

O. A. LARRAZOLO, JR.
PETROLEUM GEOLOGIST
PHONE 2-8459 253 - 254 KOSBER BLDG.
ALBUQUERQUE, N. M.

Ex 1.
Case 400

August 18, 1952

Oil Conservation Commission of the State of New Mexico
Santa Fe, New Mexico

Gentlemen:

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 photo-stat 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

O. A. LARRAZOLO, JR.
PETROLEUM GEOLOGIST

Cont. to:

Oil Conservation Commission of the State of New Mexico
Santa Fe, New Mexico

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

O. A. LARRAZOLO, JR.
PETROLEUM GEOLOGIST

Cont. To:

Oil Conservation Commission of the State of New Mexico
Santa Fe, New Mexico

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.

O. A. LARRAZOLO, JR.
PETROLEUM GEOLOGIST

Cont. To:

Oil Conservation Commission of the State of New Mexico
Santa Fe, New Mexico

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.

Respectfully submitted

A handwritten signature in cursive script, appearing to read "O. A. Larrazolo, Jr.", written in dark ink.

OAL;ks

O. A. LARRAZOLO, JR.

July 16, 1952

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JUL 17 1952