

CASE 3325: Appli. of CONTINENTAL  
for a non-standard gas proration  
unit - VAUGHAN B-1 Well No. 1.

CASE No.

3325

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.

DRAFT

JMD/esr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CF Subj. \_\_\_\_\_

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

CASE No. 3325

Order No. R- 2988

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  
October 19, 1965, at Santa Fe, New Mexico, before Examiner  
Daniel S. Nutter.

NOW, on this \_\_\_\_\_ day of October, 1965, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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 320-acre non-standard gas proration unit in the  
Jalmat Gas Pool comprising the N/2 of Section 1, Township 24 South,  
Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to  
its Vaughan B-1 Well No. 1, located in Unit H of said Section 1.

(3) That the proposed non-standard proration unit can be  
efficiently and economically drained and developed by the subject  
well.

(4) That approval of the subject application will afford  
the applicant the opportunity to produce its just and equitable

-2-

CASE No. 3325

share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 of Section 1, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Continental Oil Company Vaughan B-1 Well No. 1, located in Unit H of said Section 1.

(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.

*Set for hearing*



# CONTINENTAL OIL COMPANY

P. O. BOX 460  
HOBBS, NEW MEXICO

September 21, 1965

PRODUCTION DEPARTMENT  
HOBBS DISTRICT  
L. P. THOMPSON  
DISTRICT MANAGER  
G. C. JAMIESON  
ASSISTANT DISTRICT MANAGER

155 SEP 25 AM 9 10

*Cor 3325*

1001 NORTH TURNER  
TELEPHONE: EX 3-4141

New Mexico Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico

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

Gentlemen:

Re: Application of Continental Oil Company for an Exception to Rule 5(B) of the Special Rules and Regulations for the Jalmat Gas Pool Contained in Order No. R-1670 in Establishment of a Non-Standard Gas Proration Unit of 320 Acres Consisting of the N/2 Section 1, T-24S, R-36E, NMPM, Lea County, New Mexico, to be Allocated to its Vaughan B-1 Well No. 1

Please find attached three copies of Continental Oil Company's application for an exception to Rule 5(B) of the Special Rules and Regulations for the Jalmat Gas Pool contained in Order No. R-1670 for the enlargement of the 160-acre non-standard gas proration unit consisting of the NE/4 Section 1, T-24S, R-36E, NMPM, Lea County, New Mexico, to a 320-acre non-standard gas proration unit to consist of the N/2 Section 1, T-24S, R-36E, NMPM, Lea County, New Mexico. The acreage is to be allocated to Vaughan B-1 Well No. 1.

We respectfully request that this matter be set for hearing at the earliest convenient date.

Yours very truly,

*L. P. Thompson*

DOCKET MAILED

LPT-DFW  
Enc.

cc: RGP GW JWK

Date 10-8-65

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE  
STATE OF NEW MEXICO

MAIN OFFICE

SEP 25 AM 8 40

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR AN  
EXCEPTION TO RULE 5(B) OF THE  
SPECIAL RULES AND REGULATIONS FOR  
THE JALMAT GAS POOL CONTAINED IN  
ORDER NO. R-1670 IN ESTABLISHMENT  
OF A NON-STANDARD GAS PRORATION  
UNIT CONSISTING OF THE N/2 SECTION  
1, T-24S, R-36E, NMPM, LEA COUNTY,  
NEW MEXICO, TO BE ALLOCATED TO ITS  
VAUGHAN B-1 WELL NO. 1

Case 3325

A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and  
petitions the Commission for an order approving the enlargement  
of the gas proration unit allocated to its Vaughan B-1 Well  
No. 1 to a 320-acre non-standard gas proration unit consisting  
of the N/2 of Section 1, T-24S, R-36E, NMPM, Lea County, New  
Mexico, and in support thereof would show:

1. That applicant is co-owner and operator of the  
Vaughan B-1 Lease containing the N/2 Section 1, T-24S, R-36E,  
NMPM, Lea County, New Mexico.

2. That applicant drilled the Vaughan B-1 Well No. 1  
at a location 1650' from the north line and 900' from the east  
line of said Section 1 and completed it October 20, 1947, as a  
gas well in what is now designated as the Jalmat Gas Pool.

3. That a 160-acre standard gas proration unit in  
the Jalco Pool consisting of the NE/4 of Section 1 was approved  
upon commencement of gas proration January 1, 1954; however, by  
virtue of subsequent orders of the Commission, the well is cur-  
rently classified as a Jalmat gas well.

