

Case Number.

4195

Application

Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 27, 1969

IN THE MATTER OF:

Application of Continental Oil Company
for eight non-standard gas proration units)
and a non-standard gas well location,
Lea County, New Mexico.

) Case No. 4195
)
)
)
)

BEFORE: ELVIS A. UTZ,
Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 4195.

MR. HATCH: Application of Continental Oil Company for eight non-standard gas proration units and a non-standard gas well location, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin appearing for the Applicant. I have one witness I would like to have sworn. He will also testify in some of the other cases.

MR. UTZ: Any other appearances? You may proceed.

(Witness sworn.)

(Whereupon, Applicant's Exhibits Nos. 1, 2 and 3 marked for identification.)

* * * * *

V I C T O R T. L Y O N, a witness, called by the Applicant, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Victor T. Lyon, L-y-o-n.

Q By whom are you employed and in what position, Mr. Lyon?

A I am employed by Continental Oil Company as Division Conservation Coordinator, located in Hobbs.

Q Have you testified before the Oil Conservation Commission and made your qualifications as an engineer a matter of record?

A Yes, I have.

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

MR. UTZ: Yes, sir.

Q (By Mr. Kellahin) Are you familiar with the application of Continental Oil Company in Case 4195?

A Yes, sir.

Q Briefly what is proposed by Continental in this application?

A This is an application of Continental Oil Company for the re-allocation for gas acreage within the southeast Monument Unit from 3,300 acres, I believe it is, presently allocated to 7 wells, to 2,920 acres to be allocated to 8 wells in the Eumont Pool.

Q Referring to what has been marked as Exhibit No. 1 would you identify that exhibit?

A Yes, sir. Exhibit No. 1 is a location and ownership plat showing a part of the southeast Monument Unit which includes all or parts of Sections 13, 14, 15, 22, 23, 24, 25, 26, 27, all in Township 20 South, Range 37 East.

The Unit extends into the adjoining township to the east and has considerable additional acreage over there. It also shows the location of the presently producing Eumont Gas Wells which are circled in blue and the units which are presently allocated to them.

Starting at the top of the exhibit, Well No. 66 is located in Unit L of Section 14 and has allocated to it the west half of Section 14, the east half of the east half of Section 15 and the east half of the northeast quarter of Section 22; that's a total of 560 acres.

Well No. 46 is located in Unit I of Section 14 and has allocated to it the east half of the southeast quarter, the southeast quarter of the northeast quarter and the west half of the east half of Section 14, a total of 280 acres.

Well No. 69 is located in Unit F of Section 24 and has allocated to it the northwest quarter of Section 24 and the southeast quarter, the south half of the southwest quarter, the northwest quarter of the southwest quarter and the southwest quarter of the northeast quarter of Section 13, a total of 480 acres.

Well No. 67 is located in Unit K of Section 24 and has allocated to it the east half of the southwest quarter of Section 24, a total of 480 acres.

Well No. 68 is located in Unit J of Section 23

and has the entire Section, 640 acres, allocated to it.

Well No. 65, for record purposes, is located in Unit L of Section 26. Actually, this well is located on the section line -- that has been the subject of another hearing -- and has allocated to it the west half of Section 26 and the east half of the east half of Section 27, the east half of the southeast quarter of Section 22, a total of 560 acres.

Well No. 64 is located in Unit G of Section 26 and has allocated to it the east half of Section 26.

Q Have you drilled an additional well in this area?

A Yes, sir. We have drilled the S. E. M. U. No. 90, which is located 660 feet from the south line and 660 feet from the east line of Section 22, Township 20 South, Range 37 East, Lea County, New Mexico. This well was drilled to the Pennsylvanian Formation, but encountered this formation below the oil-water contact and has subsequently tested in the Abo and Tubb formations without success.

Q What do you propose to do with that well at this time?

A We should like to complete this well in the Eumont Pool as a gas well.

MR. UTZ: What was the number of that well?

THE WITNESS: S. E. M. U. No. 90.

Q (By Mr. Kellahin) Referring to what has been marked as Exhibit No. 2, will you discuss that exhibit?

A Exhibit No. 2 is a location and ownership plat showing the same wells which I described on Exhibit No. 1, with the drilling of Well No. 90 in Unit P of Section 22. These wells are circled in red and the units which we propose to allocate to them which are outlined in red.

Starting at the top again, we should like to allocate to No. 66 the east half of the east half of Section 15, the west half and the west half of the east half of Section 14, a total of 640 acres.

To No. 46, we should like to allocate the east half of the southeast quarter and the southeast quarter of the northeast quarter of Section 14, or 120 acres.

To No. 90, we should like to allocate the east half of the east half of Section 33 and the west half of the west half of Section 23, or 320 acres.

