oil conservation
commission of New Mexico for
the purpose of considering:

Case No. 306

Order No. _____

The matter of the application
of C.H. Sweet for permission
to drill an unorthodox location
1325 feet west of the east line
and 660 feet south of the
north line, Section 23,
Township 18 South, Range 37 East,
N.M.P.M., Lea County, New Mexico

Order of the Commission

By the Commission

This Cause came on for hearing at 10 A.M., on
September 13, 1951, before the oil conservation commission
of New Mexico, hereinafter referred to as the "commission,"
with Commission Director R.R. Spurrier sitting for
the purpose of taking testimony only, upon the
application of C.H. Sweet for permission to drill
on an unorthodox location on lands in Lea County.

Now, on this day of September, 1951, the
Commission, a quorum being present, and having
considered all of the testimony adduced and exhibits
(introduced) ~~offered~~ at said hearing, and being fully advised in the premises,

FINDS: (1). That due public notice having been
given as required by law the Commission has jurisdiction
of the case and the subject matter thereof and the parties
interested therein.

(2). Due to geological conditions it is unlikely that a well drilled by applicant C.H. Sweet in an orthodox location on his lease in NW/4, NE/4, Section 23, Township 18 South, Range 37 East, NM PM, Lea County, New Mexico.

(3) Applicant should be permitted to locate his well 660 feet from the North line and 1325 feet from the East line of Section 23, Township 18 South, Range 37 East, NM PM, and such location will not disturb the correlative rights of adjoining owners.

It is therefore ordered: That C.H. Sweet be permitted to drill a well

660 feet from the North Line and
1325 feet from the East line, Section 23,
Township 18 South, Range 37 East, NM PM

Done at Santa Fe, New Mexico, on the day and
year hereinafore written.

State of N.M.

o c c

E.L.M.

G.S.

P.P.L.

September 20, 1951

To:
The Oil Conservation Commission,
Santa Fe, New Mexico.
Attention: Mr. R. R. Spurrier.

Gentlemen:

This is to advise that the State Land Office of the State of New Mexico has received a communication from W. D. Girand, Jr. enclosing the report prepared by W. R. Donnell in regard to the request for an unorthodox location filed by C. H. Sweet on the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, Township 18 South, Range 37 East.

The State of New Mexico through the State Land Office of said state as owners of the minerals unleased covering the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 23, Township 18 South, Range 37 East, consents to the granting of permission to drill at a point 1325 feet West of the East Line and 660 feet South of the North Line of Section 23, to C. H. Sweet.

DATED this the _____ day of September, 1951.

STATE LAND OFFICE OF THE
STATE OF NEW MEXICO,

BY

Guy Shepard

September 20, 1951

To:
The Oil Conservation Commission,
Santa Fe, New Mexico.
Attention: Mr. R. R. Spurrier.

Gentlemen:

This is to advise that the State Land Office of the State of New Mexico has received a communication from W. D. Girand, Jr. enclosing the report prepared by W. R. Donnell in regard to the request for an unorthodox location filed by C. H. Sweet on the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, Township 18 South, Range 37 East.

The State of New Mexico through the State Land Office of said state as owners of the minerals unleased covering the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 23, Township 18 South, Range 37 East, consents to the granting of permission to drill at a point 1325 feet West of the East Line and 660 feet South of the North Line of Section 23, to C. H. Sweet.

DATED this the _____ day of September, 1951.

STATE LAND OFFICE OF THE
STATE OF NEW MEXICO,

BY

Guy Shepard

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 306
ORDER NO. R-95

THE MATTER OF THE APPLICATION
OF C. H. SWEET FOR PERMISSION TO
DRILL AN UNORTHODOX LOCATION
1325 FEET WEST OF THE EAST LINE
AND 660 FEET SOUTH OF THE NORTH
LINE, SECTION 23, TOWNSHIP 18 SOUTH,
RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 A. M., on September 13, 1951, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", upon the application of C. H. Sweet for permission to drill on an unorthodox location on lands in Lea County.

