

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 7, 1970

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
A. L. Porter, Jr., Alternate Examiner:

CASE 4286: Application of Gulf Oil Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Littlefield "AB" Federal Lease, located in Section 22, Township 18 South, Range 31 East, Shugart Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells on said lease in unlined surface pits in said Section 22.

CASE 4287: Application of Continental Oil Company, for a waterflood expansion and unorthodox injection well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Forest Donahue Waterflood Project, Forest Pool, by the injection of water through one additional well located at an unorthodox location 1960 feet from the North line and 1450 feet from the West line of Section 35, Township 16 South, Range 29 East, Eddy County, New Mexico.

CASE 4288: Application of Wood, McShane and Thams-Colorado for an unorthodox oil well location and waterflood expansion, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to drill their Well No. 63, a producing oil well, at an unorthodox location 2740 feet from the south line and 1280 feet from the East line of Section 30, Township 22 South, Range 37 East, as an infill well in the Humble Oil & Refining Company State "M" Lease Waterflood Project, Langlie-Mattix Pool, Lea County, New Mexico. Applicants further seek to expand said project by the conversion to water injection of their Wells Nos. 27 and 39 located, respectively, in Units H and J of said Section 30. Applicants also seek a procedure whereby additional producing wells and injection wells at orthodox and unorthodox locations in said project may be approved administratively.

CASE 4289: Application of Getty Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Justis-Blinbry and Justis-Tubb Drinkard Pools in the wellbore of its State "BB" Well No. 2 located in Unit D of Section 2, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 4290: Application of Getty Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the SE/4 NE/4 and the NE/4 SE/4 of Section 29, Township 18 South, Range 38 East, Hobbs-Drinkard Pool, Lea County, New Mexico, said unit to be dedicated to a well to be drilled at a standard location in the NE/4 SE/4 of said Section 29.

CASE 3993: (Reopened)

In the matter of Case No. 3993 being reopened pursuant to the provisions of Order No. R-3644, which order established 160-acre spacing units for the North Baum-Upper Pennsylvanian Pool, Lea County, New Mexico, for a one-year period. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre units and why the proportional factor of 4.77 assigned to the pool should or should not be retained.

CASE 4202: (Reopened)

In the matter of Case 4202 being reopened at the request of the applicant, Mobil Oil Corporation. Applicant, in the original hearing of this case, sought permission to institute a water-flood project in the Langlie Mattix Queen Unit Area, Langlie-Mattix Pool, by the injection of water into the Queen sand formation through 17 injection wells at orthodox and unorthodox locations in Sections 10, 11, 14, 15, 22, and 23, Township 25 South, Range 37 East, Lea County, New Mexico. The Commission, by Order No. R-3823, authorized the applicant to inject water through 16 wells and denied the applicant authority to inject water through the proposed injection Well No. 14 to be drilled 660 feet from the North line and 1220 feet from the West line of said Section 14. Applicant seeks authority to now complete said Well No. 14 as a water injection well, alleging that negotiations for the acquisition or inclusion of acreage offsetting said Well No. 14 have not been successful, that failure to inject water through the well will result in the loss of approximately 200,000 barrels of oil, and that said injection will not violate the correlative rights of the offset operator.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 7, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil
Company, for a waterflood expansion
and unorthodox injection well
location, Eddy County, New Mexico.

Case No. 4287

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case 4287.

MR. HATCH: Case 4287. Application of Continental Oil Company for a waterflood expansion and unorthodox injection well location, Eddy County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin, Kellahin and Fox, appearing for the Applicant.

I have one witness I would like to have sworn.

(Witness sworn).

(Whereupon, Applicant's Exhibit 1 was marked for identification).

VICTOR T. LYON

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please state your name?

A Victor T. Lyon.

Q By whom are you employed and in what position?

A I am employed by Continental Oil Company as conversion coordinator in the Hobbs Division, Hobbs, New Mexico.

Q Have you testified before the Oil Conservation Commission and made your qualifications a matter of record?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, he is qualified.

Q (By Mr. Kellahin) Mr. Lyon, what is proposed by Continental Oil Company in Case 4287?

A Case 4287 is application of Continental Oil Company for amendment of Order No. R-3756A, to authorize an unorthodox location for its Donahue Well No. 5, located 1960 feet from the north line and 1450 feet from the west line of Section 35, Township 16 South, Range 29 East, Eddy County, New Mexico.

Order No. R-3756 authorized the Forest pool waterflood project and in this order there was authorization for Donahue No. 4 at a standard location in Unit "F" of Section 35.

Upon staking the location, it was found that the rig would have to be placed over a pipe line right of way, and, therefore, an application was filed and hearing was held September 8th in Case No. 4197 to authorize

an unorthodox location for the well, 1980 feet from the north line and 1450 feet from the west line of Section 35.

This well was started and after setting of surface casing, the hole was lost due to mechanism difficulties. Therefore, we requested and received tentative approval subject to this hearing of a location 20 feet north of the well, which was authorized in Order No. R-3756.

Q Are these various locations shown on Exhibit No. 1?

A Yes, sir. Exhibit No. 1 is a plat showing the southeast quarter northwest quarter of Section 35. It shows the original proposed location, the pipe line right of way, the revised location for Donahue No. 4 and then the location which we are seeking to be authorized, at which is the actual location of Donahue No. 5.

This location for No. 5 is circled in red.

Q Now, the well will still remain on the same unit within the waterflood, will it not?

A Yes, sir.

Q And that unit was included in the original

approval of the waterflood project?

A Yes, sir. There was authorization given Order R-3756 for an injection well in this drilling unit.

Q So, while the advertising in this particular case covers a waterflood expansion and an unorthodox injection well, actually the unit had already been included in the --

A Yes, sir.

Q -- flood?

A The completion of this well as an injection well will have the effect of expanding the project area under -- the way I understand the Commission operates under their waterflood rules. But, it is not an expansion over what was proposed in the original case.

Q Now, this area is included in the Forest Pool; is that right?

A Yes, sir. As I mentioned before the -- this hearing began, we are preparing to enlarge this unit to include the Nunnally No. 3, which has been owned by General American Oil Company of Texas.

We had requested that this well be reclassified from the Square Lake Pool to the Forest Pool and the Commission suggested that we abolish the Forest Pool and

add it all to the Square Lake, which has the same effect; and, so, it is my understanding that the Commission will, on its own motion, seek to make this change in the pool.

Q Now, in completing this well as an injection well, will your completion procedures be the same as those proposed in the other case?

A Yes, they will.

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

A Yes, it was.

MR. KELLAHIN: At this time, I offer in evidence Exhibit No. 1.

MR. NUTTER: Continental's Exhibit No. 1 will be admitted in evidence. This is labeled Exhibit 2.

THE WITNESS: I think it is from a previous case and it was Exhibit 2; so, that would change to Exhibit 1.

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

MR. KELLAHIN: That's all, Mr. Nutter.

MR. NUTTER: If there is nothing further, the witness may be excused and the case will be taken under advisement.

(Witness excused).

I N D E X

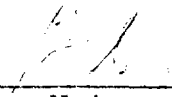
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Applicant's Exhibit 1	2
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STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, GLENDA BURKS, Court Reporter in and for the
 County of Bernalillo, State of New Mexico, 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.



 Notary Public

My Commission Expires:

March 12, 1973

~~I do~~ **hereby** certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. **4287**,
 heard by me on 1/7, 19 **70**.


 _____, Examiner
 New Mexico Oil Conservation Commission