To Well No. 68, we should like to allocate the east half and the east half of the west half of Section 23 and the west half of the west half of Section 24, or 640 acres.

Well No. 69, we should like to allocate the east half of the northwest quarter of Section 24, or 80 acres.

For Well No. 67, we should like to allocate the east half of the southwest quarter southeast quarter and the south half of the northeast quarter, a total of 320 acres.

To Well No. 64, we should like to allocate the northeast quarter and the east half of the southeast quarter of Section 26.

To Well No. 65, we should like to allocate the west half and the west half of the southeast quarter of Section 26 and the east half of the east half of Section 27, a total of 560 acres.

Q What is the purpose of this re-allocation?

A In the first place, the purpose is to allocate acreage to Well No. 90, and also to allocate acreage to those wells which are best capable of producing the acreage. Also, we should like to get the outline shape of the units more consistent with the Rules for the proration units in the Eumont Pool.

Q Now, referring to what has been marked as Exhibit No. 3, would you identify that Exhibit?

A Exhibit No. 3 is a Xerox copy of a portion of the gamma ray neutron logs run in the S. E. M. U. Well No. 90. It shows the proposed perforations in the well. The top of the Penrose Sand is shown at 3506 and the top of the

Grayburg which is the base of the Eumont Pool is shown at 3684. Perforations are indicated by the arrows in the center section of the log.

Q In your opinion, will the rededication of the acreage as proposed by Continental Oil Company impair the correlative rights of any operator?

A I do not believe so. All of this land is within the southeast Monument Unit.

Q The ownership then would be common throughout, is that correct?

A That is correct.

Q Were Exhibits 1, 2 and 3 prepared by you or under your supervision?

A They were.

MR. KELLAHIN: At this time, I offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection, Exhibits 1, 2 and 3 will be entered into this record.

(Whereupon, Applicant's Exhibits 1, 2 and 3, offered and admitted in evidence.)

MR. KELLAHIN: That's all I have on Direct Examination.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Lyon, there is no acreage to be dedicated

under your new alignment of units that was not dedicated in your old units. Is that true?

A That is correct. As a matter of fact, we have eliminated some of the acreage which was previously dedicated to some of the wells because the wells simply do not have the producing capacity to produce an allowable which would be assigned for this acreage.

Q Most of that acreage was in Section 13, was it not?

A Yes.

Q Have you completed the No. 90?

A No, it has not been completed.

Q You are sure it's going to be a well?

A Well, it's surrounded by Eumont gas wells and we are confident that it should be gas productive.

MR. UTZ: Are there any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Any other statements in this case?
We will take the case under advisement.

I N D E X

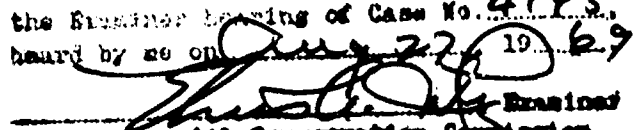
<u>WITNESS</u>		<u>PAGE</u>
<u>VICTOR T. LYON</u>		
Direct Examination by Mr. Kellahin		2
Cross Examination by Mr. Utz		8
 <u>EXHIBITS</u>	 <u>MARKED</u>	 <u>OFFERED AND ADMITTED</u>
Applicant's 1, 2 and 3	2	8

STATE OF NEW MEXICO)
) SS
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter 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 to the best of my knowledge, skill and ability.

Witness my hand this 17th day of September, 1969.


 Ada Dearnley

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4195 heard by me on Aug 22, 1969

 Examiner
 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

September 8, 1969

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4195
Order No. R-3833
Applicant:
Continental Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4195
Order No. R-3833

APPLICATION OF CONTINENTAL OIL COMPANY
FOR EIGHT NON-STANDARD GAS PRORATION
UNITS AND A NON-STANDARD GAS WELL LOCA-
TION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Continental Oil Company, seeks the
rededication of certain acreage and the establishment of the
following non-standard gas proration units in Township 20 South,
Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico:

A 120-acre non-standard unit comprising the SE/4
NE/4 and E/2 SE/4 of Section 14, to be dedicated
to the "SEMU" Well No. 46, located in Unit I of
said Section 14;

A 240-acre non-standard unit comprising the NE/4
and E/2 SE/4 of Section 26, to be dedicated to

-2-

CASE No. 4195
Order No. R-3833

the "SEMU" Well No. 64, located in Unit G of said Section 26;

A 560-acre non-standard unit comprising the W/2 and W/2 SE/4 of Section 26 and the E/2 E/2 of Section 27, to be dedicated to the "SEMU" Well No. 65, located in Unit L of said Section 26;

A 640-acre non-standard unit comprising the W/2 and the W/2 E/2 of Section 14 and the E/2 E/2 of Section 15, to be dedicated to the "SEMU" Well No. 66, located in Unit L of said Section 14;

