

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 24, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco Inc. for an unorthodox
well location, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks authority to drill its L. R. Manning Federal "B" Well No. 4 at an unorthodox location 330 feet from the South line and 1491 feet from the East line of Section 28, Township 18 South, Range 30 East, North Benson Queen-Grayburg Pool, Eddy County, New Mexico.

CASE 2796

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2796.

MR. DURRETT: Application of Texaco Inc. for an unorthodox well location, Eddy County, New Mexico.

MR. WHITE: If the Examiner please, Charles White of Gilbert, White, and Gilbert, appearing on behalf of the Applicant. We have Mr. Black, our only witness, to be sworn at this time.

(Witness sworn.)

MR. UTZ: Are there other appearances in this case?

You may proceed.

C. R. BLACK

called as a witness, having been first duly sworn on oath, testified as follows:



(Whereupon, Applicant's Exhibits Nos. 1 and 2 marked for identification.)

DIRECT EXAMINATION

BY MR. WHITE:

Q Will you state your name and that of your employer, please?

A C. R. Black, employed by Texaco Inc. as Division Proration Engineer out of Midland, Texas.

Q Have your professional qualifications been previously accepted by the Commission and by the Examiners?

A Yes, they have.

Q Are you familiar with the subject application?

A Yes, I am.

Q Will you state the purpose of the application and the reason for it?

A This is the application of Texaco for an unorthodox well location for our No. 4 L. R. Manning "B" (NCT-1), to be completed in the North Benson-Grayburg Pool in Eddy County, New Mexico. The reason for this application is that we originally proposed the well to be located 330 foot from the South line of the section and 1650 foot from the East line of the section, but upon going to the field and staking the well, it fell right in the center of a paved road serving a potash mine in this area, so it was necessary to move this location.

Q Do you have an ownership plat?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182SANTA FE, N. M.
PHONE 983-3971ALBUQUERQUE, N. M.
PHONE 243-6691

A Yes, Exhibit 1 is an ownership map showing the entire L. R. Manning lease bordered in yellow. It contains some 960 acres. This map also shows the location of the wells existing in the North Benson Queen-Grayburg Pool. This plat shows that Texaco has three wells completed at this time on the Manning lease, and the subject well is circled in red.

Q Mr. Black, do you anticipate further development on this acreage?

A Yes, sir, we do. We anticipate that we'll drill some additional wells to the north and to the west of the development as it is at this time. The Manning No. 2 and No. 3 "B" Wells are top allowable wells. The Western Development Simms Reese Well immediately to the south of the subject location is a top allowable well, so we believe that the areal extent of this pool will extend to the north and to the west somewhat.

Q In your opinion, can the proposed 40 acres to be assigned to this well reasonably be presumed to be productive of gas from the Jalmat Gas Pool?

A Yes, sir. The 40 acres can be assumed to be productive of oil from the North Benson Queen-Grayburg Pool.

Q Will you refer to Exhibit 2 and describe that?

A Exhibit 2 is a more detailed plat showing the southeastern portion of Section 28. The yellow line to the horizontal line shown on the exhibit is the south line of the Texaco Manning lease. Shown on this exhibit is the center line of a paved road



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182SANTA FE, N. M.
PHONE 983-3971ALBUQUERQUE, N. M.
PHONE 243-6691

serving a potash mine in this area, a telephone line, a right-of-way line. Also shown is the location of the Well No. 3, which is currently completed in the North Benson Pool, showing the quarter-quarter section dedicated to this well.

You will note on the center line of the paved road we show the original proposed location for Well No. 4. As I stated previously, it was 330 foot from the South line and 1650 foot from the East line of the section. This did fall on the center line of this paved road and we propose to drill this well 330 foot from the South line of the section and 1491 feet from the East line of the section.

Q Then you will not be crowding the lease line by the proposed location?

A No, sir, we will still be 330 foot from the lease line and will not be crowding that lease line.

Q Will you be crowding the existing Well No. 3 on the lease?

A No, sir, under the rules it would be permissible to drill two wells 660 feet apart, and it can be seen that the distance between No. 4 and No. 3 will be 1161 feet, so we will not be crowding No. 3.

Q Then the only exception is that you'll be nearer than 330 from the quarter-quarter?

