

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

PROCEEDINGS

The following matter came on for consideration before a hearing of the Oil Conservation Commission of the State of New Mexico, pursuant to legal notice, at Santa Fe, New Mexico, on December 20, 1949, at 10:00 A.M.

By request of council, J. O. Seth for Mr. Jones, the applicant, and for the reason that the applicant, Mr. Jones was unable to be present, the record will show that the Commission continued this case to 10:00 A.M. on December 27, 1949.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearing to be held December 20, 1949 beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the House of Representatives.

STATE OF NEW MEXICO TO:

All named parties in the following case,
and notice to the public:

Case 207

In the matter of application of Stanley L. Jones, Inc., a New Mexico Corporation, for an order approving an unorthodox location for Stanley L. Jones, Inc., State No. 13, 338 feet south of the north line and 73 feet west of the east line NE/e NE/4 NE/4 of Section 23, Township 18 South, Range 27 East, N.M.P.M. in the Artesia pool, Eddy County, New Mexico

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on December 5, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

/s/ R. R. Spurrier
R. R. SPURRIER, SECRETARY

SEAL

BEFORE:

R. R. Spurrier, Secretary
George Graham, Attorney

REGISTER:

Stanley L. Jones
Artesia, New Mexico
For Stanley L. Jones, Inc.

J. O. Seth
Santa Fe, New Mexico
For Stanley L. Jones, Inc.

Justin Newman
Artesia, New Mexico
For New Mexico Oil Conservation Commission

(The meeting was called to order at 10 o'clock A.M. The meeting was then adjourned to meet in Mr. Spurrier's office at 1:30 P.M.)

SECRETARY SPURRIER: Let the record show that Mr. Spurrier was directed to take the record in the case advertised for this date. No decisions can be rendered until the record is made available for the other members of the Commission.

(Notice of Publication in Case 207 was read)

(Mr. Stanley L. Jones, witness in behalf of Stanley L. Jones, Inc. was sworn.)

JUDGE SETH: Mr. Jones, this involves a well already drilled, located 338 feet south of the north line and 73 feet west of the east line of the northeast northeast Section 23, Township 18 south, Range 27 east, in the Artesia Pool, Eddy County. About how deep is this well?

MR. JONES: About 1975 feet.

JUDGE SETH: Who owns the fee and the lease immediately east of this northeast northeast - of the 10-acre tract on which the well is located?

MR. JONES: The lease on which the well is located upon is 120 acres in that lease, which includes the northwest of the northwest of Section 24 and the southwest of the northeast and the northeast northeast of 23, Township 18 south, Range 27 east, which is - was owned by a fellow by the name of E. B. Woodward of California. I purchased the lease through my brother and Mr. C. L. North of El Paso and I drilled a well upon the northeast northeast quarter on the northwest 10 acres several years ago and both for geological reasons and recoverable

reasons we drilled the well in the northeast northeast of 23 which is the well now being questioned. We only had the rights to 2500 feet under this lease but I had a letter from E. B. Woodward in which he stated that he would give the option of buying deeper rights under this lease for a consideration of, I believe, \$500.00. That is the reason I took the well deeper. But since we didn't get deeper production under it I didn't see any reason to go ahead and carry out my option.

JUDGE SETH: All three of those 40's you referred to - northwest northwest of 24 and the north half of the northeast of 23 are all state land are they not?

MR. JONES: Yes sir, they are all state land.

JUDGE SETH: And you own the rights down to 2500 feet throughout the entire 120 acres?

MR. JONES: Yes sir, I own the rights all the way down on it.

JUDGE SETH: And the one immediately east of the 40 on which this well is being drilled - or was drilled, you own down to 2500?

MR. JONES: That's right.

JUDGE SETH: And the well is spaced more than 330 feet south of the north line of the 40, isn't it?

MR. JONES: Yes sir.

JUDGE SETH: And it is more than that north of the south line of the 40. So the only ones affected by this unorthodox location would be the party to the east of you.

MR. JONES: That's right.

JUDGE SETH: This well is being produced to 1900 feet approximately, is it not?

MR. JONES: Well, 1975, I believe, back up to 1825 is pay horizon.

JUDGE SETH: Just tell us how this happened to be drilled in this unorthodox location.