A 320-acre non-standard unit comprising the SE/4, S/2 NE/4, and E/2 SW/4 of Section 24, to be dedicated to the "SEMU" Well No. 67, located in Unit K of said Section 24;

A 640-acre non-standard unit comprising the E/2 and E/2 W/2 of Section 23 and the W/2 W/2 of Section 24, to be dedicated to the "SEMU" Well No. 68, located in Unit J of said Section 23;

An 80-acre non-standard unit comprising the E/2 NW/4 of Section 24, to be dedicated to the "SEMU" Well No. 69, located in Unit F of said Section 24;

A 320-acre non-standard unit comprising the E/2 E/2 of Section 22 and the W/2 W/2 of Section 23, to be dedicated to the "SEMU" Well No. 90, to be completed at a non-standard location 660 feet from the South line and 660 feet from the East line of said Section 22.

(3) That each of the proposed non-standard gas proration units is productive of gas.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well to which it is to be dedicated.

(5) That approval of the proposed non-standard gas proration units and of the unorthodox location for the "SEMU" Well No. 90 in the Eumont Gas Pool will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas

-3-

CASE No. 4195

Order No. R-3833

Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights, provided the beginning status of each of the subject units is adjusted in accordance with the existing net status of the acreage to be dedicated to said units.

(6) That in order to establish the proposed non-standard gas proration units, Administrative Orders NSP-530, NSP-723, and Commission Orders Nos. R-2989, R-1889, and R-1979 should be superseded by this order.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, are hereby created:

- (a) A 120-acre non-standard unit comprising the SE/4 NE/4 and E/2 SE/4 of Section 14, to be dedicated to the "SEMU" Well No. 46, located in Unit I of said Section 14;
- (b) A 240-acre non-standard unit comprising the NE/4 and E/2 SE/4 of Section 26, to be dedicated to the "SEMU" Well No. 64, located in Unit G of said Section 26;
- (c) A 560-acre non-standard unit comprising the W/2 and W/2 SE/4 of Section 26 and the E/2 E/2 of Section 27, to be dedicated to the "SEMU" Well No. 65, located in Unit L of said Section 26;
- (d) A 640-acre non-standard unit comprising the W/2 and the W/2 E/2 of Section 14 and the E/2 E/2 of Section 15, to be dedicated to the "SEMU" Well No. 66, located in Unit L of said Section 14;
- (e) A 320-acre non-standard unit comprising the SE/4, S/2 NE/4, and E/2 SW/4 of Section 24, to be dedicated to the "SEMU" Well No. 67, located in Unit K of said Section 24;

-4-

CASE No. 4195
Order No. R-3833

- (f) A 640-acre non-standard unit comprising the E/2 and E/2 W/2 of Section 23 and the W/2 W/2 of Section 24, to be dedicated to the "SEMU" Well No. 68, located in Unit J of said Section 23;
- (g) An 80-acre non-standard unit comprising the E/2 NW/4 of Section 24, to be dedicated to the "SEMU" Well No. 69, located in Unit F of said Section 24;
- (h) A 320-acre non-standard unit comprising the E/2 E/2 of Section 22 and the W/2 W/2 of Section 23, to be dedicated to the "SEMU" Well No. 90, to be completed at a non-standard location 660 feet from the South line and 660 feet from the East line of said Section 22.

(2) That Administrative Orders NSP-530, NSP-723, and Commission Orders Nos. R-2989, R-1889, and R-1979 are hereby superseded.

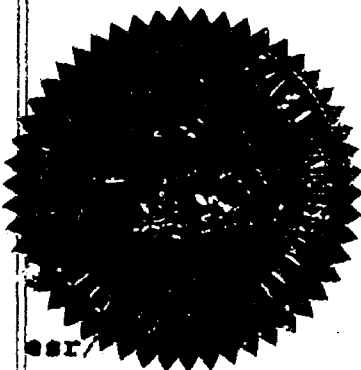
(3) That the acreage factor for allowable purposes assigned to each of the above-described non-standard gas proration units shall bear the same ratio to a standard gas proration unit as the acreage in said unit bears to the acreage in a standard gas proration unit in the Eumont Gas Pool.

(4) That the beginning status of each of the above-described units shall be adjusted in accordance with the existing net status of the acreage to be dedicated to said units.

(5) That the provisions of this order shall be effective as of October 1, 1969, subject to compliance with applicable rules and regulations.

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

David F. Cargo
DAVID F. CARGO, Chairman

Max J. Kempt
MAX J. KEMPT, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

Case 4145

Grand 9-27-69

Rec. 9-27-69

Grant Cont. the finding &
NS Plan shown on the clocked.
In addition grant an NSL for
their (SEMV) unit #90, 660/5,
660/a lines of 22 205-37E.

