

CASE 4197: Appli. of CONTINENTAL
FOR AN AMENDMENT TO ORDER R-3756,
EDDY COUNTY, NEW MEXICO.

Case Number.

4/197

Application

Transcripts.

Small Exhibits

ETC.



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

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

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 27, 1969

EXAMINER HEARING

----- -)
IN THE MATTER OF:)

Application of Continental Oil)
Company for an amendment to Order No.)
R-3756, Eddy County, New Mexico)
----- -)

Case No. 4197

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 4197.

MR. HATCH: Application of Continental Oil Company for an amendment to Order No. R-3756, Eddy County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin appearing for the Applicant. I have as our witness Mr. V. T. Lyon. May the record show that he has been sworn and is testifying under oath.

MR. UTZ: The record will so show.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 and 2 were 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 state your name, please?

A Victor T. Lyon.

Q Are you the same Mr. Lyon that testified in Case 4195?

A Yes, I am.

Q Mr. Lyon, are you familiar with the application of Continental Oil Company in Case 4197?

A Yes, sir.

Q What is proposed by Continental Oil Company in this case?

A Case No. 4197 is the application of Continental Oil Company for approval of an unorthodox location for its Donahue Well No. 4 to be located 1930 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.

The well has projected to be an injection well in the Forest Donahue Waterflood Project which was approved by Order No. R-3756.

Q Now, referring to what has been marked as Exhibit No. 1, would you discuss the information shown on that exhibit?

A Yes, sir. Exhibit No. 1 is a location and ownership plat showing centered in the exhibit the outline of the proposed Forest Pool units which comprises the Forest Pool waterflood project which is currently on a cooperative lease basis. The proposed injection wells are shown by the dashed triangles and the leases involved are designated in the normal manner.

The subject of this hearing, which is Donahue No. 4 located in the southeast quarter of the northwest quarter

of Section 35 has a red circle inscribed around it. It shows the location at the proposed location in this hearing.

Q Now, was it originally proposed in Case No. 4125 to drill this as an orthodox location?

A Yes, sir, it was originally proposed to drill the well 1980 feet from the north line and 1650 from the west line.

Q Now, you propose to move the well, is that correct?

A Yes, sir. We propose to move it as result of a surface obstruction.

Q That would be 200 feet west of the original proposed location, is that correct?

A That is correct.

Q Now, referring to what has been marked as Exhibit No. 2, would you identify that exhibit?

A Exhibit No. 2 is an expanded scale plat of the southeast quarter of the northwest quarter which is the drilling unit for the Donahue No. 4. It shows the trace of the pipe line right of way across the lease.

The original location is shown at 1980 feet from the north line and 1650 feet from the west line which is immediately adjacent to this pipe line right of way and

is approximately 15 feet from an existing, I believe it's 2430 inch line belonging to TransWestern Pipe Line Company.

We should like to avoid drilling a well this close to that line and it would be necessary to build a caliche mat for the drilling operation on top of this pipe line. We should like to avoid that. Now, we could move the well due south and have an orthodox location, but to do so we would have to crowd the well immediately to the south of it which is the Herd No. 3 located in unit K.

Now, you will note that No. 3 is in the northwest corner of its drilling unit, so it is crowding this same line and this well Herd No. 3 is one of the best wells, if not the best well, in the entire Forest Pool and if we were to move this well to the south it would seriously impair the sweep pattern in the waterflood operation to this well.

Q You could move it to the east, could you not?

A Yes, we could move it to the east, but you will note that this is an edged location and we would like to make sure that the injection well is completed within the productive limits of the pool, and we are not certain that all of this acreage to the east is productive or at least

has enough permeability to transmit the water in the desired quantity.

Q That is the reason you want to move the well 200 feet to the west?

A That is correct. You will note that the well west of it, the Lever's B No. 5 crowds its west line so that we can move the well to the west without seriously impairing the sweep efficiency toward that well.

Q That will not upset your waterflood pattern?

A No, sir.

Q Will moving the location as proposed prevent waste, in your opinion?

A Yes, in my opinion it will. It will insure that the waterflood is conducted in such a way that water can be injected to push oil toward the producing wells.

Q As I understand your testimony, at the present time this is being operated under a cooperative agreement, is that correct?

