

CASE 2390: Application of ~~CONFIDENTIAL~~
for a 130-acre non-standing and pro-
tection unit. (Stevens 2-7 Hall No. 1)

-asa//o.

2390

plication, Transcript,
all Exhibts. Etc.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

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

P. O. BOX 871
SANTA FE

October 16, 1961

Mr. Jason Kellahin
Kellahin & Fox
Box 1713
Santa Fe, New Mexico

Re: Case No. 2390 and 2391
Order No. A-2087 and A-2088
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 handwritten signature in cursive script, reading "A. L. Porter, Jr.", is written over the typed name.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon 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. 2390
Order No. R-2087

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 4, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, 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 13th day of October, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the S/2 of Section 7, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the above-described 320-acre gas proration unit to the Stevens B-7 Well No. 1, located 990 feet from the South line and 990 feet from the West line of said Section 7.

(4) That the Stevens B-7 Well No. 2 located in the SE/4 of said Section 7 has been assigned to a 160-acre non-standard gas proration unit, the total acreage of which is to be included in the proposed 320-acre non-standard gas proration unit.

(5) That the said Stevens B-7 Well No. 2 should be shut-in upon the establishment of the 320-acre non-standard gas proration unit and the production status of said well should be charged to the said 320-acre non-standard gas proration unit.

(6) That the proposed 320-acre non-standard gas proration unit is presumed to be productive of gas from the Jalmat Gas Pool.

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

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the S/2 of Section 7, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established. Said unit is to be dedicated to the Stevens B-7 Well No. 1, located 990 feet from the South line and 990 feet from the West line of said Section 7.

PROVIDED HOWEVER, That the Stevens B-7 Well No. 2 located in the SE/4 of said Section 7 shall be shut-in and the production status of said Stevens B-7 Well No. 2 shall be charged to the 320-acre non-standard gas proration unit.

(2) That the acreage factor for allowable purposes assigned to the above-described 320-acre non-standard gas proration unit shall bear the same ratio to a standard acreage factor as the acreage in said unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool.

(3) That the effective date of this order shall be November 1, 1961.

(4) 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



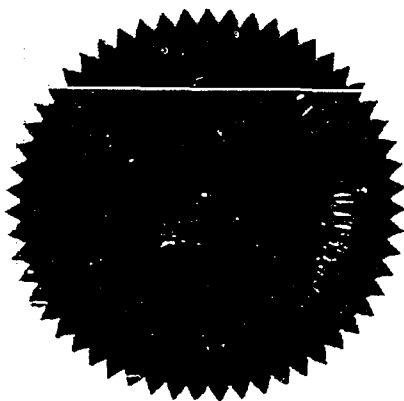
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/

Case 2340

Heard 10-4-61

Rec. 10-5-61

1. Grant Cont. request to abandon the unit consisting of the SE 1/4 sec. 7, 235-37 E and to include such acreage in the unit to be dedicated to the Stevens B-7 #1, 117-23-37 which will consist of the S 1/2 of said sec. 7.

320 Ac.

2. The Status ~~as of 10-1-61~~ of the Stevens B-7 #2 which is now dedicated to the SE 1/4 of said section shall be changed to the new unit, said unit shall be effective 10-1-61.

3. The #2 well is to be S.I.

Thos A. R.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 4, 1961

9:00 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, as alternate examiner:

CONTINUED CASE

CASE 2367: Application of Skelly Oil Company for an unorthodox gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the NE/4, NW/4 SE/4, N/2 SW/4 and SW/4 SW/4 of Section 17, Township 23 South, Range 37 East, Lea County, New Mexico; said unit is to be dedicated to the E. L. Steeler Well No. 7, located 1980 feet from the South line and 660 feet from the West line of said Section 17.

NEW CASES

CASE 2388: In the matter of the hearing called by the Oil Conservation Commission to permit Juan J. (John J.) Moya and all interested parties to appear and show cause why the Jones Well No. 1, located 1650 feet from the South line and 990 feet from the East line of Section 7, Township 30 North, Range 11 West, San Juan County, New Mexico, should not be plugged.

CASE 2389: Application of Shell Oil Company for approval of the Cabezon Unit Agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cabezon Unit Agreement embracing lands in Townships 16 and 17 North, Ranges 2, 3 and 4 West, Rio Arriba County, New Mexico.

CASE 2390: Application of Continental Oil Company for a 320-acre non-Standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the S/2 of Section 7, Township 23 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the Stevens B-7 Well No. 1, located 990 feet from the South and West lines of said Section 7.

CASE 2391: Application of Continental Oil Company for a 320-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the S/2 of Section 25, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Lynn B-25 Well No. 2, located 990 feet from the South and West lines of said Section 25.

CASE 2392: Application of Continental Oil Company for a 240-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the NW/4 and W/2 NE/4 of Section 23, Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Meyer B-23 Well No. 3, located 1980 feet from the North line and 660 feet from the West line of said Section 23.

