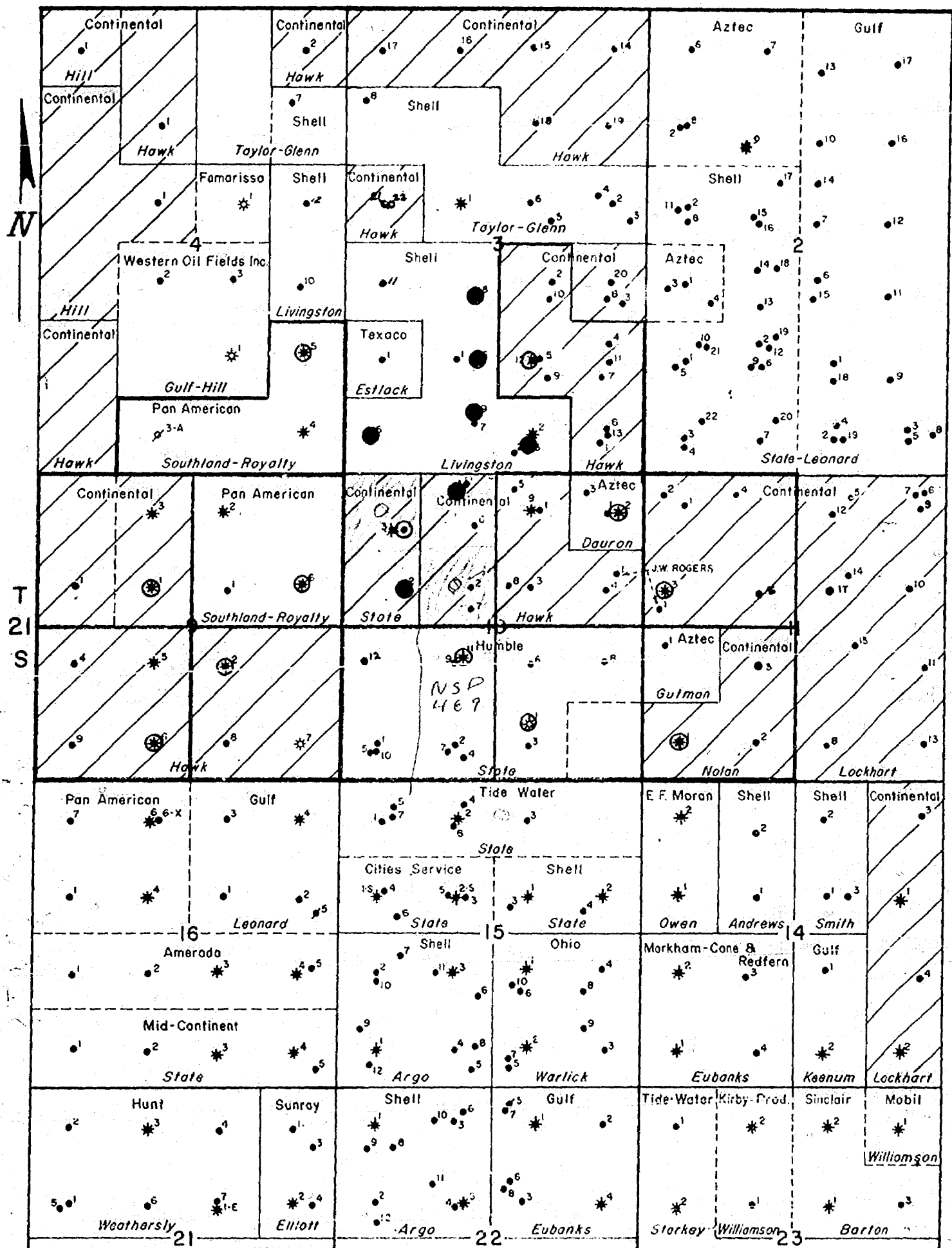


CASE 2641: Appli. of CONTINENTAL  
for a non-standard gas proration  
unit. (State 10 Well No. 1)

5 - 1 / 1 / 1

2641

dition, Transcript,  
// Exhib. Etc.



R-37-E

Offset Unit

State 10 Lease

Tank Battery

Blinebry Oil Pool ●

Drinkard Oil Pool

Wantz Abo Oil Pool

Tubb Oil Pool

Blinebry Gas Pool ○

EXHIBIT NO. 1

CONTINENTAL OIL COMPANY	
PRODUCTION DEPARTMENT	EUNICE, NEW MEXICO
LOCATION MAP	
State 10 - Hawk B-10 Leases	
Date: 10-2-61	Scale 1" = 2,000'
Drawn By: R.P.G.	

Ward

Case 2641

Hearst 9-11-62

Rec. 9-24-62

1. Continental wishes to for a non std. unit in Blindby gas pool consisting of the NW/NE and the SE/NW. unctiguous acreage.

The proposed dedicated well is their state 10 #1 NW NW 10-215-37E.

There is an oil well in the NE NW and another in the SW/NW. This acreage is known to be productive of oil because of both 40's being dedicated to oil wells.

