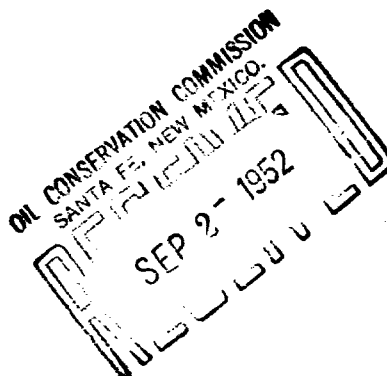


BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

TRANSCRIPT OF HEARING

Case No. 400

August 19, 1952



BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

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In Re: In the Matter of the Application of M. T. )  
Grier for an Order Granting Permission to Drill )  
Five (5) Unorthodox Locations on his Santa Fe ) Case No. 400  
Lease in Sections 20 and 29, Township 20 North, )  
Range 9 West, NMPM, McKinley County, New Mexico, )  
in the Red Mountain Pool. )

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TRANSCRIPT OF HEARING

August 19, 1952

(See transcript in Case Entitled "Allowable"  
for register of attendance and appearances.)

MR. SPURRIER: The Number 2 case on the docket this morning is Case 400.

(Mr. Graham reads the Notice of Publication.)

MR. SPURRIER: Let the record show that we continued the case to September 16, 1952, for the purpose of approving the pro-ration schedule.

MR. LARROZOLO: I would like to be sworn.

(Witness sworn.)

O.O. LARROZOLO, JR.

being first duly sworn, testified as follows, to-wit:

On August 12, 1952 Mr. M. T. Grier submitted to me a plat of the South half of Section 20 and the North half of Section 29, T 20N-R 9W, McKinley County, New Mexico, showing the location of several wells drilled in what is generally known as the Red Mountain District of McKinley County: Together with the plat there was submitted photostat copies of a group of driller's logs of wells reportedly drilled in the area. These were accompanied by Oil Run Statements from the Petroleum Products Refining and Producing Co., of Prewitt, New Mexico to Mr. Tom Grier for the months of December 1951, February, March and April 1952 and from the Malco Refineries Inc., for the months of May and June 1952. The run tickets do not identify the wells from which the oil comes but indicate a total production averaging 516 barrels per month or approximately 5 barrels per day per well. A letter from Mr. C. B. McClelland of

the Land Department of the Santa Fe Pacific Railroad Company to Mr. Al Grier, Oil and Gas Inspector for the Oil Conservation Commission of the State of New Mexico, with headquarters at Aztec, New Mexico, dated December 11, 1951, states Mr. M. T. Grier of Albuquerque, New Mexico is the owner of leases covering the North half of Section 29 and the South half of Section 20, T 20N-R 9W, lands owned by the Santa Fe Pacific Railroad Company.

As stated in his application to the Commission Mr. M. T. Grier desires to drill additional wells in this field to augment the 15 barrels per day being produced from the three wells there at present.

Time has not permitted a personal inspection of the area since this matter was brought to my attention. This was done several years ago however, and notes made at that time plus the study of the data submitted to me, incomplete though they are, make certain conclusions possible.

The sub-surface data, as represented by the drillers logs, are insufficient to make a sub-surface map of the area. The surface itself indicates slight folding, the highest point or apex of which is in the vicinity of the five wells which produced oil in the beginning and three of which are still producing at an average rate of 5 barrels each daily. The location of these wells is shown on the accompanying map by solid circles. Three are in Section 20 and two in Section 29.

The producing sand is not one known to produce oil or gas elsewhere in the Northwestern part of New Mexico. It lies somewhere in the uppermost member of the Mesa Verde formation and is probably a lenticular sand with sufficient porosity to form an adequate local reservoir. The slight folding evident on the surface is probably associated with local faulting furnishing a trap where the oil accumulates.

There were a number of wells drilled in the general area, that is within a radius of one mile from the three producing wells, but they were all unsuccessful ventures. Two of the five wells drilled in the area under lease to Mr. M.T. Grier, numbers 4 and 5 apparently were completed for producing wells but for some reason, unknown at present, they are not being produced although not plugged. None of the wells drilled there were spaced in accordance with the 40 acres spacing required by the Commission, or was there any particular spacing pattern followed.

Inasmuch as it is apparent that accumulation in this stray sand is purely local and very shallow--averaging a depth of 420 feet--and since it is unlikely that a similar condition may be found elsewhere in the San Juan Basin and, specially since no damage or drainage can be caused to underlying formations, it is requested that Mr. Grier's application for a ten acre spacing pattern be granted and that he be permitted to drill

some or all of the locations numbered one to nine and indicated by a blank circle on the map.

It is also requested he be given permission to clean out wells number four and five to ascertain if production can be obtained there.

Proper drilling practice and completion of the additional wells requested may possibly indicate structural conditions justifying testing deeper formations. In any case additional drilling in the area may possibly develop more oil and additional revenue to the state.

MR. SPURRIER: Are there any questions of this witness? Do you wish to offer this in evidence?

MR. LARROZOLO: I wish to offer it in evidence.

MR. SPURRIER: Without objection, it will be received.

(Written statement of testimony, together with plat, marked Exhibit No. 1 and received.)

MR. SPURRIER: Are there any further questions or is there any comment? Is not, the witness may be excused.

(Witness excused.)

MR. SPURRIER: Does anyone have anything further in this case? If not, the case will be taken under advisement, and we will move on to case 390.

STATE OF NEW MEXICO )  
                          ) SS.  
COUNTY OF SAN MIGUEL)

I hereby certify that the foregoing and attached transcript of proceedings in Case No. 400 before the Oil Conservation Commission, is a true and correct record of the same to the best of my knowledge, skill and ability.

Dated at Las Vegas, New Mexico, this 22nd day of August, A.D. 1952.

*Luther Warden*  
REPORTER