

Case No.

677

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 677
ORDER NO. R-455

THE APPLICATION OF MID-CONTINENT
PETROLEUM CORPORATION FOR AN
ORDER GRANTING APPROVAL OF AN
EXCEPTION PURSUANT TO RULE 7 (a) OF
ORDER NO. R-372-A IN ESTABLISHMENT
OF AN UNORTHODOX GAS PRORATION
UNIT OF 160 CONTIGUOUS ACRES CONSISTING
OF SOUTH HALF SOUTH HALF OF SECTION 16,
TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM,
LEA COUNTY, NEW MEXICO IN THE BLINEBRY
GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on March 17, 1954 at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-372-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Mid-Continent Petroleum Corporation, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal quarter section, and described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
S/2 S/2 of Section 16

containing 160 acres, more or less.

(4) That applicant, Mid-Continent Petroleum Corporation, has obtained permission from the Commission to dually complete a well on aforesaid lease, the well, known as the No. 3, State '15', located 660 feet from the South line and 1980 feet from the East line of Section 16, Township 21 South, Range 37 East, NMPM, is to be dually completed in the Blinebry Gas Zone and Drinkard Oil Zone.

Order No. R-455

(5) That the aforesaid well is located within the limits of the pool heretofore delineated and designated as the Blinebry Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the south half of Section 16, Township 21 South, Range 37 East, and that the owner of adjoining acreage in said half section has not objected to the formation of the proposed proration unit of 160 acres, but has expressly consented thereto.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Blinebry Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Mid-Continent Petroleum Corporation for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
S/2 S/2 of Section 16

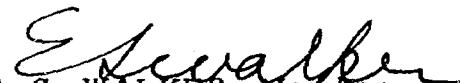
be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, State '15', No. 3, located in the SW/4 SE/4 of Section 16, Township 21 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission, the effective date of said allowable to be determined in accordance with the provisions of Rule 13 of Order R-372-A.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary and Member

S E A L

100-177

MID-CONTINENT PETROLEUM CORPORATION

GENERAL OFFICES TULSA 2, OKLA.

P. O. Box 830
Midland, Texas
January 29, 1954

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Application for Unorthodox Gas
Proration Unit, Mid-Continent
Petroleum Corporation State Land
"15" Lease, Blinebry Gas Pool,
Lea County, New Mexico.

Gentlemen:

Mid-Continent Petroleum Corporation hereby respectfully requests that its application for an Unorthodox Gas Proration Unit for the subject lease be entered for hearing before the Oil Conservation Commission of The State of New Mexico.

Subject lease consists of 160 acres, S/4 of Sec. 16, T-21-S, R-37-E, but is rectangular in shape rather than substantially square as prescribed in Rule 2 and Rule 7 (a) Order No. R-372-A, Rules and Regulations of the Oil Conservation Commission, for the Blinebry Gas Pool. We attach a plat of the lease showing all wells thereon and the locations of all offset wells.

Mid-Continent Petroleum Corporation has applied for dual-completion rights for its Well No. 3, located 1980' from the East line and 660' from both the North and South lines of its State "15" Lease. This well was completed June 12, 1947, as an oil well in the Drinkard Pool. We now propose to dually-complete this well in order to obtain gas production also from the Blinebry Gas Pool.

Mid-Continent Petroleum Corporation proposes and hereby submits its request that the above here-in described 160 acre lease be assigned as a Non-Standard Proration Unit for the allocation of a gas allowable to its State Land "15" Well No. 3, when completed as a Blinebry gas well, as an exception to Rule 2 and Rule 7 (a) of the Blinebry Gas Pool Rules.

Yours very truly,

MID-CONTINENT PETROLEUM CORPORATION

E. J. Pierce
E. J. Pierce

EJP:js
Enclosure: 1 Plat
CC: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

See Order P. 17

CONTINENTAL Oil Co.

ANSRADA PET. CORP

SHELL Oil Co.

Lockhart "A"
TIDE WATER

MID-CONTINENT PET. CORP
SEC 16, T21S, R37E

Argo Oil

Hardy
REARDED
Sinclair

State "15"

SUNRAY

SHELL Oil Co.

TRINITY

Elliott

Argo Oil "A"

Weatherly

York "B"

- DRINKARD POOL WELL
 - HARE POOL WELL
 - BRUNSON POOL WELL
 - DUAL COMPLETION TUBBS POOL
 - DUAL COMPLETION BLINERY POOL
- SCALE 1" = 1320'

MID-CONTINENT PETROLEUM CORP
STATE "15" LEASE LEA COUNTY, N.M.

