

CASE 2321: Appli. of BENSON-MONTIN-
GREER DRUG. for an unorthodox oil
well location.

B. J. L.
K. J. L.

-asa 110.

2321

Application, Transcript,
all Exhibits, Etc.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

July 13, 1961

Re: CASE NO. 2321

ORDER NO. R-2020

Mr. William Federici
Seth, Montgomery, Federici & Andrews
Box 828
Santa Fe, New Mexico

APPLICANT:
Benson-Montin-Greer

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC X

OTHER

**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. 2321
Order No. R-2020**

**APPLICATION OF BENSON-MONTIN-GREER
DRILLING CORPORATION FOR AN UNORTHODOX
OIL WELL LOCATION, 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 July 6, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of July, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Benson-Montin-Greer Drilling Corporation, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool for its Jones Well No. 7, located 1200 feet from the North line and 900 feet from the West line of Section 15, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico.
- (3) That the proposed unorthodox location is necessitated by extreme topographical conditions in the NW/4 NW/4 of said Section 15, and by applicant's desire to maintain a uniform drilling pattern in the NW/4 of said section.
- (4) That inasmuch as the applicant is the operator of the entire NW/4 of said section, the proposed unorthodox location will not crowd acreage belonging to any other operator.
- (5) That approval of the subject application will neither cause waste nor impair correlative rights.

-2-

CASE No. 2321
Order No. R-2020

IT IS THEREFORE ORDERED:

(1) That the applicant, Benson-Montin-Greer Drilling Corporation, is hereby authorized an unorthodox oil well location in the Cha Cha-Gallup Oil Pool for its Jones Well No. 7, located 1200 feet from the North line and 900 feet from the West line of Section 15, Township 28 North, Range 13 West, NMPN, San Juan County, New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

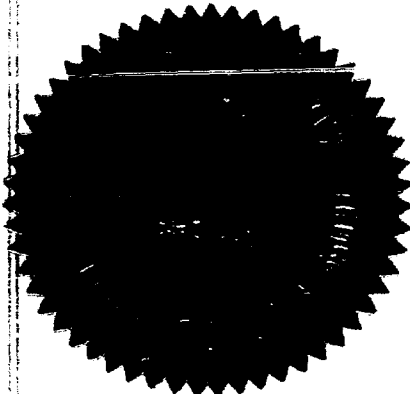
E. L. Mechem

EDWIN L. MECHAM, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.

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



esx/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 7/6/61

CASE 2321

Hearing Date 9 am 7/6/61
JSN @ SF

My recommendations for an order in the above numbered cases are as follows:

Enter order approving non-standard (unorthodox) location as requested by Mason-Mountain-Grass in Cha-cha-pp Oil Pool, San Juan Co N. Mex.

Well is applicants Jones Well No 7, to be located 1200 ft from north line and 900 ft from west line of Sec 15, T 28 N, R 13 W NMPM because of extreme topography in NW 1/4 NW 1/4 of said Section and desire to maintain uniform drilling pattern in NW 1/4 and SE 1/4 of each quarter Section

Vandusen
State Engineer

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CN 3-6691

PAGE

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JUNE 28, 1961

EXAMINER HEARING

IN THE MATTER OF

CASE 2321:

Application of Benson-Montin-Greer
Drilling Corporation for an unortho-
dox oil well location, San Juan
County, New Mexico.

TRANSCRIPT OF HEARING



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JUNE 28, 1961

EXAMINER HEARING

IN THE MATTER OF

CASE 2321: Application of Benson-Montin-Greer Drilling Corporation for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool for its Jones Well No. 7, located 1200 feet from the North line and 900 feet from the West line of Section 15, Township 28 North, Range 13 West, San Juan County, New Mexico.

BEFORE:

Mr. Elvis A. Utz, Examiner.

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

MR. UTZ: The next case will be 2321.

MR. MORRIS: Application of Benson-Montin-Greer Drilling Corporation for an unorthodox oil well location, San Juan County, New Mexico.

Mr. Examiner, the applicant in this case has requested that it be continued to the July 6th Examiner Hearing.

MR. UTZ: Is there objection to applicant's motion? The case will be continued until the July 6th Examiner Hearing.

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ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, 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 machine shorthand 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, the 3rd day of July, 1961, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
NOTARY PUBLIC

My Commission expires:

June 19, 1963

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2321, heard by me on June 28, 1961.

