

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

Case No. 627

Regular Hearing  
January 20, 1954

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

January 20, 1954

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In the Matter of:

Continental's application for approval of  
an unorthodox location for its Sophia Meyer  
B-26 No. 1 Well, 2363' from S line of 0'  
from W line of 26-20S-37E, in correction  
of original survey; and for dedication  
of SW/4 of Section 26 to the well for gas  
allocation purposes.

Case No. 627

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(Notice of Publication read by Mr. Graham).

MR. KELLAHIN: If the Commission please, Jason Kellahin,  
representing Continental Oil Company, we are ready to proceed with  
the hearing on this case. I would like to call witnesses Mr. Homer  
Dailey and Mr. Jack Collins.

H O M E R   D A I L E Y

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. KELLAHIN:

Q Would you state your name, please?

A Homer Dailey.

Q By whom are you employed?

A Continental Oil Company.

Q In what position?

A Regional Engineer.

Q Have you testified before this Commission previously?

A Yes.

MR. KELLAHIN: Are the witness's qualifications acceptable to the Commission?

MR. SPURRIER: They are.

Q Mr. Dailey, are you familiar with the application filed by Continental Oil Company in Case No. 627, for the approval of unorthodox well locations?

A I am.

Q Would you state briefly to the Commission the history of that well location?

A I would like first to introduce a map so they can see the area.

(Continental Oil Company's Exhibit  
No. 1 Marked for Identification)

A The well involved is the Continental's Sophia Meyer B-26 No. 1. The well was drilled in 1929 to a total depth of 3915 and plugged back to 3840. It was shut in until 1931 when at the request of the United States Geological Survey the well was filled with mud and temporarily abandoned. In August of 1953, we moved a rig in, cleaned the well out, ran a log and bailed the hole in and after the work on a back pressure test calculated open flow potential of five and one-half million cubic feet of gas per day was obtained. The shut in pressure was 1135.2/<sup>pounds</sup>per square inch absolute. After the completion of this work we requested the El Paso Natural Gas Company to make a connection to the well and in surveying the right of way they found the well to be located on the section line instead of 23 feet from the north and 330 feet from the west lines of the section.

Q Mr. Dailey, did your records, to your knowledge, show the

location you just mentioned as being the location of that well?

A That is correct.

Q You did not know that that information was incorrect until the pipeline was surveyed again?

A That was the first inkling that we had that there was anything wrong with the well.

Q Do you know who drilled that well?

A I do not. It was, as far as the drilling contract is concerned, I do not, but the well, of course, was one of those drilled by the Marline Company, who was the predecessor of the Continental Oil Company. I believe that that is all that I have to say except it should be pointed out on the map which we have presented that the acreage in both Sections 26 and 27, are government acreage and the same basic permit, and both operated by the Continental Oil Company. What we are requesting that the southwest quarter of Section 26, Township 20 South, Range 37 East be assigned to this well as a proration unit.

Q What action are you taking in regard to the southeast quarter of Section 27?

A We are in the process of negotiating with Mr. Antweil, owner of a gas well in the 140 acres in that quarter which is not operated by Continental, to communitize acreage.

Q Is this well located in a designated gas pool?

A At the present time, no. I believe the case on the docket will extend the Eumont Pool to include the well.

MR. KELLAHIN: That is all the questions I have.

MR. SPURRIER: Anyone have a question of the witness? If not

the witness may be excused.

MR. KELLAHIN: I ask the Commission to accept Exhibit No. 1 which has been marked and offered in Exhibit.

MR. SPURRIER: Without objection it will be admitted.

MR. KELLAHIN: We have a radio active log of the well, if the Commission desires its introduction.

MR. MACEY: You are supposed to submit it to Hobbs.

MR. KELLAHIN: May I call Mr. Jack Collins, please?

J A C K C O L L I N S

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. KELLAHIN:

Q Will you state your name, please?

A I am Jack B. Collins.

Q By whom are you employed?

A Continental Oil Company, Midland, Texas.

Q What is your position with Continental?

A I am a Civil Engineer.

Q What training have you had in the field of Civil Engineering, Mr. Collins?

A Well, I am a graduate of Texas Technological College, in Lubbock, Texas; three years experience at Stanolind Oil and Gas Company.

Q Do you hold a degree in engineering?

A Yes, I do.

Q What is that degree?

A B. S. in Civil Engineering.

Q Have you been registered as a land surveyer in the State of New Mexico?

A Yes, sir, I have.

Q Mr. Collins, have you prepared a plat showing the location of the Sophia Meyer B-26 No. 1 Well?

A Yes, sir, I have a certified plat.

(Continental Oil Company's Exhibit  
No. 2 Marked for Identification)

Q Did you prepare this plat, Mr. Collins?

A No, sir, the plat was prepared by a draftsman.

Q Is it prepared from information supplied by you, based on a survey in the field?

A Yes, sir.

Q Did you make that survey yourself?

A Yes, sir, I did.

Q Will you tell the Commission what you discovered in connection with the location of the well which is the subject of this hearing?

A I found that this well was located instead of the location as carried on our records actually 2363 feet from the south line of the section and on the section line between Sections 26 and 27, Township 20 South, Range 37 East.

MR. KELLAHIN: That is all the questions.

MR. SPURRIER: Anyone have a question of the witness? If not the witness may be excused.

(Witness excused)

MR. KELLAHIN: I ask that the plat be received in evidence.

MR. SPURRIER: Without objection it will be admitted.

MR. KELLAHIN: That concludes our presentation on this case.

As the Commission can see this is an old well that was drilled originally back in 1929, prior to the regulations which are now in effect, and its actual location was not discovered until the pipeline was surveyed in, apparently, and this is, of course, only a guess, the surveyor perhaps made a location stake on the section line and then took off to the orthodox location, but the drilling crew came in and put it in the wrong place. That appears to be what happened. But in any event the well was there. It is in the wrong place, and we ask the Commission approve all of this as unorthodox with the location of the southwest quarter of Section 26 to that well for production purposes, and as the witness has stated Continental Oil Company is in the process of getting communitization agreements on the southeast quarter of Section 27, which would complete that area in there without any effect on any other operator.

MR. SPURRIER: Anyone have a comment? If not we will take the case under advisement and move onto Case 630.

(Witness excused)

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO )

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 627, before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on January 20, 1954, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, this 25<sup>th</sup> day of January, 1954.

  
REPORTER

ADA DEARNLEY & ASSOCIATES  
COURT REPORTERS  
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