

Case No.

1424

Application, Transcript,
Small Exhibits, Etc.

CASE 1424: Humble Oil & Ref. Co. v. Esso
23
Humble Oil & Ref. Co. v. Esso
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BEFORE THE
OIL CONSERVATION COMMISSION
Roswell, New Mexico
April 16, 1958

IN THE MATTER OF:

Case No. 1424

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE - SANTE FE
3-6691 2-2211

2

BEFORE THE
OIL CONSERVATION COMMISSION
Roswell, New Mexico
April 16, 1958

IN THE MATTER OF:

CASE NO. 1424 Application of Humble Oil and Refining :
Company for an unorthodox well location :
Applicant, in the above-styled cause, :
seeks an order authorizing an unortho- :
dox oil well location for its Federal- :
North Kirtland Unit Well No. 1 at a :
point 1230 feet from the North line and :
998 feet from the East line of Section :
19, Township 30 North, Range 14 West, :
San Juan County, New Mexico, said well :
to be drilled as a wildcat to the Da- :
kota formation. :

BEFORE:

Mr. A. L. Porter
Mr. Murray Morgan
Honorable Edwin L. Mechem

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: We will consider next Case No. 1424.

MR. COOLEY: Application of Humble Oil and Refining
Company for an unorthodox well location.

MR. BRATTON: I am Howard Bratton of Hervey, Dow &
Hinkle, Roswell, New Mexico, representing Humble Oil & Refining
Company. We have one witness in this case and ask that he be sworn.
(Witness sworn)

HOMER A. WEEKS

called as a witness, having been first duly sworn on oath, testified
as follows:

DEARNLEY, MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

DIRECT EXAMINATION

BY MR. BRATTON:

Q Will you state your name, position and experience, sir?

A Homer A. Weeks. I graduated from the University of Oklahoma with a B. S. degree in Civil Engineering in 1948. Since that time I have worked for Humble Oil & Refining Company. For the last year I have worked at Farmington up until April the 1st of this year when I was transferred to Snyder, Texas.

Q Are you familiar with the area included in this application?

A Yes.

Q Did you stake that location as the district engineer at Farmington?

A Yes, sir.

MR. BRATTON: Are the witness' qualifications acceptable?

MR. PORTER: Yes, sir, they are.

Q Referring to what has been marked Humble's Exhibit No. 1, will you explain what that is and what it shows, Mr. Weeks?

A Humble's Exhibit No. 1 is a map showing Section 19 of Township 30 north, Range 14 West, with the topography of the northeast quarter shown. The portion around the location in that area is dominated by three levels of a mesa. The highest level is shaded red, the next level is shaded green, and the lowest level of the mesa is shaded yellow. The difference in the elevation represented here is approximately 25 feet, and it's another forty

4
or fifty feet from the lower mesa down to the bottom of the wash, to the south of that mesa. Also shown on this map is the called location, which was 990 feet from the north and east lines and also the location as constructed, which was 240 feet south of the called location.

Q The projected well is a Dakota test?

A Yes, sir.

Q And you hope for oil production?

A Yes.

Q Could be gas production?

A Yes.

Q Does Exhibit No. 1 show the lease ownership in the area?

A Well, it shows all of this acreage as Humble's. Actually, the northeast quarter is an assignment to Humble, and Humble has the rest of the area, all except that in section -- a portion of 24 and 25. Humble has an option on the rest of that acreage.

Q It is all out of the same basic lease and Humble has exercised the option on the northeast quarter and holds the remainder of the acreage under option?

A That is correct.

Q So that royalty is common throughout the entire area shown in the map?

A Most of it.

Q Except in 24 and 25?

A Yes.

Q And the overriding royalty would be the same?

A Yes.

Q Referring to the exhibits which have been marked Exhibits 2, 3 and 4, will you explain what they are and what they show?

A Exhibit 2 is a picture of the location and the area looking southeast. The three levels of the mesa are defined and the location proposed, which is circled on the right, is on the lower elevation mesa, and the other two levels are clearly visible on Exhibits 2 and 3. Picture 3 was taken looking in a northeasterly direction approximately the same distance from the location. Exhibit 4 is a closeup picture of the location, and it was taken primarily to show the rock that is in that and that would be encountered if the location were made in its called location. That is 990 feet out of the corner.

Q If the location were made in the called location of 990 feet out of the corner, could a satisfactory location be made?

A Well, economically, if a location were made there, it would be a small location, smaller than we would normally like to use. Anyway we build it, it would necessitate having the working pits and the reserve pits in a wash and completely blocking the wash.

Q For topographic reasons, then, the proposed location is the closest feasible location to the called location?

A Well, it's the most feasible location in that 40 acres.

Q Where is the nearest production to this area?