CASE 2393: Application of Continental Oil Company for a 240-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the SE/4 and E/2 NE/4 of Section 23, Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Meyer B-23 Well No. 2, located 990 feet from the South line and 1650 feet from the East line of said Section 23.

CASE 2394: Application of Hondo Oil & Gas Company for permission to directionally drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to directionally drill a well to be located 2310 feet from the North line and 1980 feet from the East line of Section 26, Township 17 South, Range 28 East, Eddy County, New Mexico.

CASE 2395: Application of Nash, Windfohr & Brown for the establishment of a limiting gas-oil ratio in the Jackson-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a limiting gas-oil ratio of 4000:1 in the Jackson-Abo Pool in Township 17 South, Range 30 East, Eddy County, New Mexico.

CASE 2396: Application of C. W. Trainer for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate his Hobbs Well No. 1 at an unorthodox oil well location in the Hobbs Pool, 2545 feet from the North line and 1184 feet from the East line of Section 34, Township 18 South, Range 38 East, Lea County, New Mexico.

CASE 2397: Application of Reading and Bates, Inc. for a temporary exception to Rule 107 (d), Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a temporary exception to Rule 107 (d) to permit the production of oil from its Simms Federal Well No. 1 located in Section 34, Township 18 South, Range 30 East, North Benson Queen Pool, Eddy County, New Mexico, without installing tubing.

CASE 2398: Application of Ford Chapman for a 42.35-acre non-standard oil proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 42.35-acre non-standard oil proration unit in an undesignated Delaware pool comprising Lot 12, Section 34 and Lot 9, Section 35, all in Township 26 South, Range 29 East, Eddy County, New Mexico, said unit to be dedicated to the Curtis Hankamer Gulf-Federal Pipkin No. 1 Well, located 330 feet from the South line and 605 feet from the East line of said Section 34.

CASE 2399: Application of Texaco Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Paduca-Delaware Pool for its Cotton Draw Unit Well No. 54, located 1980 feet from the North line and 2339 feet from the East line of Section 28, Township 25 South, Range 32 East, Lea County, New Mexico.

CASE 2400: Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its C. H. Weir "A" Well No. 7, located in Unit L, Section 12, Township 20 South, Range 37 East, Lea County, New Mexico, as a triple completion in the Eumont Gas, Skaggs-Glorieta, and Skaggs-Drinkard Pools, with production of oil from the Drinkard and Glorieta zones to be through parallel strings of 2 3/8 inch tubing and the production of gas from the Eumont Gas Pool through the tubing-casing annulus.



CONTINENTAL OIL COMPANY

P. O. BOX 1377

ROSWELL NEW MEXICO

September 11, 1961

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

825 PETROLEUM BUILDING
TELEPHONE: MAIN 2-4202

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

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

Gentlemen:

Re: APPLICATIONS OF CONTINENTAL OIL COMPANY FOR THE ENLARGEMENT OF THE PRESENTLY APPROVED 160-ACRE NON-STANDARD GAS PRORATION UNITS TO 320-ACRE NON-STANDARD GAS PRORATION UNITS FOR ITS STEVENS B-7 NO. 1, SECTION 7, T-23S, R-37E, NMPM, AND ITS LYNN B-25 NO. 2, SECTION 25, T-23S, R-37E, NMPM, JALMAT GAS POOL, LEA COUNTY, NEW MEXICO, AND FOR THE ENLARGMENT OF THE PRESENTLY APPROVED 160-ACRE NON-STANDARD GAS PRORATION UNITS TO 240-ACRE NON-STANDARD GAS PRORATION UNITS FOR ITS MEYER B-23 NO. 2 AND ITS MEYER B-23 NC. 3 IN SECTION 23, T-22S, R-36E, NMPM, JALMAT GAS POOL, LEA COUNTY, NEW MEXICO

Forwarded herewith are three copies each of the subject applications by Continental Oil Company requesting administrative approval under the provisions of Rule 5 (c), Order No. R-1670 for the enlargement of the presently approved 160-acre non-standard gas proration units of the subject wells.

Your early consideration of these applications will be appreciated.

Yours very truly,

W. A. Mead

WAM-LD
CC: RGP HGD JWK JRP

W. A. Mead
9/14/61

P I O N E E R I N G I N P E T R O L E U M P R O G R E S S S I N C E 1 8 7 5

7-2-27
Bernalillo, New Mexico

SEP 11 1961

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

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

Subject: Application of Continental Oil
Company for Enlargement of a 160-acre
to a 320-acre Non-standard Gas Proration
Unit for its Stevens B-7 No. 1 in Section
7, T-23S, R-37E, NMPM, Jalmat Gas Pool,
Lea County, New Mexico

Gentlemen:

Continental Oil Company respectfully requests administrative approval under the provisions of Rule 5(c) of the General Rules and Regulations for Prorated Gas Pools of Southeast New Mexico of Order No. B-1670 for the enlargement of the presently approved 160-acre unit to a 320-acre non-standard gas proration unit consisting of the S/2 of Section 7, Township 23 South, Range 37 East, for its Stevens B-7 No. 1 well located 990 feet from the South and West lines of Section 7, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, in the Jalmat Gas Pool.

