

TO THE HONORABLE MEMBERS OF THE HOUSE OF REPRESENTATIVES
AND SENATORS OF THE UNITED STATES
IN SENATE AND HOUSE OF REPRESENTATIVES

CASE No.
3326

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

DRAFT
JMD/esr

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:

CF Subj. _____

CASE No. 3326

Order No. R- 2989

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 560-acre non-standard gas proration unit in the
Eumont Gas Pool 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, NMPM, 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.

(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

(5) That by Order No R-1888 the E/2 W/2 of Section 26
was dedicated to the SEMU well No 64 but said well is no longer
capable of producing a 480 acre allowable and Order R-1888
should be superseded.

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

IT IS THEREFORE ORDERED:

(1) That a 560-acre non-standard gas proration unit in the Eumont Gas Pool 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, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Continental Oil Company SEMU Well No. 65, located 2363 feet from the South line and 0 feet from the West line of said Section 26.

7(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.

(2) That Order No R-1888 is hereby superseded,

60 & 19th

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

MAINTAINED
'65 OCT 6 AM 10 02

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 EUMONT
GAS POOL CONTAINED IN ORDER NO. R-1670
IN ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT CONSISTING OF THE W/2
SECTION 26, THE E/2 E/2 SECTION 27,
AND THE E/2 SE/4 SECTION 22, T-20S,
R-37E, NMPM, LEA COUNTY, NEW MEXICO,
TO BE ALLOCATED TO ITS SOUTHEAST MONU-
MENT UNIT WELL NO. 65.

Case 3326

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 Southeast Monument
Unit No. 65 to a 560-acre non-standard gas proration unit con-
sisting of the W/2 of Section 26, the E/2 E/2 of Section 27,
and the E/2 SE/4 of Section 22, T-20S, R-37E, NMPM, Lea County,
New Mexico, and in support thereof would show:


1. That applicant is co-owner and operator of the
Southeast Monument Unit, which includes the W/2 of Section
26, the E/2 E/2 of Section 27, and the E/2 SE/4 of Section 22,
T-20S, R-37E, NMPM, Lea County, New Mexico.
2. That applicant drilled the Southeast Monument Unit
Well No. 65 at a location 2363' from the south line and 0' from
the west line of Section 26 and completed February 21, 1929, as
a gas well.
3. That Order No. R-1888 approved a non-standard gas
proration unit for Eumont gas production from said well consist-
ing of the E/2 SE/4 of Section 22, W/2 W/2 of Section 26, and
the E/2 E/2 of Section 27, T-20S, R-37E, NMPM, Lea County, New
Mexico.
4. That the E/2 and E/2 W/2 of Section 26, T-20S,
R-37E, is presently allocated to SEMU No. 64, which no longer
has the capacity to produce a 480-acre allowable, whereas SEMU
No. 65 has excess producing capacity.

Application
Page 2

5. That the E/2 W/2 of Section 26, T-20S, R-37E, should be reallocated to SEMU No. 65 in the interest of the prevention of waste and protection of correlative rights.