Thos. A. W.
Examiner
New Mexico Oil Conservation Commission



CASE 2316:
(Cont.)

cause, seeks permission to dispose of produced salt water into the Wolfcamp formation through its Lois Wingerd Well No. 8 located 660 feet from the South and East lines of Section 24, Township 12 South, Range 37 East, Gladiola-Wolfcamp Pool, Lea County, New Mexico.

CASE 2317:

Application of Pan American Petroleum Corporation for a pressure maintenance project in the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, and for special rules governing said project. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool by the injection of water into certain Northeast Hogback Unit wells in Sections 10, 11, 13, 14, 15 and 24, all in Township 30 North, Range 16 West, San Juan County, New Mexico. Applicant further seeks special rules governing the operation of said project.

CASE 2318:

Application of El Paso Natural Gas Products Company for an order force-pooling a non-standard oil proration unit in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Cha Cha-Gallup Oil Pool lying North of the mid-channel of the San Juan River in the SE/4 of Section 17, Township 29 North, Range 14 West, San Juan County, New Mexico. Interested parties include Humble Oil & Refining Company, Pan American Petroleum Corporation, and A. L. Duff.

CASE 2319:

Application of Tenneco Oil Company for a non-standard oil proration unit and for permission to commingle the production from separate leases, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 90.5-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool consisting of lots 3 and 4 and the E/2 SW/4 of Section 31, Township 29 North, Range 13 West, San Juan County, New Mexico. Applicant further seeks permission to commingle the Gallup oil production from the subject unit with other Gallup oil production from the E/2 W/2 and from the E/2 of said Section 31 after separately metering the production from each area.

CASE 2320:

Application of R. C. Banks for approval of the High Point Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the High Point Unit

CASE 2320:
(Cont.)

Agreement, which unit embraces 1920 acres of State land in Township 11 South, Ranges 34 and 35 East, Lea County, New Mexico.

The following cases will not be heard before 1:30 P.M.

CASE 2321:

Application of Benson-Montin-Greer Drilling Corporation for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool for its Jones Well No. 7, located 1200 feet from the North line and 900 feet from the West line of Section 15, Township 28 North, Range 13 West, San Juan County, New Mexico.

CASE 2322:

Application of Southwest Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool for a well to be drilled 2260 feet from the North line and 330 feet from the West line of Section 16, Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 2323:

Application of Southwest Production Company for two non-standard oil proration units and for an unorthodox oil well location in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of two non-standard oil proration units in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, one unit consisting of the West 56.625 acres and one unit consisting of the East 56.625 acres of that portion of the SE/4 of Section 16, Township 29 North, Range 14 West, lying North of the mid-channel of the San Juan River; the West proration unit is to be dedicated to a well to be drilled at an unorthodox location 1912 feet from the South line and 2310 feet from the East line of said Section 16.

CASE 2324:

Application of Aztec Oil & Gas Company for an order force-pooling a standard 320-acre gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in a standard 320-acre gas proration unit in the Basin-Dakota Gas Pool, consisting of the N/2 of Section 2, Township 29 North, Range 12 West, San Juan County, New Mexico.

CASE 2325:

Application of Aztec Oil & Gas Company for a non-standard oil proration unit in the Totah-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause,

DOCKET: EXAMINER HEARING - WEDNESDAY, JUNE 28, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner or Daniel S. Nutter, as alternate Examiner:

CONTINUED CASE

CASE 2298: Application of Chambers & Kennedy for a gas-oil dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Monument State Well No. 1, located in Unit J, Section 34, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eunice-Monument Pool through the 5½-inch by 2½-inch casing-tubing annulus and through 2½-inch tubing respectively.

NEW CASES

CASE 2309: Application of Texaco Inc. for an oil-oil-oil triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its C. P. Falby (a) Well No. 4, located in Unit E, Section 8, Township 22 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in the Eumont Gas Pool, the Penrose-Skelly Pool, and the Drinkard Pool, the production of oil from each pool to be through parallel strings of 2 3/8-inch tubing.

CASE 2310: Application of Standard Oil Company of Texas for permission to transfer allowables, Lea County, New Mexico. Applicant, in the above-styled cause, during vertical communication tests, seeks permission to transfer allowables in the Vacuum Abo Pool for a 120-day period from its Vac-Edge Unit Well No. 4, located in the NW/4 NE/4 of Section 4, Township 18 South, Range 35 East, Lea County, New Mexico, to its Vac-Edge Unit Wells Nos. 3 and 6, located in the NE/4 NW/4 of said Section 4 and in the NE/4 NE/4 of said Section 4, respectively.