① It appears that the SE NW is more likely to be productive of Oil than Gas. It is also apparent that the #3 well cannot possibly drain the SE NW without first draining oil acreage that cannot be dedicated to the well.

I therefore recommend the request be denied.

Wm. A. [Signature]

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. 2641  
Order No. R-2331

APPLICATION OF CONTINENTAL OIL COMPANY  
FOR A 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 September 11, 1962, 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 18th day of October, 1962, 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 approval of a non-standard 80-acre gas proration unit comprising the NW/4 NW/4 and the SE/4 NW/4 of Section 10, Township 21 South, Range 37 East, NMPM, Blinbry Gas Pool, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the above-described non-standard 80-acre gas proration unit to its State 10 Well No. 1, located in the NW/4 NW/4 of said Section 10.

(4) That the NE/4 NW/4 and the SW/4 NW/4 of said Section 10 are presently dedicated to the production of oil.

(5) That the southwest corner of the NE/4 NW/4 of Section 10 is contiguous with the northeast corner of the SW/4 NW/4 of Section 10, but that the two quarter-quarter sections comprising the proposed 80-acre non-standard gas proration unit are not otherwise contiguous.

-2-

CASE No. 2641  
Order No. R-2331

(6) That the evidence establishes that applicant's State 10 Well No. 1, located in the NW/4 NW/4 of Section 10, cannot drain the SE/4 NW/4 of Section 10 without also draining portions of the NE/4 NW/4 and the SW/4 NW/4 of Section 10 which would in effect be simultaneous dedication of acreage to oil and gas wells in violation of the Special Rules and Regulations governing the Blinebry Oil Pool and the Blinebry Gas Pool, and would thereby impair correlative rights.

(7) That the application should be denied.

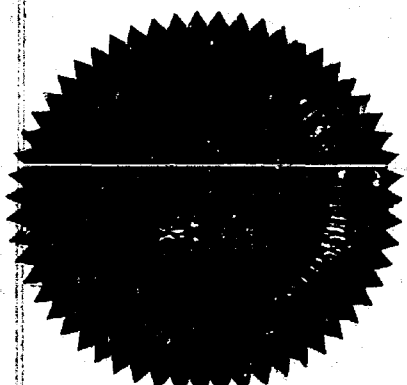
IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(2) 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



*E. L. Mechem*

EDWIN L. MECHEM, Chairman

*E. S. Walker*

E. S. WALKER, Member

*A. L. Porter, Jr.*

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

esr/

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 671  
SANTA FE

October 19, 1962

Re: CASE NO. 2641  
ORDER NO. R-2331  
APPLICANT:  
Continental Oil Company

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

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

ir/

Carbon copy of order also sent to:

Hobbs OCC x  
Artesia OCC         
Aztec OCC       

OTHER

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

September 11, 1962

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1162

ALBUQUERQUE, N. M.  
PHONE 243-6691

IN THE MATTER OF:

Application of Continental Oil Company  
for a non-standard gas proration unit,  
Lea County, New Mexico. Applicant,  
in the above-styled cause, seeks ap-  
proval of a non-standard 80-acre gas  
proration unit, Blinebry Gas Pool,  
Lea County, New Mexico, said unit  
to comprise the NW/4 NW/4 and SE/4  
NW/4 of Section 10, Township 21 South,  
Range 37 East, and be dedicated to  
applicant's State 10 Well No. 1,  
located in the NW/4 NW/4 of said  
Section 10.

CASE NO. 2641

BEFORE:

Elvis A. Utz, Examiner





TRANSCRIPT OF HEARING

MR. UTZ: Case Number 2641.

MR. DURRETT: The Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, Santa Fe, New Mexico, representing the Applicant. I do not have a witness.

MR. UTZ: Strange case.

MR. KELLAHIN: If the Examiner please, and under the rules of the Commission and the Statutes thereof, we realize that there must be testimony or evidence before the Commission before an order can be entered and for that purpose, I ask the Examiner to take notice of the files of the Commission as follows:

The well files covering the State 10 No. 1 Well located 990 feet from the north and west lines of Section 10, 21 South, 37 East; the State 10 Well No. 2 located 1980 feet from the north line and 990 feet from the west line of the same section; and the Hawk "B" 10 Well No. 10 located 460 feet from the north line and 1980 feet from the west line of Section 10.