In support of this request, we should like to point out that the proposed unit conforms with the requirements of said Rule 5(c) in all respects as follows:

1. Said proposed unit consists of less than 640 acres.
2. Said proposed non-standard gas proration unit consists of contiguous quarter-quarter sections.
3. Said proposed non-standard gas proration unit lies wholly within a single governmental section.
4. The entire proposed non-standard gas proration unit may be reasonably presumed to be productive of gas from the Jalmat Pool.
5. The length or width of said unit does not exceed 5,280 feet.
6. Copies of this application have been furnished this date by registered mail to all offset operators and all operators within 1,500 feet of said well, as required by the provisions of said Rule 5(c).

A plat is attached hereto showing, to the best of our knowledge and belief the proposed unit, the location of the No. 1 well and other wells on the lease, offset wells and ownership thereof.

Said well was completed on December 21, 1947, and therefore is eligible for the tolerance permitted in Rule 5(b) of the special pool rules for the Jalmat Pool of Order No. B-1670.

The granting of this application is in the interest of preventing waste and the protection of correlative rights.

In view of the facts set out herein it is respectfully requested that the Commission enter an order approving the non-standard gas proration unit for Continental Oil Company's Stevens B-7 No. 1 well as described above.

W. A. Mead
W. A. MEAD
Division Superintendent
of Production
New Mexico Division

STATE OF NEW MEXICO)
COUNTY OF CHAVES) SS.

W. A. Mead, upon being duly sworn, deposes and says that he is the Division Superintendent of Production for Continental Oil Company, and as such is authorized to file the foregoing application; that he has read said application and knows the contents thereof, and that the statements therein are true, as he is credibly informed and believes.

W. A. Mead
(Signature)

Subscribed and sworn to before me this 11th day of

September, 1961.

Louis B. Houston

My Commission Expires:

5-25-64

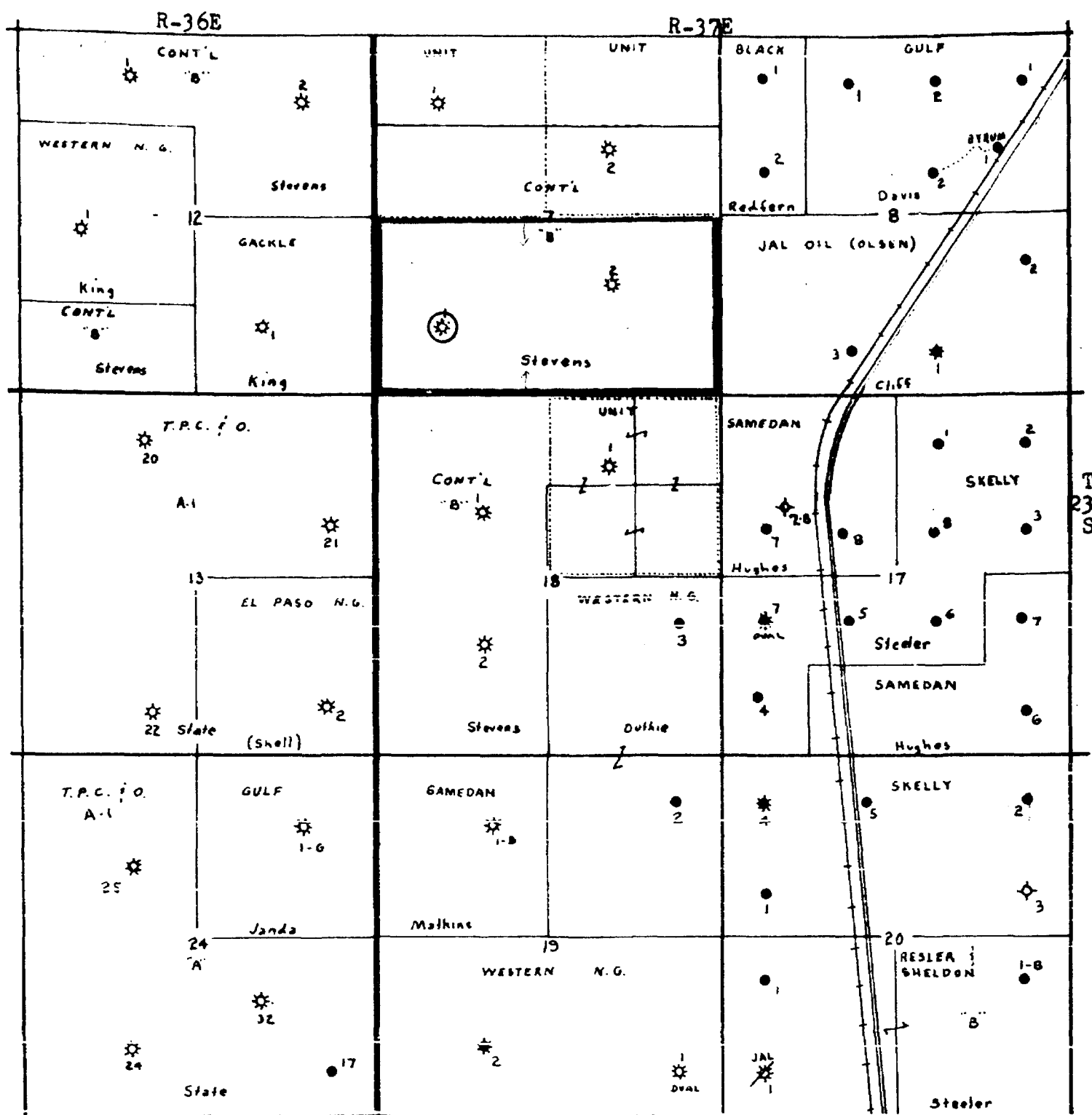
Copies to: MECC-3
RGP - 1
HGD - 1
JRP - 1
File - 1