DATE: 1-27-54

MAIN OFFICE OCC

1954 MAR 25 AM 8:43

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

* * * * *

TRANSCRIPT OF PROCEEDINGS

CASE NO. 676 & 677

Regular Hearing

March 17, 1954

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
SANTA FE, NEW MEXICO
March 17, 1954

IN THE MATTER OF:

Mid-Continent Petroleum Corporation's appli-
cation for approval of unorthodox gas pro-
duction unit in the Tubb Gas Pool: S/2 S/2
16-21S-37E.

) Case No. 676

Mid-Continent Petroleum Corporation's appli-
cation for approval of unorthodox gas pro-
duction unit in the Blinebry Gas Pool:
S/2 S/2 16-21S-37E.

) Case No. 677

TRANSCRIPT OF PROCEEDINGS

MR. SPURRIER: For purposes of presentation, we will con-
solidate 676 with 677.

MR. PIERCE: My name is E. J. Pierce. I am an engineer,
and employed as such by Mid-Continent Petroleum Corporation, and
serve in the capacity of Assistant Division Manager of the Texas,
New Mexico division. That office is in Midland, Texas, and the
operations of our company in Lea County, New Mexico, are handled
through that office. For the sake of convenience and time, we have
asked to combine Cases No. 676 and 677, inasmuch as it is the same
request, same application for the same lease, but two different pay
zones on that lease. I would like to submit to the Commission as
Exhibit No. 1, an ownership plat of Section 16, 21 South, 37 East,
showing Section 16 and all surrounding sections. The Mid-Continent
Petroleum Corporation State 15 lease is indicated on that plat and

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COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9845 AND 5-9546
ALBUQUERQUE, NEW MEXICO

cross hatched in green. Also shown on that plat is the ownership of all surrounding tracts. In addition, we have indicated on Exhibit 1, all Tubb gas wells in the area, and also the one Tubb gas well on the Mid-Continent State 15 lease.

MR. SPURRIER: Mr. Pierce, you have qualified before this Commission before, have you not?

MR. PIERCE: No, I have not.

MR. SPURRIER: Would you like to give us a short resume of your qualifications?

MR. PIERCE: Yes, sir, I will do that. I have graduated from Oklahoma University, 1939, with mechanical engineering degree bachelor of science degree. I have served since that time in the capacity of petroleum engineer with various companies, with the exception of four years spent in the Army, and for the past eight years I have been employed by Mid-Continent Petroleum Corporation, and have served as a petroleum engineer in the Texas, New Mexico division office.

MR. SPURRIER: That is good.

MR. PIERCE: I also want to submit as Exhibit Number 2 a copy of the original application of Mid-Continent Petroleum Corporation for an unorthodox gas unit for its State 15, well number four in the Tubb Gas Pool. I want to submit as Exhibit Number three--

MR. SPURRIER: (Interrupting) Let's make that Exhibit 1 in Case 677.

MR. PIERCE: Exhibit 1 in Case 677. A plat of Section 16, 21 South, 37 East, together with all surrounding sections, showing ownership and the Mid-Continent State 15 lease, cross hatched in

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PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

green, and indicating on that plat all Blinebry gas wells in red and the proposed Blinebry gas well on the Mid-Continent State 15 lease as a dotted circle. I would like to submit as Exhibit No. 2 in Case 677, the original application of Mid-Continent for an unorthodox gas unit State 15 lease for well number three in the Blinebry Gas Pool. From a study of the radioactivity and electric logs on the wells which we have drilled on our lease and on surrounding wells, it is our feeling that the Tubb and Blinebry Gas Pools are productive across the entire width of the lease. We have, at this time, completed or made a preliminary completion of our State 15, Well Number Four in the Tubb Gas zone, and have found it to be productive there. We also have experiences encountered while drilling the wells back originally, which were drilled to the Drinkard pay, at which time we experienced and encountered gas in these various zones. We are asking that the 160 acres of the State 15 lease be incorporated as a proration unit because of the impracticality to utilize it with other acreage of the section. We have such acreage of our own for a full 160 acre unit. And for other reasons, it was felt undesirable to engage in the unitization agreement for this 160 acre lease. I would like to refer to the Amerada application in Case No. 642, for a similar unorthodox gas unit for the north half of the south half of Section 16, 21 South, 37 East. By virtue of this prior application for an unorthodox gas unit, there was left only the south half of the south half of Section 16, 21 South, 37 East, to be incorporated in this unit. It is our opinion in this matter that granting this application will not interfere with the formation of other standard units in this Section 16 or any section adjacent to Section 16. Granting this application for this unorthodox proration

