



R. OLSEN OIL COMPANY

2809-14 APCO TOWER

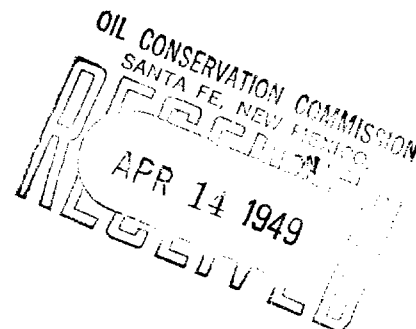
OKLAHOMA CITY, OKLA.

April 11, 1949.

Case 181
NO

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF APPLICATION OF THE
R. OLSEN OIL COMPANY FOR SPECIAL
HEARING IN CONNECTION WITH THE GRANT-
ING OF AN ORDER TO PERMIT THE DRILLING
OF ONE UNORTHODOX GAS WELL LOCATION,
LOCATED ON ITS J. A. COOPER LEASE,
LOCATED IN THE SW $\frac{1}{4}$ OF SECTION 11,
TOWNSHIP 24S, RANGE 36E, IN THE COOPER
JAL POOL OF LEA COUNTY, NEW MEXICO



APPLICATION

The R. OLSEN OIL COMPANY, applicant herein, in connection herewith respectfully shows to the Oil Conservation Commission:

1. The applicant is the owner and holder of the following described oil and gas leases, situated in Lea County, New Mexico, to-wit:

J. A. COOPER SW, described as SW $\frac{1}{4}$ section 11-24S-36E.

J. A. COOPER SE, described as SE $\frac{1}{4}$ of section 11-24S-36E on which there is located one gas well situated in the center of SWSe.

MEYERS, described as all N $\frac{1}{2}$ of section 11 except NwNw on which is located a gas well situated in SeNe.

All of the E $\frac{1}{2}$ and Ne Nw section 14-24S-36E on which there is a gas well located in the center of the Ne Nw section 14-24S-36E.

2. That there is located two abandoned oil wells located respectfully in the center Sw Sw section 11-24S-36E and center Nw Sw of section 11-24S-36E.

3. That it was decided to be expedient to locate and drill a gas well to the Yates Sand in the center of the Sw $\frac{1}{4}$ of section 11-24S-36E. The reasons being that from a geological aspect and engineering data a well so located would recover the maximum amount of gas under the Olsen property and would not cause any drainage from surrounding properties.

4. That in the opinion of the operator a gas well so located is the best possible pattern to be followed in the development of a gas reservoir.

5. It is known by the operator that the U. S. Geological Survey favors the spotting of gas wells in the center of $\frac{1}{4}$ sections.

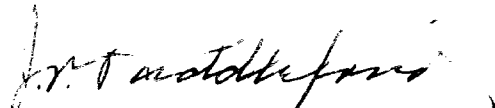
6. That in order to validate the lease it was necessary to move in and commence operations before a hearing could be arranged in order to secure approval on an unorthodox location.

7. That it was necessary to drill with continuous and diligent operation in order to validate the terms of the lease.

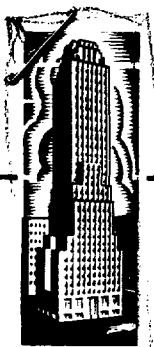
8. That the R. OLSEN OIL COMPANY did not with any malice or forethought attempt to ignore nor transgress on any of the rules and regulations set up by the Oil Conservation Commission of the state of New Mexico.

9. With the above statement of facts before you the R. OLSEN OIL COMPANY prays that the Oil Conservation Commission will set a date for hearing this application and give notice thereof in accordance with its rules and regulations, and that upon presentation of this Application, an order will be entered granting applicant permission to drill the unorthodox location (Center Sw $\frac{1}{4}$ section 11, Township 24S, Range 36E) as shown on map attached hereto.

JTP-gp


J. T. Paddleford,
Geological Engineer.

R. OLSEN OIL COMPANY
Drawer Z
Jal, New Mexico



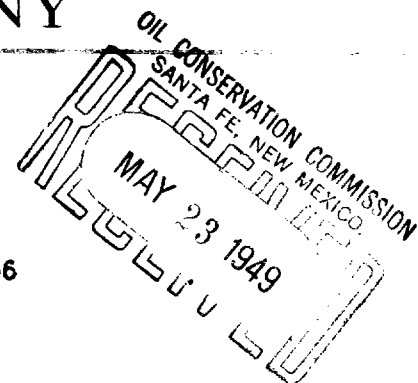
R. OLSEN, PRESIDENT

R. OLSEN OIL COMPANY

2809-14 APCO TOWER
OKLAHOMA CITY, OKLA.

