

CASE 1709: Application of CONTINENTAL  
for a 180-acre non-standard gas pro.  
unit in undesignated Tubb gas pool.  
(Britt B-15 Well No. 9 - Lea Co. OK.)

Casa No.

1709

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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 NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 1709  
Order No. R-1449

APPLICATION OF THE CONTINENTAL  
OIL COMPANY FOR A 160-ACRE NON-  
STANDARD GAS PRORATION UNIT IN  
AN UNDESIGNATED TUBB GAS POOL,  
LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on July 8, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 8<sup>th</sup> day of July, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, is the operator of the W/2 SE/4 and the E/2 SW/4 of Section 15, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the operator of the Britt B-15 Well No. 9, located 1980 feet from the South line and 1980 feet from the East line of said Section 15.

(4) That the applicant proposes the establishment of a 160-acre non-standard gas proration unit in an undesignated Tubb gas pool consisting of the W/2 SE/4 and the E/2 SW/4 of the said Section 15 to be dedicated to the said Britt B-15 Well No. 9.

(5) That it would be impractical to communitize the adjoining acreage to form a standard gas proration unit.

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Case No. 1709  
Order No. R-1449

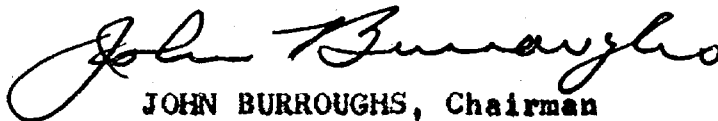
(6) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That a 160-acre non-standard gas proration unit in an undesignated Tubb gas pool, consisting of the W/2 SE/4 and the E/2 SW/4 of Section 15, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the applicant's Britt B-15 Well No. 9, located 1980 feet from the South line and 1980 feet from the East line of said Section 15.

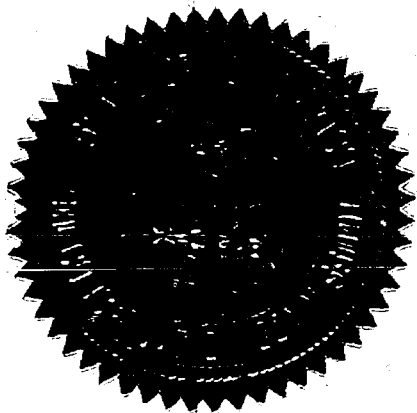
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JOHN BURROUGHS, Chairman

  
MURRAY E. MORGAN, Member

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



vem/

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1709

TRANSCRIPT OF HEARING

JULY 8, 1959

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE NEW MEXICO  
Phone CHapel 3-6691

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
JULY 8, 1959

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IN THE MATTER OF:

CASE 1709 Application of Continental Oil Company for a :  
160-acre non-standard gas proration unit. Ap- :  
plicant, in the above-styled cause, seeks the :  
establishment of a 160-acre non-standard gas :  
proration unit in an undesignated Tubb gas :  
pool consisting of the E/2 SW/4 and the W/2 :  
SE/4 of Section 15, Township 20 South, Range :  
37 East, Lea County, New Mexico, said unit to :  
be dedicated to applicant's Britt B-15 Well :  
No. 9 located 1980 feet from the South and :  
East lines of said Section 15. :  
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BEFORE:

Daniel S. Nutter, 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. NUTTER: Take next Case 1709.

MR. PAYNE: Case 1709. Application of Continental  
Oil Company for a 160-acre non-standard gas proration unit.

MR. KELLAHIN: Jason Kellahin of Kellahin & Fox, Santa  
Fe, representing the applicant. We have the same witness, Mr.  
Queen.

JOHN A. QUEEN,  
called as a witness, having been previously duly sworn, testified  
as follows:

CROSS EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A John A. Queen.

Q And are you the same Mr. Queen who testified and qualified as an expert in the preceding cases, --

A Yes, sir.

Q -- and were sworn in those cases?

A Yes, sir.

Q Mr. Queen, are you familiar with the application in Case 1709?

A I am.

Q Would you briefly state what is proposed by that?

