

Case No.

1246

Application, Transcript,  
Small Exhibits, Etc.

Case No.

1216

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO

CASE NO. 1216

TRANSCRIPT OF HEARING

FEBRUARY 27, 1957  
DEARNLEY-MEIER AND ASSOCIATES  
COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

2

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
HOBBS, NEW MEXICO  
FEBRUARY 27, 1957

-----  
IN THE MATTER OF: :

CASE NO. 1216: Application of Continental Oil Company for a :  
320-acre non-standard gas proration unit in :  
the Jalmat Gas Pool in exception to Rule 5 :  
(a) of the Special Rules and Regulations for :  
said pool. Applicant, in the above-styled :  
cause, seeks an order approving a 320-acre :  
non-standard gas proration unit in the Jal- :  
mat Gas Pool consisting of the N/2 of Sect- :  
ion 17, Township 24 South, Range 37 East, :  
Lea County, New Mexico. Said unit to be :  
dedicated to applicant's Jack "B-17" Well :  
No. 3 located 990 feet from the North and :  
East lines of said Section 17. :  
-----

BEFORE:

Warren W. Mankin, Examiner.

T R A N S C R I P T     O F     P R O C E E D I N G S

MR. MANKIN: Next and last case on the docket today is  
1216.

MR. COOLEY: Application of Continental Oil Company for a  
320-acre non-standard gas proration unit in the Jalmat Gas Pool in  
exception to Rule 5 (a) of the Special Rules and Regulations for  
said pool.

MR. KELLAHIN: Jason Kellahin representing Continental  
Oil Company. We have one witness, Mr. Lannen. We ask that he be  
sworn, please.

(Witness sworn.)

R. C. LANNEN

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please? A Richard Lannen.

Q By whom are you employed, Mr. Lannen?

A Continental Oil Company.

Q What is your position with Continental Oil Company?

A District Engineer, Eunice District.

Q Have you testified previously before this Commission as an expert and had your qualifications accepted? A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable to the Commission?

MR. MANKIN: Yes.

Q (By Mr. Kellahin.) Mr. Lannen, are you familiar with the application which has been filed in Case No. 1216?

A Yes, sir.

Q And what does that cover?

A Well, it covers Continental Oil Company Jack B-17 No. 3, located 990 feet from the north line and 990 feet from the east line, Section 17, Township 24 South, Range 37 East, N44E, Lea County, New Mexico, which is presently producing for a 160-acre gas allocation in the Jansen Pool. The NW 1/4 of this Section 17, Township 24 South, Range 37 East, the application requests an enlargement of this acreage to 320-acre.

Q Could you give the Commission a brief history of the Jack "B-17" Well No. 3?

A The Jack "B-17" No. 3 was drilled as a Jalmat gas well total depth 3,050 feet, completed on 8/25/51 for IP of 6,000 MCF gas per day. With a shut-in pressure of 1162 psia, the cumulative gas production to January 1st, 1957 was 1,415,888 MCF. Proration status of December 31st, 1956 was 51,511 MCF overproduced.

Q Now, in connection with the application, you are asking that the north half of Section 17 be dedicated to the well. Is the north half of Section 17 common ownership?

A Yes, sir, it is common Federal -- ownership and common royalty.

Q On referring to what has been marked as No. 1, Mr. Lannen, what does that show?

A Exhibit No. 1 is a location and lease ownership plat showing presently established gas unit for the Jack "B-17" No. 3 circumscribed in yellow. And the proposed 320-acre unit circumscribed in red with the Jack "B-17" Well no. 3 circled in red, off-set wells and acreage allocation circumscribed in green. The Jack "B-17" lease contains two other wells, 1 and 2 located SW/4 and NW/4 NW/4 Section 17. And they are located on this plat. Both of these wells are Langlie-Mattix Pool oil wells. Based on the surrounding gas wells and their acreage allocations, it is readily shown that the NW/4 of Section 17, the unallocated acreage, is productive of gas from the Jalmat Pool.

Q Now, referring to what has been marked for identification as Exhibit No. 2, state what that is.

A Exhibit No. 2 is radioactivity log of the Continental Oil Company - Jack "B-17" No. 3, showing total depth, casing point, producing interval, and formation tops. From this exhibit it is shown that the Jack "B-17" No. 3 Well is producing from within the vertical limits of the Jalmat Pool only.

Q Now, Mr. Lannen, in the event that the Commission should approve this application, is it your opinion that the Jack "B-17" Well No. 3 would be capable of draining and producing the gas underlying the proposed unit?

A Yes, sir.