NOW, on this 20th day of September, 1951, the Commission, a quorum being present, having considered all of the testimony adduced and exhibits introduced at said hearing, and being fully advised in the premises,

FINDS: (1) That due public notice having been given as required by law the Commission has jurisdiction of this cause and the subject matter thereof and the parties interested therein.

(2) Due to geological conditions it is unlikely that a well drilled by applicant C. H. Sweet in an orthodox location on his lease in NW/4 NE/4, Section 23, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico, would be productive.

(3) Applicant should be permitted to locate his well 660 feet from the North Line and 1325 feet from the East line of Section 23, Township 18 South, Range 37 East, NMPM and such location will not disturb the correlative rights of adjoining owners.

IT IS THEREFORE ORDERED: That C. H. Sweet be permitted to drill a well:

660 feet from the North Line and
1325 feet from the East line, Section 23
Township 18 South, Range 37 East, NMPM

DONE at Santa Fe, New Mexico on the day and year hereinabove written.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem
EDWIN L. MECHEM, Chairman

Guy Shepard
GUY SHEPARD, Member

R. R. Spurrier
R. R. SPURRIER, Secretary

SEAL

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	SERIAL
DAY LETTER	NIGHT LETTER

WESTERN UNION

1206

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE	LETTER TELEGRAM
VICTORY LETTER	SHIP RADIOGRAM

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	W. P. MARSHALL, PRESIDENT.	CHARGE TO THE ACCOUNT OF	TIME FILED
				OIL CONSERVATION COMMISSION	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

MR W D GIRARD JR
MEAL AND GIRARD
HOENE

OCTOBER 8 1951

ORDER R-95 GRANTING SHEET APPLICATION APPROVED BY COMMISSION
COPY MAILED YOU

OIL CONSERVATION COMMISSION
JASON HELLAMIN

File - Case 306
Accounting

D. MELVIN NEAL
W. D. GIRAND, JR.

TELEPHONES: 54 & 854
P. O. BOX 1326

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

October 3, 1951

Oil Conservation Commission,
State Capitol,
Santa Fe, New Mexico.
Attention: Mr. R. R. Spurrier.

In re: Case No. 306

Gentlemen:

I have just been advised today by the Amerada Petroleum Corporation that waiver for unorthodox location requested by Mr. C. H. Sweet has been mailed to your office. I believe that with the receipt of this waiver the Commission can now act upon our application.

I would appreciate your advising by wire whether or not the application is granted.

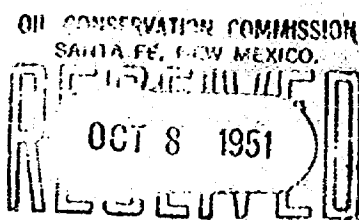
Very truly yours,

NEAL & GIRAND,

BY:



G/lr



GENERAL OFFICES
120 BROADWAY NEW YORK

AMERADA PETROLEUM CORPORATION

BEACON BUILDING

P. O. BOX 2040

TULSA 2, OKLA.

October 2, 1951

Case # 306

The Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Gentlemen:

We are advised that C. H. Sweet has made application for an unorthodox location in the Hobbs Field, Lea County. The proposed location is 660' south of the north line and 1325' west of the east line of Section 23, Township 18 South, Range 37 East. Amerada Petroleum Corporation owns leases offsetting the above lease and hereby waives objection to granting a permit for the unorthodox location as described above.

Very truly yours,

AMERADA PETROLEUM CORPORATION

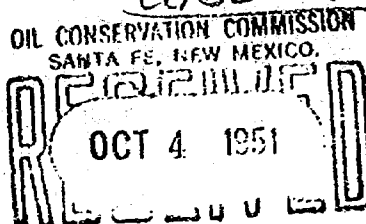
By



C. V. Millikan

CVM/mw

cc: Messrs. Neal & Girand
Attorneys at Law
Neal Building
Hobbs, New Mexico



BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPTION OF HEARING

CASE NO. 306 SPECIAL HEARING

September 13, 1951
(Date)

E. E. GREEBON
ADA DEARNLEY
COURT REPORTERS
BOX 1308
PHONES 444-57546
ALBUQUERQUE, NEW MEXICO

CASE NO. 306

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
to drill an unauthorized location 1375 feet west of the east line
and 660 feet south of the north line, Section 23, Township 18
South, Range 37 East, NMPN, Lea County, New Mexico.