4. That the NW/4 Section 1, T-24S, R-36E, has been  
allocated for Jalmat gas production to applicant's Vaughan B-1  
Well No. 2 until August 25, 1965, when said well No. 2 was  
deepened and recompleted as a Langlie-Mattix oil well.

2640  
10500  
9


MAIN OFFICE  
'65 SEP 25 AM 8 48

5. That the NW/4 of said Section 1 is not now allocated for Jalmat gas production to any well, that all the acreage therein is reasonably presumed productive of gas and should be allocated to a gas well in the interests of the prevention of waste and protection of correlative rights.

6. That the most practical and economical method of allocating said acreage for Jalmat gas production is to establish a 320-acre non-standard gas proration unit, as described above, for assignment to the Vaughan B-1 Well No. 1.

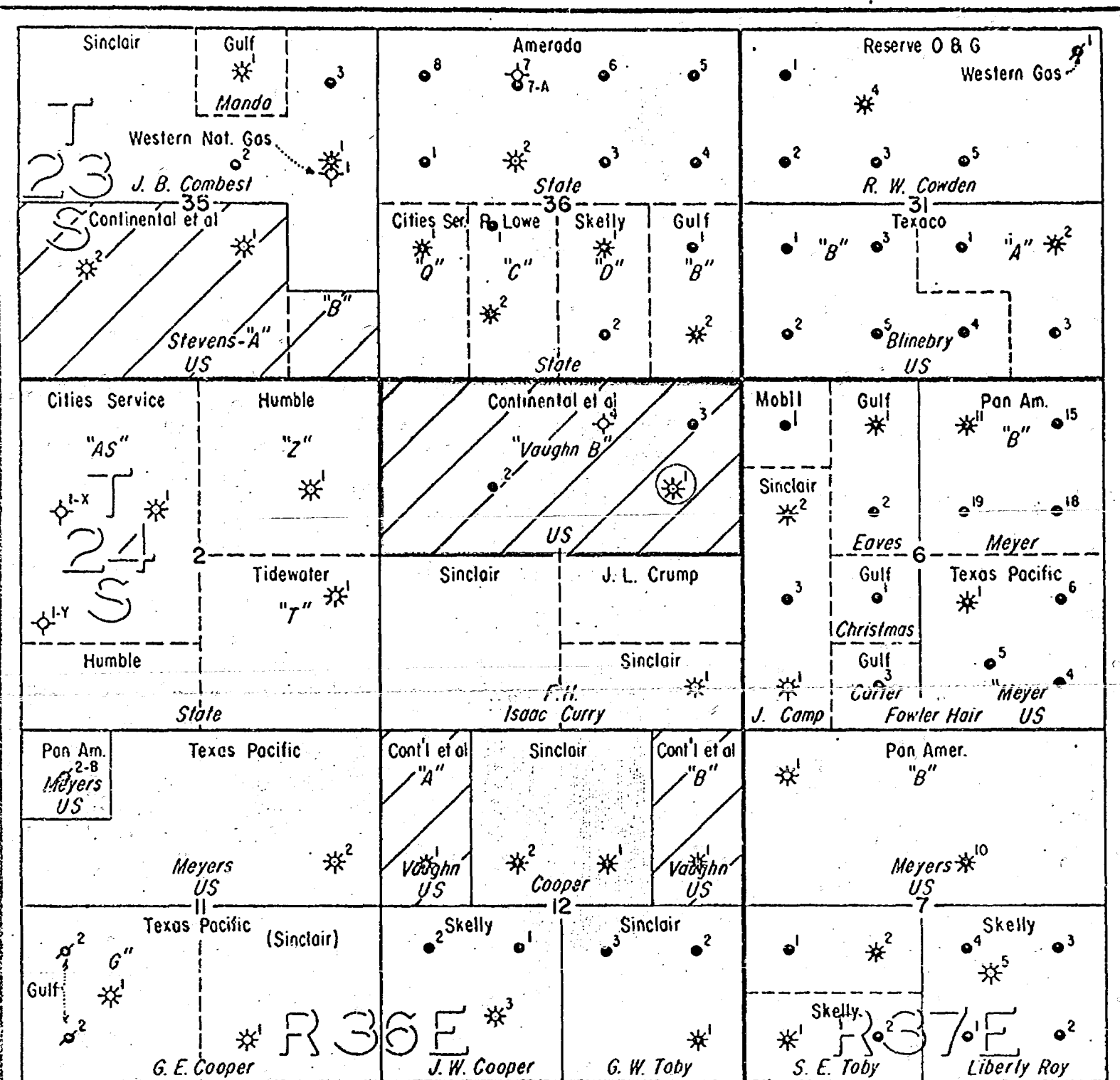
WHEREFORE, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, that appropriate notice thereof be given, and that upon hearing an order be entered granting applicant exception to Rule 5(B) of the Special Rules and Regulations for the Jalmat Gas Pool contained in Order No. R-1670 for the non-standard gas proration unit described above.