May 21, 1949

In re: US-358, Geo. E. Cooper, SW 11-24-36



Mr. R. R. Spurrier, State Geologist
New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Mr. Spurrier:

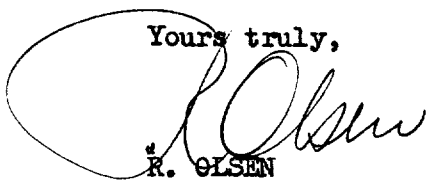
I tried to reach you by telephone yesterday to discuss above subject, but learned from your Mr. Burns that you were on a vacation and would not return before May 28th.

Naturally, I am very anxious to receive your reaction in connection with the above, particularly in view of the fact that the Cities Service and the Magnolia are both interested with the R. Olsen Oil Company as non-operating partners, and for that reason I would like to be in a position to submit a report on your action as soon as possible.

I want to take this opportunity to express my appreciation for courtesies extended Mr. Wahl and Mr. Paddleford when they attended the hearing on the above subject.

With personal regards, I am,

Yours truly,


R. OLSEN
PRESIDENT

RO/c

NEW MEXICO
OIL CONSERVATION COMMISSION

GOVERNOR THOMAS J. MABRY
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD
MEMBER

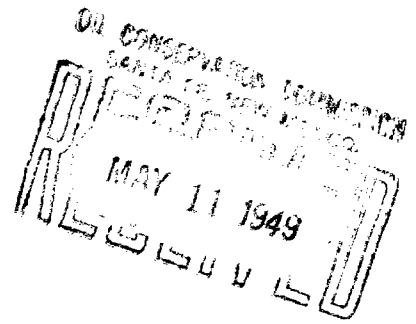
STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



ROOM 205, BOOKER BUILDING

Artesia, New Mexico

May 9, 1949



Mr. R. R. Spurrier
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Spurrier:

In regards to the recent oil hearing concerning the R. Olsen Oil Company No. 1 Cooper, in Section 11, Township 24 South, Range 36 East, I believe the correct spud date is April 2, 1949. On April 6 the scout report show the well was spudded on April 2, 9-5/8 inch casing set at 300 feet with 150 sacks, and that the well was at a total depth of 2502 feet in salt and anhydrite.

Yours very truly,

OIL CONSERVATION COMMISSION

By:

Justin Leona
Artesia Representative

JN:EGW

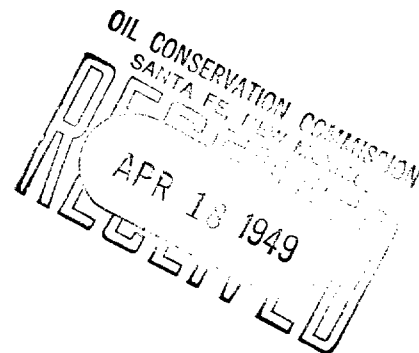


R. OLSEN OIL COMPANY

2809-14 APCO TOWER

OKLAHOMA CITY, OKLA.

April 16, 1949



Mr. R. R. Spurrier
State Geologist
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Spurrier:

Again referring to my conversation with you by phone from Midland recently, I appreciate that you assumed the attitude it would not necessarily be compulsory for us to discontinue drilling operations, provided it was thoroughly understood that the work would be carried on at our own risk subject to the approval or disapproval of the commission at a special hearing. On my return to the office this morning I find that Mr. Paddleford has already asked for such a hearing to be held at your convenience.

Referring to your letter of April 8, 1949, which was received during my absence from the office, I can readily understand your impatience as there is no excuse for us not knowing the rules and regulations in an area where we have been operating for the last 15 years. Unfortunately we become rather lax at times, not deliberately but unthinkingly. I am again giving the Jal office definite and positive instructions that before we proceed with any operations, we must in all cases without exception secure your approval first.

I gather from the tone of your letter that you were under the impression that I personally talked to Mr. Yarbrough on one or two occasions on the same day I talked with you. You are in error on this point as I never did talk with Mr. Yarbrough at any time, but Mr. Paddleford talked to his office once or twice during the same day I had my conversation with you. We both understood that you permitted us to proceed with the operations at our own risk, and I was under the impression that Mr. Paddleford conveyed this information to Mr. Yarbrough. I sincerely hope this matter has been cleared up between us and that you will overlook this unintentional error on our part, with the assurance from us it will not happen again.

