

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico

Transcript of Hearing in
Case No. 668

February 18, 1954
Regular Hearing.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
at
Santa Fe, New Mexico
February 18, 1954
Afternoon Session

In the Matter of:

Application of Lowry et al Operating Account
for approval of an unorthodox location for
its Well No. T-123 located 700 feet from the
north line and 1800 feet from the east line
of Section 7, Township 26 North, Range 6 West,
Rio Arriba County, New Mexico, in exception
to Rule 104 of the Commission's Rules and Re-
gulations and also to pool rules for the South
Blanco-Tocito Pool as set forth in Order R-326.)

Case No. 668

(Notice of Publication read.)

MR. KELLAHIN: Jason Kellahin representing the Lowry et al
Operating Account, petitioner in this case. We have one witness,
Mr. Art Holland. This application is for the approval of an un-
orthodox location in the South Blanco-Tocito Pool. Under normal
conditions the Commission Director could approve it because of the
fact it is due to topographical conditions. However, the pool
rules adopted by the Commission in R-326 make it necessary for us
to have a hearing for approval of the location. Were it not for the
pool rules the Commission Director could approve the application.

A. F. HOLLAND

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. KELLAHIN:

Q Would you state your name, please?

A My name is A. F. Holland.

Q By whom are you employed? A Lowry Oil Company.

Q In what position?

A As Petroleum Engineer.

Q Have you testified before this Commission before?

A I have.

Q Qualified as an expert?

A I have in previous hearings.

Q As an engineer? A I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. SPURRIER: They are.

Q Mr. Holland, in your position with Lowry Oil Company, are you familiar with your well, T-123?

A In general I am familiar with the drilling and completion of that well.

Q Could you state to the Commission what the location of the well is?

A The location is 700 feet from the north line and 1800 feet from the east line of Section 7, Township 26 North, Range 6 West Rio Arriba County, New Mexico.

Q I hand you a plat which has been marked as Exhibit Number 1 and ask you to state what that shows.

A This is a plat prepared to show the location of the Lowry et al Operating Account. Well -- it is located in the South Blanco-Tocito Pool, Rio Arriba County, New Mexico.

Q Is that location an orthodox location, Mr. Holland?

A It is not, it is the pool rules for the South Blanco-Tocito Pool permit a tolerance of 100 feet from the center of the particular 40-acre tract upon which this well is located. Due to

topographic conditions it was necessary to make the location in excess of the 100 foot tolerance; as the plat shows it is 180 feet east of the center of this particular 40-acre tract.

Q Who is the closest offset operator, Mr. Holland?

A The lease, the closest lease offsetting this tract is owned by the Johnson Oil and Gas Company.

Q How far is that lease/^{line}from the well location?

A The well is 700 feet from their lease line.

Q There is no other interested operator closer than 660 feet is there?

A That is right. The well was moved toward the, was moved away from the Johnson Oil and Gas Company lease. The normal location would be 660 feet from that lease line and the well location is 700 feet.

Q I hand you what has been marked as Exhibit Number Two and ask you to state what that shows.

A That Exhibit is a log of the well which was filed with the United States Geological Survey and the New Mexico Oil Conservation Commission. It is a summary of the well completion information.

Q I hand you what has been marked as Exhibit Number Three, Mr. Holland, and ask you what that shows.

A Exhibit Number Three is a photograph of the orthodox location of the well. If you will note, there is a flag in the picture and that shows where the orthodox location, by orthodox I mean the center of the 40-acre tract, would be.

Q Could you point out that flag for the Commission?

A It is to the left of the center.

MR. SPURRIER: I can see it.

Q I hand you what has been marked as Exhibit Number Four, and ask you to state what that shows.

A Exhibit Number Four is another photo of the area of the location of this well. It is the western edge of the photo that was presented as Exhibit Number One. It shows the cliff in detail.

Q I hand you what has been marked as Exhibit Number Five and ask you what that shows.

A That is another photograph in the immediate area of the well location. It is along the northern edge of this location and shows a canyon to the north.

Q Does that show the orthodox location or the actual well location, Mr. Holland?

A It shows the reserve mud pits that were used in the drilling of this well.

Q I see.

A That is why it was necessary to move slightly south of an orthodox location.

Q I hand you what has been marked as Exhibit Number Six and ask you to state what that shows.

A That is a photograph of the actual well location. The drilling rig that was used in the operation has been partly disassembled and has not been removed from the location. This photograph can be correlated with the others and shows that you can see the canyon and as to the reasons why it was necessary to remove the well a greater distance than the tolerance permitted.

Q The orthodox location would have been in the canyon, Mr. Holland, in relation to that last picture, Exhibit Number Six?

A It wasn't possible to drill the well and have the necessary

mud pits and the necessary operating room at the orthodox location, as the Exhibit Number Four, I believe the first photograph, presented shows that it is right on the edge of the canyon.

Q In your opinion, would it have been practical to have drilled in an orthodox location as provided by the pool rules, Mr. Holland?

A It would have been virtually impossible.

Q Do you have anything to add? A No.

MR. KELLAHIN: That completes our case. As I stated, if it were not for the pool rules, this is a matter which could have been approved by the Commission Director, but the pool rules modify the state-wide rule on that, that is the reason we asked for the hearing.

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

(Witness excused.)

MR. SPURRIER: Does anyone else have a comment in this case? If not we will take it under advisement and move on to case 669.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I HEREBY CERTIFY that the foregoing and attached transcript of hearing in Case No. 668 before the Oil Conservation Commission, State of New Mexico, at Santa Fe, on February 18, 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 22nd day of February, 1954.

ADA DEARNLEY & ASSOCIATES
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