Respectfully Submitted,  
CONTINENTAL OIL COMPANY

  
L. P. THOMPSON  
District Manager  
of Production  
Hobbs District

LPT-DFW

cc: RGP GW JWK File



# CONTINENTAL OIL COMPANY

PRODUCTION DEPARTMENT

HOBBS DISTRICT

## JALMAT GAS POOL

Lea County, New Mexico

3325



EGB

EL PASO NATURAL GAS COMPANY

## MULTI-POINT BACK PRESSURE TEST FOR GAS WELLS

Pool Jalmat Formation Yates - Seven Rivers County Lea  
 Initial \_\_\_\_\_ Annual \_\_\_\_\_ Special X Date of Test 6-8/6-12-64  
 Company Continental Oil Company Lease Vaughn B-1 Well No. 1  
 Unit H Sec. 1 Twp. 24 Rge. 36 Purchaser El Paso Natural Gas Company  
 Casing 5 1/2" Wt. 14 I.D. \_\_\_\_\_ Set at 2879 Perf. \_\_\_\_\_ To \_\_\_\_\_  
 Tubing 2" Wt. 4.7 I.D. \_\_\_\_\_ Set at 3096 Perf. \_\_\_\_\_ To \_\_\_\_\_  
 Gas Pay: From 2879 To 3171 L. 3096 x G. .647 = GL. \_\_\_\_\_ Bar. Press. 13.2  
 Producing thru: Casing \_\_\_\_\_ Tubing X Type Well Single  
Re- \_\_\_\_\_ Single - Bradenhead - G. G. or G. O. Dual  
 Date of Completion: December, January, 1959-1960 Packet: None

Meter Sta. No. 60-169

Flow Data						Tubing Data		Casing Data		Duration
No.	Inner Line Size	Outer Line Size	Press. psig	Diff. hw	Temp. °F.	Press. psig	Temp. °F.	Press. psig	Temp. °F.	of Flow Hr.
51						618		618		72
1.	4 x 1.000		595	5.76	83	596		597		24
2.	4 x 1.000		582	11.56	81	583		588		24
3.	4 x 1.000		570	19.36	77	571		576		24
4.	4 x 1.000		565	21.16	76	566		570		24
5.										

No.	Coefficient (24-Hour)	$\sqrt{h_{wpw}}$	Pressure psia	Flow Temp. Factor F <sub>t</sub>	Gravity Factor F <sub>g</sub>	Compress. Factor F <sub>pv</sub>	Rate of Flow Q-MCFPD ± 15.025 psia
1.	6.135	59.19		.9786	.9630	1.054	360.6
2.	6.135	82.95		.9804	.9630	1.051	504.9
3.	6.135	106.26		.9840	.9630	1.053	650.5
4.	6.135	110.61		.9850	.9630	1.053	677.8
5.							