A Yes, sir, we are in the process of unitizing this area and the preliminary -- the application for preliminary approval of the unit agreement and designation of unit area is presently in Washington D.C. for this approval by U.S.G.S.

Q Upon approval of the unit agreement, then the correlative rights of all the operators would be fully protected, is that correct?

A Yes, sir.

Q Have you inspected the proposed location to determine if there is any possibility of other surface obstruction?

A This location has been staked and has been found to be free of any surface obstruction.

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

A Yes, they were.

MR. KELLAHIN: At this time, I would like to offer in evidence Exhibits 1 and 2.

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

MR. KELLAHIN: I have nothing further of the witness.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Lyon, what are the triangles to the east of Section 35, and two of them are in Section 35? Are they injection wells of another unit?

A Yes, those are injection wells in a cooperative waterflood project in the Square Lake Pool.

Q They are in a different pool, then?

A Yes, sir; as far as pool nomenclature is concerned.

Q What formation are they in?

A Same formation.

Q San Andres? Would it be possible that moving your well to the west would push oil off your unit onto the General American Lease?

A I don't believe so. They don't have a well over there which could recover.

Q That's what I mean. It could push oil over there and no well to recover it, couldn't it?

A I really doubt that there will be substantial quantities moved over there. If it is productive, the -- since there's no pressure sink in that direction the water will have a tendency to squeeze that oil out toward the producing wells where there is a pressure sink.

Q How far will you be from the TransWestern Pipe Line at your proposed location?

A I haven't measured that distance, but it should be in the order of seventy-five to one hundred feet.

Q You might try drilling on it; you might get a good gas well.

A Wouldn't have to drill very deep, either.

MR. UTZ: Are there other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Statements? The case will be taken under advisement.

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
VICTOR T. LYON	
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E X H I B I T S

<u>NUMBER</u>	<u>MARKED</u>
Applicant's 1 and 2	2

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.

Glenda Burks
 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. 4697 heard by me on 8-27-72 1972.

Shirley L. [Signature] Examiner
 New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 7, 1969

C
O
P
Y

Mr. Bill Gressett
Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

Dear Bill:

Commission Order No. R-3756-A grants Continental Oil Company permission to drill an injection well at a location 1980 feet from the North line and 1450 feet from the South line of Section 35, Township 16 South, Range 29 East, Eddy County.

Mr. Vic Lyon of Continental has advised me by telephone that they lost the hole at the above specified location and I gave him verbal permission to drill the replacement well 20 feet north of the original location. The well is on Federal land and will of course require approval by the United States Geological Survey.

A case will be docketed December 17th before an examiner so that the original order may be amended.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

cc: Mr. Vic Lyon
Mr. Jim Knauf



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMijo
MEMBER

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

September 8, 1969

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

Re: Case No. 4196 - (4197)
Order No. R-3822 - R-3756-A
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. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC R-3756-A

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. 4197
Order No. R-3756-A

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN AMENDMENT TO ORDER NO. R-3756,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 1969, 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 by Order No. R-3756, dated May 20, 1969, the applicant, Continental Oil Company, was authorized to institute its Continental Forest Donahue Waterflood Project in the Forest Pool, among other projects, by the injection of water into the Grayburg and San Andres formations through its Donahue Well No. 3 at a standard location in Unit J of Section 34 and through its Donahue Well No. 4 to be drilled at a standard location in Unit F of Section 35, both in Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That the applicant now seeks the amendment of said Order No. R-3756 to permit the drilling of its Donahue Well No. 4 in the Continental Forest Donahue Waterflood Project at an unorthodox location 1980 feet from the North line and 1450 feet from the West line of said Section 35.

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CASE No. 4197

Order No. R-3756-A

(4) That the previously authorized standard location of said Donahue Well No. 4 at a point 1980 feet from the North line and 1650 feet from the West line of said Section 35 lies adjacent to a pipeline right-of-way.

(5) That approval of the subject application will not violate correlative rights and will permit an efficient water injection pattern to be maintained, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Order No. R-3756, dated May 20, 1969, is hereby amended to authorize the applicant, Continental Oil Company, to drill its Donahue Well No. 4, a water injection well in its Continental Forest Donahue Waterflood Project for the injection of water into the Grayburg and San Andres formations, at an unorthodox location 1980 feet from the North line and 1450 feet from the West line of Section 35, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico.

(2) That Order No. R-3756 in all other respects shall remain the same.