6

A There are two, I think, shallow gas wells that are shut in approximately two miles south. There is a Dakota gas well, I believe, to the best of my knowledge, approximately six miles east and there is another gas well approximately six miles or five miles west, and in the Verde Gallup Field, the closest well unit is approximately five miles north or a little northwest.

Q So, Mr. Weeks, for topographic reasons, a satisfactory location could not be made in the called location?

A That is correct.

Q And the ownership of the working interest, royalty, and overriding royalty within a half a mile in either direction is common?

A Yes.

Q Was Exhibit No. 1 made by you or under your direction?

A Yes.

Q And Exhibits 2, 3 and 4 are pictorial representations of areas as you have explained them?

A Yes, sir.

Q I would like to introduce Exhibit 1 through 4.

MR. PORTER: Without objection they will be admitted.
Any questions?

CROSS EXAMINATION

Q . . .

Q In the event Humble drills Well No. 1 and obtains oil and the pool is spaced on the 40-acre state-wide pattern, would it be possible for Humble to drill a standard location in the southeast quarter of the northeast quarter?

A In the southeast quarter of the northeast?

Q Yes, sir.

A It will be very difficult and it will be extremely expensive, more expensive than would be, of course, in an oil field.

Q If you were to drill an oil well in the southeast quarter of the northeast quarter, could it be a standard location?

A You mean a 660?

Q No, sir.

A Within 330 of the line?

Q Yes, sir.

A I am sure we could find some place within that square that we could build a location, yes, sir. I hope so. It's an extremely rough area. I don't imagine that it would be taken as the original called locations were given.

Q What I was wondering, if this should turn out to be an oil well, it's only 90 feet from the south line of the 40 acres in which it is situated, isn't it? I was just wondering if this is going to require, moving a well down 90 feet from the south end of the southeast quarter in the northeast quarter, if this would be a chain reaction that would be followed, or if you could build a standard location to offset the well.

A I wouldn't know about that until I try to stake the location.

Q Have you shown the complete topography in the northeast section?

A Well, of course, it is concentrated mostly where the location is, but as you can see the topography as shown for the whole quarter section. Of course, I have more definite information on this immediate area because that is where we were trying to put our location. The other is from aerial photographs and from the field notes of the surveyor who surveyed the lines and then that portion that I traversed when I was staking the location.

MR. RUTTER: Thank you.

A Is that sufficient?

MR. RUTTER: Yes, sir.

QUESTIONS BY MR. DUE:

Q In your opinion, are you more likely to get a gas well here than an oil well?

A I am a civil engineer, not a geologist.

Q What does your geologist say?

A According to what they turned in, I guess they think they are going to get oil.

Q I believe you testified the nearest Dakota production was gas?

A Well, as far as I know, there is a Dakota gas well six miles east. Now, as far as the Verde Gallup Field, like I say, 13

is a little closer to the north where they got Dakota production.
I don't guess anybody knows because they stopped at the Gallup.

MR. PORTER: Anyone else have a question of the witness? The witness may be excused.

(Witness excused)

MR. PORTER: Any further testimony to be presented in this case? Any statements? We will take the case under advisement.

C E R T I F I C A T E

10

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) : ss

I, J. A. TRUJILLO, 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 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 9th day of May, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Jose A. Trujillo
Notary Public

My commission expires:
October 3, 1960.

OIL CONSERVATION COMMISSION
P.O. BOX 871
SANTA FE, NEW MEXICO

April 28, 1958

C
O
P
Y

Mr. Howard Bratton
Hervey, Dow & Hinkle
P.O. Box 547
Roswell, New Mexico

Dear Mr. Bratton:

On behalf of your client, Humble Oil & Refining Company,
we enclose two copies of Order R-1159 issued April 22, 1958, by
the Oil Conservation Commission in Case 1424, which was heard
on April 16, 1958.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encis.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1424
Order No. B-1159

APPLICATION OF HUMBLE OIL AND REFINING
COMPANY FOR AN ORDER GRANTING APPROVAL
OF AN UNORTHODOX WELL LOCATION FOR A
WILDCAT OIL WELL TO BE DRILLED TO THE
DAKOTA FORMATION IN SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 16, 1958, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 22nd day of April, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the testimony presented 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.

(2) That the applicant, Humble Oil and Refining Company, is the operator of the North Kirtland Unit located in Township 30 North, Range 14 West, NMPM, San Juan County, New Mexico.

(3) That applicant proposes to drill a wildcat oil well to be known as the Federal-North Kirtland Unit Well No. 1 to the Dakota formation. Said well is to be located 1230 feet from the North line and 998 feet from the East line of Section 19, Township 30 North, Range 14 West, NMPM, San Juan County, New Mexico.

(4) That the necessity for the proposed unorthodox location is based on extreme topographical conditions.