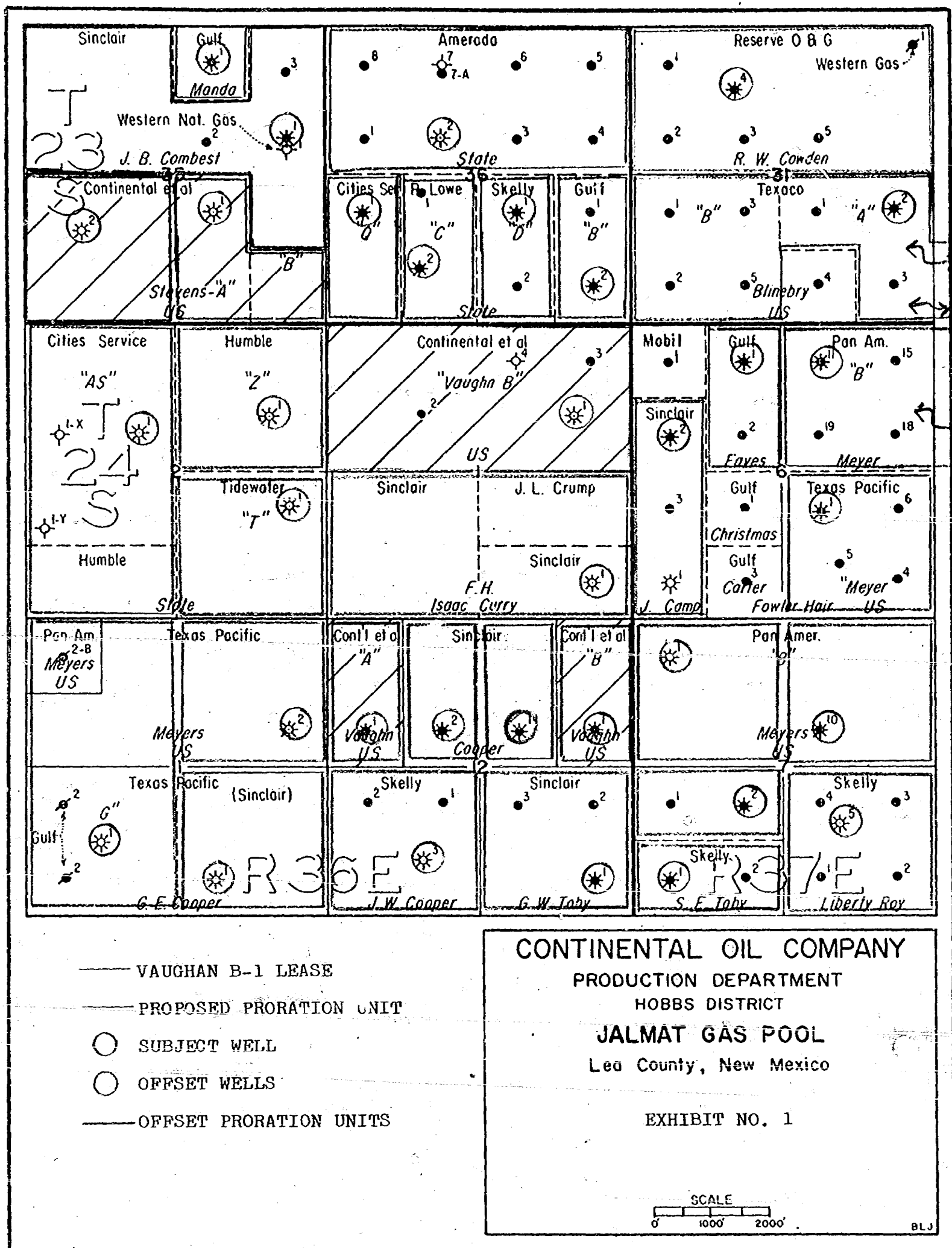
Gas Liquid Hydrocarbon Ratio Dry Mcf/bbl.  
 Gravity of Liquid Hydrocarbons None deg.  
 F<sub>c</sub> Measured (1-8-8) ----  
 Specific Gravity Separator Gas None  
 Specific Gravity Flowing Fluid .647  
 P<sub>c</sub> 631.2 P<sub>t</sub> 398.4

No.	P <sub>w</sub> psia	P <sub>t</sub>	P <sub>c</sub> <sup>2</sup> - P <sub>t</sub> <sup>2</sup>	F <sub>cQ</sub>	(F <sub>cQ</sub> ) <sup>2</sup>	(F <sub>cQ</sub> ) <sup>2</sup> (1-e <sup>-8</sup> )	F <sub>w</sub> <sup>2</sup>	F <sub>c</sub> <sup>2</sup> - F <sub>w</sub> <sup>2</sup>
1.	609.2	371.1	27.3	Measured	Measured	Measured	372.3	26.1
2.	596.2	355.4	43.0	Measured	Measured	Measured	361.4	37.0
3.	584.2	333.3	57.1	Measured	Measured	Measured	347.1	51.3
4.	579.2	335.5	62.9	Measured	Measured	Measured	340.1	58.3
5.								