MR. JONES: Well, I had this location surveyed in two or three years ago by W. W. Ports - or a year ago anyway, on which he drove the stake up there on the side of the hill and then when we got ready to drill this well I asked my brother to go up and see if the stake was still there. He found the stake, and

then I went out there later on and we set the stake up, as it had fallen down. We set the stake up and put it back in place with a rock, but couldn't drive it very well into the ground because you get hard rock formation there. It was on the edge of the hill and I remarked to him then that in order to arrange things properly here we may have to move it 18 or 20 feet here to get the rig in the right place or else clear off the side of the hill which is sticking up here. So then I went on about my business and when I called the Brewer Drilling Company and told them I was going to drill this well out there and the location was staked, they called Chick Barry - he's with the road contracting company of - let me see - I can't think of the name -anyway, he went in there, I told Chick the stake was up there and meanwhile we had gone out and checked to be sure it was the right stake only we took a tape and a compass and drove in from the south. We drove a little stake there right on the edge of the hill to have something to measure from in order to get our right distance over to the other one, to make sure it was right, and went in through there. After we got over to the other one we decided that it was the right one so then we just went on back in to town. I told the men to go out and clean the location. Then I told them, "You may have to move that stake 16 or 20 feet in order to get the thing right on the side of the hill, but I don't think there will be any objections." Of course, I found later that there is objection to moving at all. However, I didn't know that. Then he went out there and when he got out there he found this other stake and the other one had evidently fallen down again and so he took it off of this one. I wasn't out there when it happened. So later on I came out there and he was drilling and I thought it seemed to be in the wrong location, so I asked him about it, and I said, "This doesn't seem to be right", and then I found the other stake. I told Brewer that we were off on this well. And then I saw Justin and talked it over with him and he said, "You're definitely off out there, and you'll have to apply for a hearing", which I had no objection to at all.

JUDGE SETH: How far was the well down when you found out about this?

MR. JONES: We were ready to set the pipe, just about.

JUDGE SETH: What is this condition surface, in the west, I mean - where it should have been -?

MR. JONES: The terrain is a raise, then it drops down a little and then another raise. I had a stake driven in the southwest and it fell on top of the hill and it hit about a 90-degree angle, but I told Brewer that we couldn't drill up there at all, that we would just have to drop back over in the northeast because it will cost me too much money to pay that off and for geological reasons I wouldn't want to get up there anyway.

JUDGE SETH: No. What about the well in the northwest 10 acres, did it do any good?

MR. JONES: No sir. It's making about 3 barrels a day. It's a weak well to start with.

JUDGE SETH: Called a stinker?

MR. JONES: Yes.

JUDGE SETH: How long has the well in question been completed?

MR. JONES: Let's see, I believe the well has been completed for about a month and a half. Something like that. (Referring to papers) This was filed on November 16, executed and mailed out, and they had been completed drilling for about a week or more.

MR. NEWMAN: It had been completed about the 9th of November.

MR. JONES: Something like that. We are not prepared for storage out there, which is 500 barrels. However I pinched the well down at the rate of 2 or 3 barrels per day, in order to exercise it. It is not my intention to violate the rules and regulations of the Land Office or the Oil Conservation Commission at any time. In the future, I plan on drilling additional locations in this area which I have contracted to do, and I would like very much if it is possible, to have an officer check my location before drilling, and I will check them myself before the well is even spudded, or before moving a rig in on it. And if it is necessary for me to drill an unorthodox location I understand now that I can apply for a hearing in advance.

SECRETARY SPURRIER: This makes the second or the third well that you have had a similar unorthodox location, does it not?

MR. JONES: This is the second one, for a term, I guess, of eleven years of drilling in the State of New Mexico.

SECRETARY SPURRIER: For clarification of the record, you said a moment ago that you found out that you could apply for an unorthodox location before you drilled a well. It is not only allowed, it is exactly the way to do it. You should come before the Commission beforehand. Because this has been the second offense, so to speak, Mr. Shepard and I have not allowed the production to be sold from this well and he has not indicated to me nor have I indicated to him that it should be sold until an order is issued.

MR. JONES: Mr. Spurrier, on the first unorthodox location, I don't believe you were present at the hearing. Possibly you were acquainted with the records, and so forth, and Mr. Newman, I believe, knows, and I had a witness here to testify on this for the Jones and Watkins interests. That location was surveyed in by a licensed engineer, known as the Eastern New Mexico Engineering Company, and he made the mistake himself, and it was not made by me, and I didn't know the well was off until the well was being drilled in and was completed for production, and I asked him to re-survey it, which he did, and he testified that it was his fault.

SECRETARY SPURRIER: That is in the record of the case?

MR. JONES: Yes.

SECRETARY SPURRIER: The case will be taken under advisement.

(Meeting adjourned)

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Commission of New Mexico in Santa Fe, New Mexico, on December 27, 1949, at 10:00 A.M., is a true record of such proceedings to the best of my knowledge, skill, and ability.

DATED at Santa Fe, New Mexico, this 27th day of December, 1949.

Kennedy - Woodworth
REPORTER