A The application in Case 1709 is to set up a proration unit which would be an N.S.P. of 160 acres for the Britt B-15 No. 9, a recent discovery in the Tubb gas pool.

Q Would you briefly review the history of that well?

A This well was producing from a lower formation prior to a plugback and test in the Drinkard formation and Tubb formation. There are no surrounding wells producing from the Tubb formation. I believe the nearest Tubb production is approximately five miles to the southeast of the subject well. Therefore, this well is a discovery well for the Tubb gas zone and the Drinkard oil zone.

Q Now, what results did you get on any tests made in the

4  
Tubb and Drinkard formations?

A The Tubb zones on test had a calculated open flow potential of 14,600 MCF per day with 117 barrels per day of 53 degree API gravity distillate.

Q Do you have a location plat of the area involved in this application?

A We do have, and we would like to admit it as Exhibit No. 1.

(Thereupon, the document above referred to was marked Continental's Exhibit No. 1 for identification.)

Q Now, referring to Exhibit No. 1, would you state what that shows?

A Exhibit No. 1 is a plat of the area surrounding the Britt B-15 No. 9, showing the owners of each lease, and the name of each lease, and the location thereof.

Q Now, referring to the plat, Mr. Queen, why is it not practical to form a standard unit in this area?

A As shown on the plat, by a long line and a short line, the southeast Monument unit lies in the southeast portion of Exhibit No. 1. The area cross-hatched outside of that unit to the north and northwest, is still Federal acreage operated by the New Mexico Federal unit of which Continental Oil Company is the operator. The area shown in white, surrounding, is owned and operated by other companies as shown. The southeast Monument unit has a



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participating formula and operation and accounting system of its own. If the Britt B-15 No. 9 was given a hundred and sixty acres, consisting of the SE/4 of Section 15, which is a legal quarter section, this would consist of unitizing acreage inasmuch as if it was owned by another company, and would entail considerable time and effort on the part of Continental Oil Company and the U. S.G.S. in such matter.

Q Is there a difference in the accounting procedure in the southeast Monument unit and the adjacent acreage?

A That is correct. The E/2 of the E/2 of Section 15 lies in the southeast Monument unit, and the remaining portion of Section 15 is accounted under an entirely separate accounting system.

Q And that is in the New Mexico Federal unit, is it?

A That is a New Mexico unit, S.E.M.U. property.

Q Is there a number of owners in each unit?

A There is. There are four owners outside, and inside the owners are the same.

Q In your opinion, is it practical to attempt to communitize this acreage?

A No, sir, from an economical standpoint it is not.

Q In your opinion, would the granting of the application result in protection of correlative rights of the owner and be in the interest of conservation?

A It would.

Q Was Exhibit No. 1 prepared by you or under your direction?

A It was.

MR. KELLAHIN: At this time we would like to offer Exhibit No. 1 in evidence.

MR. NUTTER: Continental's Exhibit No. 1 will be received in evidence.

(The document heretofore marked Continental's Exhibit No. 1 was received in evidence.)

MR. NUTTER: Any questions of Mr. Queen?

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Queen, it is established that this is a Tubb gas well, is that right?

A That is correct, sir.

Q And the request here for a non-standard unit, it is only non-standard because of the particular acreage that you are dedicating, --

A That's correct.

Q -- and standard insofar as the 160 acres is concerned?

A That is correct.

MR. PAYNE: That is all. Thank you.

QUESTIONS BY MR. NUTTER:

Q Is this well a discovery in the Tubb formation?

A In the Drinkard, yes, sir. We have a present tenta-

tive program consisting of wells to the south, east and north, and we would have from there on out.

Q What acreage is to be dedicated to the Drinkard completion?

A The Drinkard is an oil zone and, therefore, the 40-acre tract consisting of the NE/4 of the proposed unit would be given to the Drinkard formation; it would be a standard 40-acre tract.

Q The NW/4 of the SE/4 of Section 15 would be dedicated to the Drinkard completion?

A That is correct.

MR. NUTTER: Any further questions?

