OIL CONSERVATION COMMISSION STATE OF NEW MEXICO

CASE 570: In the matter of the application of Trebol Oil Company for an order permitting the drilling in an unorthodox location of its Fed. Danciger Well No. 1-Z as a gas well to the Yates formation 890 feet from the north line and 330 feet from the east line of the NW/4 of Section 5, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico.

TRANSCRIPT OF HEARING

August 20, 1953

BEFORE: Honorable Ed. L. Mechem, Governor

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

STATE OF NEW MEXICO

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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 2nd day of September, 1953.

Andrey W. Haprickson

No tary Public

My commission expires September 22, 1955.

NEW MEXICO OIL CONSERVATION COMMISSION

Regular Hearing

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

MR. ROIMAN: I'm Earl Rodman of Trebol Oil Company.

Application of Trebol Oil Company for permission to drill Federal Danciger No. 1-Y in Section 5, Township 23 South, Range 36 East, Lea County, New Mexico.

Trebol Oil Company, at the present time, has two oil wells producing from the Seven Rivers formation on their 160 acre Federal Danciger lease, located in the NW/4 of Section 5, Township 23 South, Range 36 East, Lea County, New Mexico. They produce from 3,800 to 3,850. While these wells were being drilled, the Yates formation was tested for gas production. A drill stem test taken on No. 1 from 3,400 to 3,500 feet produced gas at the rate of k,300,000 cubic feet per day and showed a hut-in bottom hole pressure of 1,080 PSI after minute build up. A second drill stem test on this well taken from 3,500 feet to 3,575 feet produced 350,000 cubic feet per day.

Tests on Well No. 2 from 3,400 to 3,500 feet showed 650,000 cubic feet per day and a shut-in bottom hole pressure of 1,100 PSI. The Yates section in this area is approximately 265 feet thick and the entire area is believed to be productive; however, on the basis of these promising tests, we wish to locate this gas well 890 feet

from the North line and 330 feet from the east line of the NW/4 of Section 5.

We have obtained a waiver from Continental Oil Company, owner of the surrounding leasehold, stating that they have no objection to the proposed location. This letter is included with this application. Also included is a plat showing the location of the proposed gas well and the existing wells.

Trebel Oil Company respectfully requests the Oil Conservation Commission of the State of New Mexico to issue an order granting permission to drill and complete this proposed gas well in the Yates formation.

MR. SPURRIER: Is there a question of the witness?

MR. WHI TE: Have you contacted the adjoining land owners?

MR. RODMAN: Yes, sir.

I would like to introduce this as Exhibit A, this statement and also this letter from Continental.

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

If there are no further questions, the witness may be excused.

We will take the case under advisement and move on to case 571.