(5) That approval of the unorthodox location for said well will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the application of Humble Oil and Refining Company for an order granting approval of an unorthodox location for its

-2-

Case No. 1424
Order No. R-1159

proposed wildcat oil well to be known as the Federal-North Kirtland Unit Well No. 1 to be drilled to the Bakota formation and to be located 1230 feet from the North line and 908 feet from the East line of Section 19, Township 30 North, Range 14 East, NMPN, San Juan County, New Mexico, be and the same is hereby approved.

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

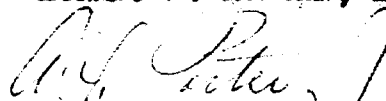
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



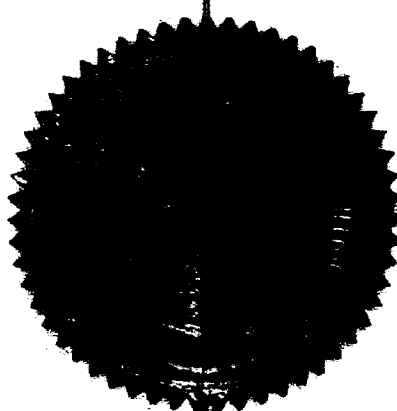
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



A. L. PORTER, Jr., Member & Secretary



ir/

R. R. MCCARTY
DIV. SUPERINTENDENT
L. M. BYRD
ASST. DIV. SUPERINTENDENT
M. L. MENSLEY
ASST. DIV. SUPERINTENDENT
M. E. MEADOWS
ASST. DIV. SUPERINTENDENT
J. W. GRAYBEAL
DIV. PETROLEUM ENGINEER
R. A. ESTES
DIV. CIVIL ENGINEER

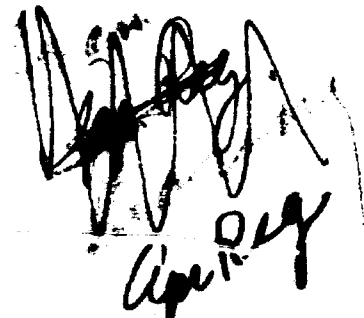
HUMBLE OIL & REFINING COMPANY

WESTERN DIVISION

P. O. BOX 1600

MIDLAND, TEXAS

March 17, 1958



Re: Humble Oil & Refining Company's
Request for an Examiner Hearing
for an Unorthodox Oil Well Loca-
tion, Federal-North Kirtland
Unit Well No. 1
Undesignated Dakota Wildcat
San Juan County, New Mexico

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

By our letter of February 18, 1958, we requested administrative approval for an exception to Rule 104 of the New Mexico Oil Conservation rules for an unorthodox oil well location for the subject well. This well is to be located 1230 feet from the North line and 998 feet from the East line of Section 19, Township 30 North, Range 14 West, San Juan County, New Mexico. We were advised by Mr. W. J. Cooley, Attorney for the Commission, that they were unable to grant administrative approval for an oil well in an undesignated oil producing formation.

Therefore, the Humble Oil & Refining Company respectfully requests that the Oil Conservation Commission ~~set for hearing~~, at your earliest convenience, this Application for an Unorthodox Oil Well Location. It is further requested that this hearing be set either before an examiner or before the Commission at its regular monthly hearings.

In support of this Application we make the following statements of facts:

1. The terrain in this area is extremely rough necessitating staking the location unorthodox.
2. The ownership of all oil and gas leases within a radius of 790 feet of the proposed location is common with the ownership of the oil and gas leases under the proposed location.
3. That the acreage on which this well is to be drilled has been unitized and covers the following described property:

All of Section 17 and 19, the SE/4 and the S/2 of the SW/4 of Section 18 and the W/2 and the SE/4 of Section 20, Township 30 North, Range 14 West, San Juan County, New Mexico.

Page 2

New Mexico Oil Conservation Commission

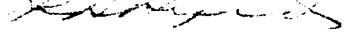
March 17, 1958

4. The Unit as described above contains 2000 acres and the working interest ownership is owned by Humble 100 percent and was taken under Federal Lease No. SF-078620 and expires December 28, 1959.
5. Mr. Emery C. Arnold, Oil Conservation Commission Supervisor in Aztec, New Mexico, personally inspected the terrain surrounding our location.

Should you desire additional information or forms concerning our Application for Examiner Hearing please advise.

Yours very truly,

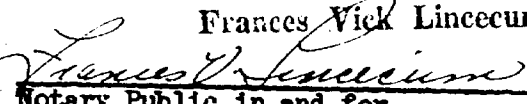
R. R. MCCARTY
Division Superintendent

By 
Assistant Division Superintendent

JEP/fl

Attachments

Sworn to and subscribed before me this 17th day of March, 1958.