Thud. W.

CASE 4194 - Continued from Page 1 -

seeks authority to inject gas through two additional wells located in Unit L of Section 34, Township 17 South, Range 35 East and Unit B of Section 4, Township 18 South, Range 35 East and to expand said project area to include the SE/4 NE/4 of Section 33 and the NW/4, N/2 SE/4, and SW/4 SE/4 of Section 34 Township 17 South, Range 35 East. Applicant further seeks authority to dually complete all gas injection wells in the project in such a manner as to permit the production of oil from the lower section of the Abo Reef through tubing and the injection of gas into the upper section of the Abo Reef through the casing-tubing annulus.

CASE 4195: Application of Continental Oil Company for eight non-standard gas proration units and a non-standard gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rededication of acreage to establish the eight following non-standard gas proration units in Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico:

A 120-acre non-standard unit comprising the SE/4 NE/4 and E/2 SE/4 of Section 14, to be dedicated to the "SEMU" Well No. 46, located in Unit D of said Section 14;

A 240-acre non-standard unit comprising the NE/4 and E/2 SE/4 of Section 26, to be dedicated to the "SEMU" Well No. 64, located in Unit G of said Section 26;

A 560-acre non-standard unit comprising the W/2 and W/2 SE/4 of Section 26 and the E/2 E/2 of Section 27, to be dedicated to the "SEMU" Well No. 65, located in Unit L of said Section 26;

A 640-acre non-standard unit comprising the W/2 and the W/2 E/2 of Section 14 and E/2 E/2 of Section 15, to be dedicated to the "SEMU" Well No. 66, located in Unit L of said Section 14;

DOCKET No. 24-69

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 27, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4191: Application of Gulf Oil Corporation for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 4408 feet to 4415 feet in its Roosevelt "AN" State Well No. 3 located in the NW/4 SE/4 of Section 32, Township 7 South, Range 36 East, adjacent to the Todd-Lower San Andres Pool, Roosevelt County, New Mexico.

CASE 4192: Application of Southwest Production Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Buffalo Valley "Com" Well No. 2 at an unorthodox location 1650 feet from the North line and 990 feet from the East line of Section 35, Township 14 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, in exception to the provisions of Rule 2 of the special rules for said pool.

CASE 4193: Application of Humble Oil & Refining Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Bowers "A" Federal Com 33 Well No. 33 located in Unit D of Section 29, Township 18 South, Range 36 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Hobbs (Grayburg-San Andres) Pool and the Hobbs-Blinbry Pool through parallel strings of tubing.

CASE 4194: Application of Phillips Petroleum Company for an amendment of Order No. R-3181 and dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3181, which order established special rules regulating the operation of the Phillips Petroleum Company Vacuum Abo Pressure Maintenance Project, Vacuum-Abo Reef Pool, Lea County, New Mexico. Applicant

CASE 4197 - Continued from Page 3 -

Applicant now seeks authority to locate said well at an unorthodox location 1980 feet from the North line and 1450 feet from the West line of said Section 35 in the Forest (San Andres) Pool.

CASE 4198: Application of Continental Oil Company for amendment of Order No. R-3487, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3487 which authorized the applicant to utilize its Eaves "A" Well No. 10, located in Unit P of Section 19, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, to dispose of salt water into the Seven Rivers formation in the interval from 3208 feet to 3255 feet. Applicant now seeks authority to inject produced salt water into the Yates and Seven Rivers formations in the perforated and open-hole interval from approximately 3107 feet to 3410 feet in said well and the reclassification of said salt water disposal well to a pressure maintenance injection well.

CASE 4199: Application of Burleson & Huff for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the SE/4 of Section 28, Township 25 South, Range 37 East, Lea County, New Mexico. Said 160-acre non-standard gas proration unit to be dedicated to the Burleson & Huff "Cook" Well No. 2, a recompleted well, located 660 feet from the South and East lines of said Section 28. Also to be considered will be the costs of drilling and/or recompleting said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4200: Application of Burleson & Huff for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NE/4 of Section 29, Township 25 South, Range 37 East, Lea County, New Mexico. Said 160-acre non-standard gas proration unit to be dedicated to a well,

CASE 4195 - Continued from Page 2 -

A 320-acre non-standard unit comprising the SE/4, S/2 NE/4, and E/2 SW/4 of Section 24, to be dedicated to the "SEMU" Well No. 67, located in Unit K of said Section 24;

A 640-acre non-standard unit comprising the E/2 and E/2 W/2 of Section 23 and W/2 W/2 of Section 24, to be dedicated to the "SEMU" Well No. 68, located in Unit J of said Section 23;

An 80-acre non-standard unit comprising the E/2 NW/4 of Section 24, to be dedicated to the "SEMU" Well No. 69, located in Unit F of said Section 24;

A 320-acre non-standard unit comprising the E/2 E/2 of Section 22 and the W/2 W/2 of Section 23, to be dedicated to the "SEMU" Well No. 90, to be completed at a non-standard location 660 feet from the South and East lines of said Section 22.