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PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

unit will not cause the drilling of any unnecessary wells. The granting of this application will not start a so-called chain reaction that, of necessity, would have to be carried into other sections. We do feel, however, that granting this application will permit the recovery of the gaseous hydrocarbons underlying this lease with a minimum of expense in a non-wasteful manner. The granting of this application will permit four 160 acre units in this section. The granting of this application will minimize drainage across lease lines by establishing uniform flowing rates in off-set wells. The Amerada has been advised of our intention to form this unit in our application, and have offered us no objection. We would have no objection to the formation of similar units in the Tubb and Blinebry Pools.

In conclusion, we request that as an exception to Rule 7A of the Commission's Orders R-372-A and R-373-A, that the Mid-Continent Petroleum Corporation State Land 15 lease be assigned as a 160 acre unorthodox proration unit attributed to both the Tubb completion in well number four and the Blinebry completion in well number three, and that a full unit allowable be granted to each of these wells upon the proper filing of such reports and forms as have been prescribed by the Commission following the completion of these wells.

MR. SPURRIER: Does anyone have a question of the witness?

MR. ABBOTT: W. G. Abbott, Amerada. We are in full agreement with Mid-Continent in these two applications for these unorthodox gas proration units; and as pointed out here, this will take care of the entire south half of the Section 16.

MR. SPURRIER: Anyone else? Is there objection to Mr. Pierce's proposal? If not, the witness may be excused. We will take the cases

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PHONES 7-9645 AND 5-9546
ALBUQUERQUE, NEW MEXICO

under advisement and go on to Case 678.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO } ss.

I, ADA DEARNLEY, 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.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 24th day of March, 1954.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires:
June 19, 1955.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9646 AND 5-9546
ALBUQUERQUE, NEW MEXICO

MID-CONTINENT PETROLEUM CORPORATION

CONTINENTAL			CONTINENTAL	STANOLIND	CONT'L		AZTEC Duron
GULF				6 ⊙			
8			9			10	
Mattern			W.C. Hawk			HUMBLE "v"	
TEXAS			STANOLIND "C"	GULF "E"	TIDE WATER 20 "S" State		
Weatherly					CITIES SERV 1 ⊙ "S" State	SHELL 2 ⊙ State	
17			16		15		
Cont'l			AMERADA	4 ⊙	SHELL 3 ⊙	OHIO "C"	
	Weatherly	Lockhart	State DA				
	PENROSE	TIDE WATER	MT. CONTINENT PBT. CORP. ⊙ 3			2 ⊙	
Lockhart	Hardy	S. E. Cane	State "15"		Argo	Warlick	
SUNRAY	RODMAN	SINCLAIR	TRINITY PROD.		SUNRAY	SHELL	GULF
Elliott	Lee						
Sunray	AMERADA					5 ⊙	4 ⊙
Randle	Randle	York	Weatherly		Elliott	Argo "A"	Eubank
	20		21			22	
GULF	OHIO		CONTINENTAL			SHELL	5 ⊙
	Hardy						
	PACIFIC WEST'N					13 ⊙	
Hardy	Hardy		Wantz			Turner	

R 37 E

- ⊙ Blinebry Gas Well
- ⊙ Proposed Blinebry Gas Well

March 16, 1954

Scale 1" = 2000'

Ex # 1
Call 677

Mid-Continent Petroleum Corporation
Tulsa, Oklahoma

Case No. 677

P. O. Box 830
Midland, Texas
January 29, 1954

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Application for Unorthodox Gas
Proration Unit, Mid-Continent
Petroleum Corporation State Land
"15" Lease, Blinebry Gas Pool,
Lea County, New Mexico.

Gentlemen:

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Yours very truly,

MID-CONTINENT PETROLEUM CORPORATION

E. J. Pierce
E. J. Pierce

EJP:js
Enclosure: 1 Plat
CC: Oil Conservation Commission
P. O. Box 2045
Hobbs, New Mexico

Ex 42
Case 677