MR. SPURRIER: The meeting will come to order. The record
will show in the absence of the other two Commissioners that
I am sitting for the purpose of taking the record only. We will
proceed with Case 306.

SPECIAL HEARING

September 13, 1951
(Mr. Kellahan makes the notice of Publication.)

MR. GIRARD: Let the record show that the applicant in Case
No. 306 is being represented by Bailard and Girard, Attorneys
BEFORE: Honorable R. R. Spurrier, Secretary and member
New Mexico, Box 3325. Are you ready to proceed?

APPEARANCES:

MR. SPURRIER: Yes.
Jason Kellahan, Examiner and Legal Advisor to the
Oil Conservation Commission

MR. SPURRIER: Please call to Court.
Charles White, Oil Conservation Commission

W. D. Girard, Jr. for C. H. Sweet

W. R. Donnell for C. H. Sweet
(Marked applicant's exhibit for the purpose of identification.)

W. R. DONNELL

Having been first asked, **TRANSCRIPT OF PROCEEDINGS** follows:

DIRECT EXAMINATION

By MR. GIRARD:

Q State your name please.

A Ada Dearnley, Reporter

CASE NO. 306

In the matter of the application of C. H. Sweet for permission to drill an unorthodox location 1325 feet west of the east line and 660 feet south of the north line, Section 23, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico.

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MR. SPURRIER: The meeting will come to order. The record will show in the absence of the other two Commissioners that I am sitting for the purpose of taking the record only. We will proceed with Case 306.

(Mr. Kellahin reads the Notice of Publication.)

MR. GIRARD: Let the record show that the applicant in Case No. 306 is being represented by Neil and Girard of Hobbs New Mexico, Box 1326. Are you ready to proceed?

MR. SPURRIER: Yes.

MR. GIRARD: We would like to have Mr. Donnell sworn.

MR. SPURRIER: Please come forward.

(Witness sworn.)

(Marked Applicant's Exhibits for the purpose of identification.)

W. R. DONNELL,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. GIRARD:

Q State your name please.

A W. R. Donnell.

Q Where do you live?

A Midland, Texas.

Q What is your profession, if any?

A Geologist.

Q Where did you receive your training?

A Attended the University of Missouri for four years.

Q Did you obtain a degree of Bachelor of Science in Geology?

A A.B. in Geology, yes, in 1939.

Q Since that time have you been engaged as a practicing geologist?

A Yes, except for 6 years spent in the Navy.

Q Mr. Donnell, at the request of C. H. Sweet, did you make a survey of the northwest quarter of the northeast quarter of Section 23, Township 18 South, Range 37 East?

A Yes, that is right.

Q You worked up the geology on that particular tract?

A Yes.

Q Have you prepared a written report showing your findings on your work there?

A Yes, I have a report here.

Q Is that report the report that has been marked here as Applicant's Exhibit No. 1, containing three sheets, a well log and a map?

A Yes, that is right.

Q Showing the contour lines?

A Yes.

Q We would like to offer this report and for the benefit of

ADA DEARNLEY, COURT REPORTER

the Commission we have other copies here. Mr. Donnell, will you tell the Commission what your findings are in regard to your survey made there?

A Well, I found that after contouring this area, using the subsea datum points of the San Andres formation, that the acreage in question here, if the location was a normal location, would be below the established water level of the field. This water level was established by this old Shell Sloan State well which was drilled back in 1936 and by moving this location over to where we could crowd this line, we had a better chance of getting an oil well than we would if we came over here to a normal location. The details of this are brought out in the report here.

MR. SPURRIER: Do you have any other control except this Shell Sloan State?

A No, actually there isn't any control to the west there.

MR. SPURRIER: You don't have anymore southeast there?

A No.

Q In making your survey there, you did take into consideration the Sweet 1 and the Samsadone 1?

A The Samsadone 3 and 4 which are producing wells.

MR. SPURRIER: You used these wells for your control inside?