CASE 4196: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of three existing non-standard gas proration units into one 360-acre non-standard unit comprising the W/2 and the NW/4 NE/4 of Section 18, Township 23 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Stevens "B" Wells Nos. 15 and 16, located in Units F and K, respectively, of said Section 18. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

CASE 4197: Application of Continental Oil Company for an amendment to Order No. R-37, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3756 which authorized, among other things, the drilling of a water injection well in the Forest Donahue Waterflood Project area at a location 1980 feet from the North line and 1650 feet from the West line of Section 35, Township 16 South, Range 29 East, Eddy County, New Mexico.

CASE 4204 - Continued from Page 5 -

and unorthodox locations in Sections 3 and 4, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injection wells at orthodox and unorthodox locations may be approved for said project administratively.

CASE 4205: Application of Tesoro Petroleum Corporation for four unorthodox injection well locations and amendment of Order No. R-2807, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into the Hospah Upper Sand Oil Pool in its Hospah Unit Waterflood Project Area through four additional injection wells at unorthodox locations in Section 36, Township 18 North, Range 9 West, McKinley County, New Mexico, said wells to be located as follows:

Well No. 62 located 1900 feet from the South line and 1140 feet from the West line;

Well No. 63 located 1980 feet from the North line and 2310 feet from the West line;

A well to be drilled 1430 feet from the South line and 2625 feet from the East line;

A well to be drilled 30 feet from the South line and 2350 feet from the East line.

Applicant further seeks the amendment of Order No. R-2807, which order authorized the aforesaid waterflood project, to establish a procedure whereby additional injection wells at unorthodox locations, as may be necessary to complete an efficient injection pattern, may be approved administratively.

CASE 4206: Application of Shell Oil Company for an unorthodox oil well location and amendment to Order No. R-2538, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing oil well at an unorthodox location 1315 feet from the North line and 2625 feet from the West line of Section 34, Township 19

CASE 4200 - Continued from Page 4 -

to be recompleted, located 660 feet from the East line and 1980 feet from the North line of said Section 29. Also to be considered will be the costs of drilling and/or recompleting said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4201: Application of Mobil Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie-Mattix Queen Unit Area comprising 1120 acres, more or less, of federal and fee lands in Sections 10, 11, 14, 15, 22, and 23, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4202: Application of Mobil Oil Corporation for a waterflood project and unorthodox injection well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Langlie-Mattix Queen Unit Area by the injection of water into the Queen sand through 17 wells at orthodox and unorthodox locations in Sections 10, 11, 14, 15, 22, and 23, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injection wells at orthodox and unorthodox locations may be approved for said project administratively.

CASE 4203: Application of Mobil Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Humphrey Queen Unit Area comprising 761 acres, more or less, of federal and fee lands in Sections 3 and 4, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