Frances Vick Lincecum

Notary Public in and for
Midland County, Texas

cc: Mr. Emery C. Arnold
120 East Chaco St.
Aztec, New Mexico

cc: Mr. P. T. McGrath
USGS
Farmington, New Mexico

No. 11-58

SUPPLEMENTAL DOCKET: REGULAR HEARING APRIL 16, 1958

Oil Conservation Commission 9 a.m., Elks Club, 200 North Richardson Avenue

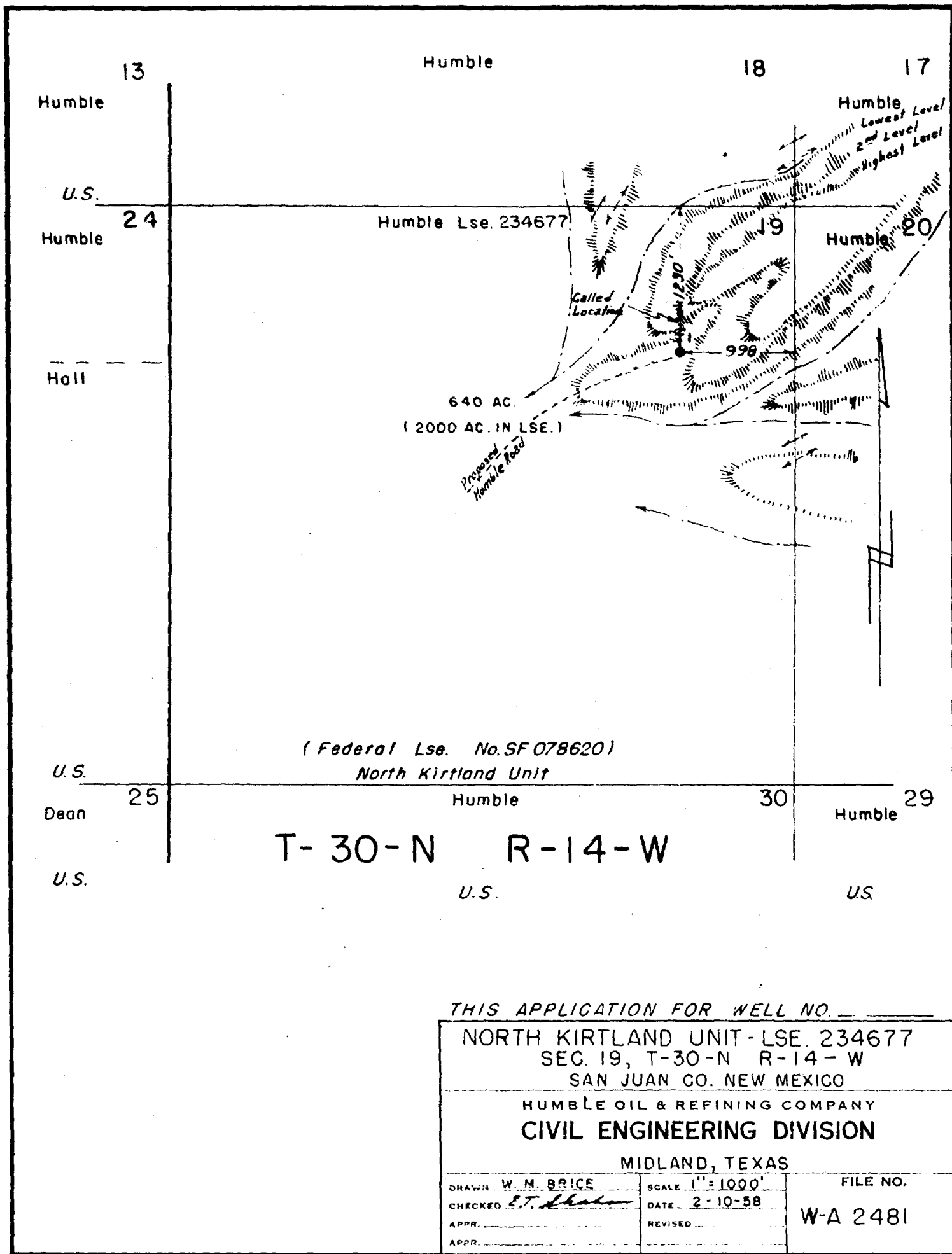
ROSWELL, NEW MEXICO

CASE 1424:

Application of Humble Oil and Refining Company for an unorthodox well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox oil well location for its Federal-North Kirtland Unit Well No. 1 at a point 1230 feet from the North line and 998 feet from the East line of Section 19, Township 30 North, Range 14 West, San Juan County, New Mexico, said well to be drilled as a wildcat to the Dakota formation.

April 3, 1958

ga



DAKOTA WILDCAT

5 Mi. N. of Kirtland - 14 Mi. NW. of Farmington