A That is right. There aren't any wells drilled over in here. But you have pretty good control, you have a fairly steep dip coming off there. We are hoping that nose will be there.

MR. SPURRIER: What is that dip?

MR. GIRARD: It is shown by the plat, it is a 50 foot dip.

A That is 1320 there, 50 feet.

MR. SPURRIER: 50 feet in 13-20 feet?

A Yes.

Q Mr. Donnell, Mr. Sweet and his associates own the land or the lease on the land immediately east of your proposed location here?

A Immediately east, that is correct.

Q They have a producing well there?

A That is right. They have a producing well on this 40 and this 40, (indicating).

Q After your survey, is it your opinion that unless the well is located as you have suggested and is shown in the application, in all probability they will not be able to obtain a producer?

A I don't see how they could locating it in a normal location there because they would be at the water level before they hit the reservoir.

MR. SPURRIER: This is a water drive reservoir?

A That is right.

MR. SPURRIER: And the water at that particular location you would figure that the water is moving from west to east, correct?

A From west to east. It is encroaching on the field, yes.

Q MR. SPURRIER: Who owns this offset well to the east?

A It is a Bowers producing well which Shell has an interest in.

MR. SPURRIER: Is it completed in the formation you intend--

A (Interrupting) No. This is completed in the Bowers which is around 3300 feet. These are in the San Andres.

MR. WHITE: Do you think you would produce in the Bowers Sand if that was in the orthodox location?

A Bowers Sand production over there is not any good. It is a very weak well.

MR. SPURRIER: Mr. Girard, I think you brought out that the land to the east, the acreage and the offset to the east are owned by Sweet?

MR. GIRARD: That is correct.

MR. SPURRIER: How about that location?

A That is a commitment to drill on there to get the 40 acres. If he drills on there he gets the 40 acres.

MR. GIRARD: It is a demand well on formation. Shell has the land; upon the drilling of the land we get the lease.

Q (By Mr. Girard) For the benefit of the Commission the Tidewater dropped their lease this year. I checked the land office and it showed that the run --

MR. SPURRIER: In other words, the next offset west is no longer under lease?

MR. GIRARD: That is right. It is state land but not under lease. Amerada owns the 40 to the north. But as to that land, Amerada is holding it under an old lease in which they have some 4 or 5 thousand acres. The acreage runs all through the field. In 18-36 and 18-37, I didn't copy that, but I made arrangements to call one of the employees of the land office to come down and bring that particular lease. If the Commission

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desires to have that proof. It is state lease No. A1469. Which covers this particular 40 acre tract and numerous other lands that are not involved here. The old Tidewater lease, if the Commission would like to have that number was V-9304.

I might state this to the Commission that our opinion that unless we crowd the east line of that particular 40 that there is no chance of production because of the deep and quick fall of that knoll.

MR. SPURRIER: Providing the location were granted would you feel that you would be entitled to a full allowable from that 40?

MR. GIRARD: Well, if the Commission please, with regard to allowables, I am at a little loss as well as many of the attorneys as to the meaning that the legislature had and this Commission had when they adopted, in regard to proration, recognition of correlative rights of owners. Now, under water drive, it would seem to me that there would be no additional burden on other wells in the pool for a hedge well produced, being high with them, it will still go to water quicker than your higher wells.

MR. SPURRIER: That is true.

MR. GIRARD: In order to protect the correlative rights of all parties in my opinion we will, after all that is just a legal standpoint, I feel that even a hedge well is entitled to the production of a good producer because the hedge well is not taking anything from the producer. The old Rowan-Dickason case made a rather exhaustive survey on that particular question. While

complete,
they were not entirely/the Supreme Court backed off on the theory that what they were asked to decide was out of the realm of law but in the realm of the engineers and I believe in the Dixon case the very question there arose as to the amount of allowables as to hedge wells, as to wells in the center of the pool.

MR. WHITE: Were those hedge wells orthodox wells?