Copies by registered mail to:

Texas Pacific Coal & Oil Co.
P. O. Box 1688
Hobbs, New Mexico

Albert Gackie
P. O. Box 2076
Hobbs, New Mexico

Sun Oil Company
P. O. Box 2792
Odessa, Texas



CONTINENTAL OIL COMPANY

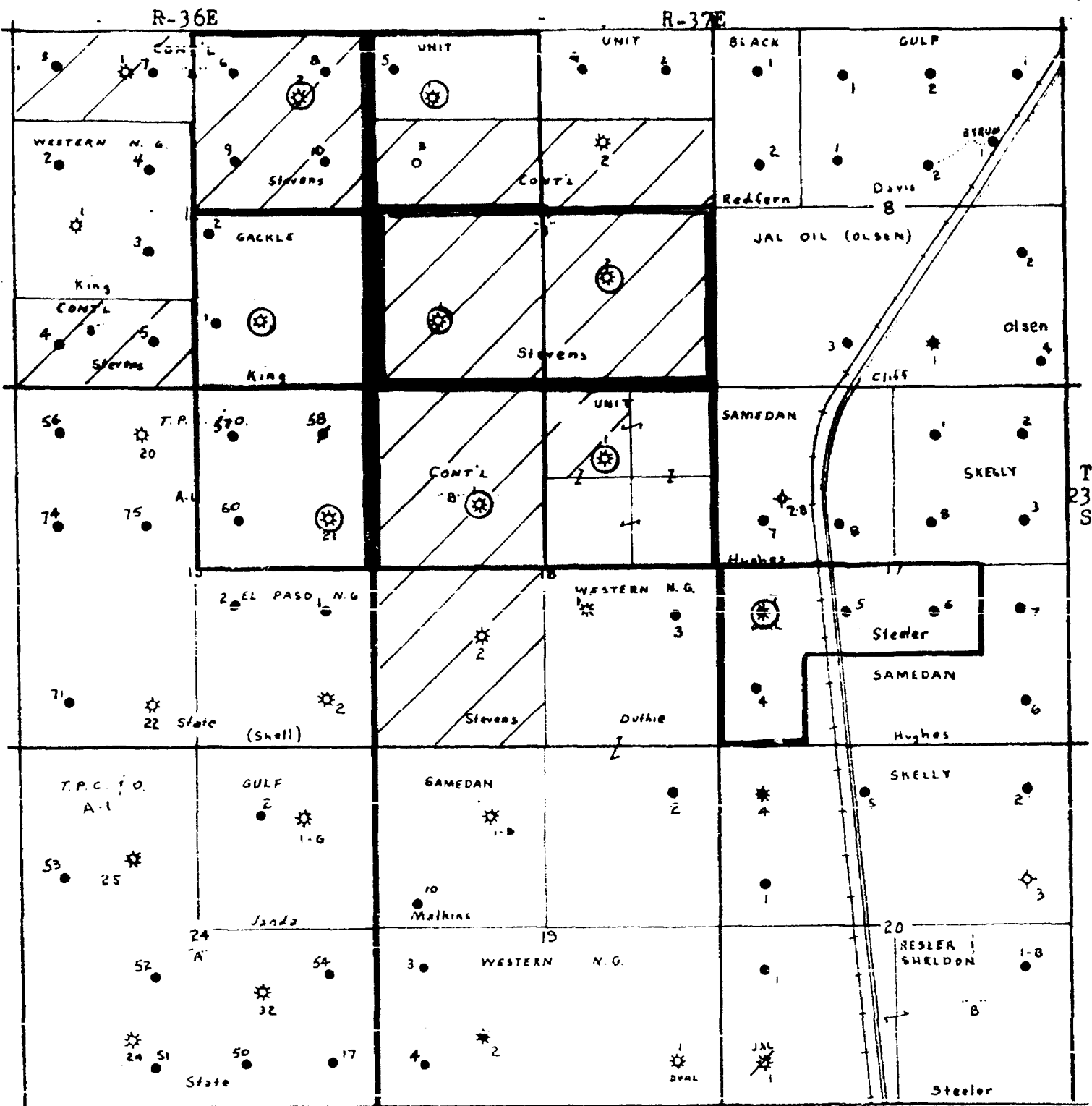
Stevens B-7, B-12, and B-18 Leases

Jalmat - Langlie Mattix Pools

Scale 1" = 2000'