Q Could it make an allowable to be assigned to 320 acres?

A Yes, sir.

Q You have cumulative figures on production of that well for the past year?

A Yes, sir, month by month.

Q And --

A These cumulative figures are actually, they are produced figures, taken by El Paso. They fluctuate from month to month, but as can be shown by them, I will read them off, and in so, they will show that the well is capable of producing for 320-acre allocation; in January, 1966, take was 6,327 MCF, in February, 11,224 MCF, in March, 21,774 MCF, April, 12,340 MCF, May, 32,546, in June, 19,000, July, 24,230, August, 19,000, September, 11,071, October, 11,000, November, 6,400, December, 11,000. These figures by El Paso fluctuate

very radically, but as indicated by February production, May production, July's production and October's production, the well is capable of producing a 320-acre gas allocation.

Q In your opinion, is all of the north half to be reasonably presumed to be productive of gas?

A Yes, sir.

MR. KELLAHIN: That is all the questions.

MR. MANKIN: Mr. Lannen, do you have any knowledge whether the Jack 1 and 2 on the NW/4, Section 17 showed gas production when drilled through the Yates?

A Well, they were drilled with rotary tools and the hole was mudded up, there were no drill stem tests of the well, so there is no definite indication that they were gas productive, based on the surrounding allocations permitted by the Commission, why, the area is presumed to be gas productive.

MR. MANKIN: That was my next question. The wells to the north and west, north and south are likewise producing from the same area, and you could reasonably assume that the entire north half would be gas productive?

A Yes.

MR. KELLAHIN: We would like to offer in evidence Exhibits 1 and 2.

MR. MANKIN: Is there objection to entering Exhibits 1 and 2 in this case? If not, they will be so entered.

MR. KELLAHIN: That is all we have.

MR. MANKIN: Are there any further questions of the witness? If there are no further questions of the witness, the witness



may be excused.

(Witness excused.)

MR. MANKIN: We will take the case under advisement and the hearing is adjourned.

\* \* \* \* \*

STATE OF NEW MEXICO )  
: ss  
COUNTY OF BERNALILLO )

I, THURMAN J. MOODY, 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 in stenotype and reduced to typewritten transcript by me and/or under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand and seal, this, the 24th day of March, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

\_\_\_\_\_  
Notary Public

My Commission Expires:

April 3, 1960.

February 27  
Thurman J. Moody

121  
57

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

April 1, 1957

Mr. Jason Kellahin  
P. O. Box 597  
Santa Fe, New Mexico

Dear Sir:

On behalf of the Oil Company, we enclose  
two copies of Order No. 10, which was issued by the Oil Conservation  
Commission in Caswell, New Mexico, on February 27th at Hobbs.

Very truly yours

Yours  
Sincerely,  
S. H. H.

C  
O  
P  
Y

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. 1216  
Order No. R-962

APPLICATION OF CONTINENTAL OIL  
COMPANY FOR A 320 ACRE NON-STANDARD  
GAS PRORATION UNIT IN THE JALMAT GAS  
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m. on February 27, 1957, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 29<sup>th</sup> day of March, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner Warren W. Mankin, 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 case and the subject matter thereof.

(2) That the applicant, Continental Oil Company, is the owner of oil and gas leases in Lea County, New Mexico, a portion of which consists of the N/2 Section 17, Township 24 South, Range 37 East, NMPN, Lea County, New Mexico.

(3) That the applicant is the owner and operator of the Jack "B-17" Well No. 3, located 990 feet from the North line and 990 feet from the East line of said Section 17, and said well is completed within the vertical and horizontal limits of the Jalmat Gas Pool.

(4) That the applicant proposes to dedicate the N/2 of said Section 17 to the aforementioned well.

(5) That the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit.

(6) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover his just and equitable share of the gas from the Jalmat Gas Pool.

-2-  
Case No. 1216  
Order No. R-962

(7) That the creation of a proration unit consisting of the aforesaid acreage will not cause waste or impair correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of Continental Oil Company for a 320 acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 17, Township 24 South, Range 37 East, NMPN, Lea County, New Mexico, be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

2. That the applicant's Jack "E-17" Well No. 3, located in the NE/4 NE/4 of said Section 17, be designated as the unit well and that the same shall be granted an allowable in the proportion that the above-described acreage bears to the standard proration unit for the Jalmat Gas Pool in accordance with Rule 8 of the Special Rules and Regulations for said pool, all until further order of the Commission.

