

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
APRIL 27, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Keohane, Saunders, Welch and Iverson for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hinkle-Federal Well No. 7-b in the Shugart Pool at a point 330 feet from the South line and 2329 feet from the East line of Section 35, Township 18 South, Range 31 East, Eddy County, New Mexico.

Case
1953

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 1953.

MR. PAYNE: Application of Keohane, Saunders, Welch and Iverson for an unorthodox oil well location.

MR. JENNINGS: James T. Jennings, appearing on behalf of Keohane, Saunders, Welch and Iverson. One witness, B. M. Keohane.

(Witness sworn)

B. M. KEOHANE.

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

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BY MR. JENNINGS:

Q State your name, please.

A B. M. Keohane.

Q Mr. Keohane, have you ever testified before this Commission before?

A No, I have not.

Q How long have you been actively engaged in the oil business?

A Since 1918.

MR. JENNINGS: Will the Examiner accept Mr. Keohane's qualifications?

MR. UTZ: As far as this case is concerned, yes.

Q (By Mr. Jennings) Mr. Keohane, the company you represent is the owner and operator of the Federal Lease 029392B covering the southeast quarter of Section 35, Township 18 South, Range 31 East?

A Yes, sir.

Q Are you currently developing that property?

A We are in the process of drilling our No. 7-B.

Q When was that well commenced?

A It was commenced in January; I have forgotten the date.

Q What happened to that well?

A About 830 feet and jumped a pin off the bit; Red Beds caving in. Contractor fished and tried to drill by for about



three weeks, and finally skidded 19 feet west.

Q What was the original location?

A 2310 feet from the east line and 330 feet from the south line, and the reason he skidded west is because the pipe rack was to the east, and the pits were to the north, and it was on towards our own acreage anyhow, but we didn't realize at the time -- in fact, Van called the State man down there and he said, well, it's towards yours, it's all right; then said, you have to go to the Examiner, or we would have skidded where the pits were or somewhere else, but we didn't know that at the time.

Q The adjoining acreage to the west is the east half, southwest of Section 35?

A Yes, sir.

Q Is that covered by your LC 0392A, Federal Lease? Federal Lease, same royalty ownership?

A Yes, sir.

Q And I believe the same group own it?

A We own this.

Q And you have a well located thereon?

A Yes.

Q Shugart Pool?

A Yes.

Q What is the proposed depth of this well and the producing well?



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A You mean the one to the west?

Q Yes, the well to the west.

A The lower Queen or some of them call it Penrose-Queen sand zone, at about 3500 feet, and we propose to carry this well to the same depth.

Q You prepared, I believe, a plat, which you have marked Exhibit A?

A Yes.

Q That was prepared by you?

A Yes.

Q And that shows the location of this well and of the acreage in question?

A That's right.

Q You own the entire east half?

A Yes.

Q Will the proposed location cause waste or impair the correlative rights of any other operator in the Shugart Pool?

A I believe not.

Q No one can be hurt by this but yourself?

A That's right.

MR. JENNINGS: That's all we have. We have cleared it with the U.S.G.S.; we talked to them about it, to Jim in Artesia.

MR. UTZ: You don't object to crowding yourself?

A No. It doesn't make any difference; we have those four



sections.

MR. UTZ: Any questions for the witness?

MR. JENNINGS: We'd like to offer this exhibit.

Q You say this is the only direction you could have moved without having to move some of the installation?

A North, the pits were there, and they didn't think it made any difference.

Q You couldn't have moved east?

A Pipe racks along there; pipe racked there.

Q If you had moved south?

A We would have moved over toward the State; same problem.

MR. UTZ: Any other statements in this case? Case will be taken under advisement.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, the Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1953, heard by me on April 21, 1960.

Examiner
New Mexico Oil Conservation Commission

Sue Paige
Court Reporter

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