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

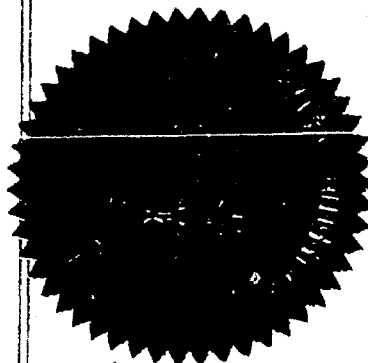
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


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



esr/

Case 4187

Hear of 8-27-69

Rec. 9-2-69

Grant Cont. are NSE ~~for~~ ⁱⁿ their
Forest Donahue ~~with~~ ^{privates} injection
well, 1980/NY 1450/4 line. sec. 38
165-29 E. Eddy. Cause is a
pipe line running thru the
std. Location.

This is an Amendment to
R-3756

Thos G. May

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. 4125
Order No. R-3756

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A WATERFLOOD PROJECT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 7, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20 day of May, 1969, 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
permission to institute three waterflood projects in the Forest
Pool by the injection of water into the Grayburg and San Andres
formations through ten injection wells in Sections 34 and 35,
Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That the applicant further seeks an administrative
procedure whereby said projects could be expanded to include
additional lands and injection wells in the areas of said
projects as may be necessary in order to complete efficient
injection patterns; that said administrative procedure should
provide for administrative approval for conversion to water
injection in exception to the well response requirements of
Rule 701 E-5 of the Commission Rules and Regulations.

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CASE No. 4125
Order No. R-3756

(4) That the wells in the project areas are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the projects should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to institute the three following waterflood projects in the Forest Pool by the injection of water into the Grayburg and San Andres formations through the following-described ten wells in Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico:

Continental Forest Levers Waterflood Project

Injection Wells:

Levers "B" Well No. 3 - Unit B - Section 34
Levers "B" Well No. 14 - Unit F - Section 34
Levers "B" Well No. 1 - Unit H - Section 34
Levers "B" Well No. 10 - Unit N - Section 34
Levers "B" Well No. 8 - Unit P - Section 34
Levers "B" Well No. 4 - Unit D - Section 35

Continental Forest Donahue Waterflood Project

Injection Wells:

Donahue Well No. 3 - Unit J - Section 34
Donahue Well No. 4 - to be drilled in Unit F -
Section 35

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CASE No. 4125
Order No. R-3756

Continental Forest Heard Waterflood Project

Injection Wells:

Heard Well No. 1 - Unit L - Section 35
Heard Well No. 4 - Unit N - Section 35

(2) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the subject waterflood projects to include such additional lands and injection wells in the areas of said projects as may be necessary to complete efficient water injection patterns; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection; further, that the Secretary-Director may consolidate the three projects into a single project upon unitization of the area involved.

(3) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(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

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

esr/

CASE 4194 - Continued from Page 1 -

seeks authority to inject gas through two additional wells located in Unit L of Section 34, Township 17 South, Range 35 East and Unit B of Section 4, Township 18 South, Range 35 East and to expand said project area to include the SE/4 NE/4 of Section 33 and the NW/4, N/2 SE/4, and SW/4 SE/4 of Section 34 Township 17 South, Range 35 East. Applicant further seeks authority to dually complete all gas injection wells in the project in such a manner as to permit the production of oil from the lower section of the Abo Reef through tubing and the injection of gas into the upper section of the Abo Reef through the casing-tubing annulus.

CASE 4195: Application of Continental Oil Company for eight non-standard gas proration units and a non-standard gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rededication of acreage to establish the eight following non-standard gas proration units in Township 20 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico:

A 120-acre non-standard unit comprising the SE/4 NE/4 and E/2 SE/4 of Section 14, to be dedicated to the "SEMU" Well No. 46, located in Unit A of said Section 14;

A 240-acre non-standard unit comprising the NE/4 and E/2 SE/4 of Section 26, to be dedicated to the "SEMU" Well No. 64, located in Unit G of said Section 26;

A 560-acre non-standard unit comprising the W/2 and W/2 SE/4 of Section 26 and the E/2 E/2 of Section 27, to be dedicated to the "SEMU" Well No. 65, located in Unit L of said Section 26;

A 640-acre non-standard unit comprising the W/2 and the W/2 E/2 of Section 14 and E/2 E/2 of Section 15, to be dedicated to the "SEMU" Well No. 66, located in Unit L of said Section 14;

DOCKET No. 24-69

DOCKET: EXAMINER HEARING -- WEDNESDAY - AUGUST 27, 1969

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 4191: Application of Gulf Oil Corporation for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 4408 feet to 4415 feet in its Roosevelt "AN" State Well No. 3 located in the NW/4 SE/4 of Section 32, Township 7 South, Range 36 East, adjacent to the Todd-Lower San Andres Pool, Roosevelt County, New Mexico.