QUESTIONS BY MR. PORTER:

Q Mr. Queen, did you compute the gas ratio of the well?

A It has been computed, and offhand I do not have it. I could calculate that for you in just a minute, if you would like.

MR. NUTTER: Would you do that, please, Mr. Queen?

A I believe that would be 133,000 GOR, gas-oil ratio.

Q (By Mr. Porter) Did you testify as to when the well was completed?

A Completed?

Q Yes.

A No, sir, I did not give that statement, I do not believe. Let's see, it was completed January 27, 1957 as an oil well.

It was plugged back and tested in the Tubb zone in 1959, approximately one month ago. I do not have that exact date with me.

Q Since that plug back, you probably haven't had occasion to observe whether the ratio is going up or down?

A No, sir, we have not. We recently made application for dual completion to this well, and it has not been adequately produced.

MR. PORTER: That's all I have.

MR. NUTTER: Any further questions of Mr. Queen?

A I would like to make a statement. We believe it is definitely going to go up instead of down.

MR. NUTTER: No further questions, Mr. Queen may be excused.

(Witness excused)

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1709? Take the case under advisement.

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Joseph A. Trujillo  
NOTARY PUBLIC

K. K. K., Examiner  
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 7-20-59

CASE NO. 1709

HEARING DATE 9am 7-8-59

DSN @ SF

My recommendations for an order in the above numbered case(s) are as follows:

Enter an order <sup>approving</sup> ~~authorizing~~ the applicant,  
Conit Oil Co's, request for a 160-acre  
non-standard gas probation unit for  
its Britt B-15 Well No. 9 1980' FSL  
and 1980' FEL of Section 15, T20S,  
R37E, NMPM, Lea Co. N. Mex.

Said well is completed as a gas well  
in an undesignated Tubo Gas Pool  
Find that it would be impractical to  
communitize the adjoining acreage to  
form a stand gas probation unit.  
Non-std unit is to consist of w/2 SE/4 Sec 15  
and E/2 SW/4 Sec 15, T20S R37E NMPM  
Lea Co, N. Mex

Staff Member

DOCKET: EXAMINER HEARING JULY 8, 1959

OIL CONSERVATION COMMISSION, 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE

The following cases will be heard before Daniel S. Nutter, Examiner, or  
A. L. Porter, Jr., Secretary-Director.

- CASE 1707: Application of Continental Oil Company for two non-standard oil proration units. Applicant, in the above-styled cause, seeks the establishment of two non-standard oil proration units for Delaware production, one 49.8-acre unit to consist of lots 1 and 2 of partial Section 35, Township 26 South, Range 32 East, Lea County, New Mexico, the other 49.9-acre unit to consist of lots 3 and 4 of said partial Section 35. Said units are to be dedicated respectively to a well to be located 330 feet from the North and East lines of lot 1 and to a well to be located 330 feet from the North and East lines of lot 3, all in said Section 35.
- CASE 1708: Application of Continental Oil Company for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from an undesignated Delaware pool from three separate leases in Sections 25, 26, and 35, Township 26 South, Range 32 East, Lea County, New Mexico, after separately metering the production from each lease.
- CASE 1709: Application of Continental Oil Company for a 160-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in an undesignated Tubb gas pool consisting of the E/2 SW/4 and the W/2 SE/4 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's Britt B-15 Well No. 9 located 1980 feet from the South and East lines of said Section 15.
- CASE 1710: Application of The Atlantic Refining Company for the establishment of three non-standard oil proration units and for approval of an unorthodox oil well location. Applicant, in the above-styled cause, seeks the establishment of three 44.56-acre non-standard oil proration units in the Horseshoe-Gallup Oil Pool, the three units together to comprise all of lots 1, 2, 3, and 4 of Section 33, Township 31 North, Range 16 West, San Juan County, New Mexico, one unit to be dedicated to a well in said lot 1, another to a well in said lot 2, the other to a well in said lot 4. Applicant further seeks approval of an unorthodox location for the well in said lot 2,
- CASE 1711: Application of The Atlantic Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State "Y" Well No. 8, located in the SE/4 NE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Justis Blinbry Pool and from the Justis Fusselman Pool through parallel strings of tubing.
- CASE 1712: Application of Angels Peak Oil Company for a non-standard gas proration unit or in the alternative for a force pooling order. Applicant, in the above-styled cause, seeks the establishment of a 98.87-acre non-standard gas proration unit in the Fulcher Kutz-Pictured Cliffs Pool consisting of lots 1 and 2 of Section 10 and lots 3 and 4 of Section 11, both in Township 28 North, Range 11 West, San Juan County, New Mexico said unit to be

