

BEFORE THE  
OIL CONSERVATION COMMISSION

TRANSCRIPT OF PROCEEDINGS

IN

CASE NO. 268

April 24, 1951

BEFORE THE  
OIL CONSERVATION COMMISSION

April 24, 1951

-----  
CASE NO. 268: Boyd-Plemohs unorthodox Location Continental  
State No. 3 27-17-29.

(Mr. Graham reads order of publication.)

MR. CROCKER: My name is John Crocker.

(Witness sworn.)

T O M     B O Y D,

having been first duly sworn, testified as follows:

DIRECT   EXAMINATION

By MR. CROCKER:

Q State your name please.

A Tom Boyd.

Q Where do you live, Mr. Boyd?

A Artesia, New Mexico.

Q Are you a member of the firm of Boyd-Plemons Drilling  
Company?

A Yes, sir.

Q You are a drilling contractor and operator?

A That's right.

Q Does Boyd-Plemons Drilling Company hold a lease in  
the Grayburg Jackson pool?

A Yes, sir.

Q What is the description of that lease?

A It is the west half of the northwest corner of Section

27, Township 18 South and Range east.

Q Is that a state or federal lease?

A State lease.

Q How many wells have been drilled on that lease?

A Two wells.

Q Are those wells producing at the present time?

A Yes.

Q From what depth are they producing?

A From 26 to 27 hundred feet.

Q What do you call the horizon from which they are producing?

A The Grayburg Jackson.

Q Is this a farm-out from the Continental Oil Company that you acquired?

A It is.

Q To what depth do you hold oil and gas rights?

A Thirty-five hundred feet.

Q How are the two wells located upon this 80 acre spaced there?

A They are located in the center of each 40 acres.

Q Mr. Boyd, are you familiar with the unorthodox five spot drilling program that General American Oil Company of Texas and American Republic Corporation are carrying on?

A Yes, sir.

Q Are you familiar with their contention that one well in this pool is not sufficient to completely drain that 40 acres?

A Yes, sir.

Q What is your opinion with reference to that contention?

A Well, in my opinion if the third well is drilled, if it isn't drilled that <sup>we</sup> will not get, you know our full drainage of oil in that particular area.

Q In other words, you don't think one well will drain 40 acres?

A No, sir.

Q You desire to drill a third well on this 80 acre lease?

A Yes, sir.

Q To the Grayburg Jackson pay?

A Yes, sir.

Q Where is the proposed location?

A It is 1945 feet from the north line and 990 from the west line.

Q To correct you, isn't it 1345 south of the north line?

A What did you say?

Q Instead of 1945 -

A 1345.

Q In other words, it would be 25 feet south of the north line of the south 40?

A Yes, sir.

Q And three hundred thirty feet west of the east line of the south 40?

A Yes, sir.

Q Who owns the lease adjoining this lease to the east?

A The American Republic Corporation.

Q Have you discussed this location with any representative of American Republic Corporation?

A I have.

Q Who did you talk to?

A I talked to Bill Macy.

Q What is Bill Macy's position?

A He has no objections to this unorthodox location.

Q What is his position with the company?

A Pardon me. I would say he was area superintendent.

Q Of production?

A Of the production department. However, you might put it, I don't know his capacity but I would probably say, probably New Mexico.

Q But that company has no objections to the proposed location?

A No, sir.

Q Mr. Boyd, if you were granted permission to drill this location, how do you propose to handle the allowable, or how do you propose that the allowable be handled by the Commission for that well?

A I would propose that the allowable be set for the two wells which will be located on the South 40, not to exceed the allowable which is granted by the Commission.

Q In other words, this well would constitute the second well on the south 40?

A Yes, sir.

Q And the Commission would set the allowable for the south 40?

A Yes, sir.

Q And you would take that allowable from both wells?

A The allowable, yes.

Q The withdrawals from the two wells wouldn't exceed the allowable for the 40 acre unit?

A Yes, sir.

Q You don't ask for any additional allowable?

A No, sir.

Q In the event that this well should be non-productive in the Grayburg zone, what is your intention in that case?

What have you asked the Commission to permit you to do?

A Our intention, and we have asked the Commission to drill to what is known as the Paddock or the lower Grayburg, I don't know how it is designated, which is approximately 3250 feet.

Q If you completed the well as a producing well in the Grayburg, then this Paddock test would wait until some later time?

A Yes, sir.

Q Now, Mr. Boyd, the location of this well would only be 25 feet south of the south line of the north 40 acres. Now, are you willing, if this permit is granted, to execute a stipulation to the Commission wherein you would agree that the 80 acres for assignment purposes would be treated as a unit and that you would not assign either 40 separately from the other.

A Yes, sir.

Q So long as this well produced until it was properly plugged and abandoned?

A Yes, sir.

MR. MC CORMICK: This is a farm-out from Continental?

A Yes.

MR. McCORMICK: The legal title of the lease is in your name?

A No. The legal title to the state lease is in Continental oil Company's name. There is a farm-out agreement which is off record in the County Office which grants them exclusive operating rights down to a depth of 7500 feet. The Continental has a blanket bond and Boyd-Plemons in turn have put up a performance bond with Continental.

MR. SPURRIER: Is this well located 330 feet from the lease line of American Republic Corporation?

MR. McCORMICK: If you should get a Paddock well there what would you do about the off-set in the north 40?

A Our plans at the present time to that - really hadn't entered the picture, our plans at the present time, if we deplete our well on the north 40 to drill it to the Paddock pay.

MR. SPURRIER: Are there any further questions of this witness? If not, the witness may be excused.

(Witness excused.)

#### C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing and attached transcript of the hearing in Case No. 268, before the Oil Conservation Commission, on April 24, 1951, at Santa Fe, New Mexico, is a true and complete record of the same to the best of my knowledge skill and ability.

DATED at Albuquerque, the \_\_\_\_\_ day of April, 1951.

\_\_\_\_\_  
ADA DEARNLEY, Reporter