Case 2390

By the Board of Directors
The following are hereby authorized to
represent the Board in all matters
the official approval of the
Board of Directors.
For each member for submission
for administrative approval the
average and minimum number of
submissions per month or quarter
when the per rotation was
set upon the new system did
not follow the previous rules.
Therefore some additional
actions to allow for the
large administrative approval
approval. To not allow for
it certain to be done with
collaboration to set more for better



CONTINENTAL OIL COMPANY

Stevens B-7, B-12, and B-18 Leases

Jalmat - Langlie Mattix Pools

Scale 1" = 2000'

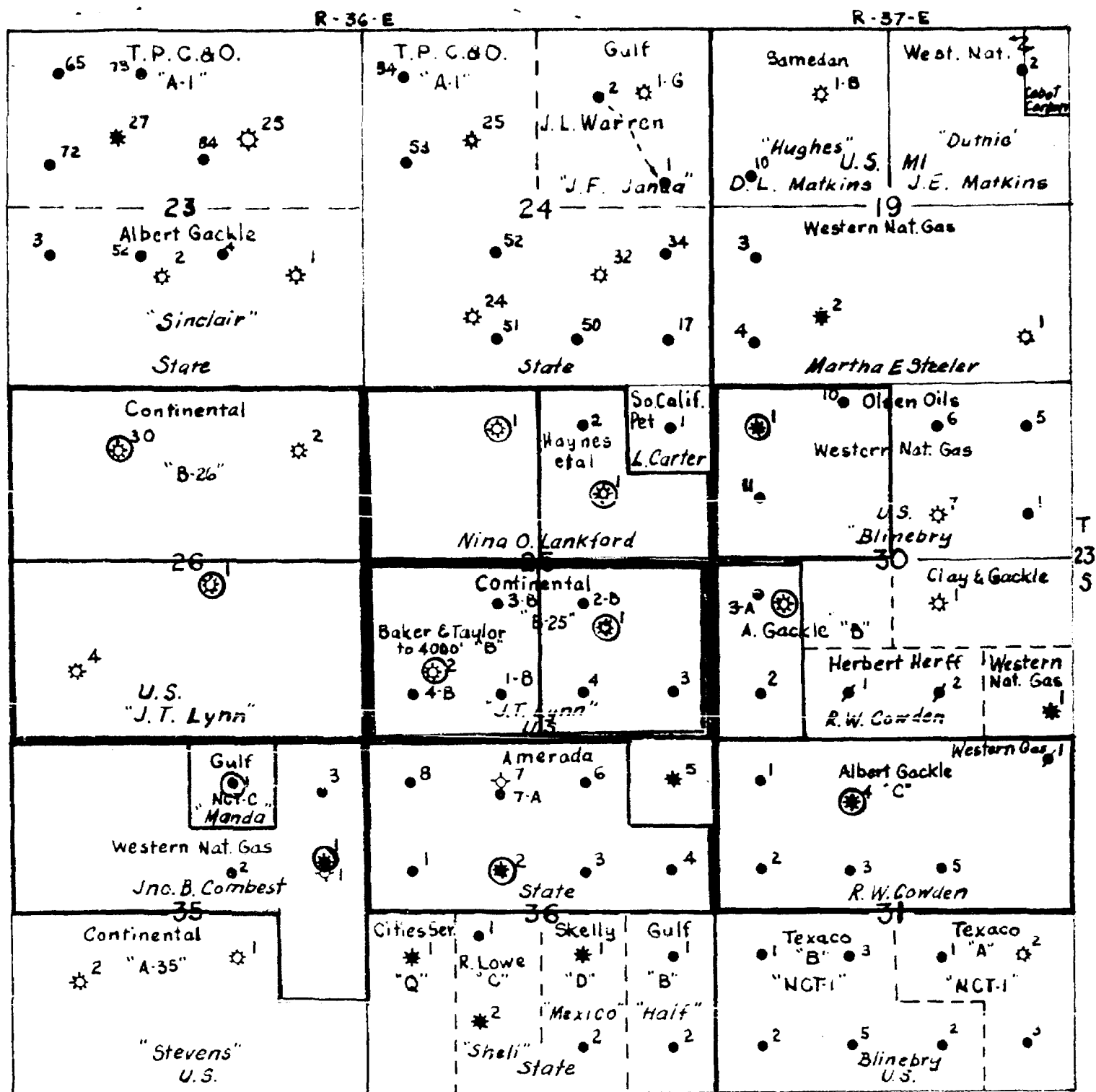
Stevens B-7 No. 1 ○

Proposed Gas Proration Unit ———

Approved Gas Unit Well ○

Approved Gas Proration Unit ———

Case 2370



CONTINENTAL OIL COMPANY
LOCATION AND OWNERSHIP PLAT

Scale: 1" = 2,000'
Lynn B-25 No. 2
Proposed Gas Unit

Approved Gas Unit Well (O)
Approved Gas Unit —

File 2390

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

BEFORE THE OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

CASE NO. 2390

IN THE MATTER OF: Application of Continental Oil Company
for a 320-acre non-standard gas proration
unit, Lea County, New Mexico.