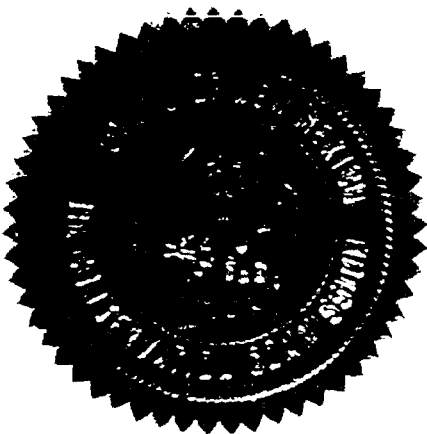
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*  
EDWIN L. MECHEM, Chairman

*M. E. Morgan*  
MURRAY E. MORGAN, Member

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



No. 7-57

DOCKET: EXAMINER HEARING FEBRUARY 27, 1957

New Mexico Oil Conservation Commission 10:00 a.m. Hobbs, New Mexico

Oil Conservation Commission Office, 1000 W. Broadway, Hobbs, New Mexico.

The following cases will be heard before Warren W. Mankin, Examiner:

- CASE 1212: Application of Humble Oil & Refining Company for approval of its proposed Kinebeto Unit Agreement located in San Juan County, New Mexico, in accordance with Rule 507 of the New Mexico Oil Conservation Commission Statewide Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting approval of its proposed Kinebeto Unit Agreement embracing 46,062.94 acres, more or less, of federal, Indian, state and fee lands situated in Townships 22 and 23 North, Range 10 West, San Juan County, New Mexico.
- CASE 1213: Application of Humble Oil & Refining Company for approval of its proposed Tanner Unit Agreement located in San Juan County, New Mexico, in accordance with Rule 507 of the New Mexico Oil Conservation Commission Statewide Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting approval of its proposed Tanner Unit Agreement embracing 35,751.16 acres, more or less, of federal, Indian and state lands located in Townships 23 and 24 North, Range 12 West, San Juan County, New Mexico.
- CASE 1214: Application of Great Western Drilling Company for a non-standard drilling and production unit in the South Carter-San Andres Oil Pool, Lea County, New Mexico, in exception to Rule 104 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order creating a 40 acre non-standard drilling and production unit in the South Carter-San Andres Oil Pool consisting of Lot 1 and the East 13.66 acres of the NE 1/4 NW 1/4 of Section 8, Township 18 South, Range 39 East, Lea County, New Mexico.
- CASE 1215: Application of Wilson Oil Company for an exception from the casing requirements in the Permian Oil Area as established by Order R-111-A. Applicant, in the above-styled cause, seeks an order authorizing the following casing program, in lieu of the shallow zone casing requirements established by Order R-111-A, for its proposed well in the NE 1/4 NE 1/4 of Section 21, Township 20 South, Range 34 East, Lea County, New Mexico. 13-5/8 inch casing in top of the red bed to approximately 70 feet; 10-3/4 inch casing as cement string to about 200 feet; 8-5/8 inch casing, this being the water shut off string to about 1300 feet, but in any event below the water; 7 or 5 1/2 inch string to be set and cemented at a point selected by the operator above pay zone. The well location is as shown on attached map and is to be drilled with cable tools and the first productive horizon is expected at 3800 ft.

ir/

-2-

Docket No. 7-57

CASE 1216: Application of Continental Oil Company for a 320-acre non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool. Applicant, in the above-styled cause, seeks an order approving a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 17, Township 24 South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to applicant's Jack "B-17" Well No. 3 located 990 feet from the North and East lines of said Section 17.

