BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

CASE 564: In the matter of the application of Los Nietos Company for permission to drill directionally its State Gross No. 2, SW/4NE/4 Section 2, Township 12 South, Range 32 East. NMPM, the well to be plugged back from a total depth of 11,260 feet and whipstocked in order to deviate and attempt to reach the Devonian pay section of the East Caprock-Devonian Pool at a point approximating a surface location of 2208.11 feet from the north line and 1811.54 feet from the east line of said Section 2.

TRANSCRIPT OF HEARING

August 20, 1953

Before: Honorable Ed. L. Mechem, Governor

Honorable E. S. Walker, Land Commissioner Honorable R. R. Spurrier, OCC Director

STATE OF NEW MEXICO)

88.

COUNTY OF LOS ALAMOS)

I hereby certify that the within transcript of proceedings before the Oil Conservation Commission is a true record of the same to the best of my knowledge, skill and ability.

TRANSCRIBED at Los Alamos, New Mexico this 1st day of September, 1953.

Audrey-M. Henrickson

Notary Public

My commission expires September 22, 1955.

NEW MEXICO OIL CONSERVATION COMMISSION

Regular Hearing

9:00 a.m., August 20, 1953

MR. McNULTY: For the record, my name is J. G. McNulty, and I'm superintendent of the Los Nietos Company.

This is with respect of the Los Nietos Company's application to drill their Gross No. 2 well at a location 1980 feet north of the east line of Section 2, Township 12 South, Range 32 East in the East Caprock Pool, Lea County, New Mexico.

This well was spudded at 9:00 a.m. January 7, 1953 and drilled to a total depth of 11,248 feet to reach the Devonian pay zone. A directional survey was run and the hole was found to be 99.55 feet north, 70 degrees point 4 minutes east with a true vertical depth of approximately 11,245 feet, making the sub-surface location 1940.18 feet from the north, and 1887.17 feet east of the line of Section 2. There is about 75 feet in the Devonian zone and the well is drilled about 830 feet south of its original location.

Consequently, we have contacted the New Mexico Oil Conservation Commission and the State Land Office and we have received verbal approval to proceed with the directional drilling with the stipulation that we submit formal application and that all pertinent information be submitted.

The well is plugged back and whipstocked at 9639 feet. It is completed at a true vertical depth of 11,259.068 being 2208.11 feet

from the north line and 1811.54 feet from the east line of Section 2.

The well was completely - - completed on July 9, 1953.

I have here Exhibit A which is a plat showing the sur-surface location and a certified copy of all the directional work.

MR. SPURRIER: Do you want to introduce these as evidence?

MR. McNULTY: Yes.

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MR. SPURRIER: Without object, they will be received.

Does anyone have a question of this witness?

VOICE: Do you know how far away is the closest off-set?

MR. McNULTY: No.

MR. SPURRIER: If there are no further questions of the witness, he may be excused. Is there any further comment in this case?

We will take the case under advisement and move on to Case 565.