TRANSCRIPT OF HEARING

OCTOBER 4, 1961



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 4, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company
for a 320-acre non-standard gas proration
unit, Lea County, New Mexico. Applicant,
in the above-styled cause, seeks the es-
tablishment of a 320-acre non-standard
gas proration unit in the Jalmat Gas Pool,
comprising the S $\frac{1}{2}$ of Section 7, Township
23 South, Range 37 East, Lea County, New
Mexico, said unit to be dedicated to the
Stevens B-7 Well No. 1, located 990 feet
from the South and West lines of said
Section 7.

CASE NO.
2390

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

EXAMINER UTZ: We will call Case No. 2390.

MR. MORRIS: Application of Continental Oil Company
for a 320-acre non-Standard gas proration unit, Lea County, New
Mexico.

VICTOR T. LYON,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6611

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325 1182

ALBUQUERQUE, N. M.
PHONE 243 6691

Q Would you state your name, please?

A Victor T. Lyon.

Q By whom are you employed and in what position?

A I am employed by Continental Oil Company as a District Engineer, Eunice District.

Q You have testified before the Commission and have had your qualifications made a matter of record?

A I have.

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

MR. UTZ: Yes, they are.

Q (by Mr. Kellahin) Are you familiar with the Application of Continental Oil Company in Case No. 2390?

A Yes, sir.

Q State briefly what is proposed in this Application?

A The application in Case No. 2390 is for the enlargement to 320 acres of presently-approved 160-acre unit allocated to the Stevens B-7 Well No. 1, located 990 feet from the South and West Lines of Section 7.

Q Referring to what has been marked Applicant's Exhibit 1, would you discuss the information shown in that exhibit?

A Yes, sir. Exhibit 1 is a location-ownership plat showing the Stevens B-7 lease and well drilled thereon. The lease is in the immediate area and wells drilled on those



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 241-6691

leases. It also -- let me explain this: The Stevens B-7 lease consists of the S $\frac{1}{2}$ N $\frac{1}{2}$ of Section 7, Township 23 South, Range 37 East in Lea County, New Mexico. The N $\frac{1}{2}$ of Section 7 is communitized for the Jalmat gas production referred to as the Stevens B-7 unit. The proposed unit for Stevens B-7 Unit No. 1 is shown outlined in red and consists of the S $\frac{1}{2}$ of Section 7. This Exhibit also shows circled in green all the wells which are producing from the Jalmat Pool and acres allocated to them outlined in green.

Q Referring to what has been marked Exhibit No. 2, would you identify and discuss that exhibit?

A Yes, sir.

MR. KELLAHIN: Do you all need additional copies?

MR. UTZ: No.

A (by Mr. Lyon) Exhibit No. 2 is a structure map showing the structural configuration on top of the Yates formation in the area of the Stevens B-7 lease. The proposed unit is again shown in red and the proposed unit well is shown circled in red.

Q On the basis of the information shown on that exhibit and the location of offsetting gas wells, in your opinion is all the acreage you propose to dedicate to the subject well productive of gas from the formation?

A Yes, sir. The acreage which we propose to add to the No. 1 well is currently allocated to the No. 2 well which is



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1102

ALBUQUERQUE, N. M.
PHONE 243-6591

productive from the Jalmat pool and so carried on the proration schedule at the present time.

Q What would you propose to do with your No. 2 well?

A To shut it in.

Q Do you have any deliverability tests on your Stevens B-7 Well No. 1?

A Yes, sir. Exhibit No. 3 is a copy of the Form C-122C showing the deliverability test conducted on the well during the month of May, 1961. It shows this well has a deliverability of 80% of shut-in pressure of 4,550 MCF per day.

Q Would that well be able to make a "B" allowable to be assigned to the 320 acre unit?

A Yes, very easily.

Q In your opinion, will the approval of this proposed unit be in the interests of protecting correlative rights of the persons owning interests under this lease?

A Yes, sir.

Q Is the ownership common throughout the acreage involved here?

A Yes, it is.

Q Both as to the working interest and royalty ownership?

A Yes, sir.

Q All of it lies within a single governmental section, is that correct?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1192

ALBUQUERQUE, N. M.
PHONE 243-6691

A Yes, it does.

Q The only factor affected which requires the hearing on this case, Mr. Lyon, is the well location, is that correct?