MR. GIRARD: Texas has a different provision. We have the flat 40 acre spacing with the exception that the Commission, after hearing and notice will entertain a smaller acreage on a smaller acreage. They use a form of ratio as to the number of acres; as to 40 to compensate for it. If production is obtained, it may be that the slope there might level out to such an extent it may not be so steep. It might level out where the contour lines should go a little deeper. To say just how much of the 40 may be underlying the pool, all we can do is just go by his good graces here. But I feel that the cost of drilling the hedge well is comparable with the cost of the well in the middle of the field and in addition to that, its hazard is greater, much greater. I don't believe that one should be penalized by the taking away of an allowable if they do get production because they take a bigger risk.

A I would like to point out that these two samsadone wells, the Samsadone No. 3 and 4 have the same type of location we are asking for and they have a full allowable. Those two are full allowable wells.

MR. SPURRIER: When were they drilled, do you know?

A I can tell you that.

(Off the record discussion.)

MR. SPURRIER: Let's go back on the record and get the date.

A I don't have the exact dates of 3 and 4, but No. 1 was drilled in '34 and these were drilled about the same time.

MR. SPURRIER: Substantially, they were drilled in the middle 30's at least.

A Yes.

MR. GIRARD: For the purpose of the Commission, the request for an unorthodox location is nothing new to this Commission. The Commission has had any number of applications for unorthodox locations and have granted them. Now, the old Shell Sanger lease in that case, I don't believe they have an orthodox location on the entire lease. Within the last two years or three years there has been a well drilled on an unorthodox location, they even had to move a little further up to file the application to get off the highway.

MR. SPURRIER: Do you gentlemen have any questions?

(Off the record discussion.)

MR. WHITE: Were all the adjoining property owners notified of the hearing?

MR. GIRARD: If the Commission please, I came to the matter after it had gone to notice. I will admit to the Commission that my application is not in due form but this Commission sits more as an informal body, and their proceedings are informal in nature. I feel that notice was given by publication as required

ADA DEARNLEY, COURT REPORTER

by your rules and regulations. The actual registered notice by mail which is set forth in your Rule 104 was not given because the applicant failed to comply with Rule 104, furnishing you with the names of the offset leases and the Commission is not under obligation to go seek that out. I don't know what the Commission's file reflects as to whether anyone was notified by registered mail, but since this Commission is only taking the matter for hearing purposes, at this time, and not to act on it until the full Commission or a quorum is here, I would like to submit to the Commission that we will and would like permission to file a supplement application, supplementing the existing one and have that supplement considered in the light of the testimony and the exhibits that have been offered today. In that connection I will assure the Commission and furnish proof that whether the Commission gives registered notice or not we will notify the offsetting interests. I don't know who to notify other than the Land Commissioner who is a member of this Commission, in regard to the land immediately west. It is state land. As to the 40 acres owned by Amerada, we will furnish proof to this Commission that they have been notified. We will also furnish Amerada with our engineering data that we have turned over to the Commission today, being our exhibit No. 1. And request a reply from them.

(Discussion off the record.)

MR. SPURRIER: For the record, let's say that I will recommend to the Commission that we accept your application. You will file written consent of these offset operators and upon

ADA DEARNLEY, COURT REPORTER

receipt of that we can act upon the record that was taken here today, which will save the Commission expense and the time in readvertisement.

MR. GIRARD: I would like for the Commission here to hold this matter open and don't close the hearing until we have been given the opportunity to furnish that proof.

MR. SPURRIER: I will recommend to the Commission that --

MR. GIRARD: (Interrupting) That the proof may be transmitted by mail rather than open hearing.

MR. SPURRIER: If you have nothing further, no one has any questions, we will dismiss the witness and this case will be recessed for future consideration.

(Witness excused.)

STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of proceedings in Case No. 306, before the Oil Conservation Commission taken on September 13, 1951, in Mabry Hall at Santa Fe, is a true and correct record to the best of my knowledge, skill and ability.

DATED at Albuquerque, this 2nd day of October, 1951.

Ada Dearnley
REPORTER

ADA DEARNLEY, COURT REPORTER

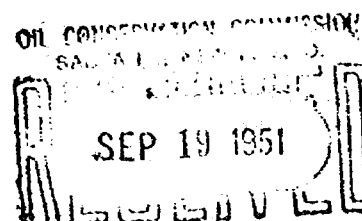
D. MELVIN JEAL
W. D. GIRAND, JR.