Wellhead Potential: 2,750 MCFPD; θ<sub>t</sub> 52.5 ; n<sub>t</sub> .767 Conducted by: J. B. Murray  
 Abs. Potential: 4,050 MCFPD; θ 48.5 ; n .887 Witnessed by: W. D. Recer-Continental  
 Calculated by: J. B. Murray

BEFORE EXAMINER NUTTER  
 OIL CONSERVATION COMMISSION  
Apple EXHIBIT NO. 1  
 CASE NO. 3325

EXHIBIT 2



BEFORE EXAMINER NUTTER  
 OIL CONSERVATION COMMISSION  
Aspl. EXHIBIT NO. 1  
 CASE NO. 3325

Docket No. 30-65

DOCKET: EXAMINER HEARING - TUESDAY - OCTOBER 19, 1965

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or  
Elvis A. Utz, Alternate Examiner:

- CASE 3321: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Willard C. Franks and all other interested parties to show cause why the LaRoe Well No. 1 located in the SE/4 NW/4 of Section 19, Township 27 North, Range 22 East, Colfax County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 3322: Application of Ann Burnett Windfohr, George R. Brown, and Allied Chemical Corporation for a waterflood project, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to institute a waterflood project in the Grayburg Jackson Pool, Eddy County, New Mexico, by the injection of water into the Grayburg formation through three wells in Section 25, Township 17 South, Range 30 East.
- CASE 3323: Application of David Fasken for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of his Belmont-Collier Well No. 1 located in Unit H of Section 9, Township 11 South, Range 33 East, Lea County, New Mexico, to produce oil from the North Bagley Upper and Lower Pennsylvanian Pools through parallel strings of tubing.
- CASE 3324: Application of Newmont Oil Company for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing oil well at an unorthodox location 990 feet from the South line and 1310 feet from the West line of Section 2, Township 18 South, Range 29 East, Loco Hills Pool, Eddy County, New Mexico.
- CASE 3325: 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 320-acre non-standard gas proration unit comprising the N/2 of Section 1, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Vaughan B-1 Well No. 1, located in Unit H of said Section 1.
- CASE 3326: 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 560-acre non-standard gas proration unit comprising the E/2 SE/4 of Section 22, the W/2 of Section 26, and the E/2 E/2 of Section 27, Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its SEMU Well No. 65, located 2363 feet from the South line and 0 feet from the West line of said Section 26.

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. 3325  
Order No. R-2988

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 October 19, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of October, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 of Section 1, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to its Vaughan B-1 Well No. 1, located in Unit H of said Section 1.

(3) That the proposed non-standard proration unit can be efficiently and economically drained and developed by the subject well.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable

-2-

CASE NO. 3325

Order No. R-2988

share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 of Section 1, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Continental Oil Company Vaughan B-1 Well No. 1, located in Unit H of said Section 1.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

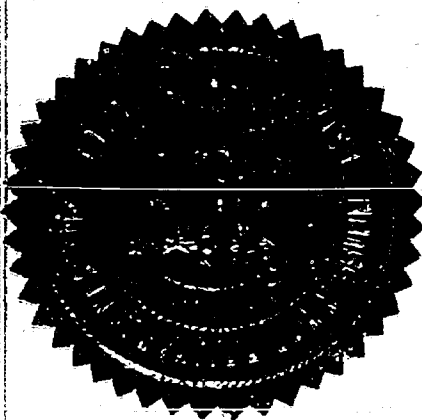
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Gustav B. Hays*  
GUSTAV B. HAYS, Member

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



esr/

State of New Mexico  
Oil Conservation Commission



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

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 3325 and 3326  
Order No. R-2988 and R-2989  
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,

Very truly yours,  
A. L. Porter, Jr.  
A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

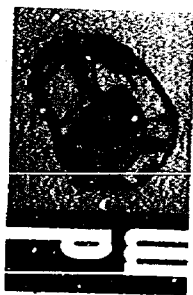
Hobbs OCC x  
Artesia OCC \_\_\_\_\_  
Aztec OCC \_\_\_\_\_

Other

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



PAGE 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 19, 1965

EXAMINER HEARING

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 approval  
of a 320-acre non-standard gas proration  
unit comprising the N/2 of Section 1,  
Township 24 South, Range 36 East, Jalmat  
Gas Pool, Lea County, New Mexico, to be  
dedicated to its Vaughan B-1 Well No. 1,  
located in Unit H of said Section 1.

Case No. 3325

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING



MR. NUTTER: Call Case 3325.

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

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, appearing for the Applicant. We will have one witness I would like to have sworn, please.

(Witness sworn.)

L. E. KOPCHEK

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Larry Kopchek.

Q Would you spell that?

A K-o-p-c-h-e-k.

Q Have you ever testified before the Oil Conservation Commission of New Mexico?

A No.