In addition, I ask that the Examiner take notice of the proration schedules, the current proration schedules for the above wells and if additional information is needed, the Humble State No. 11 and No. 3 which are located in the south half of Section 10, 21 South, 37 East; the Aztec-Duran Well No. 2 located in the north east corner of Section 10; and the Shell-Livingston Wells Nos. 3, 5, 9, 6 and 8 which are located in Section 3, 21 South, 37 East;

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691



## DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182ALBUQUERQUE, N. M.  
PHONE 243-6691

and the Continental-Hawk No. 12 in the southwest quarter of Section 3, 21, 37, and on the basis of information contained in the matter to which I have referred, it shows that the exhibit which I have handed the Examiner containing the wells which are completed in the Blinebry Oil Pool and the Gas Pool and the units dedicated to the gas well in the Blinebry Gas Pool outlined in green. Now, the situation we are confronted with in this case, originally, Continental Oil Company had a 160 acre unit in the northwest quarter of Section 10 dedicated to the State 10 Well No. 2. This well was reclassified on July 1, 1962, as shown by the Commission records as an oil well in the Blinebry Pool, the Hawk "B" 10, No. 10 in the same quarter section was drilled and completed as a Blinebry Oil Well and since the Blinebry Pool rules prohibit doing this, dedication of acreage prohibited in some other pools, that left Continental with two oil wells in the northwest quarter of the section. Their State 10 No. 1 Well was originally platted in the Hare Pool in 1953, it was plugged back subsequently once open in the Blinebry Pools and the Blinebry operates through a potential of 7,000 mcf per day. March 29, 1962, information reflected in the files of the Commission, the situation then was Continental had a gas well located on a quarter of a quarter section in the west quarter, in the west quarter of Section 10. The east half of the northwest quarter of Section 10 is a federal lease. The Hawk No. 10 lease is a federal lease. The west half of the northwest quarter is a state lease. Then Continental had communicated



## DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1162ALBUQUERQUE, N. M.  
PHONE 243-6691

originally and in the event this application is approved it will be necessary for communicazation to cover 180 acres which appears thereon. The communicazation will be consumated in the event it is not approved. The State 10 No. 1 is the gas well in the unit. If no oil wells are in the unit, it's at a location which would permit, without anything else, but filed the proper forms and dedicated of 160 acres to the well. In the event State 10 was not there or plugged we could then dedicate the northwest of the northwest and some of the southeast of the northwest and others. The Commission has already one letter well officially and I can draw inference for not having a 160 acres in a standard unit. In the event the State 10 No. 10 Well was plugged or was not present as a Blinebry well, then in this event, the northwest of the northwest and the southwest of the southwest in this unit of the acreage should be within a standard unit to a well located in such a place that it will be in accordance to the Commission's findings, began and developed officially, 160 acres in this Blinebry gas pool. In the absence of this dedication there is no other unit to which the southeast of the northwest quarter can be dedicated. As the exhibit shows, all the adjoining acreage is dedicated to gas wells in the Blinebry gas pool. There is no question about the productivity, it should be in question as the ability of the well in the present unit. In effect, we have a well which the Commission's rules would permit dedicating 160 acres and we are only asking 80 acres to the well. Appropriately, all the acreage lies within a standard unit



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
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PHONE 243-6691

and the approval of the Application will preserve the State 10 acreage to be communitized whereas any of the dissolution of State 10 unit and the probable force of Continental into a position where an immediate federal demand will be made on them to protect against any drainage of this section. It is a fully developed development and an unnecessary well. Approval of the proposed unit is necessary to protect the quarter section from drainage off of the ~~off~~ well. The only way the correlative rights of the Applicant can be protected. On that basis, we submit the Commission should approve the dedication of the northwest quarter and the southeast quarter of the northeast quarter of Section 10, Township 21 South, Range 37 East, to their State Well No. 1.

MR. UTZ: Does that conclude your statement?

MR. KELLAHIN: Yes, sir. There is before the Commission. I frankly don't know of an application for approval of a non-standard 45 acre unit dedicated to this well. That was to keep the well on a proration schedule. I don't know anything about it.

MR. UTZ: I don't either. What is the dedication again, for the northeast quarter? Is that all dedicated to the Duran?

MR. KELLAHIN: The Aztec-Duran No. 2, yes, sir. . . . That, incidentally, was before the Commission on a communitization sometime back.

MR. UTZ: I think I recall that. Are there any other questions of counsel?

MR. KELLAHIN: If the Examiner will take administrative



notice to which I have directed his attention, then I would like to offer Exhibit 1 as supported by that information.

MR. UTZ: The Examiner will take administrative notice of the various and sundry documents mentioned by counsel which are a part of the Commission's records. Counsel's Exhibit No. 1 will be admitted to the record subject to the relevancy of the Commission's various documents which have been referred to and which we will take administrative notice on.

MR. KELLAHIN: Thank you, sir. That is all I have to offer, Mr. Utz.

MR. UTZ: Are there other questions?

CROSS EXAMINATION

BY MR. UTZ:

Q I believe you admitted that these two forties were now adjacent?

A (By Mr. Kellahin) They are contiguous together. According to the Commission's rules, they have to be contiguous acreage. There are some that are diagonal.

MR. UTZ: Are there other statements in this case? The case will be taken under advisement.

(Whereupon the hearing was concluded at 4:45 P.M.)

\* \* \*

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691



STATE OF NEW MEXICO     )  
                                   )  
 COUNTY OF BERNALILLO    ) ss.

I, Michael Rice, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript 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 11th day of October, 1962, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Michael Rice  
 Notary Public

My Commission Expires:

May 11, 1966

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's Hearing held on 26th day of September, 1962.