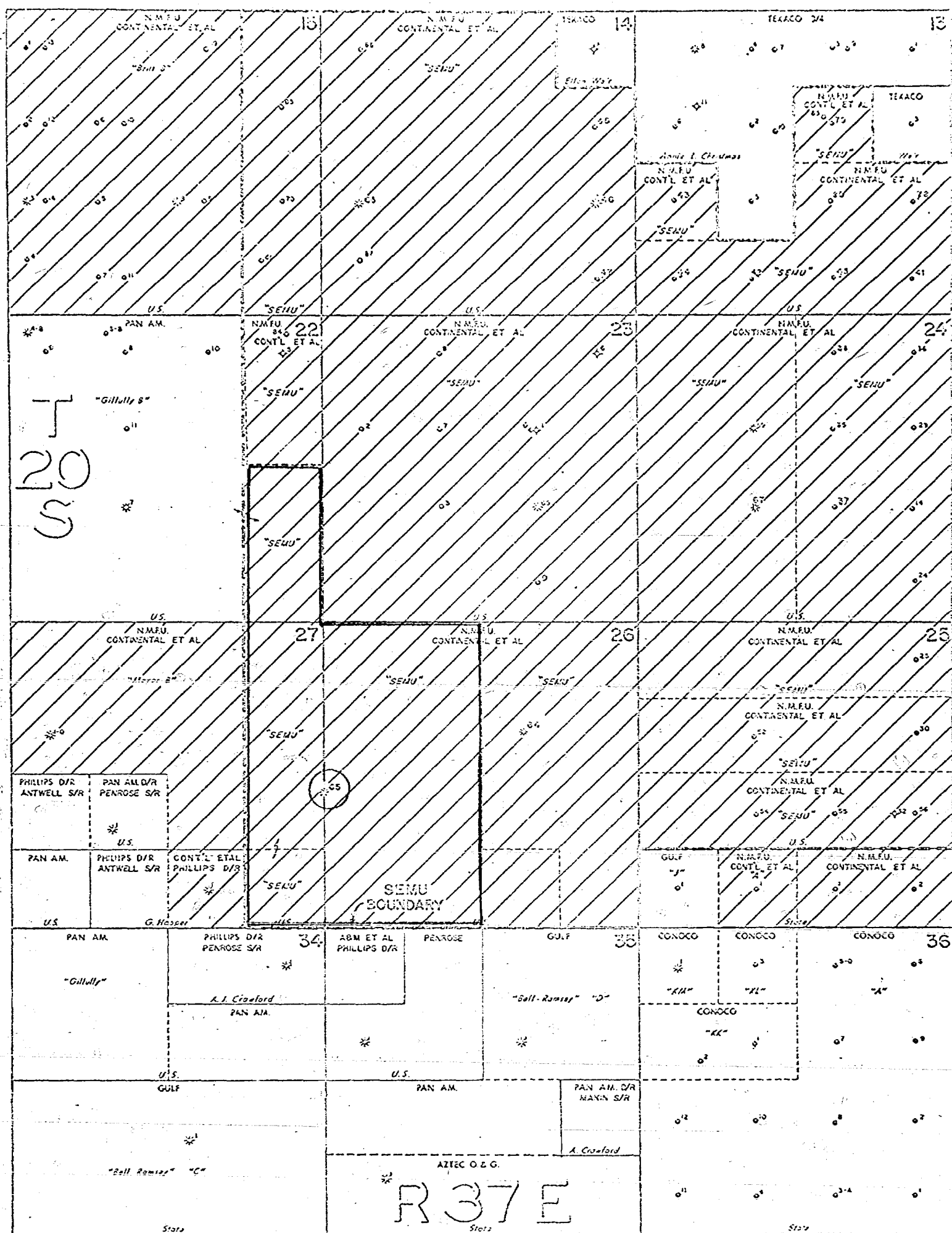
WHEREFORE, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, that appropriate notice thereof be given, and that upon hearing an order be entered granting applicant exception to Rule 5(B) of the Special Rules and Regulations for the Eumont Gas Pool contained in Order R-1670 for the non-standard gas proration unit described above.

Respectfully Submitted,
CONTINENTAL OIL COMPANY


G. C. JAMIESON
Assistant District
Manager of Production
Hobbs District

GCJ-DFW

cc: RGP GW JWK File



MINIMUM CONTRACT TEST

Form 15-303 (Rev. 3-59)

Company Continental Oil Company					Date of Test 6-25-65		
Unit L 26 20 37					Lease SEMU Eumont No. 65		
Type Well Single					Producing Thru Lea		
Tubing Casing X					Top of Pay 3527		Drill. Pressure 13.2
Date of Previous Minimum Contract Test 11-13-64					n _t of Previous Back Pressure Test 1.000		Meter Sta. No. 60-457
							Compressor On
							Acres Factor 2.50

FLOW DATA					TUBING	CASING	DURATION OF FLOW HOURS
Proven Line Size	x	Choke Orifice Size	Static Pressure Psig.	Diff. h _w	Temp. °F	Pressure Psig.	Pressure Psig.
			218			249	24