CASE 1712 (continued) dedicated to applicant's Angels Peak Well No. 5, located 285 feet from the North line and 1520 feet from the West line of said Section 11. Applicant proposes, in the alternative, to force pool all interests in the above-described acreage in said Fulcher Kutz-Pictured Cliffs Pool.

CASE 1713: Application of El Paso Natural Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hancock Well No. 3, located in the SW/4 SW/4 of Section 22, Township 28 North, Range 9 West, San Juan County, New Mexico, in such a manner as to produce gas from the Aztec-Pictured Cliffs Pool and to produce gas from the Blanco-Mesaverde Pool through the casing-tubing annulus and tubing respectively. Applicant proposes to utilize a retrievable-type packer in said well.

CASE 1714: Application of John H. Trigg for an order authorizing a pilot water flood project, for capacity allowables for seven wells in said project area, and for establishment of an administrative procedure for expansion of said project and for granting capacity allowables. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Caprock-Queen Pool in Chaves County, New Mexico. Applicant proposes to inject water into the Queen formation through 4 wells located in Sections 4 and 5, Township 14 South, Range 31 East. Applicant also seeks capacity allowables for seven wells in said project. Applicant further seeks the establishment of a procedure whereby the project area may be expanded and capacity allowables granted without notice and hearing.

CASE 1715: Application of Gulf Oil Corporation for permission to install a lease automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install automatic custody transfer equipment to receive and measure the oil produced from its B. V. Culp Lease consisting of the SW/4 NW/4, E/2 NW/4, and the NE/4 of Section 19, Township 19 South, Range 37 East, Lea County, New Mexico.

CASE 1716: Application of Northwest Production Corporation for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its "S" Lease Well No. 15-11, located in the NE/4 NE/4 of Section 11, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to produce oil from an undesignated Gallup oil pool and the production of gas from an undesignated Dakota gas pool through parallel strings of tubing.

CASE 1717: Application of Pan American Petroleum Corporation for an exception to the "No-Flare" provisions of Order No. R-1237. Applicant, in the above-styled cause, seeks an exception to the requirement in Order No. R-1237 that no casinghead gas be flared or vented from any well within the defined limits of the Otero-Gallup Oil Pool or within one mile therefrom for its Jicarilla Tribal 35 Well No. 1, located in the NW/4 SW/4 of Section 35, Township 25 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 1718: Application of Samedan Oil Corporation for an unorthodox oil well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox oil well location in the Kemnitz-Wolfcamp Pool for a well to be located 660 feet from the South and East lines of Section 20, Township 16 South, Range 34 East, Lea County, New Mexico, in exception to the spacing requirements for said pool as promulgated by Order No. R-1011.



CASE 1719: Application of Sinclair Oil & Gas Company to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks authority to commingle the production from the Penrose-Skelly Pool and the Paddock Pool from all wells on its Brunson lease comprising the NW/4 SW/4 of Section 3 and the W/2 SE/4 of Section 4, Township 22 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to commingle the production from the Hare Pool, Drinkard Pool and Tubb Gas Pool from all wells on said lease.

CASE 1720: Application of Skelly Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its W. P. Saunders Well No. 1, located in the SW/4 SE/4 of Section 11, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to produce oil from the Gallegos-Gallup Oil Pool and to produce oil from an undesignated Dakota pool through parallel strings of tubing.