Theresa A. Hoff, Examiner  
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.  
 PHONE 243-6631

FARMINGTON, N. M.  
 PHONE 325-1182



Docket No. 26-62

Examiner Hearing September 11, 1962

- CASE 2630: Application of Gulf Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Graham State (NCT-I) Well No. 1, located in Unit M of Section 19, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in the Paddock, Blinebry and Drinkard Oil Pools with the production of oil from all three zones to be through parallel strings of tubing.
- CASE 2631: Application of Moran Oil Producing and Drilling Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the triple completion (conventional) of its Owen Well No. 1, located in Unit E, Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce Blinebry oil, Tubb gas, and Drinkard oil through parallel strings of tubing.
- CASE 2632: Application of Humble Oil & Refining Company for an order establishing special rules and regulations for the Four Lakes-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order establishing special rules and regulations for the Four Lakes-Pennsylvanian Pool, Lea County, New Mexico, to include provisions for 80-acre oil proration units therein.
- CASE 2633: Application of General American Oil Company of Texas for expansion of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks expansion of its waterflood project in the Loco Hills Pool by the conversion to water injection of its Beeson F Well No. 10, located in Unit B of Section 31, Township 17 South, Range 30 East, Eddy County, New Mexico.
- CASE 2634: Application of Ambassador Oil Corporation for approval of a unit agreement and waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Grayburg-Jackson Pool, with the initial injection of water to be through six wells located in Sections 22, 23, and 26, Township 17 South, Range 30 East, Eddy County, New Mexico, said project to be governed by Rule 701. Applicant further seeks approval of the Grayburg-Jackson Unit Agreement embracing 1600 acres, more or less, of federal and State lands in Township 17 South, Range 30 East, Eddy County, New Mexico.

DOCKET: EXAMINER HEARING - TUESDAY - SEPTEMBER 11, 1962

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 2612 (Continued)

Application of Texaco Inc. for a tubing exception, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to produce its C. C. Fristoe (b) NCT-2 Well No. 6, located in Unit H of Section 35, Township 25 South, Range 37 East, Lea County, New Mexico, North Justis-Devonian Pool, through a string of 1 1/2-inch OD tubing run with a packer inside of a 2 7/8-inch OD casing.

CASE 2626: Application of La Plata Gathering System, Inc., for a dual completion at an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a Basin Dakota-Blanco Mesaverde dual completion at an unorthodox location 1680 feet from the South line and 734 feet from the East line of Section 19, Township 32 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 2627: Application of La Plata Gathering System, Inc., for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Blanco Mesaverde well location 1,790 feet from the North line and 790 feet from the East line of Section 24, Township 32 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 2628: Application of Marathon Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Atoka-Pennsylvanian Gas Pool at a point 990 feet from the North line and 990 feet from the East line of Section 30, Township 18 South, Range 26 East, Eddy County, New Mexico.

CASE 2629: Application of S. P. Yates Drilling Company for approval of a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Pecos River Deep Unit Agreement comprising 17,257.82 acres, more or less, of State, Federal and Fee lands in Township 19 South, Ranges 26 and 27 East, and Township 20 South, Range 26 East, Eddy County, New Mexico.



Docket No. 26-62

Examiner Hearing September 11, 1962

CASE 2635: Application of L. R. French, Jr. for an order creating a new pool and establishing temporary rules or extension of the South Lane Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new pool for Pennsylvanian production; the discovery well for said pool is the Gulf-State Well No. 1, located in Unit A of Section 18, Township 11 South, Range 34 East, Lea County, New Mexico, completed in the Bough "C" zone of the Pennsylvanian formation. Applicant further seeks establishment of special rules and regulations governing said pool, including 80-acre proration units. As an alternative, applicant seeks extension of the South Lane Pennsylvanian Pool to include said Gulf-State Well No. 1.

CASE 2639: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a pilot waterflood project in the Upper San Andres formation, Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into its Keeley "B" Well No. 13, located in Unit H, Section 26, Township 17 South, Range 29 East.

CASE 2640: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a pilot waterflood project in the Grayburg zone of the San Andres formation, Grayburg-Jackson Pool, Eddy County, New Mexico, by the injection of water into its Keeley "C" Well No. 25, located in Unit O, Section 25, Township 17 South, Range 29 East.

CASE 2641: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 80-acre gas proration unit, Blinebry Gas Pool, Lea County, New Mexico, said unit to comprise the NW/4 NW/4 and SE/4 NW/4 of Section 10, Township 21 South, Range 37 East, and be dedicated to applicant's State 10 Well No. 1, located in the NW/4 NW/4 of said Section 10.