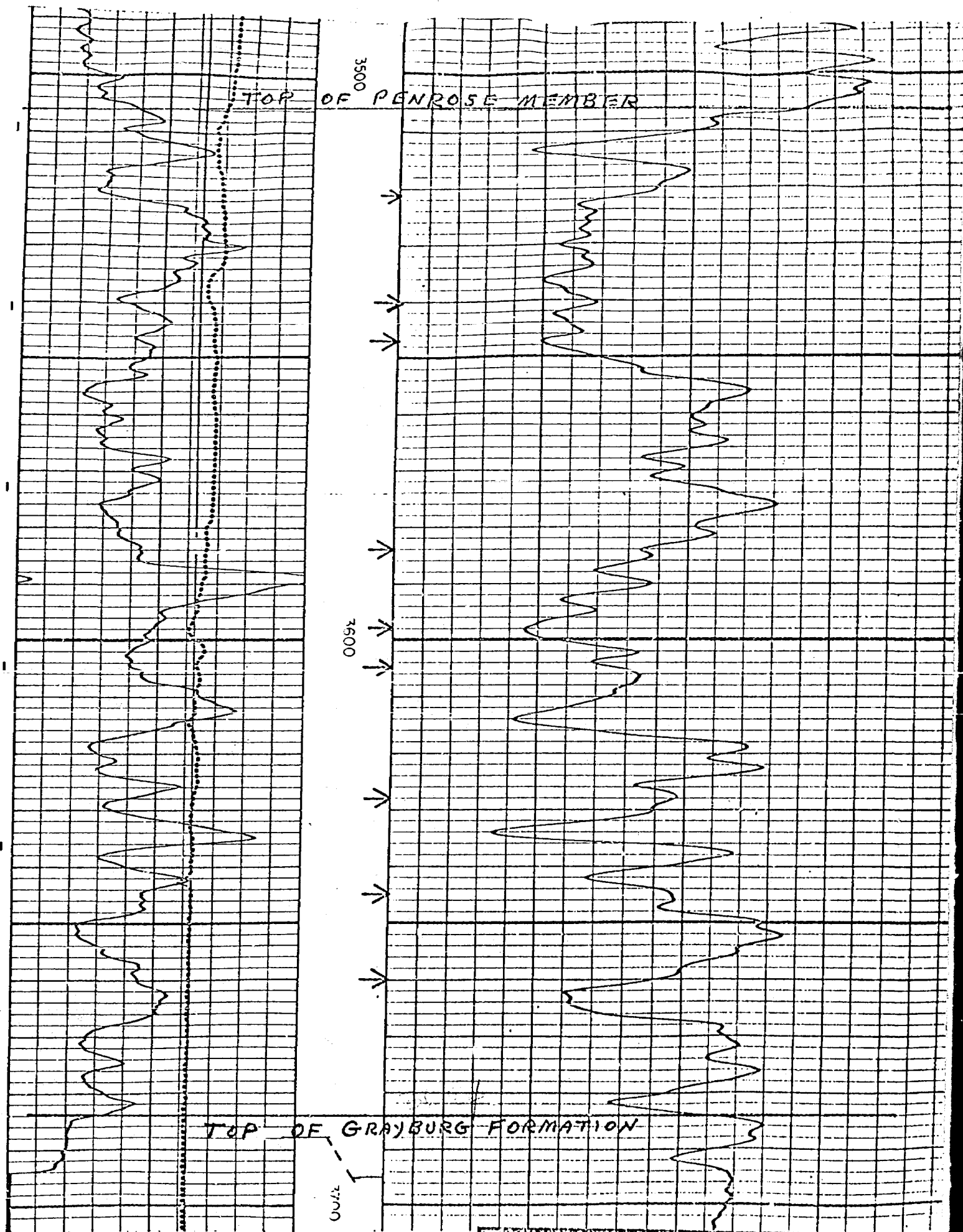
CASE 4204: Application of Mobil Oil Corporation for a waterflood project and unorthodox injection well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Humphrey Queen Unit Area by the injection of water into the Queen sand through 11 wells at orthodox

CASE 4208 - Continued from Page 7 -

several waterflood projects by the injection of water into the Seven Rivers formation through his Mary Lou Well No. 1 located in Unit H of Section 29 and his Caroline Well No. 4 located in Unit E of Section 28, both in Township 19 South, Range 28 East, East Millman-Seven Rivers Pool, Eddy County, New Mexico.

CASE 4209: Application of Harvey E. Yates Company of Artesia for several pressure maintenance projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute several pressure maintenance projects by the injection of water into the Seven Rivers and Queen formations, McMillan (Seven Rivers-Queen) Pool, Eddy County, New Mexico, through the following-described wells in Township 20 South, Range 27 East:

Page & Yates Well No. 8 - Unit M - Section 5
Page & Yates Well No. 6 - Unit I - Section 6
Page & Yates Well No. 7 - Unit J - Section 6
Lillie Yates Well No. 2 - Unit B - Section 7



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 4195

GAMMA RAY-NEUTRON LOG

CONTINENTAL OIL COMPANY
SOUTHEAST MONUMENT UNIT
WELL NO. 90

Case No. 4195 EXHIBIT No. 3

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
OF EIGHT NON-STANDARD GAS PRORATION
UNITS IN THE EUMONT GAS POOL, CONTAIN-
ING 3,000 ACRES WITHIN THE SOUTHEAST
MONUMENT UNIT IN SECTIONS 14, 15, 22,
23, 24, 26, and 27, TOWNSHIP 20 SOUTH,
RANGE 37E, LEA COUNTY, NEW MEXICO.

Case 4195

A P P L I C A T I O N

COMES NOW APPLICANT, Continental Oil Company and respectfully
requests approval of eight non-standard gas proration units in the Eumont
Gas Pool containing a total of 3,000 acres in the Southeast Monument Unit
to be allocated to unit wells numbers 46, 64, 65, 66, 67, 68, 69, and 90, and
containing all or parts of Sections 14, 15, 22, 23, 24, 26, and 27, in
Township 20 South, Range 37 East, Lea County, New Mexico, and in support
thereof would show:

1. Applicant is operator of the Southeast Monument Unit
containing all or parts of Sections 13, 14, 15, 22, 23,
24, 25, 26, and 27, Township 20 South, Range 37 East,
and Sections 7, 19, 20, 29 and 30, Township 20 South,
Range 38 East, Lea County, New Mexico.
2. Applicant has heretofore drilled and completed seven Eumont
gas wells within the Southeast Monument Unit and proposes
to complete an eighth gas well in the near future.
3. The seven existing Eumont gas wells in said Unit currently
have been allocated 3,320 acres as follows:

<u>Well No.</u>	<u>Location Unit Sec.</u>	<u>Acreage</u>	<u>Description</u>
✓ 46	I - 14	280	NW/4 NE/4, S/2 NE/4, <i>wrong</i> Section 14 <i>1500?</i>
✓ 64	G - 26	320	E/2 Section 26
✓ 65	L - 26	560	E/2 SE/4 Section 22 W/2 Section 26 E/2 E/2 Section 27
✓ 66	L - 14	560	W/2 Section 14 E/2 E/2 Section 15 E/2 NE/4 Section 22
✓ 67	K - 24	480	NE/4 and S/2 Section 24
68	J - 23	640	All of Section 23
69	F - 24	480	SW/4 NE/4, NW/4 SW/4 S/2 SW/4, SE/4, Section 13, NW/4 Section 24.



CONTINENTAL OIL COMPANY

P. O. Box 460

HOBBS, NEW MEXICO 88240

PRODUCTION DEPARTMENT
HOBBS DIVISION
L. P. THOMPSON
Division Manager
G. C. JAMIESON
Assistant Division Manager

1001 NORTH TURNER
TELEPHONE 393-4141

July 30, 1969

Case 4195

✓ New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention of Mr. A. L. Porter, Jr.,
Secretary-Director

Re: Applications for Hearing -
August 27, 1969 Docket

Gentlemen:

Forwarded herewith in triplicate are the following applications.

Unorthodox location for Donohue No. 4, Forest Pool
Section 35, T16S, R29E, Eddy County, New Mexico

Amendment of Order No. R-3487 for Pressure Maintenance
Project, Scarborough Pool, Section 19, T26S, R37E,
Lea County, New Mexico

360-acre non-standard gas proration unit, Stevens
"B" Nos. 16 and 16, Jalmat Pool, Section 18, T23S,
R37E, Lea County, New Mexico

8 NSP Units in the Eumont Gas Pool for SEMU Wells
Nos. 46, 64, 65, 66, 67, 68, 69, and 90, T20S, R37E,
Lea County, New Mexico.

Please set these matters for hearing on your August 27, 1969,
Examiner docket.

Yours very truly, <

VTL-JS

RLA JJB JWK
Attach

DOCKET M-ILED

8-15-69

all in T20S, R37E, Lea County, New Mexico.

4. Applicant now proposes to allocate acreage to the eight wells as follows:

Well No.	Location Unit-Sec.	Acreage	Description
46	I - 14	120	SE/4 NE/4, E/2 SE/4, Section 14 ✓
64	G - 26	240	NE/4, E/2 SE/4 Sec. 26 ✓
65	E ^L - 26	560	W/2, W/2 SE/4 Section 26 ✓ E/2 E/2 Section 27
66	L - 14	640	W/2, W/2 E/2 Section 14 ✓ E/2 E/2 Section 15
67	K - 24	320	SE/4, S/2 NE/4, E/2 SW/4 ✓ Section 24
68	J - 23	640	E/2, E/2 W/2, Section 23 ✓ W/2 W/2 Section 24
69	F - 24	80	E/2 NW/4, Section 24 ✓
90	P ^H - 22	320	E/2 E/2, Section 22 ✓ W/2 W/2, Section 23

as to location, →

*660 FSL
660 FEL
drilled as a
Case shown well
→ as to location?*

all in Township 20 South, Range 37 East, Lea County, New Mexico.

5. The allocation of acreage as proposed by applicant will prevent waste and will not impair correlative rights.

WHEREFORE, APPLICANT respectfully prays that this matter be set for hearing before the Commission's duly appointed examiner and that upon hearing an order be entered approving eight non-standard gas proration units in the Eumont Pool for the wells and acreage described above.