CASE 1721: Application of Great Western Drilling Company for an automatic custody transfer system, for permission to commingle the production from separate leases, for permission to produce more than 16 wells into a common tank battery, and for an administrative procedure whereby wells may be produced in excess of top unit allowable. Applicant, in the above-styled cause, seeks an order authorizing installation of an automatic custody transfer system and for permission to commingle the Caprock-Queen Pool production from more than 16 wells located on separate leases within the confines of the North Central Caprock Queen Unit Area in Township 13 South, Ranges 31 and 32 East, Lea and Chaves Counties, New Mexico. Applicant further proposes the establishment of an administrative procedure whereby wells in said Unit Area may be permitted to produce in excess of top unit allowable for said Caprock-Queen Pool.



MAIN OFFICE CCC

# CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

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

June 5, 1959

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

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

Gentlemen:

Re: Continental Oil Company's  
Application for the Establish-  
ment of a Non-Standard Gas Pro-  
duction Unit of 160 Acres in an  
Undesignated Tubb Gas Pool, to  
be Allocated to its Britt B-15  
No. 9.

We are attaching three copies of Continental Oil  
Company's application for the establishment of a non-standard gas  
proration unit of 160 acres in an undesignated Tubb Gas Pool. The  
acreage is to consist of the E/2 SW/4, W/2 SE/4 Section 15-20S-37E,  
NMPM, Lea County, New Mexico, and will be allocated to the Britt  
B-15 Well No. 9.

Please set this application for hearing at the earliest  
convenient date.

Yours very truly,

RLA-BR  
Enc

MAIN OFFICE 666  
BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO  
JUN 8 AM 8:29

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR THE  
ESTABLISHMENT OF A NON-STANDARD GAS  
PRORATION UNIT OF 160 ACRES IN AN  
UNDESIGNATED TUBB GAS POOL CONSISTING  
OF THE E/2 OF THE SW/4 AND THE W/2 OF  
THE SE/4 OF SECTION 15, T-20-S, R-37-E,  
NMPM, LEA COUNTY, NEW MEXICO, TO BE  
ALLOCATED TO ITS BRITT B-15 WELL NO. 9.

APPLICATION

Comes now applicant, Continental Oil Company and petitions the Commission  
for an order approving a non-standard gas proration unit consisting of the E/2  
of the SW/4 and the W/2 of the SE/4 of Section 15, T-20-S, R-37-E, NMPM, Lea  
County, New Mexico, to be allocated to its Britt B-15 No. 9 well located 1980  
feet from the South and East Lines of said Section 15 and in support thereof  
would show:

1. That applicant is co-owner and operator of the Britt B-15  
lease consisting of the W/2 and the W/2 of the E/2 of  
Section 15, T-20-S, R-37-E, NMPM, Lea County, New Mexico.
2. That applicant drilled the Britt B-15 No. 9 well at a location  
1980 feet from the South and East Lines of said Section 15  
and completed it January 27, 1957, as an oil well in the Cass  
Oil Pool.
3. That said well is now plugged back from the Cass Oil Pool  
because of the depletion of recoverable oil reserves and has  
been recompleted as a dual completed well in an undesignated  
Drinkard Oil Pool and as a gas well in an undesignated Tubb  
Gas Pool.
4. That no part of the acreage comprising the E/2 of the SW/4  
and the W/2 of the SE/4 of said section 15 is allocated to a  
gas well and that all said acreage may reasonably be presumed  
to be productive of gas from the Tubb formation and should  
be allocated to a gas well in the interests of the prevention  
of waste and the protection of correlative rights.
5. That the most practical and economical method of allocating  
said acreage for gas production from the undesignated Tubb  
Gas Pool is to establish a 160 acre non-standard gas proration  
unit, as described above, for assignment to the Britt B-15  
well No. 9.

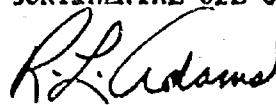
Wherefore, applicant prays that this application be set for hearing  
before the Commission's duly appointed examiner, that appropriate notice thereof  
be given, and that upon hearing an order be entered granting applicant the non-  
standard gas proration unit described above.