VOLUME CALCULATIONS

Coefficient (24-Hour)	Motor Extension √h _w Q ₀	Pressure Psia.	Flow Temp. Factor F _t	Gravity Factor F _g	Compressor Factor F _{pv}	Rate of Flow Q-MCFPD @ 15.025 Psia.
						1,191

VOLUME INTEGRATED BY MAIN OFFICE

$$D_t = Q \left[\frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} \right]^{n_t}$$

	P _d @ 113.2 Psia.	P _d @ 613.2 Psia.	P _d @ 863.2 Psia.
P _c ² =	184.2		
P _d ² =	12.8		
P _t ² =	68.7		

$$\left[\frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} \right] = \frac{184.2 - 12.8}{184.2 - 68.7} = 1.484 = B$$

$$\left[\frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} \right] = \frac{184.2 - 12.8}{184.2 - 68.7} = 1.484 = B$$

113.2 Psia	Log B	X	n _t	=		Antilog = B ^{n_t}
	Q	X	1.000	=		
	1,191	X	1.484	=	D _t 1,767	

613.2 Psia	Log B	X	n _t	=		Antilog = B ^{n_t}
863.2 Psia	Q	X	B ^{n_t}	=	D _t	

SHUT-IN DATA

DURATION	TUBING	CASING
24 Hour		392
48 Hour		405
72 Hour		416

- n_t = Slope of Wellhead Deliverability Curve (P_c² - P_t² vs Q)
- Q = Actual flow @ end of Flow Period at Wellhead Press., P_t
- P_c = Maximum Shut-in Pressure Observed in a 72 Hour Period
- P_t = Flowing Wellhead Pressure (tubing if flowing thru tubing and vice versa), Psia
- P_d = Deliverability Pressure
- D_t = Wellhead Deliverability @ Deliverability Pressure (P_d), MCF/Day

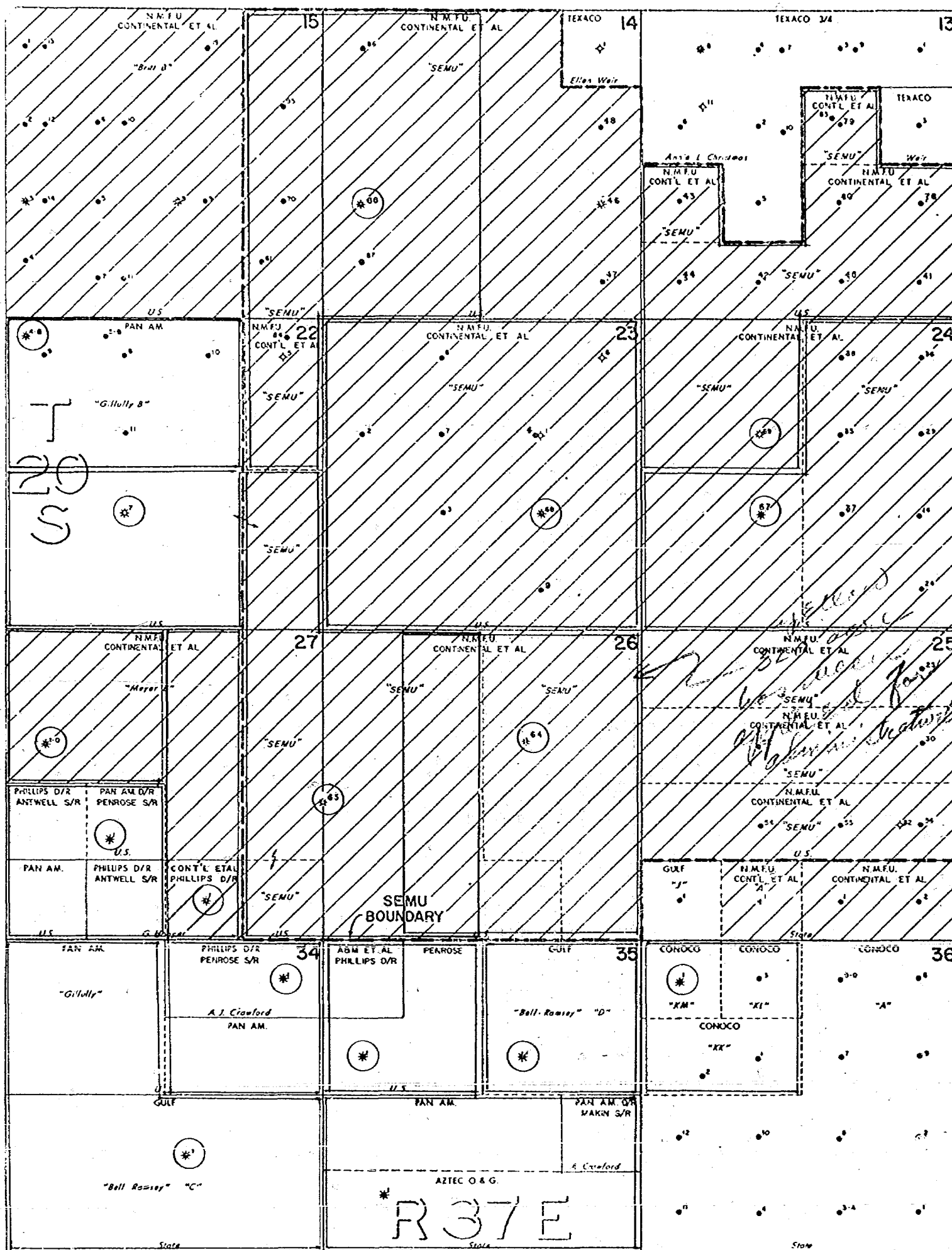
Witnessed By (Name) W. D. Recer	Tested By L. D. Southern
Company Continental Oil Company	Calculated By L. D. Southern