Respectfully submitted,


G. C. JAMIESON

VTL-JS

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4195

Order No. R-3833

APPLICATION OF CONTINENTAL OIL COMPANY
FOR EIGHT NON-STANDARD GAS PRORATION
UNITS AND A NON-STANDARD GAS WELL LOCA-
TION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of August, 1969, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Continental Oil Company, seeks the
rededication of certain acreage and the establishment of the
following non-standard gas proration units in Township 20 South,
Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico:

A 120-acre non-standard unit comprising the SE/4
NE/4 and E/2 SE/4 of Section 14, to be dedicated
to the "SEMU" Well No. 46, located in Unit I of
said Section 14; ✓

A 240-acre non-standard unit comprising the NE/4
and E/2 SE/4 of Section 26, to be dedicated to
the "SEMU" Well No. 64, located in Unit G of said
Section 26; ✓

A 560-acre non-standard unit comprising the W/2
and W/2 SE/4 of Section 26 and the E/2 E/2 of
Section 27, to be dedicated to the "SEMU" Well
No. 65, located in Unit L of said Section 26; ✓

A 640-acre non-standard unit comprising the W/2 and the W/2 E/2 of Section 14 and the E/2 E/2 of Section 15, to be dedicated to the "SEMU" Well No. 66, located in Unit L of said Section 14; ✓

A 320-acre non-standard unit comprising the SE/4, S/2 NE/4, and E/2 SW/4 of Section 24, to be dedicated to the "SEMU" Well No. 67, located in Unit K of said Section 24; ✓

A 640-acre non-standard unit comprising the E/2 and E/2 W/2 of Section 23 and the W/2 W/2 of Section 24, to be dedicated to the "SEMU" Well No. 68, located in Unit J of said Section 23; ✓

An 80-acre non-standard unit comprising the E/2 NW/4 of Section 24, to be dedicated to the "SEMU" Well No. 69, located in Unit F of said Section 24; ✓

A 320-acre non-standard unit comprising the E/2 E/2 of Section 22 and the W/2 W/2 of Section 23, to be dedicated to the "SEMU" Well No. 90, to be completed at a non-standard location 660 feet from the South line and 660 feet from the East line of said Section 22. ✓

(3) That each of the proposed non-standard gas proration units is productive of gas.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well to which it is to be dedicated.

~~(5) That the aforesaid "SEMU" Well No. 90 was drilled as a~~

(5) ~~(6)~~ That approval of the proposed non-standard gas proration units and of the unorthodox location for the "SEMU" Well No. 90 in the Eumont Gas Pool will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights, *provided the ~~that~~ legitimacy status of each of the subject units is adjusted in accordance with the existing ^{not} status of the acreage to be dedicated to said units.*

(7) That in order to establish the proposed non-standard gas proration units, Administrative Orders NSP-530, NSP-723, NSP-100, Commission Order No. R-2989, R-1889, and R-1979 should be superseded by this order.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, New Mexico, Lea County, are hereby created:

- (a) A 120-acre non-standard unit comprising the SE/4 NE/4 and E/2 SE/4 of Section 14, to be dedicated to the "SEMU" Well No. 46, located in Unit I of said Section 14; ✓
- (b) A 240-acre non-standard unit comprising the NE/4 and E/2 SE/4 of Section 26, to be dedicated to the "SEMU" Well No. 64, located in Unit G of said Section 26; ✓
- (c) A 560-acre non-standard unit comprising the W/2 and W/2 SE/4 of Section 26 and the E/2 E/2 of Section 27, to be dedicated to the "SEMU" Well No. 65, located in Unit L of said Section 26; ✓
- (d) A 640-acre non-standard unit comprising the W/2 and the W/2 E/2 of Section 14 and the E/2 E/2 of Section 15, to be dedicated to the "SEMU" Well No. 66, located in Unit L of said Section 14; ✓
- (e) A 320-acre non-standard unit comprising the SE/4, S/2 NE/4, and E/2 SW/4 of Section 24, to be dedicated to the "SEMU" Well No. 67, located in Unit K of said Section 24; ✓
- (f) A 640-acre non-standard unit comprising the E/2 and E/2 W/2 of Section 23 and the W/2 W/2 of Section 24, to be dedicated to the "SEMU" Well No. 68, located in Unit J of said Section 23; ✓
- (g) An 80-acre non-standard unit comprising the E/2 NW/4 of Section 24, to be dedicated to the "SEMU" Well No. 69, located in Unit F of said Section 24; ✓
- (h) A 320-acre non-standard unit comprising the E/2 E/2 of Section 22 and the W/2 W/2 of Section 23, to be dedicated to the "SEMU" Well No. 90, to be completed at a non-standard location 660 feet from the South line and 660 feet from the East line of said Section 22. ✓

(2) That Administrative Order NSP-539, NSP-723,
and Commission Order Nos. R-2989, R-1889, and R-1979
are hereby superseded.

(3) That the acreage factor for allowable purposes assigned to each of the above-described non-standard gas proration units shall bear the same ratio to a standard gas proration unit as the acreage in said unit bears to the acreage in a standard gas proration unit in the Eumont Gas Pool.

(5) (4) That the provisions of this order shall be effective as of Oct 1, 1969, subject to compliance with the applicable Federal Regulations.

(6) (5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

(4) That the beginning status of each of the above-described units shall be adjusted in accordance with the existing ^{net} status of the acreage to be dedicated to said units.