A That is correct.

Q Does the fact that the well is so located on the proposed unit in your opinion impair anyone's correlative right?

A I don't believe it will.

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

A Yes, sir.

MR. KELLAHIN: We offer in evidence Exhibits 1, 2, and 3.

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

MR. KELLAHIN: That's all I have.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Lyon, what was the status of the No. 2 well, the latest status, do you know?

A I don't have the schedule with me. I think that it is -- I am not sure that it is in balance. I think that it is. It is certainly capable of producing its allowable.

Q Would you agree that it might be six times overproduced and shut-in for that reason?

A It may be. I am sorry I didn't bring my production



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 2-13 6691

schedule.

Q 57,911?

A I didn't realize it was that far overproduced.

Q And, likewise, you don't know what the status is of the No. 1 well?

A No, I don't.

Q Does the well seem to be underproduced something like 22,000,000? I was wondering why you would want to shut in the overproduced well and dedicate more acreage to the underproduced well?

A Well, as I say, I was not aware of the current status of the well. I feel that it is probably due to the fact that El Paso customarily slows down production during the warmer months of the year on their better wells to reserve the allowable so that it can be produced during high demand periods. I think this is the reason for the status of these wells. Of course, the reason we want to make this change in dedication of acreage in the No. 2 well, No. 1 well has a higher deliverability.

Q What is it on the No. 1? 1126?

A Yes, sir.

Q Do you foresee any future time that you will want to produce the No. 2 again and again change the acreage dedication?

A It is possible. If something happened to the No. 1



well that it was unable to produce, we could certainly consider producing No. 2 again.

Q What is the acreage dedication?

A That well -- that depends on the circumstances.

Q This 260-acre unit has been infected for some time?

A Yes, I think they have been infected since the beginning of gas proration in 1954.

EXAMINER UTZ: Are there any other questions of the witness?

Are there any other statements in this case?

This witness may be excused and the case will be taken under advisement.

* * * *

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325 1182


ALBUQUERQUE, N. M.
PHONE 243 6601



STATE OF NEW MEXICO)
COUNTY OF SAN JUAN) ss.

I, THOMAS F. HORNE, Notary Public in and for the County of San Juan, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 27 day of October, 1961, in the City of Farmington, County of San Juan, State of New Mexico.


Notary Public

My commission expires:

10-2-65

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of _____ heard by me on _____, 19 _____.

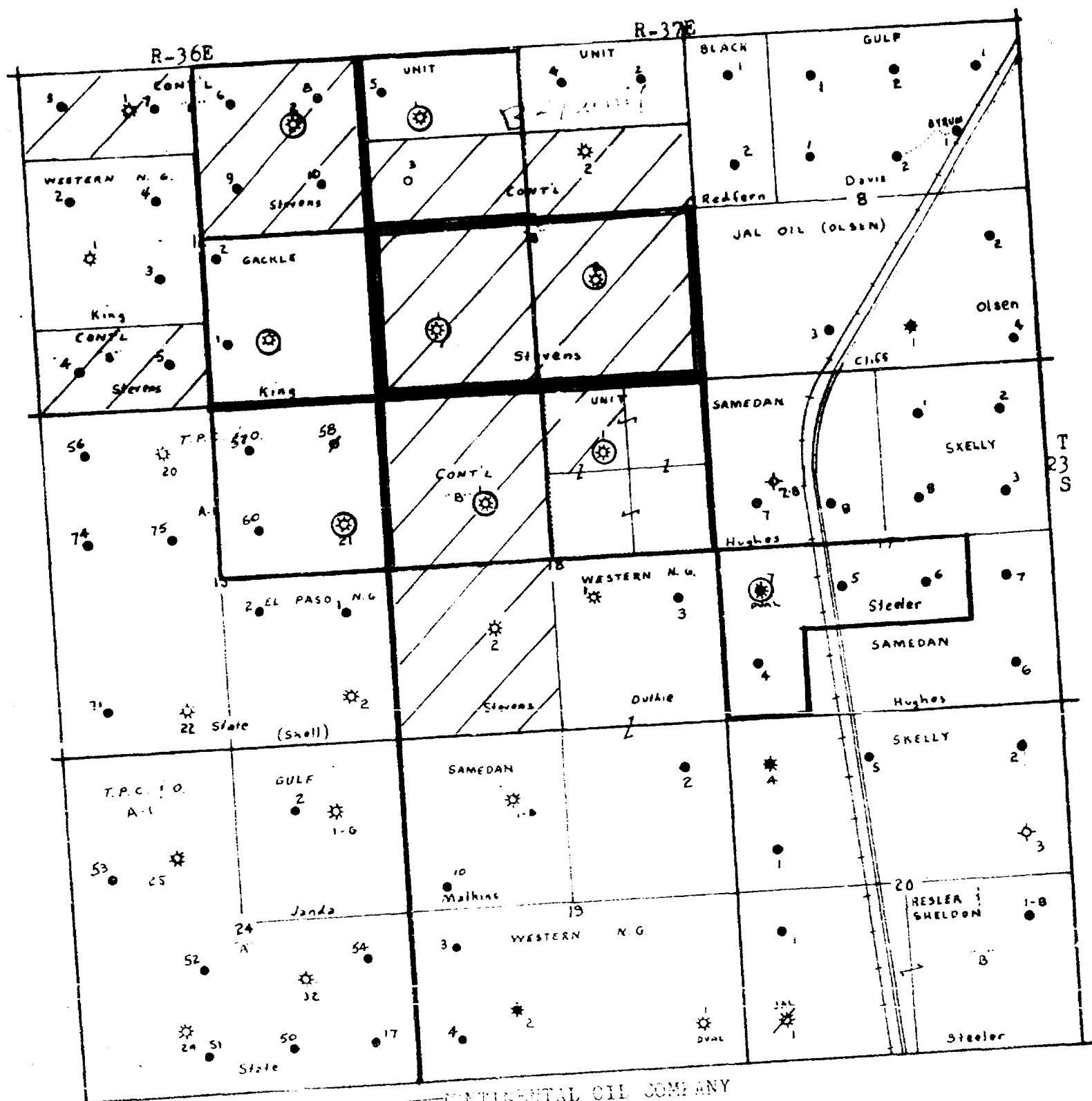
_____, Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325.1182