ir/

After withdrawal in case

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Watts After  
Data

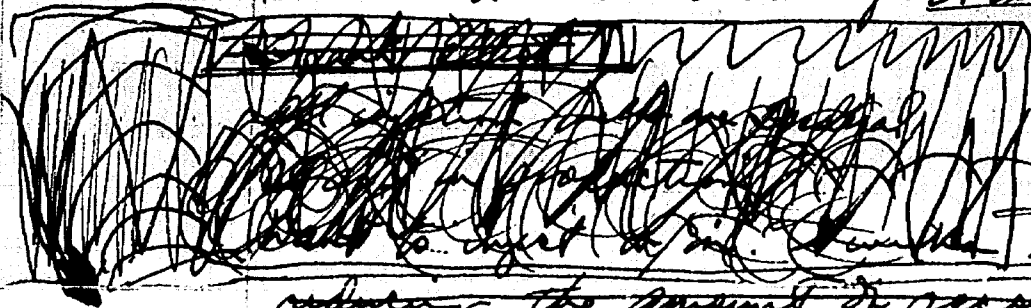
~~1/10/1977~~

~~1/10/1977 Chapter of A.I.M.E. & Farming  
Chap. A.I.M.E. on Conser in N.W. with  
app emp on recent rule changes~~

- (2) app seeks approval of NSP
- (3) app proposes to dedicate its State 10 well
- (5) (a) That the proposed 80 acre non-otan gas  
production unit does not consist of contiguous  
consists of two ~~the NE/4 NW/4~~ quarter quarter  
sections, that ~~are not~~ contiguous ~~are~~  
~~quarter quarter sections~~

That the SW corner of the NE/4 NW/4 of  
Sec. 10 is contiguous with the NE corner of  
the SW/4 NW/4 of Sec. 10; and that  
the two quarter quarter sections are not  
otherwise contiguous.

- (6) (a) That the evidence establishes that app  
State well No. 10 located in the ~~NE/4 NW/4~~<sup>NW/4</sup>  
of Sec. 10 can not drain the ~~SE/4 NW/4~~<sup>SE/4 NW/4</sup> of  
Sec. 10 without draining ~~the~~ oil



from the NE/4  
NW/4 and the  
SW/4 NW/4 of  
Sec. 10, thereby  
reducing the amount of recoverable oil  
underlying the NW/4 NW/4 & the SE/4  
NW/4 of Sec. 10 and ~~draining waste~~  
which would result in effect be tantamount to  
simultaneous dedication

~~it violation of the same acreage to~~ of  
acreage to oil and gas wells in violation  
of the Special Rules & Regulations governing  
the Blinbury Oil Pool, thereby impairing  
correlative rights.  
(1) ~~That approval of the subject app ~~shall~~ would~~  
~~impair correlative rights.~~

(2) ~~That~~ That the app should be denied

(4) That the ~~NE/4 NW/4~~ <sup>NE/4 NW/4</sup> and the SW/4 ~~NE/4~~ <sup>NW/4</sup>  
of Sec 10 are <sup>now</sup> dedicated to the production of oil.

It is therefore ordered:

1. That the subject app is hereby denied
2. Retain jurisdiction



Case 2641

# CONTINENTAL OIL COMPANY

P. O. BOX 1377  
ROSWELL, NEW MEXICO

PRODUCTION DEPARTMENT  
NEW MEXICO DIVISION

WM. A. MEAD  
DIVISION SUPERINTENDENT

A. B. SLAYBAUGH  
ASSISTANT DIVISION SUPERINTENDENT

August 23, 1962

825 PETROLEUM BUILDING  
TELEPHONE: MAIN 2-4202

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

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

Gentlemen:

We forward herewith application in triplicate for approval of a non-standard 80-acre gas proration unit in the Blinebry gas pool for our State 10 well No. 1.

We should appreciate your setting this matter for hearing at an early date.

Yours very truly,

W. A. Mead

VTL-sg  
cc: RGP, HGD, JWK, JRP

*Rechecked  
Mailed  
8/31/62*

PIONEERING IN PETROLEUM PROGRESS SINCE 1875

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL  
OIL COMPANY FOR APPROVAL OF A NON-STANDARD 80-  
ACRE GAS PRORATION UNIT CONSISTING OF NW/4 NW/4  
AND SE/4 NW/4 SECTION 10, TOWNSHIP 21 SOUTH,  
RANGE 37 EAST FOR ITS STATE 10 WELL NO. 1 IN  
THE BLINEBRY GAS POOL, LEA COUNTY, NEW MEXICO

*Case 2641*

A P P L I C A T I O N

Comes now applicant, Continental Oil Company and respectfully requests approval of a non-standard 80-acre gas proration unit in the Blinebry gas pool for its State 10 well No. 1 located in Section 10, Township 21 South, Range 37 East, Lea County, New Mexico, and in support thereof would show:

1. That applicant is co-owner and is the operator of the State 10 lease consisting of W/2 NW/4 of Section 10, Township 21 South, Range 37 East, and of the Hawk B-10 lease consisting of the E/2 NW/4, W/2 NE/4 and SE/4 NE/4 of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico.
2. That by duly executed communitization agreement the State 10 Unit, consisting of the NW/4 of said Section 10 was formed for production of dry gas and associated liquid hydrocarbons from the Tubb and Blinebry formations.
3. That a standard 160-acre gas proration unit comprised of the said State 10 Unit was assigned in 1955 to the State 10 No. 2 located 1980 feet from the north line and 990 feet from the west line of said Section 10.
4. That said State 10 No. 2 was reclassified on July 1, 1962 as an oil well in the Blinebry pool. Furthermore, Hawk B-10 No. 10 was drilled and completed as a Blinebry oil well at a location 460 feet from the north and 1980 feet from the west line of said Section 10. Since the Blinebry field rules prohibit dedication of acreage simultaneously for both oil and gas, it is necessary to withdraw the NE/4 NW/4 and the

SW/4 NW/4 from the gas proration unit for the State 10 Unit.

