

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO.

DEC 3 1952

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

TRANSCRIPTION OF HEARING

CASE NO. 425

November 20, 1952

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

NOVEMBER 20, 1952

In the Matter of:

Greenbrier Oil Company's application for
exception to Order 799, as amended by
Order R-110, to permit drilling of a
Mesaverde test on unit embracing 280
acres in 23-31N-12W, San Juan County,
New Mexico.

Case No. 425

(Notice of Publication read by Mr. Graham.)

MR. HUNKER: I am George Hunker, representing Greenbrier
Oil Company. I have a few questions I would like to ask Mr.
Abrams.

R. Q. A B R A M S

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. HUNKER:

Q Will you state your name and occupation?

A My name is R. Q. Abrams, land man for Greenbrier Oil
Company.

Q How long have you been employed by Greenbrier?

A A little over a year.

Q By whom were you employed prior to that time?

A Phillips Petroleum Company.

Q As a land man?

A As a land man.

Q Does the Greenbrier Oil Company have a blanket bond on file with the Oil Conservation Commission?

A They do.

Q What is your address?

A 327 South Adams, in Fort Worth, Texas.

Q Do you hold an oil and gas lease covering certain fee lands up in Township 31 North, Range 12 West?

A We do.

Q What is the description of that acreage?

A It is the Northeast Quarter and the North Half of the Southeast and the Southwest of the Southeast of Section 23 and the Northwest of the Northwest of the Northwest of Section 24, containing 320 acres more or less in 31 North, 12 West.

Q From whom did you acquire that lease?

A Tom Bolack.

Q From whom had Tom Bolack acquired the lease?

A Mrs. Sarah Hedges. It is fee land.

Q Did Bolack reserve any production payment or over-riding royalty?

A He did reserve a five percent over-riding royalty.

Q To the best of your knowledge will you tell the Commission who owns acreage adjoining this particular fee lease of yours?

A The Aztec Oil Company, Oil and Gas Company own all of the adjacent lands which are federal lands. They hold oil and

gas leases and have some wells.

Q Have they made any representations to you as to whether or not their acreage carried an over-riding royalty or not?

A Yes, they have, their acreage has no over-ride on it.

Q Or production payment?

A Or production payment.

Q Did you suggest to Aztec Oil and Gas Company that a trade be worked out so that you could develop this acreage on a 320 acre rectangular drilling location?

A I did. I talked with Mr. Davis of Aztec Oil Company.

Q Did he express an opinion with regard to a trade?

A He expressed the opinion that he did not want to get any of the fee land into Aztec's federal lands and would go along with us on our unorthodox unit.

Q If Aztec Oil and Gas Company should ask for an unorthodox unit, which would be necessary in view of the request that you have made to the Commission, would you make any objection to their unorthodox - --

A (Interrupting) No, we would not.

Q (Continuing) - - unit? Are the lands owned by Greenbrier in a designated pool at the present time?

A They are in the LaPlata-Mesaverde Pool at the present time. However, the Blanco-Mesaverde Pool, I am told, is coming up and it seems as if they are going to join.

Q With regard to the wells that have been drilled in the LaPlata Pool what spacing pattern has been followed?

A They have been on the Northwest and Southeast Quarters of the Sections. The spacing patterns and Aztec has drilled one well in the Northwest Quarter of Section 23. They have one in the Southeast Quarter of Section 14 adjoining us on the north.

Q Upon what pattern has the Blanco field been developed?

A It has been developed on the northeast and southwest pattern.

Q Do you think that there will be any material conflict here in the pattern between your proposed development and the development that will come up to meet your well from the Blanco area?

A No, I do not.

MR. HUNKER: I would like to ask the Commission to introduce in evidence a letter which is in the file from the Aztec Oil and Gas company.

Q Mr. Abrams, I would like for you to identify this letter that I hand you now. Tell the Commission what it is.

A This is a letter from Aztec Oil and Gas Company, signed by Mr. Van Thompson. It is very short, I will read it. It is addressed to Greenbrier, Fort Worth, Texas. "Gentlemen: You have advised that you propose to apply for approval of an unorthodox drilling unit embracing the NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, and the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 23 and NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 24, Township 31 North, Range 12 West, NMPM San Juan County, New Mexico, for the purpose of drilling a well to test the Mesa Verde formation. It is our understanding that the above lands are patented and are now

owned by Mrs. Sarah Hedges.

Aztec Oil and Gas Company now owns or hold options, operating or other contractual rights covering all lands immediately surrounding the above proposed unit. In view of the circumstances, the Company does not have any objection to the approval of the unorthodox drilling unit in the instant case. Yours very truly, Aztec Oil and Gas Company, by Mr. Van Thompson*.

Q Mr. Abrams, your original application was filed for a 280 acre unit, you now have filed an amended application and I presume that it is your desire to have the amended application acted upon by the Commission, is that true?

A That is right.

MR. HUNKER: Would the Commission care to bring Mr. Abrams out on this point as to why he filed the amended application?

MR. SPURRIER: Please.

MR. HUNKER: The original application as filed with the Commission embraced 280 acres but on the consent that the Aztec Oil Company gave the Greenbrier - - it was for the 320 acre unit. It was merely through a misunderstanding that the original application was filed for a 280 acre unit instead of a 320 acre unit. I would like for Mr. Abrams to tell the Commission specifically why the amended application was filed.

A The amended application takes in the Northwest Quarter of Section 24 into our unit to make us a full 320. In the Southeast of the Southeast of 23 it belongs to Aztec and we propose

to grant at this hearing their - - if there are no objections when they come up for hearing on their unorthodox location. It was through misunderstanding by telephone with Mr. Hoy who filed our original petition that he only asked for the 280 acre unit and therefore we will have 40 acres that would not be of any use to anybody. We would be only getting allowables for 280 and we need the 40 in too to properly protect our royalty owner.

MR. HUNKER: That is all I have of this witness.

MR. SPURRIER: Any questions of this witness?

MR. HUNKER: If the Commission please I would like to state for the record that in the original advertisement the Commission's notice indicated that the unit would be 280 acres whereas the amended petition which was filed on Monday or Tuesday of this week requests a 320 acre unorthodox drilling unit and in this connection we will procure for the Commission the waiver of the Aztec Oil and Gas Company to the usual ten day notice together with their consent to the amended petition which we have filed in this particular case.

MR. MACEY: Mr. Hunker, their agreement or their waiver covers the 320?

MR. HUNKER: It covers the 320, that is correct. They were right but the original attorney who prepared the petition was in error in describing merely 280 acres instead of the 320 acres that the Greenbrier Oil Company desired to have included in the unit.

MR. MACEY: You're going to ask him to do something

that they have already done.

MR. HUNKER: Well, we will want them to waive the customary ten day notice. We have sent them a copy of the petition and they have been called about it and they have no objection to it and we will get their waiver to the ten day notice requirement as prescribed by the regulations.

MR. SPURRIER: Any other question of this witness? If not the witness may be excused. We will take the case under advisement.

(Witness excused.)

We will recess until 1:30 p.m.

(Recess)

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 425 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on November 20, 1952, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 29th day of November, 1952.


REPORTER