CASE 2311: Application of Continental Oil Company for an oil-oil dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Britt B-15 Well No. 10, located in Unit F, Section 15, Township 20 South, Range 37 East, Lea County, New Mexico, as a dual completion (conventional) in an undesignated Blinebry Pool and in the Monument-Tubb Pool, the production of oil from each pool to be through parallel strings of 2-inch tubing.

CASE 2312:

Application of Continental Oil Company for an exception to Rule 309 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 309 (a) to permit the commingling, after separate measurement, of the Maljamar-Paddock Pool production from the William Mitchell "A" lease, consisting of the N/2 of Sections 19 and 20, and from the William Mitchell "B" lease, consisting of the W/2 and the W/2 E/2 of Section 17, the E/2 and the E/2 W/2 of Section 18, and the S/2 of Sections 19 and 20, all in Township 17 South, Range 32 East, Lea County, New Mexico.

CASE 2313:

Application of W. W. Holmes for an order fixing the spacing of wells, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order fixing the spacing of wells producing from the Morde formation in the N/2 of Section 11, Township 18 North, Range 3 West, Sandoval County, New Mexico. Applicant recommends the establishment of two and one-half acre well spacing with no increase in the allowable to be assigned a basic 40-acre oil proration unit.

CASE 2314:

Application of Shell Oil Company for an exception to the gas-oil ratio provisions of Rule 26 (A), Order No. R-1670, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the gas-oil ratio provisions of Rule 26 (A), Order No. R-1670, to permit its Shell State Well No. 1-A, located 380 feet from the North line and 380 feet from the West line of Section 36, Township 24 South, Range 36 East, Lea County, New Mexico, to remain classified as a gas well in the Jalmat Gas Pool, with a gas-oil ratio below 100,000: 1.

CASE 2315:

Application of Pan American Petroleum Corporation for a non-standard oil proration unit and for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of an 86.62-acre non-standard oil proration unit in the Totah-Gallup Oil Pool consisting of Lots 2, 3 and 4 of Section 12, Township 28 North, Range 13 West, San Juan County, New Mexico, to be dedicated to the Gallegos Canyon Unit Well No. 100 at an unorthodox location 476 feet from the North line and 1980 feet from the West line of said Section 12.

CASE 2316:

Application of Pan American Petroleum Corporation for permission to dispose of salt water into the Wolfcamp formation, Lea County, New Mexico. Applicant, in the above-styled

CASE 2325:
(Cont.)

seeks the establishment of an 86.13-acre non-standard oil proration unit in the Totah-Gallup Oil Pool, consisting of Lot 1, the NE/4 NW/4 and the NW/4 NE/4 of Section 30, Township 29 North, Range 13 West, San Juan County, New Mexico, to be dedicated to the Hagood Well No. 28-G located 765 feet from the North line and 3175 feet from the East line of said Section 30.

CASE 2326:

Application of David Fasken for permission to drill directionally, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks permission to sidetrack and recomplete the David Fasken-King-Davis Well No. 2, located 1980 feet from the North line and 1980 feet from the West line of Section 27, Township 8 South, Range 37 East, Roosevelt County, New Mexico, in such a manner as to locate the bottom of the hole in the Bough "C" formation of the Bluitt-Pennsylvanian Pool 300 feet West of said surface location.

CASE 2327:

Application of the Oil Conservation Commission on its own motion to consider the establishment of non-standard gas proration units for the Basin-Dakota Pool in Townships 29, 30, 31 and 32 North, Ranges 4, 5, 6, 7, 8, 9, 11, 12, 13 West, San Juan and Rio Arriba Counties, New Mexico. Said non-standard units are necessitated by irregular sections resulting from survey corrections in the United States Public Lands Survey.

Case
9321

BENSON-MONTIN-GREER DRILLING CORP.

GENERAL OFFICE:
2808 FIRST NATIONAL BLDG.
OKLAHOMA CITY 2, OKLAHOMA
PHONE CENTRAL 5-0546

158 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO
PHONE DAVIS 5-8874

May 31, 1961

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

Gentlemen:

T.M.

We wish to make application for approval of an unorthodox location for our Jones No. 7 well, located 1200' from the north line and 900' from the west line of Section 15, Twp. 28N, Rge. 13W, San Juan County, in the Cha Cha-Gallup Pool. Survey plat of the proposed location is attached. Due to difficulties of terrain we are unable to make an orthodox location.