5. That applicant drilled and completed on February 24, 1953 its State 10 No. 1 in the Hare pool at a location 990 feet from the north and west lines of the said Section 10. Said well was subsequently plugged back and dual-completed in the Wantz Abo and Blinebry pools. The Blinebry formation was completed for an initial calculated absolute open flow potential of 7,300 MCF per day on March 29, 1962.

6. That applicant proposes to allocate to State 10 No. 1 for Blinebry gas that portion of the State 10 Unit remaining after deducting the tracts which are assigned to Blinebry oil wells so that the gas proration unit for said well will consist of the NW/4 NW/4 and SE/4 NW/4 of said Section 10.

7. That the approval of the non-standard gas proration unit as proposed herein will be in the interest of the prevention of waste and the protection of correlative rights.

Wherefore applicant respectfully prays that this matter be set for hearing before the Commission's duly qualified Examiner and that upon hearing an order be entered approving an 80-acre non-standard gas proration unit in the Blinebry gas pool for its State 10 No. 1 as described herein above.

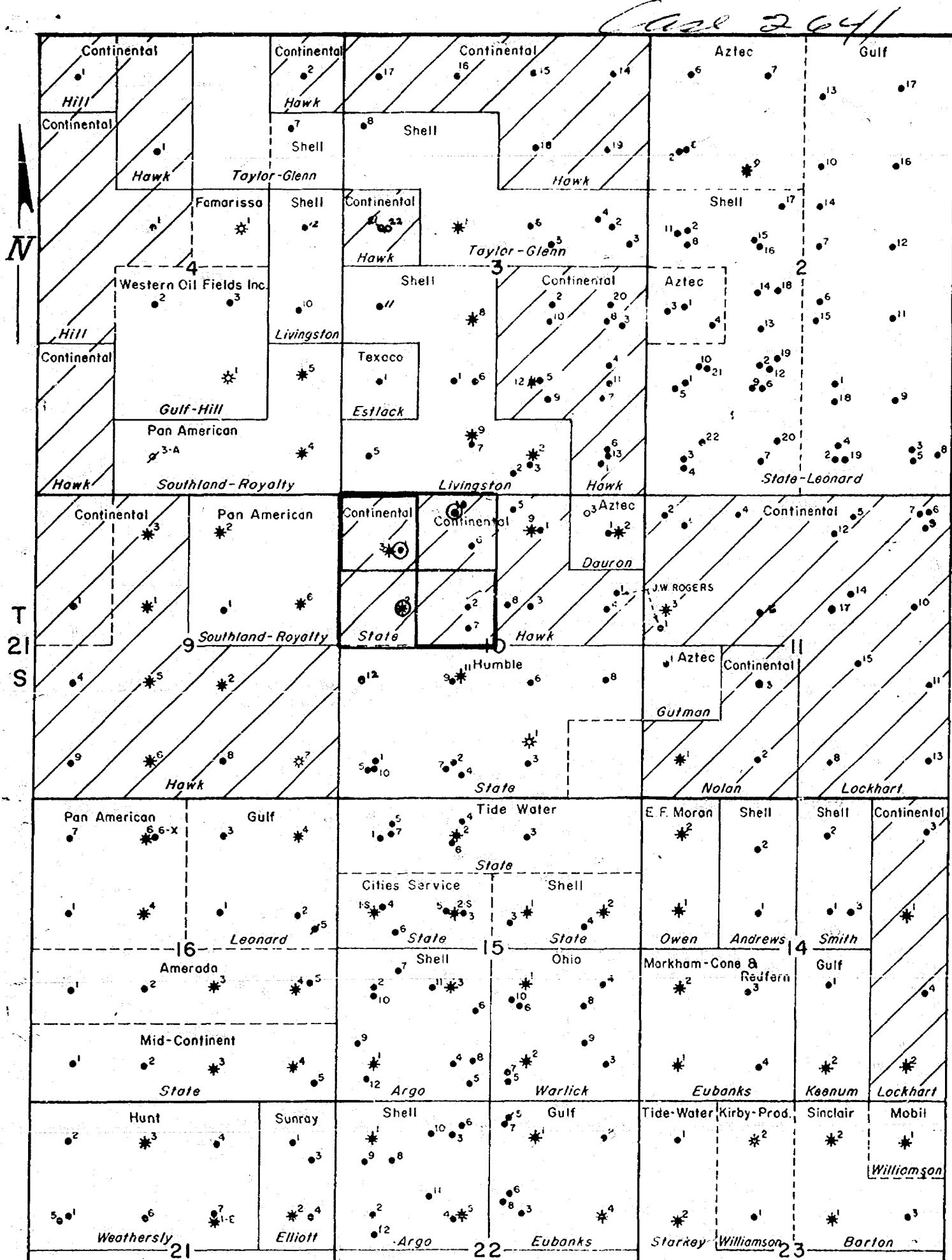
Respectfully submitted,

CONTINENTAL OIL COMPANY

*W. A. Mead*

Wm. A. Mead  
Division Superintendent  
of Production  
New Mexico Division

VTL-sg



# CONTINENTAL OIL COMPANY PRODUCTION DEPARTMENT EUNICE, NEW MEXICO

LOCATION MAP

State 10 - Hawk R-10 Leases

Date: 10-2-61

Scale 1" = 2,000'

Drawn By: R.P.G.

DRAFT

JMD/esr  
October 8, 1962

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. 2641

Order No. R- 233/

10-15-62  
JMD  
A. J. [Signature]  
APPLICATION OF CONTINENTAL OIL COMPANY  
FOR A 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 September 11, 1962, 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            day of October, 1962, 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 approval of a non-standard 80-acre gas proration unit comprising the NW/4 NW/4 and the SE/4 NW/4 of Section 10, Township 21 South, Range 37 East, NMPM, Blinbry Gas Pool, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the above-described non-standard 80-acre gas proration unit to its State 10 Well No. 1, located in the NW/4 NW/4 of said Section 10.

(4) That the NE/4 NW/4 and the SW/4 NW/4 of said Section 10 are presently dedicated to the production of oil.

(5) That the southwest corner of the NE/4 NW/4 of Section 10 is contiguous with the northeast corner of the SW/4 NW/4 of Section 10, but that the two quarter-quarter sections comprising the proposed 80-acre non-standard gas proration unit are not otherwise contiguous.



(6) That the evidence establishes that applicant's State 10 Well No. 1, located in the NW/4 NW/4 of Section 10, cannot drain the SE/4 NW/4 of Section 10 without <sup>also</sup> draining <sup>portions of</sup> ~~oil from~~ the NE/4 NW/4 and the SW/4 NW/4 of Section 10 which would in effect be simultaneous dedication of acreage to oil and gas wells in violation of the Special Rules and Regulations governing the Blinebry Oil Pool <sup>and the Blinebry Gas Pool,</sup> and would thereby impair correlative rights.