CASE 4192: Application of Southwest Production Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Buffalo Valley "Com" Well No. 2 at an unorthodox location 1650 feet from the North line and 990 feet from the East line of Section 35, Township 14 South, Range 27 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, in exception to the provisions of Rule 2 of the special rules for said pool.

CASE 4193: Application of Humble Oil & Refining Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Bowers "A" Federal Com 33 Well No. 33 located in Unit D of Section 29, Township 18 South, Range 30 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Hobbs (Grayburg-San Andres) Pool and the Hobbs-Blinbry Pool through parallel strings of tubing.

CASE 4194: Application of Phillips Petroleum Company for an amendment of Order No. R-3181 and dual completions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3181, which order established special rules regulating the operation of the Phillips Petroleum Company Vacuum Abo Pressure Maintenance Project. Vacuum-Abo Reef Pool, Lea County, New Mexico. Applicant

CASE 4197 - Continued from Page 3 -

Applicant now seeks authority to locate said well at an unorthodox location 1980 feet from the North line and 1450 feet from the West line of said Section 35 in the Forest (San Andres) Pool.

CASE 4198: Application of Continental Oil Company for amendment of Order No. R-3487, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3487 which authorized the applicant to utilize its Eaves "A" Well No. 10, located in Unit P of Section 19, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, to dispose of salt water into the Seven Rivers formation in the interval from 3208 feet to 3255 feet. Applicant now seeks authority to inject produced salt water into the Yates and Seven Rivers formations in the perforated and open-hole interval from approximately 3107 feet to 3410 feet in said well and the reclassification of said salt water disposal well to a pressure maintenance injection well.

CASE 4199: Application of Burleson & Huff for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the SE/4 of Section 28, Township 25 South, Range 37 East, Lea County, New Mexico. Said 160-acre non-standard gas proration unit to be dedicated to the Burleson & Huff "Cook" Well No. 2, a recompleted well, located 560 feet from the South and East lines of said Section 28. Also to be considered will be the costs of drilling and/or recompleting said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4200: Application of Burleson & Huff for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the NE/4 of Section 29, Township 25 South, Range 37 East, Lea County, New Mexico. Said 160-acre non-standard gas proration unit to be dedicated to a well,

CASE 4195 - Continued from Page 2 -

A 320-acre non-standard unit comprising the SE/4, S/2 NE/4, and E/2 SW/4 of Section 24, to be dedicated to the "SEMU" Well No. 67, located in Unit K of said Section 24;

A 640-acre non-standard unit comprising the E/2 and E/2 W/2 of Section 23 and W/2 W/2 of Section 24, to be dedicated to the "SEMU" Well No. 58, located in Unit J of said Section 23;

An 80-acre non-standard unit comprising the E/2 NW/4 of Section 24, to be dedicated to the "SEMU" Well No. 69, located in Unit F of said Section 24;

A 320-acre non-standard unit comprising the E/2 E/2 of Section 22 and the W/2 W/2 of Section 23, to be dedicated to the "SEMU" Well No. 90, to be completed at a non-standard location 660 feet from the South and East lines of said Section 22.