Looking at the location from a practical standpoint, it would seem to us that the well located in the center of the 160 should prove beneficial to all concerned from the standpoint of economy and ultimate recovery. If it is at all possible I want to be present at the hearing. With personal regards, I am

Yours very truly,

R. OLSEN
PRESIDENT

RO:bc

Charge to the account of

KIND OF SERVICE DESIRED	
TELEGRAM	CABLE
DAY	URGENT
NIGHT	RATE
DEFERRED	
NIGHT	LETTER
SHIP	RADIOGRAM

Please check class of service desired; otherwise the message will be transmitted as a telegram or ordinary cablegram.

WESTERN UNION

1206-B

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

CHECK
ACCOUNTING INFORMATION
TIME FILED

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

SANTA FE, NEW MEXICO

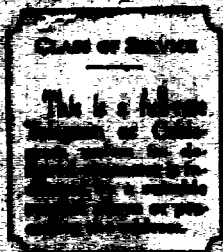
APRIL 8, 1949

STRAIGHT WIRE

MR. R. OLSEN
R. OLSEN OIL COMPANY
2809-24 AFGO TOWER
OKLAHOMA CITY, OKLAHOMA

PADDLEFORD'S TELEGRAM THIS DATE. QUOTE THIS TELEGRAM WILL CONSTITUTE OUR APPLICATION FOR A HEARING UNQUOTE. THE TELEGRAM WILL NOT CONSTITUTE AN APPLICATION FOR HEARING. APPLICATIONS FOR HEARINGS MUST BE PRESENTED IN TRIPLICATE IN WRITING. PLEASE SEE CIRCULAR 6 PAGE 77.

OIL CONSERVATION COMMISSION/SPURRIER



WESTERN UNION

JOSEPH L. KEAN
PRESIDENT

SYMBOLS	
WU	Western Union
TE	Telegram
CA	Cable
LC	Letter Cable
MT	Money Telegram
ST	Stock Telegram

The following symbols are used in the following: on telegrams and day letters in STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

DA132 FWA38

50 APR 8 AM 11:30

FW-MDA103 PD-MIDLAND TEX 8 1200P=

DICK SPURRIER=

STATE GEOLOGIST SANTA FE NMEX=

THE R OLSEN OIL COMPANY WISH TO PETITION THE OIL
CONSERVATION COMMISSION FOR A HEARING AT THE NEXT MEETING
APRIL 18, 1949, IN REGARD TO OUR PLEA FOR AN UNORTHODOX
LOCATION IN THE CENTER OF THE SOUTHWEST QUARTER SECTION

11-24S-36E LEA CO FOR THE DRILLING AT A GAS
WELL. THIS TELEGRAM WILL CONSTITUTE OUR APPLICATION FOR A
HEARING. OUR DATA WILL BE PRESENTED IN A FORMAL MANNER AT
THE HEARING=

J T PADDLEFORD GEOLOGIST R OLSEN OIL CO=

18 1949 11-24S-36E=

RETURN RECEIPT

Received from the Postmaster the Registered or Insured Article, the original number of which appears on the face of this Card.

1 B. Olson
(Signature or name of addressee)

2 Julia Callenworth
(Signature of addressee's agent—Agent should enter addressee's name on line ONE above)

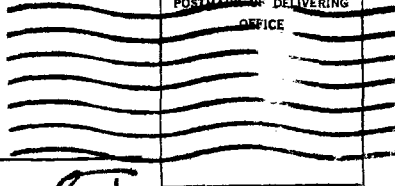
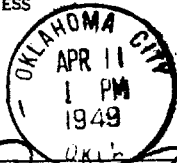
Date of delivery April 11, 1949

Post Office Department
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300

(GPO)

POSTMARK OF DELIVERING
OFFICE



Return to

Oil Conservation
(NAME OF SENDER)

Street and Number,
or Post Office Box,

Box 871

REGISTERED ARTICLE

No.

9377

Post Office

Santa Fe, New Mexico
State

INSURED PARCEL

No.

16-12421

April 8, 1949

REGISTERED MAIL - RETURN RECEIPT REQUESTED

Mr. R. Olsen
R. Olsen Oil Company
2809-14 APCO Tower
Oklahoma City, Oklahoma

Dear Mr. Olsen:

This letter refers to your current problem in Lea County, of locating a so-called gas well in the center of a 160-acre tract.

It appears that our Mr. Yarbrough inadvertently approved the C-101, Notice of Intention to Drill on this well. He reports to me that he discovered his mistake a couple of days later and, not being able to contact you by telephone, wrote you a letter which revoked the C-101.