A That's true. We will be 130 feet from the quarter-quarter instead of the 330.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

Q Is the well within the proration rules?

A Yes, it's within the 175 foot of the 40-acre unit that will be assigned to the well.

Q Will you incur additional expense were you to have the well on the west side rather than the east as shown?

A Yes, there would be additional expense, because our tank battery is located in Section 27 for this lease. It would be necessary to ditch the flow lines under the paved road and repave the pavement if the well were located on the west side of this road.

Q In your opinion, is the location of this well reasonable in view of the surface obstructions?

A Yes, I believe it's reasonable.

Q Will the location cause waste or impair correlative rights?

A No, it will not.

Q Were Exhibits 1 and 2 prepared by you or under your direction?

A Yes, sir, they were.

MR. WHITE: At this time we offer Exhibits 1 and 2.

MR. UTZ: Without objection, the Exhibits 1 and 2 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits
Nos. 1 and 2 entered in evidence.)

MR. WHITE: If the Examiner please, that completes the direct.



CROSS EXAMINATION

BY MR. UTZ:

Q If you were to move the well west across the highway, what would be the location?

A Well, it would be in excess of 330 from the quarter-quarter section lines. I don't know exactly what the footage location would be, but it would be more than 330 foot from the quarter-quarter section lines.

Q More than 330 feet from all quarter-quarter section lines?

A Yes, sir. It would be necessary to move at least 100 feet west of the telephone line to get away from it.

Q Your main objection to moving it over there is because of the tank battery?

A Yes, sir, that's one objection. Certainly this well will provide us information to evaluate future locations and if we do drill to the north and the west, we will be faced at one time of laying flow lines under this paved road, but we certainly realize that all reservoirs have a tendency of stopping at some point and we might not have any additional development past this No. 4. We certainly anticipate it at this time, but it's a possibility that it might not prove to be.

Q You are afraid it might stop under the highway?

A That could be a possibility, yes, sir.

MR. UTZ: Any other questions of the witness?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



MR. DURRETT: Yes, sir, I have a question or two.

BY MR. DURRETT:

Q Mr. Black, what would be the estimated expense or extra expense in this case to go under the highway with this line that you would have to run?

A I don't have the exact estimates on it. Of course, what it would involve would be digging up of the road, laying the flow line, and repairing the road.

Q You don't think you would have to go over 100 feet, you say 100 feet past the telephone lines?

A I would say it would be necessary to be at least 100 foot away from this telephone line in setting up your rig for safety precautions, to insure the fact that it would be far enough removed from it so there wouldn't be any hazard.

Q Looking at your Exhibit No. 2 here, that would be what, approximately two or three hundred feet from the location you are proposing now?

A It would be necessary to move it approximately three to 350 feet.

Q What kind of a highway or road is this? This is a paved road, I notice from your Exhibit No. 2. Is this a Federal road or State road?

A No, this is a private road. It's a paved road serving a potash mine.

Q But it is a privately owned road?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

A That's our information.

Q This is on a Federal lease?

A Yes, sir.

Q Do you know what the right-of-way is on the road?

There's an easement, I would suppose, granted by the Federal Government to put a road across there. I was wondering if you know what the right-of-way of it was.

A No, sir, I don't. I do know that our oil and gas lease covers the entire lease and it's not -- the road right-of-way is not excluded from our lease.

Q Have you contacted the Federal Government or the land owner concerning drilling a well in the center of the road?

A No, sir, we haven't.

Q But you assume they probably would object to that?

A I think that would be a safe assumption.

MR. UTZ: Which potash mine is this?

A I don't know the name of the potash mine. I could obtain that information for you. It was not available.

MR. UTZ: I imagine some of our records will show that. Are there other questions of the witness? The witness may be excused.

(Witness excused.)

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

* * *



STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

WITNESS My Hand and Seal this 3rd day of May, 1963.

Ada Dearnley
 NOTARY PUBLIC

My Commission Expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2786, heard by me on April 24, 1963.

Thurston A. J. [Signature], Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
 PHONE 325-1182

SANTA FE, N. M.
 PHONE 983-3971

ALBUQUERQUE, N. M.
 PHONE 243-6691