ALBUQUERQUE, N. M.
PHONE 243.6691





CONTINENTAL OIL COMPANY
 BEFORE EXAMINER UTZ
 OIL CONSERVATION - 1000' - 1000'
 AP EXHIBIT NO. 1
 CASE NO. 2390
 Stevens B-7, 1-12, and B-18 Leases
 Jalmat - Lonellie Mattix pools
 Scale 1" = 2000'

Stevens B-7 No. 1 ○
 Proposed Gas Proration Unit —

Approved Gas Unit Well ○
 Approved Gas Proration Unit —

Jalandar Formation Yates & Severn Rivers
 Annual ☒ Special ☐
 Continental Oil Company Lease Stevens E-7
 No. 7 Rec. 37 Purchaser El Paso Natural Gas Company
 5-1/2" 7 23 5.012 2789 2789 2789
 2-3/8 14 1.995 2922 2922 2922
 2789 3425 3425 1905 Single
 Tubing X Type Single-Branchhead-2" or 3"

Started Date	Time	Stopped Date	Time	Duration Hours	Type	Line Size	Orifice Size	Static Press.	Differential	Flow Temp.
5-22	11:45 AM	5-23	11:45 AM	24	FLG	4"	1.250	563	75.69	72°

Static Pressure P _r	Differential h _w	Meter Extension P _r h _w	24-Hour Coefficient	Gravity Factor F _g	Temp. Factor F _t	Compressibility F _{pv}	Rate of Flow MCF/Da. @ 15.025 psia
576.2	75.69	208.84	9.643	.9593	.9887	1.057	2,119

SHUT-IN DATA					FLOW DATA			
Shut-in		Press. Taken		Duration Hours	Wellhead Pressure (P_c) psia		W.H. Working Pressure (P_w) and (P_t) psia	
Date	Time	Date	Time		Tubing	Casing	Tubing	Casing
5-23	11:45 AM PM	5-24	11:45 AM	24	678.2	828.2	584.2	800.2
		5-25		48	680.2	846.2		
		5-26	PM	72	680.2	867.2		
FROM CALCULATIONS (if necessary)					SUMMARY			
					$P_c =$ 680.2 psia			

FRICITION CALCULATIONS (if necessary)

$$P_w^2 = (584.2)^2 + (9.926 \times 2,019)^2 \cdot 123 = 390.8$$

$$P_w = 625.1$$

DELIVERABILITY CALCULATIONS

$$P_w = 625.1 \quad P_c = 680.2 \quad P_w + P_c = 1305.3$$

$$1 - \frac{P_w}{P_c} = 1 - \frac{625.1}{680.2} = 0.0810$$

$$1 + \frac{P_w}{P_c} = 1 + \frac{625.1}{680.2} = 1.919$$

$$0.36 + M = 2.317$$

$$\log 0.364926 = -0.438$$

$$x(n) = 0.967$$

$$1 - \frac{P_w}{P_c} \left| 1 + \frac{P_w}{P_c} \right| = 0.154$$

SUMMARY

P_c = 680.2 psia
 Q = 2019 MCF/Da.
 P_w = 625.1 psia
 P_d = 544.2 psia
 D = 4590 MCF/Da.

$$= 0.352093$$

$$\log Q = 2.305136$$

$$\log D = 3.658019$$

$$\text{Antilog} = 4590$$

COMPANY Continental Oil Company
 ADDRESS Box 64, Houston, Texas
 AGENT and TITLE J. H. [Signature]
 WITNESSED
 COMPANY
 10000-3 JPM NAM File

REMARKS Bridge In Cag.