(7) That the application should be denied.

IT IS THEREFORE ORDERED:

- (1) That the subject application is hereby denied.
- (2) 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.

## BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL OIL COMPANY FOR APPROVAL OF A NON-STANDARD 80-ACRE GAS PRORATION UNIT CONSISTING OF NW/4 NW/4 AND SE/4 NW/4 SECTION 10, TOWNSHIP 21 SOUTH, RANGE 37 EAST FOR ITS STATE 10 WELL NO. 1 IN THE BLINEBRY GAS POOL, LEA COUNTY, NEW MEXICO

Case 2641

APPLICATION

Comes now applicant, Continental Oil Company and respectfully requests approval of a non-standard 80-acre gas proration unit in the Blinebry gas pool for its State 10 well No. 1 located in Section 10, Township 21 South, Range 37 East, Lea County, New Mexico, and in support thereof would show:

1. That applicant is co-owner and is the operator of the State 10 lease consisting of W/2 NW/4 of Section 10, Township 21 South, Range 37 East, and of the Hawk B-10 lease consisting of the E/2 NW/4, W/2 NE/4 and SE/4 NE/4 of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico.

2. That by duly executed communitization agreement the State 10 Unit, consisting of the NW/4 of said Section 10 was formed for production of dry gas and associated liquid hydrocarbons from the Tubb and Blinebry formations.

3. That a standard 160-acre gas proration unit comprised of the said State 10 Unit was assigned in 1955 to the State 10 No. 2 located 1980 feet from the north line and 990 feet from the west line of said Section 10.

4. That said State 10 No. 2 was reclassified on July 1, 1962 ~~★~~ as an oil well in the Blinebry pool. Furthermore, Hawk B-10 No. 10 was drilled and completed as a Blinebry oil well at a location 460 feet from the north and 1980 feet from the west line of said Section 10. Since the Blinebry field rules prohibit dedication of acreage simultaneously for both oil and gas, it is necessary to withdraw the NE/4 NW/4 and the

SW/4 NW/4 from the gas proration unit for the State 10 Unit.

5. That applicant drilled and completed on February 24, 1953 its State 10 No. 1 in the Hare pool at a location 990 feet from the north and west lines of the said Section 10. Said well was subsequently plugged back and dual completed in the Wantz Abo and Blinebry pools. The Blinebry formation was completed for an initial calculated absolute open flow potential of 7,300 MCF per day on March 29, 1952.

6. That applicant proposes to allocate to State 10 No. 1 for Blinebry gas that portion of the State 10 Unit remaining after deducting the tracts which are assigned to Blinebry oil wells so that the gas proration unit for said well will consist of the NW/4 NW/4 and SE/4 NW/4 of said Section 10.