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 2
CASE NO. 3326

EXHIBIT NO. 2



- ☐ SUBJECT WELL
- ☐ PROPOSED GAS PRORATION UNIT
- ☐ OFFSET WELLS
- ☐ OFFSET GAS PRORATION UNITS
- ☐ REDUCED GAS PRORATION UNIT FOR SEMU NO. 64

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
App'l EXHIBIT NO. 1
CASE NO. 3326

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DISTRICT
LOCATION PLAT
Lea County, New Mexico

SCALE
0 1000 2000

EXHIBIT #1

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 Faskan 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. 3326
Order No. R-2989

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 560-acre non-standard gas proration unit in the Eumont Gas Pool 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, NMPM, 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.

(3) That by Order No. R-1888 the E/2 W/2 of said Section 26 was dedicated to the SEMU Well No. 64 but said well is no longer capable of producing a 480-acre allowable and Order No. R-1888 should be superseded.

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

-2-

CASE No. 3326
Order No. R-2989

(5) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

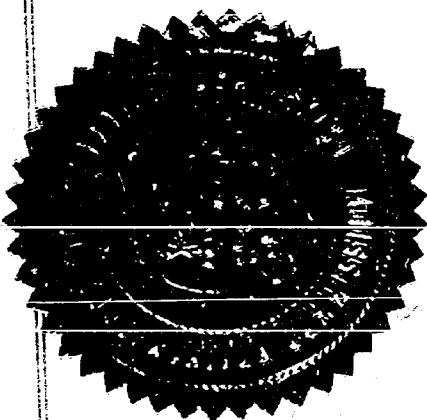
IT IS THEREFORE ORDERED:

(1) That a 560-acre non-standard gas proration unit in the Sumont Gas Pool 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, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Continental Oil Company SEMU Well No. 65, located 2363 feet from the South line and 0 feet from the West line of said Section 26.

(2) That Order No. R-1888 is hereby superseded.

(3) 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

Guyton B. Hays
GUYTON B. HAYS, Member

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

esx/

State of New Mexico
Oil Conservation Commission



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

October 27, 1965

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

Continental Oil Company

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

A. L. Parter, Jr.

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC **x**

Artesia OCC

Aztec OCC

Other _____

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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 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.