The west offset operator is Pan-American Petroleum Corp. The south half of Section 15 is operated by Aztec Oil and Gas Company.

We respectfully request that this application be heard at the next Examiner Hearing.

Yours very truly,

BENSON-MONTIN-GREER DRILLING CORP.

BY:

Albert R. Greer
Albert R. Greer
Vice-President

Doyle
Miles
6-15-61
[Signature]

nej

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Date _____

Operator BENSON - MONTIN - GREER DRILLING CORP. Lease _____Well No. _____ Unit Letter D Section 15 Township 28 NORTH Range 13 WEST, NMPMLocated 1200 Feet From the NORTH Line, 900 Feet From the WEST LineCounty SAN JUAN G. L. Elevation 6005.0 Dedicated Acreage _____ Acres

Name of Producing Formation _____ Pool _____

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?

Yes _____ No _____

2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes", Type of Consolidation _____

3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner

Land Description

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

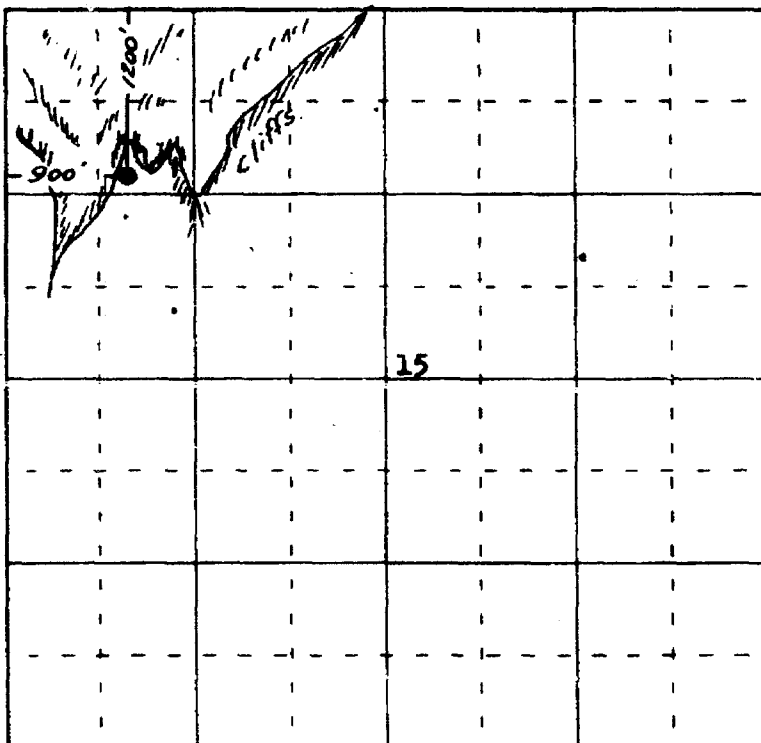
(Operator)

(Representative)

(Address)

Ref: GEO plat dated 19 July 1915

Note: All distances must be from outer boundaries of section.



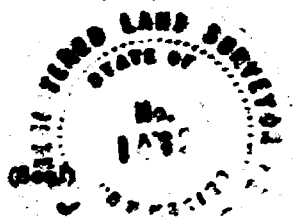
0 300 600 900 1200 1500 1800 2100 2400 2700 3000 3300 3600 0

Scale 4 inches equal 1 mile

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed 25 May 1961

James P. Leese
 Registered Professional Engineer and/or Land Surveyor
 James P. Leese N. Mex. Reg. No. 1463
 San Juan Engineering Company



Farmington, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Jones #7

Section A.

Date _____

Operator BENSON - MONTIN - GREER DRILLING CORP. Lease _____
 Well No. _____ Unit Letter D Section 15 Township 28 NORTH Range 13 WEST, NMPM
 Located 1200 Feet From the NORTH Line, 900 Feet From the WEST Line
 County SAN JUAN G. L. Elevation 6005.0 Dedicated Acreage _____ Acres
 Name of Producing Formation _____ Pool _____

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below?
 Yes _____ No _____
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes _____ No _____. If answer is "yes", Type of Consolidation _____
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner

Land Description

logical additional \$20000 to locate well in bottom of canyon.