At any rate, it is apparent that drilling was commenced on this well before the C-101 was either approved or revoked. It seems that when Mr. Yarbrough's letter reached your office you contacted Mr. Yarbrough by telephone, whereupon he requested that you cease drilling operations until the well could be authorized formally by the Commission after open hearing.

Since that did not fit your scheme, you then contacted me by telephone on April 7th and requested permission to go ahead with the drilling operation. Just to keep the record clear, I told you that you might resume or continue drilling operations strictly at your own risk and with the possibility that the location would not be approved by the Commission and that the expense of drilling to that point would be entirely lost.

Apparently, you then called Mr. Yarbrough back and told him that I had given you permission to drill ahead.

In view of the foregoing statements which appear to be factual at this time,

you are hereby ordered to cease all drilling operations, effective immediately after receipt of this letter, until you have made application, appeared in open hearing before the Commission and the location has been approved by the Commission.

I respectfully suggest that in the future you familiarize yourself with the Commission's rules and regulations, and further, that you do not attempt to rescind an employee's orders by contacting a member of the Commission and not stating all the pertinent facts.

Very truly yours,

R. R. Spurrier
Secretary and Director

RRS:bw

cc: Mr. Yarbrough

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

JOSEPH L. EGAN, PRESIDENT

1206

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate	
FULL RATE	DEFERRED
CODE	NIGHT LETTER

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	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

SANTA FE, N. M. APRIL 7, 1949

MR. ROY YARBROUGH
OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO

Re: Olsen

IN RE PROPOSED 160 ACRE CENTER LOCATION SECTION 11-24S-36E NOTICE SHOULD NOT BE APPROVED UNTIL APPLICANT MAKES CASE BEFORE COMMISSION UNDER REQUIREMENTS OF SECTION 1 OF ORDER 798 WHICH IS RESTATEMENT OF ORDER 637. STOP THERE ARE NO PRIOR UNCANCELLED ORDERS ON THIS MATTER AND ORDER 748 IS APPLICABLE ONLY TO KUTZ CANYON-FULCHER BASIN POOL.

R. R. Spurrer
R. R. SPURRER

NEW MEXICO
OIL CONSERVATION COMMISSION

GOVERNOR THOMAS J. MABRY
CHAIRMAN
LAND COMMISSIONER GUY SHEPARD
MEMBER
STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO

Box 1545
Hobbs, New Mexico
August 22, 1949

Dear Betty:

With reference to the R. Olsen, Cooper No. 1 Well, we would like to clear our records on this well. However, during the hearing Mr. Yarbrough gave our records, complete, to either Mr. Spurrier or Guy Shepard. If Dick does not have the file then Mr. Shepard must have it. All we want to know is what became of what we had in our files.

The W. Hawkins C-103 is in our office. However, Mr. Yarbrough has visited the well and the location has not been cleared to meet with the requirements. I will send the approval on to you just as soon as the necessary work is completed.

Clarence

August 16, 1949

Dear Clarene:

With reference to your request for information on R. Olsen, Cooper No. 1 in 11-24S-36E, believe this is probably the well that was discussed in Case 181.

As you remember this well was drilled in the center of the southwest quarter, and inasmuch as Mr. Yarbrough inadvertently approved their C-101 it was consequently revoked and the matter came up for hearing. This well was spudded around April 2, 1949, but no forms came into this office.

Mr. Graham and I have discussed this matter and believe it will be necessary for new C-101 to be prepared and approved by Mr. Yarbrough. Also, if you can get a complete well history on this we shall appreciate it.

Very truly yours,

NEW MEXICO
OIL CONSERVATION COMMISSION

GOVERNOR THOMAS J. MABRY
CHAIRMAN
LAND COMMISSIONER GUY SHEPARD
MEMBER
STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 871
SANTA FE, NEW MEXICO

Box 1545
Hobbs, New Mexico
August 9, 1949



Mrs. Betty Wistrand
Oil Conservation Commission
Box 87A
Santa Fe, New Mexico

Dear Betty:

Remember the R. Olsen #1 Cooper Well in Sec. 11, T. 24S,
R. 36E?

I believe that Mr. Yarbrough gave our files to Dick.
Would you check to see if Dick still has it and either return
the duplicate to us or give me a copy of what there is in the
file.

Thank you,

Charene

Spud 4-2-49

C-101 reworked

center SW 1/4 160

production NESW

ILLEGIBLE