Case No. 3326

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case 3326.

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

MR. KELLAHIN: If the Examiner please, may the record show the appearance of Jason Kellahin for the Applicant, and we have the same witness. May the record show he has been sworn.

MR. NUTTER: The record will so show.

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

L. E. KOPCHEK

called as a witness, having been previously duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A Larry Kopchek.

Q Are you the same Mr. Kopchek who testified in Case 3325?

A Yes, sir.

Q Mr. Kopchek, are you familiar with the application of Continental Oil Company in Case 3326?

A Yes.

Q Would you state what is proposed in this application?



A This is the application of Continental Oil Company for the enlargement of the presently approved 480-acre to a non-standard gas proration unit of 660 acres consisting of the West Half of Section 26, the East Half of the East Half of Section 27, and the East Half of the Southeast Quarter of Section 22 in Township 20 South, Range 37 East, Lea County, New Mexico, in the Eumont, for its Southeast Monument Unit No. 65.

Q Referring to what has been marked as Exhibit No. 1, will you identify that exhibit and discuss it, please?

A Exhibit 1 is a location plat showing the Southeast Monument Unit 65 and the surrounding area. The proposed unit is shown outlined in red and consists of the West Half of Section 26, the East Half of Section 27, and the East Half of the Southeast Quarter of Section 22. It is proposed to allocate this area for Eumont gas production to the Southeast Monument Unit No. 65, which is shown circled in red and located some 2363 feet from the South line and zero feet from the West line of Section 26, Township 20 South, Range 37 East.

Surrounding Eumont gas wells are shown circled in green, and the acreage allocated to them is shown outlined in green. The area shown outlined in yellow is the proposed reduced acreage to be allocated to the Southeast Monument Unit No. 64. An application has been submitted for administrative



approval, which is contingent to the approval of this application for enlargement.

Q What acreage are you then adding to the No. 65 Well?

A We are adding the East Half of the West Half of Section 26.

Q And insofar as the balance of the acreage within the proposed unit is concerned, it is presently dedicated to Well 65?

A That is correct.

Q What is the present status of this acreage; it's dedicated to 65, is it?

A Yes.

Q Now 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 deliverability test of the Southeast Monument Unit No. 65 Well, and it shows that the well is capable of producing the allowable for the enlarged unit.

Q What is the status of the SEMU 64 Well?

A It presently does not have the capacity to produce the allowable for its present unit.

Q And 65 has excess capacity, is this correct?

A That is correct.

Q Is the proposed unit comprised of contiguous quarter

quarter sections?

A It is.

Q In your opinion, may it all be presumed to be productive of gas from the Eumont Gas Pool?

A That's right.

Q Will approval of the application be in the interest of preventing waste, in your opinion?

A Yes, it will.

Q Will correlative rights of the operators be protected?

A Yes, they will.

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

MR. NUTTER: Continental'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?

CROSS EXAMINATION

BY MR. NUTTER:

Q What unit is presently dedicated to the No. 65 Well?

A The present unit for the No. 65 Well consists of the West Half of the West Half of Section 26, the East East of Section 27, and the East Half of the Southeast Quarter of



Section 22.

Q In other words, there's a unit there right now that consists of everything except that 160 acres that you are going to take away from the No. 64?

A That's correct.

Q And that's on account of the 65 is a better well than the 64, so you are just balancing your acreage to meet the producibility of the wells?

A That's right.

MR. NUTTER: Any other questions of the witness? He may be excused.

(Witness excused.)

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

MR. KELLAHIN: That's all I have.

MR. NUTTER: Does anyone have anything they wish to offer in Case 3326? We will take the case under advisement.

* * * *



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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. 3320, heard by me on 10/19, 1965.

James Examiner
New Mexico Oil Conservation Commission

Cont'l Oil Co

560-acre NSP Emmont

SEMU # 65

E/2 SE/4 22

W/2 26 20-37

E/2 E/2 27

2363' FSL } 26
0' FWL }