TELEPHONE: 54 & 854
P. O. BOX 1326

W. D. GIRAND, JR.

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

September 17, 1951



Hon. Guy H. Shepard,
State Land Office,
Santa Fe, New Mexico.

Dear Sir:

On September 13, 1951 C. H. Sweet, owner of Oil & Gas Lease covering the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, Township 18 South, Range 37 East, Lea County, New Mexico, had a hearing on his application for permission to drill an unorthodox location, to-wit: 1325 feet West of the East Line and 660 feet South of the North Line of said Section 23.

At the time of the hearing it was disclosed that the State of New Mexico owns the minerals unleased covering the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 23, Township 18 South, Range 37 East, being the forty immediately West of the C. H. Sweet property, and that the State had not been notified of the time and place of hearing. The Commission advised that a Consent from your department would be satisfactory, and that the record produced at the hearing could be considered along with your request.

For your information this property was previously under Oil & Gas Lease issued by your department and numbered B-9304 in favor of the Tidewater Associated Oil Company, which lease expired for failure to pay rentals on September 10, 1951.

For your convenience, we are enclosing consent which we would appreciate your executing and filing with the Commission.

Thanking you, we remain

Very truly yours,

NEAL & GIRAND,

BY: 

G/lb
encls.

cc: Oil Conservation Commission, State Capitol, Santa Fe, N.M.
Mr. C. H. Sweet, 412 North Dal Paso, Hobbs, New Mexico.

September____, 1951

To:
The Oil Conservation Commission,
Santa Fe, New Mexico.
Attention: Mr. R. R. Spurrier.

Gentlemen:

This is to advise that the State Land Office of the State of New Mexico has received a communication from W. D. Girard, Jr. enclosing the report prepared by W. R. Donnell in regard to the request for an unorthodox location filed by C. H. Sweet on the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, Township 18 South, Range 37 East.

The State of New Mexico through the State Land Office of said state as owners of the minerals unleased covering the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 23, Township 18 South, Range 37 East, consents to the granting of permission to drill at a point 1325 feet West of the East Line and 660 feet South of the North Line of Section 23, to C. H. Sweet.

DATED this the _____ day of September, 1951.

STATE LAND OFFICE OF THE
STATE OF NEW MEXICO,

BY _____

C. W. NEAL
W. D. GIRAND, JR.

W. D. GIRAND, SR.

NEAL & GIRAND

LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

September 17, 1951

TELEPHONE: 54 & 554
P. O. BOX 1326

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

SEP 19 1951

Amerada Petroleum Corporation,
Midland, Texas.

Gentlemen:

On September 13, 1951 C. H. Sweet, owner of Oil & Gas Lease covering the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, Township 18 South, Range 37 East, Lea County, New Mexico, had a hearing on his application for permission to drill an unorthodox location, to-wit: 1325 feet West of the East line and 660 feet South of the North Line of said Section 23.

At the time of the hearing it was disclosed that your company as holder of State Oil & Gas Lease No. A-1469, held a lease on the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14, Township 18 South, Range 37 East, being the forty immediately North of the C. H. Sweet property, had not been notified of the time and place of hearing. The Commission advised that a Consent from your company would be satisfactory, and that the record produced at the hearing could be considered along with your consent.

We are enclosing a copy of the Engineer's report substantiating the reason for the unorthodox location, together with supporting exhibits. We are also enclosing a form of Consent to be executed by your proper officer consenting to the granting of the application.

We would appreciate your giving this matter your immediate attention.

Thanking you, we remain

Very truly yours,

NEAL & GIRAND,

BY: *[Signature]*

G/ls
encls.

cc: Oil Conservation Commission, State Capitol, Santa Fe, N.M.
Mr. C. H. Sweet, 412 North Dal Paso, Hobbs, New Mexico.

September____, 1951.

To:
The Oil Conservation Commission,
Santa Fe, New Mexico.
Attention: Mr. R. R. Spurrier.