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 3/1/57

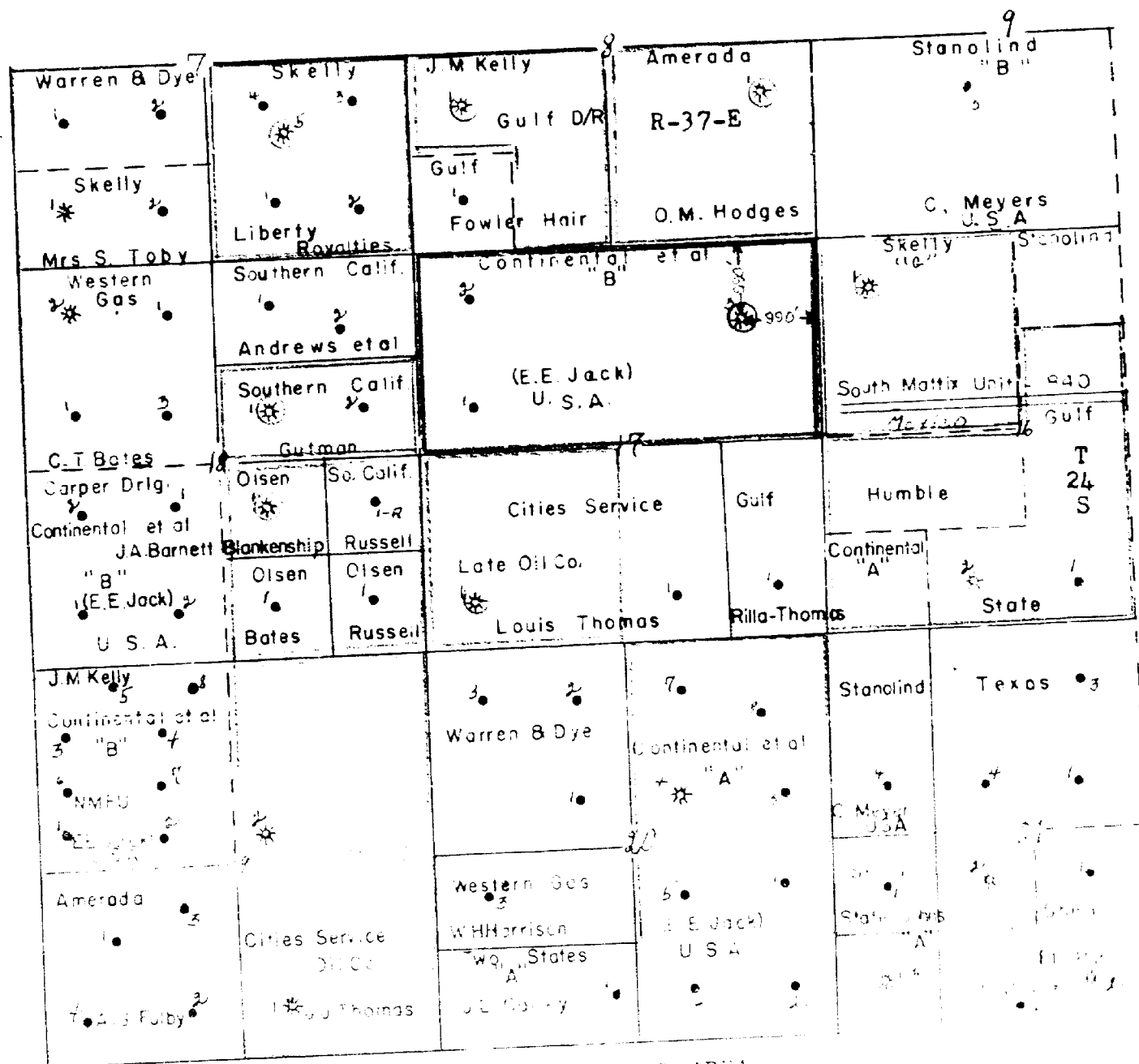
CASE 1216

Hearing Date 10 am on 3/1/57 at Hottel WWM

My recommendations for an order in the above numbered cases are as follows:

OK to approve 320 Ac NSP N/2 of Sec 17, T4S,  
Jalmat Gas Co R 320  
per Rule 8 of order R-520 g  
Jalmat Rules

Harold H. Hester  
Staff Member  
Executive



# JALMAT GAS POOL AREA CONTINENTAL OIL COMPANY - JACK B-17 LEASE

## LEGEND

- Existing Gas Unit
- Proposed Gas Unit —
- Existing Gas Well (C)
- Offset Gas Well
- Offset Gas Unit

Scale: 1" = 2,000'

Case No. 1216  
Exhibit No. 1





Case #1216

## CONTINENTAL OIL COMPANY

PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

R. L. ADAMS  
DIVISION SUPERINTENDENT  
OF PRODUCTION  
NEW MEXICO DIVISION

January 28, 1957

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Application for enlargement  
of 13r unit for Continental  
Oil Company's Jack B-17  
well No. 3, Jalmat Pool

Gentlemen:

We forward herewith application in triplicate for  
hearing on the above application. It is respectfully requested  
that hearing be set at the earliest convenient date.