CASE 4196: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of three existing non-standard gas proration units into one 360-acre non-standard unit comprising the W/2 and the NW/4 NE/4 of Section 18, Township 23 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Stevens "B" Wells Nos. 15 and 16, located in Units F and K, respectively, of said Section 18. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

CASE 4197: Application of Continental Oil Company for an amendment to Order No. R-37, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3755 which authorized, among other things, the drilling of a water injection well in the Forest Donahue Waterflood Project area at a location 1980 feet from the North line and 1650 feet from the West line of Section 35, Township 16 South, Range 29 East, Eddy County, New Mexico

CASE 4200 - Continued from Page 4 -

to be recompleted, located 660 feet from the East line and 1930 feet from the North line of said Section 29. Also to be considered will be the costs of drilling and/or recompleting said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4201: Application of Mobil Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie-Mattix Queen Unit Area comprising 1120 acres, more or less, of federal and fee lands in Sections 10, 11, 14, 15, 22, and 23, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4202: Application of Mobil Oil Corporation for a waterflood project and unorthodox injection well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Langlie-Mattix Queen Unit Area by the injection of water into the Queen sand through 17 wells at orthodox and unorthodox locations in Sections 10, 11, 14, 15, 22, and 23, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injection wells at orthodox and unorthodox locations may be approved for said project administratively.

CASE 4203: Application of Mobil Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Humphrey Queen Unit Area comprising 751 acres, more or less, of federal and fee lands in Sections 3 and 4, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4204: Application of Mobil Oil Corporation for a waterflood project and unorthodox injection well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Humphrey Queen Unit Area by the injection of water into the Queen sand through 11 wells at orthodox

CASE 4204 - Continued from Page 5 -

and unorthodox locations in Sections 3 and 4, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injection wells at orthodox and unorthodox locations may be approved for said project administratively.

CASE 4205: Application of Tesoro Petroleum Corporation for four unorthodox injection well locations and amendment of Order No. R-2807, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into the Hospah Upper Sand Oil Pool in its Hospah Unit Waterflood Project Area through four additional injection wells at unorthodox locations in Section 36, Township 18 North, Range 9 West, McKinley County, New Mexico, said wells to be located as follows:

Well No. 62 located 1900 feet from the South line and 1140 feet from the West line;

Well No. 63 located 1980 feet from the North line and 2310 feet from the West line;

A well to be drilled 1430 feet from the South line and 2625 feet from the East line;

A well to be drilled 30 feet from the South line and 2350 feet from the East line.

Applicant further seeks the amendment of Order No. R-2807, which order authorized the aforesaid waterflood project, to establish a procedure whereby additional injection wells at unorthodox locations, as may be necessary to complete an efficient injection pattern, may be approved administratively.

CASE 4206: Application of Shell Oil Company for an unorthodox oil well location and amendment to Order No. R-2538, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing oil well at an unorthodox location 1315 feet from the North line and 2625 feet from the West line of Section 34, Township 19

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EXAMINER HEARING - August 27, 1969

DOCKET No. 24-69

CASE 4208 - Continued from Page 7 -

several waterflood projects by the injection of water into the Seven Rivers formation through his Mary Lou Well No. 1 located in Unit H of Section 29 and his Caroline Well No. 4 located in Unit E of Section 28, both in Township 19 South, Range 28 East, East Millman-Seven Rivers Pool, Eddy County, New Mexico.

CASE 4209: Application of Harvey E. Yates Company of Artesia for several pressure maintenance projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute several pressure maintenance projects by the injection of water into the Seven Rivers and Queen formations, McMillan (Seven Rivers-Queen) Pool, Eddy County, New Mexico, through the following-described wells in Township 20 South, Range 27 East:

Page & Yates Well No. 8 - Unit M - Section 5
Page & Yates Well No. 6 - Unit I - Section 6
Page & Yates Well No. 7 - Unit J - Section 6
Lillie Yates Well No. 2 - Unit B - Section 7