Gentlemen:

This is to advise that the Amerada Petroleum Corporation has received a communication from W. D. Girard, Jr. enclosing the report prepared by W. R. Donnell in regard to the request for an unorthodox location filed by C. H. Sweet on the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23, Township 18 South, Range 37 East.

As owners of an Oil & Gas Lease covering the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14, Township 18 South, Range 37 East, we consent to the granting of permission to drill at a point 1325 feet West of the East Line and 660 feet South of the North Line of Section 23, to C. H. Sweet.

DATED this the _____ Day of September, A.D., 1951.

AMERADA PETROLEUM CORPORATION,

BY _____

TELEPHONES
OFFICE 1251
SHOP 398-W

SWEET
OIL WELL EQUIPMENT
INCORPORATED
August 18, 1951

306
424 NORTH DAL PASO
P. O. BOX 1115
HOBBS, NEW MEXICO

Case 306

IN THE MATTER OF THE APPLICATION OF
C. H. SWEET FOR PERMISSION TO DRILL
UNORTHODOX LOCATION 1325' WEST OF
EAST LINE AND 660' SOUTH OF NORTH
LINE, SECTION 23, T-18-S, R-37-E,
LEA COUNTY, NEW MEXICO

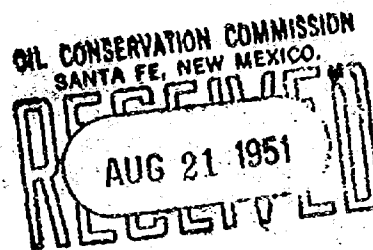
TO THE STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Now comes C. H. Sweet, Petitioner, in the above matter and respectfully
requests the Commission to grant a hearing and the right to present
argument and or exhibits supporting request.

Respectfully submitted,

C. H. SWEET OIL PRODUCER

/s/



YOU CAN ALWAYS GET A



PACKER OUT OF THE HOLE

Form C-161

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

AUG 21 1951

NOTICE OF INTENTION TO DRILL

Notice must be given to the Oil Conservation Commission or its proper agent and approval obtained before drilling begins. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in triplicate. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

Hobbs, New Mexico
PlaceAugust 18, 1951
DateOIL CONSERVATION COMMISSION,
Santa Fe, New Mexico,

Gentlemen:

You are hereby notified that it is our intention to commence the drilling of a well to be known as _____

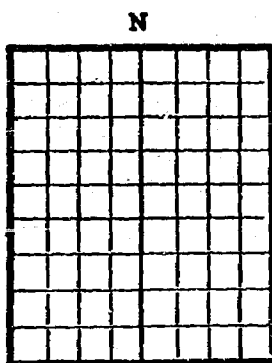
C. H. Sweet

Company or Operator

Lease

well No. 3-A in NE NE NE

of Sec. 23, T 18-S, R 37-E, N. M., P. M., NW Hobbs Field, Lea County.



AREA 640 ACRES

LOCATE WELL CORRECTLY

The well is 660 feet (N.) (S.) of the North line and 1325 feet (E.) (W.) of the East line of Sec. 23, T-18-S, R-37-E.

(Give location from section or other legal subdivision lines. Cross out wrong directions.)

If state land the oil and gas lease is No. NM 1179 Assignment No. B-9264

If patented land the owner is _____

Address _____

If government land the permittee is _____

Address _____

The lessee is _____

Address _____

We propose to drill well with drilling equipment as follows: Rotary

The status of a bond for this well in conformance with Rule 89 of the General Rules and Regulations of the Commission is as follows: Has been filed

We propose to use the following strings of casing and to land or cement them as indicated:

Size of Hole	Size of Casing	Weight Per Foot	New or Second Hand	Depth	Landed or Cemented	Shots Cement
11"	8-5/8"	22.7	New	260'	Cemented	125' to Surface
6-3/4"	5-1/2"	17#	New	3940	Cemented	300

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil or gas sand should occur at a depth of about 3950 feet.