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Mailed  
6-25-59

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Case 1709

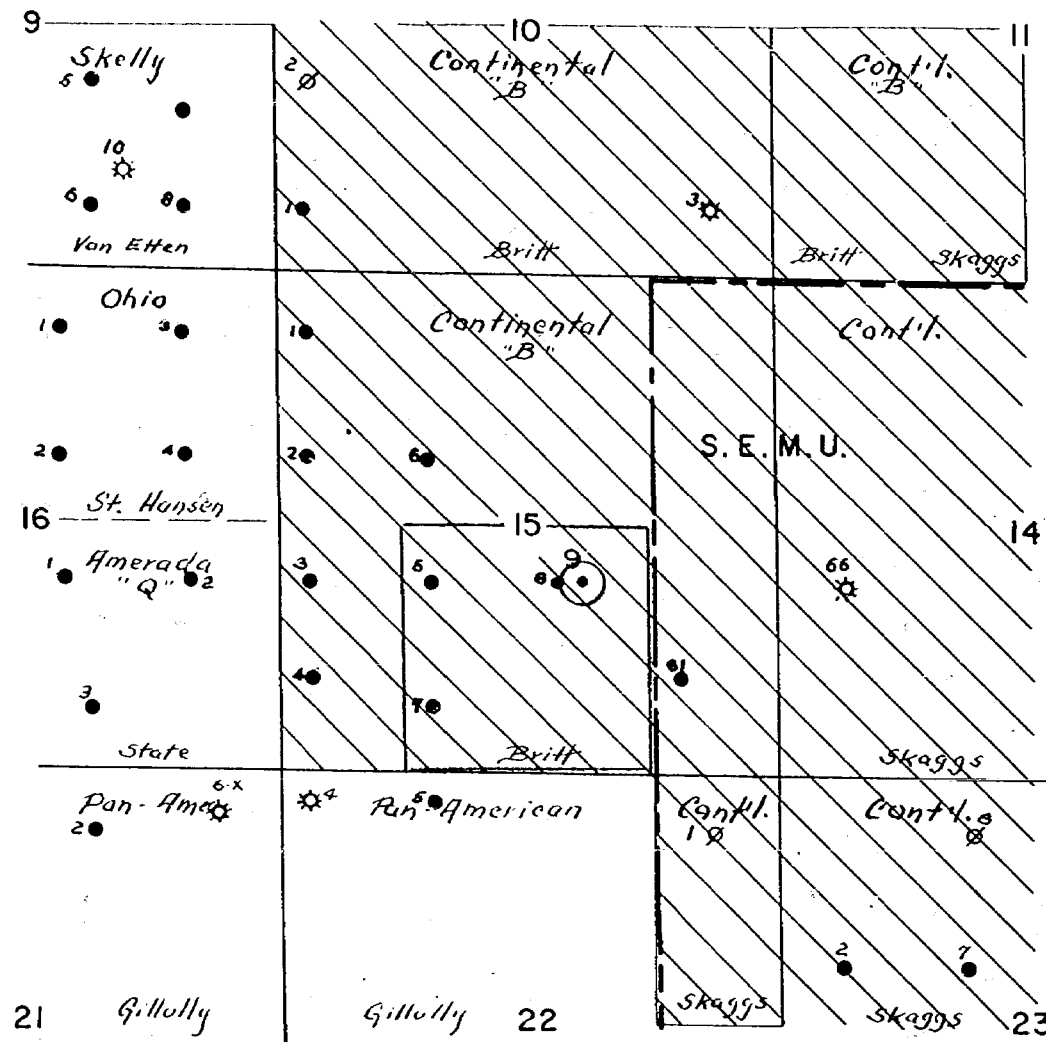
Respectfully submitted,  
CONTINENTAL OIL COMPANY



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

R-37-E

T  
20  
S



OWNERSHIP PLAT

CONTINENTAL OIL COMPANY  
Britt B-15 No.9

Lea Co., New Mexico.

Scale: 1" = 2000'

○ Dual Completion

—— Proposed Tubb Gas Unit

Continental Leases Cross-hatched.