Yours very truly,

*R. L. Adams*

RLA:AO

Case #1216

Case #1216

4 2 3 2 2 1

4 2 3 2 2 1

- 4 2 3 2 2 1

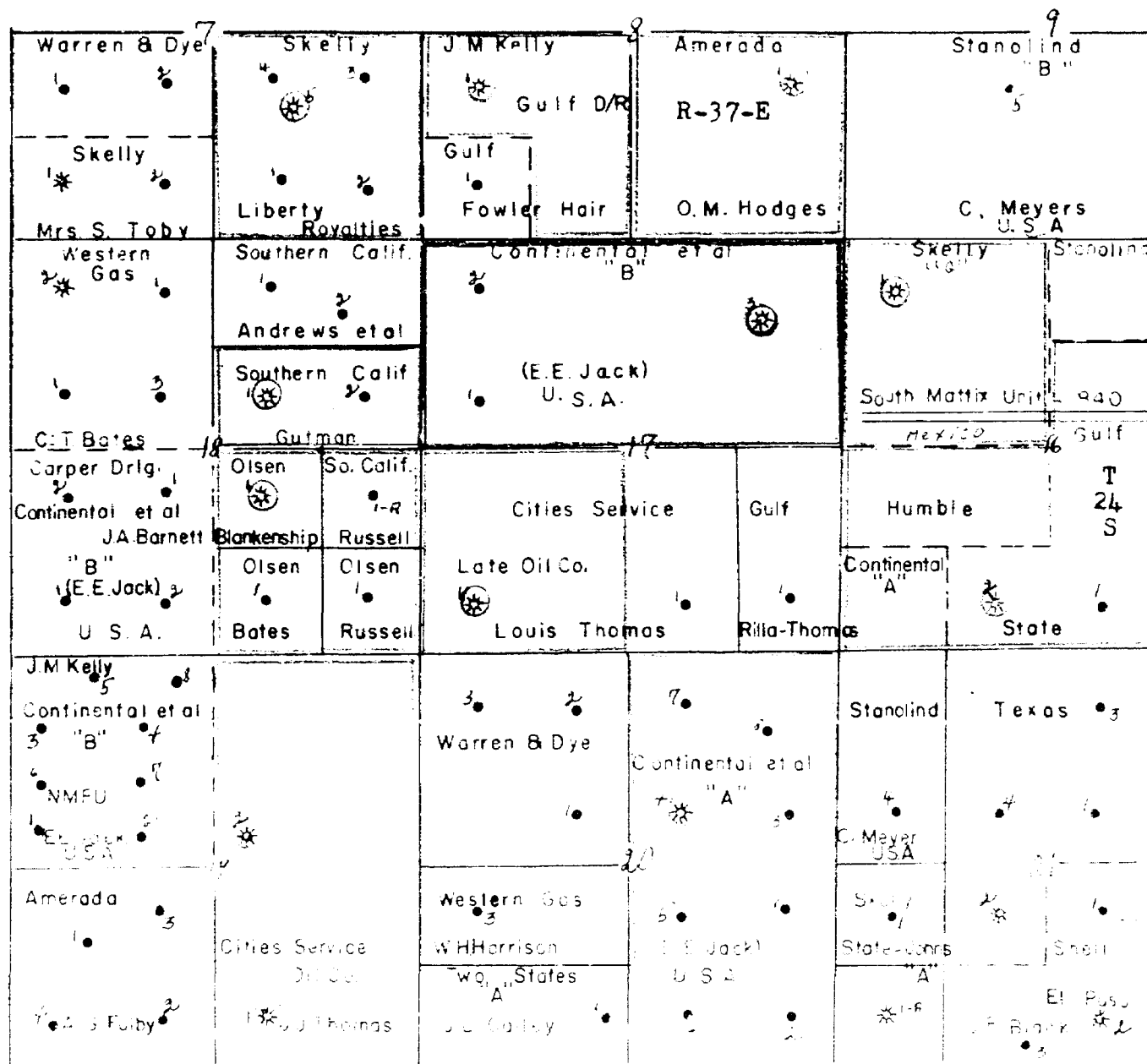
5. That the cost of the economic effect of allocating said acreage for Jaland Pool for production is to establish a 375 acre non-standard gas proration unit for assignment to the Jack A-17 well No. 3 as proposed herein.

Wherefore applicant requests that this application be set for hearing before the Commission's duly appointed examiner in Hobbs, New Mexico; that appropriate notice thereof be given; and that upon hearing an order be entered granting applicant an exception to rule 5 (A) of the special rules and regulations for the Jaland gas pool contained in order R-520 for the non-standard gas proration unit described above.

Respectfully submitted,  
CONTINENTAL OIL COMPANY



R. L. Adams  
Division Superintendent  
of Production  
New Mexico Division



JALMAT GAS POOL AREA  
CONTINENTAL OIL COMPANY - JACK B-17 LEASE

LEGEND

Existing Gas Unit      Offset Gas Well  
Proposed Gas Unit —   Offset Gas Unit  
Existing Gas Well ○

Scale: 1" = 2,000'

Case No.  
Exhibit No.