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

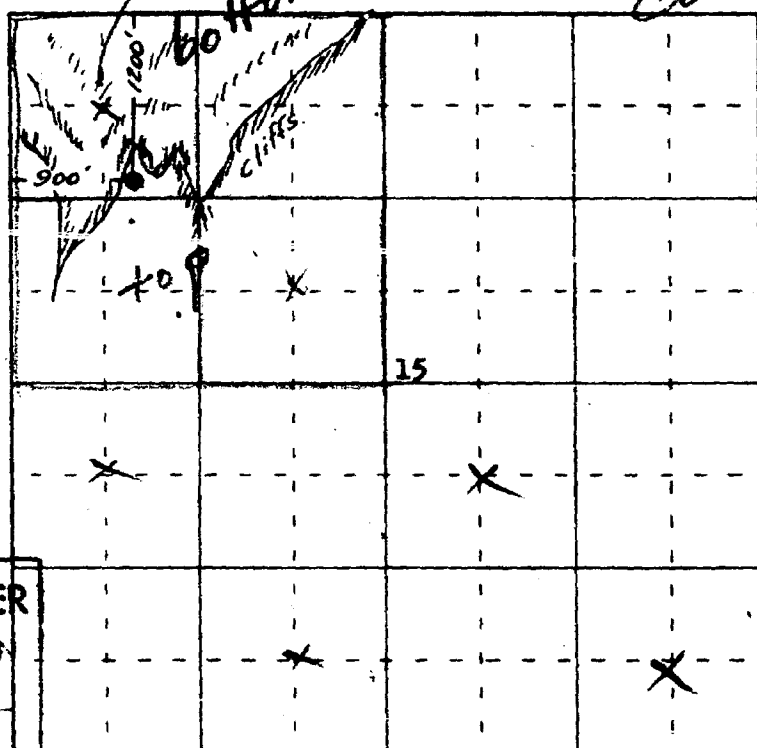
(Operator)

(Representative)

(Address)

Ref: GLO plat dated 19 July 1915

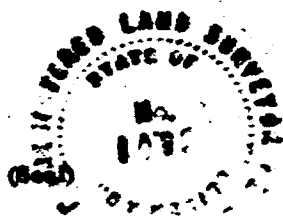
Note: All distances must be from outer boundaries of section.



BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 1
 CASE NO. 2321

0 300 600 900 1200 1500 1800 2100 2400 2700 3000 3300 3600 3900 4200 4500 4800 5100 5400 5700 6000

Scale 4 inches equal 1 mile



Farmington, New Mexico

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed 25 May 1961

James P. Leese
 Registered Professional Engineer and/or Land Surveyor
 James P. Leese N. Mex. Reg. No. 1463
 San Juan Engineering Company

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 6, 1961

EXAMINER HEARING

Case 2321

TRANSCRIPT OF HEARING

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 6, 1961

EXAMINER HEARING

Case 2321

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case Number 2321. This is a case which does not appear on the docket. It is an application for an unorthodox location in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico.

MR. FEDERICI: William Federici, of Seth, Montgomery, Federici and Andrews, Santa Fe, New Mexico.

I have one witness, Al Greer of Farmington and here he is.

(Witness sworn.)

A L G R E E R, called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. FEDERICI:

Q Will you state your name and residence?

A Albert Greer, Farmington.

Q By whom are you employed?

A Benson-Montin-Greer Drilling Corporation.



Q What is your capacity? How do you serve in that organization?

A Vice President.

Q Have you previously testified before the Commission?

A Yes, sir.

MR. FEDERICI: I ask the Examiner if his qualifications are satisfactory.

MR. NUTTER: Yes. You may proceed.

Q (By Mr. Federici) Are you acquainted with the application of Benson-Montin-Greer Drilling Corporation in this case?

A Yes.

Q Are you in charge of the operations covered by this case?

A Yes.

Q I refer you to what has been marked Applicant's Exhibit 1 and will you explain the Exhibit to the Examiner.

A This Exhibit is a plat showing the proposed location of a well to test the Gallup formation in the Cha Cha Pool, northwest quarter of Section 15, Township 28 North, Range 13 West. The plat shows the footage location and also a little sketch of the terrain indicating the cliffs and shows the location to be on top of the cliffs and there is rough terrain in the north 40 acres, in the north 40 acres, which is the northwest quarter of the northwest quarter of Section 15.

The logical spot for the well would in the center of



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PHONE CN 3-4691

ALBUQUERQUE, NEW MEXICO

that 40 acre tract, but because of the expense of building road down through the normal location, we are requesting that it be placed at the footage as shown on the plat.