7. That the approval of the non-standard gas proration unit as proposed herein will be in the interest of the prevention of waste and the protection of correlative rights.

Wherefore applicant respectfully prays that this matter be set for hearing before the Commission's duly qualified Examiner and that upon hearing an order be entered approving an 80-acre non-standard gas proration unit in the Blinebry gas pool for its State 10 No. 1 as described herein above.

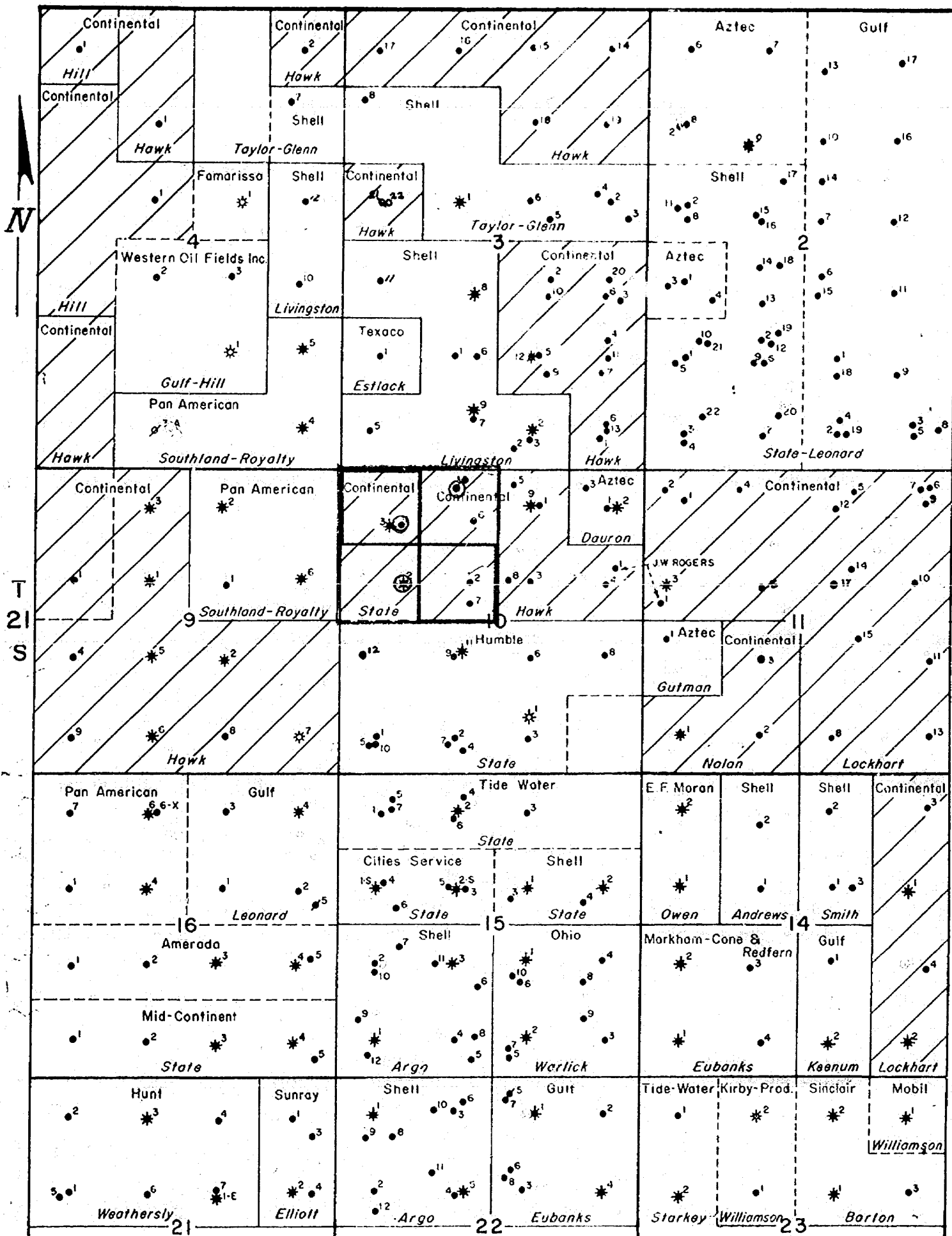
Respectfully submitted,

CONTINENTAL OIL COMPANY

*W. A. Mead*

Wm. A. Mead  
Division Superintendent  
of Production  
New Mexico Division

VTL-sg



Proposed Unit ———

State 10 Unit ———

State 10 Lease

Tank Battery

Blinebry Oil Pool ○

Drinkard Oil Pool

Wantz Abo Oil Pool

Tubb Oil Pool

Blinebry Gas Pool ○

EXHIBIT NO. 1

R-37-E

**CONTINENTAL OIL COMPANY**  
PRODUCTION DEPARTMENT EUNICE, NEW MEXICO

LOCATION MAP  
State 10 - Hawk B-10 Leases

Date: 10-2-61

Scale 1" = 2,000'

Drawn By: R.P.G.