Additional information:

Approved _____, 19____
except as follows:

Sincerely yours,

C. H. Sweet

Company or Operator

By

C. H. Sweet

Position

Owner

Send communications regarding well to:

Name C. H. Sweet

Address Box 1115, Hobbs, New Mexico

OIL CONSERVATION COMMISSION,

By _____

Title _____

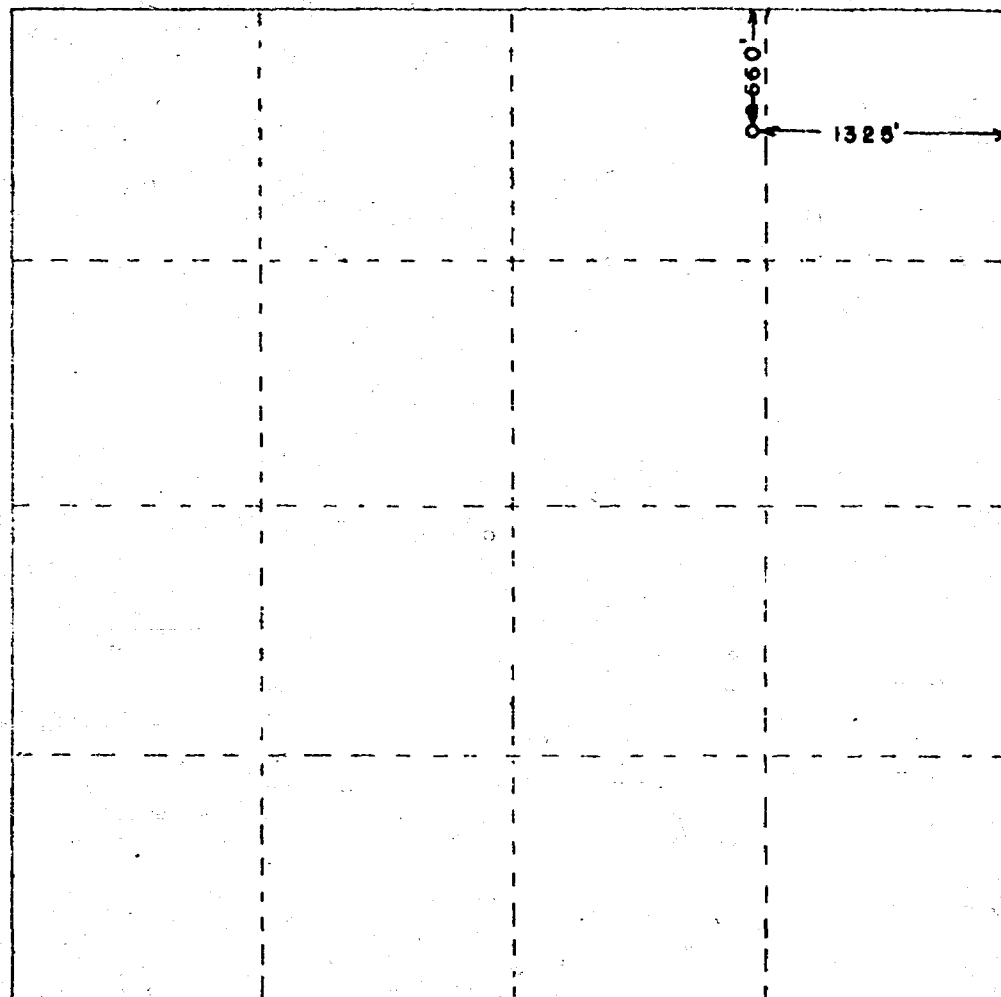
Case 306

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

RECEIVED
AUG 21 1951

WELL LOCATION SURVEY PLAT

COMPANY C. H. SWEET
LEASE STATE F
WELL NO. 3



SEC. 23, TWP. 18 S., RGE. 37 E., N.M.P.M.

I HEREBY CERTIFY THAT THIS PLAT WAS MADE
FROM NOTES TAKEN IN THE FIELD BY ME AND THAT
THE SAME IS TRUE AND CORRECT TO THE BEST
OF MY KNOWLEDGE AND BELIEF

John W West

JOHN W. WEST, PE & L S NO. 676

AUG. 18, 1951