The normal location would be 650 feet from the north and west quarter, Section 15. From the north and west section line of Section. Instead, we have it 1200 feet from the north line and 900 feet from the west line.

Q What would be the additional cost of locating it down into the canyon?

A I'd guess about \$20,000. It is pretty rough country.

Q Would you state who owns the northwest quarter of Section 15?

A Benson-Mortin-Greer Corporation is the operator in the northwest quarter.

Q In what 40 acre portion would the location be?

A The northwest quarter of the northwest quarter.

Q Would the well be in a 40 acre area according to the pattern spacing and allowable which has been set and permitted by the Oil Conservation Commission?

A Yes. At present, we are drilling the northwest and southeast quarter of each quarter section. Actually, by the field rule, we should put the well in the southwest quarter of the northwest quarter and come within the rules and not need an unorthodox location approval. However, we are trying our best to stay with the voluntary pattern and therefore would prefer to



be in the present 40 acre tract even though it is a little bit off center.

Q Have you received any objections to the proposed application?

A We have not.

MR. FEDERICI: We offer in evidence Applicant's Exhibit 1.

MR. NUTTER: Applicant's Exhibit 1 will be entered in evidence.

MR. FEDERICI: That will be all.

MR. NUTTER: Are there any questions of Mr. Greer?

MR. MORRIS: Yes, sir.

CROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Greer, I take it that you're planning to dedicate the west half of the northwest quarter to the well?

A We haven't given any thought to it. Let's see -- I believe we're allowed to choose either one, aren't we? We don't have to make that decision now, I'd rather postpone it.

Q Let me ask you this: If you did dedicate the west half of the northwest quarter, then would you plan -- where would you plan to put a well if you have plans, in the east half of the northwest quarter?

A Our logical spot would be in the southwest, southeast quarter of the northwest quarter which would be the logical spot.

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ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.
PHONE CN 3-4591
ALBUQUERQUE, NEW MEXICO

I believe it would be best to allocate the north half to that well.

Q If you allocated the north half of the northwest quarter, then you have the south half of the northwest quarter and you would still locate a well in the southeast of the northwest?

A I believe we would unless some of the other operators started off pattern drilling in which case, then, we could -- we might find it necessary to do the same thing ourselves. Until somebody else does it, we couldn't do it.

Q According to the patterns which you say have been voluntary, you would drill the other well in this quarter section near the center of the southeast quarter of the northwest quarter?

A That's correct.

Q Will your plans in any way be affected by the unorthodox location you are proposing here today?

A I think not. Actually, we're in hopes of unitizing and water flooding this field. We really had in mind delaying the drilling of the next well until that is accomplished. It might be just for practical purposes of efficient water flooding. We might need another unorthodox location, but that would be the only reason, and if we don't have to drill it before the field is unitized, it might be advantageous.

Q In any event, Mr. Greer, your unorthodox location is crowding your own acreage in both directions?



A That's true.

MR. MORRIS: Thank you, sir.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Greer, are there any other wells drilled at the present in this pool in Section 15?

A There are, I believe, four wells. I believe they are in the south half of 15 which have been drilled on the diagonal 80 acre plan in the northwest of the southeast quarter. I believe four quarters are in the south half.

Q Now, I presume, then, that you have taken battery tests on top of the mesa rather than down in the canyon?

A That's right.

Q If you were to locate a well in the bottom, you'd have to have -- you'd have to come up the wall of the canyon?

A Yes. In addition to the cost of the road.

Q And your pumpers main activities are on top of the mesa rather than in the bottom of the canyon?

A Yes.

Q What is the height of the cliffs?

A I would estimate about 400 to 600 feet.

MR. NUTTER: Are there any further questions of Mr. Greer?

He may be excused.

(Witness excused.)

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this case?

MR. FEDERICI: Nothing further.

MR. NUTTER: Does anyone have anything they wish to offer in case 2321?

The case will be taken under advisement.

Inc.

DEARNLEY-MEIER REPORTING SERVICE,

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, THOMAS F. HORNE, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing 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.

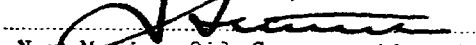
WITNESS my Hand and Seal, this, the 11th day of July, 1961, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


 NOTARY PUBLIC

My commission expires:

May 4, 1965

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of Case No. 2321, heard by me on 7/6, 1961.

, Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