Q For the benefit of the Examiner, Mr. Kopchek, would you briefly state your qualifications as a Petroleum Engineer?

A I received a B. S. Degree in Petroleum Science from Marietta College in January of 1962, and since that time have





been employed by Continental Oil Company in the Hobbs, New Mexico area.

Q Are you presently employed by Continental Oil Company?

A Yes, sir, I am.

Q What is your position?

A I am Petroleum Engineer.

Q Do your duties as Petroleum Engineer involve the area covered by the application in Case No. 3325?

A Yes, it does.

Q Are you familiar with the application in Case 3325?

A Yes.

Q Would you state briefly what's proposed in this application?

A This is the application of Continental Oil Company for the enlargement of the presently approved 160-acre unit to a non-standard gas proration unit of 320 acres, consisting of the North Half of Section 1, Township 24 South, Range 36 East, Lea County, New Mexico, in the Jalmat Gas Pool, for its Vaughan B-1 No. 1 Well.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

(Whereupon, Applicant's Exhibits Nos. 1 and 2 marked for identification.)



Q (By Mr. Kellahin) Now referring to what has been marked as Exhibit No. 1, would you identify that exhibit and discuss the information shown on it, please?

A Exhibit No. 1 is a location plat showing the Vaughan B-1 lease and the surrounding area. The lease and also the proposed unit is shown outlined in red. The Vaughan B-1 No. 1 Well, shown circled in red, is located 1650 feet from the North line and 990 feet from the East line of Section 1. Surrounding Jalmat gas wells are shown circled in green, and the acreage allocated to them is shown outlined in green.

Q Other than the well location, would this application have been eligible for administrative approval under the present rules?

A Yes, it would.

Q The only reason we have to have a hearing is on account of the location of the well?

A That's right.

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

A Exhibit No. 2 is a copy of a deliverability test which indicates that this well has a capacity which is capable of producing the allowable for the enlarged unit.

Q Is the Northwest Quarter of Section 1 presently allocated to any well for Jalmat production?

A No, it's not. It had been allocated to the Vaughan B-1 No. 2, which was deepened and recompleted as a Langley-Mattix oil well effective August 25, 1965.

Q In your opinion, is the Vaughan B-1 No. 1 Well capable of producing the allowable that would be assigned to it?

A Yes, it is.

Q The proposed unit is comprised of contiguous quarter quarter sections, is that correct?

A That's right.

Q And it's within a single governmental section?

A Yes.

Q The length and width of the unit do not exceed 5,280 feet, is that correct?

A That's correct.

Q Mr. Kopchek, in your opinion is the entire unit reasonably presumed to be productive of gas from the Jalmat Pool?

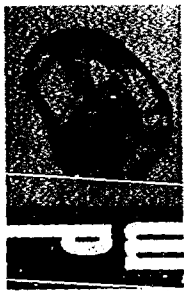
A Yes.

Q Will the approval of this application result in the prevention of waste?

A Yes, it will.

Q Will correlative rights be protected, in your opinion?

A They will.



MR. KELLAHIN: At this time I offer in evidence Exhibits 1 and 2.

MR. NUTTER: Applicant's Exhibits 1 and 2 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 and 2 offered and admitted in evidence.)

MR. KELLAHIN: That's all I have on direct examination.

MR. NUTTER: Are there any questions of Mr. Kopchek?  
Mr. Durrett.

CROSS EXAMINATION

BY MR. DURRETT:

Q Mr. Kopchek, am I correct that there presently is 160 acres dedicated to this well?

A That's correct.

Q And it's receiving 160-acre allowable in the Jalmat Pool?

A That's correct.

Q And you are not seeking any back allowable now?

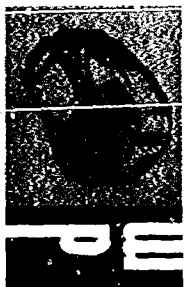
A No, sir.

MR. DURRETT: Thank you.

MR. PORTER: But your deliverability test indicates it will produce 320-acre allowable?

A That's right.

MR. NUTTER: If there are no further questions of



Mr. Kopchek, he may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That's all in this case.

MR. NUTTER: Does anyone have anything further to offer in Case 3325? We will take the case under advisement.

\* \* \* \*

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

I, ADA DEARNLEY, Court Reporter - Notary Public, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 9th day of November, 1965.

*Ada Dearnley*  
Court Reporter - Notary Public

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3325 heard by me on 10/19, 1965.

*[Signature]* Examiner  
New Mexico Oil Conservation Commission