CASE 4206 - Continued from Page 6 -

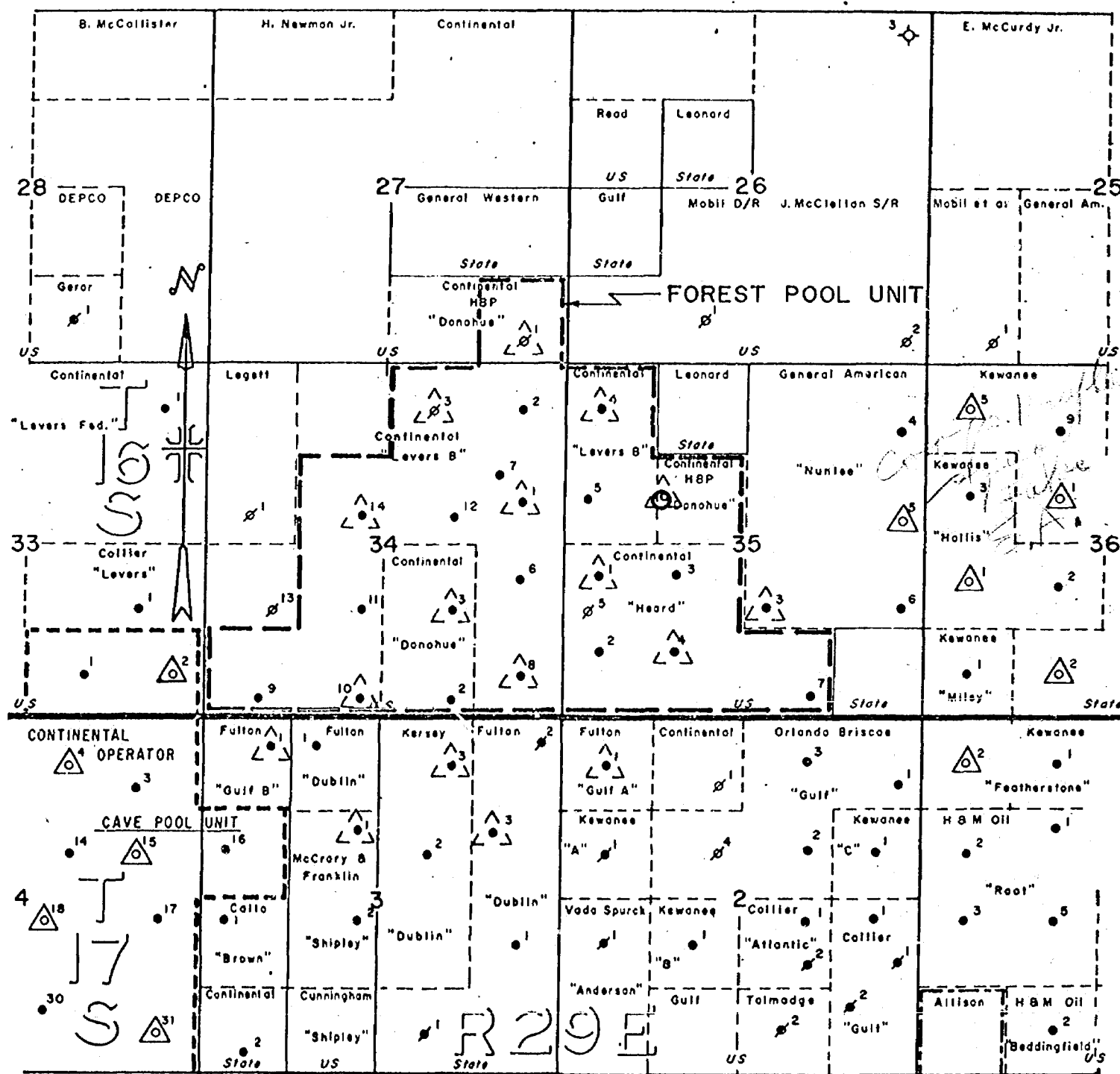
South, Range 35 East, as an infill well in its East Pearl-Queen Unit Waterflood Project area, East Pearl-Queen Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2538, which order authorized the aforesaid waterflood project, to establish a procedure whereby additional producing wells at unorthodox infill locations in the aforesaid project area, as may be necessary to complete an efficient producing pattern, may be approved administratively.

CASE 4207: Application of C. W. Trainer and DEL-LEA, Inc., for an unorthodox gas well location, Lea County, New Mexico. Applicants, in the above-styled cause, seek an exception to Rule 104 C II to permit the drilling of a well at an unorthodox gas well location 330 feet from the North line and 660 feet from the West line of Section 35, Township 12 South, Range 34 East, West Ranger Lake-Devonian Gas Pool, Lea County, New Mexico. The N/2 of said Section 35 to be dedicated to the well.

CASE 4186: (Readvertised)

Application of Tenneco Oil Company for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Gas Pool underlying the North half of Section 11, Township 29 North, Range 13 West, San Juan County, New Mexico. Said acreage to be dedicated to a well to be drilled at an unorthodox gas well location 2250 feet from the North line and 600 feet from the East line of said Section 11. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well. In the absence of a valid objection an order will be issued upon the record entered in the subject case August 6, 1969.

CASE 4208: Application of John A. Yates of Artesia for several waterflood projects, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute

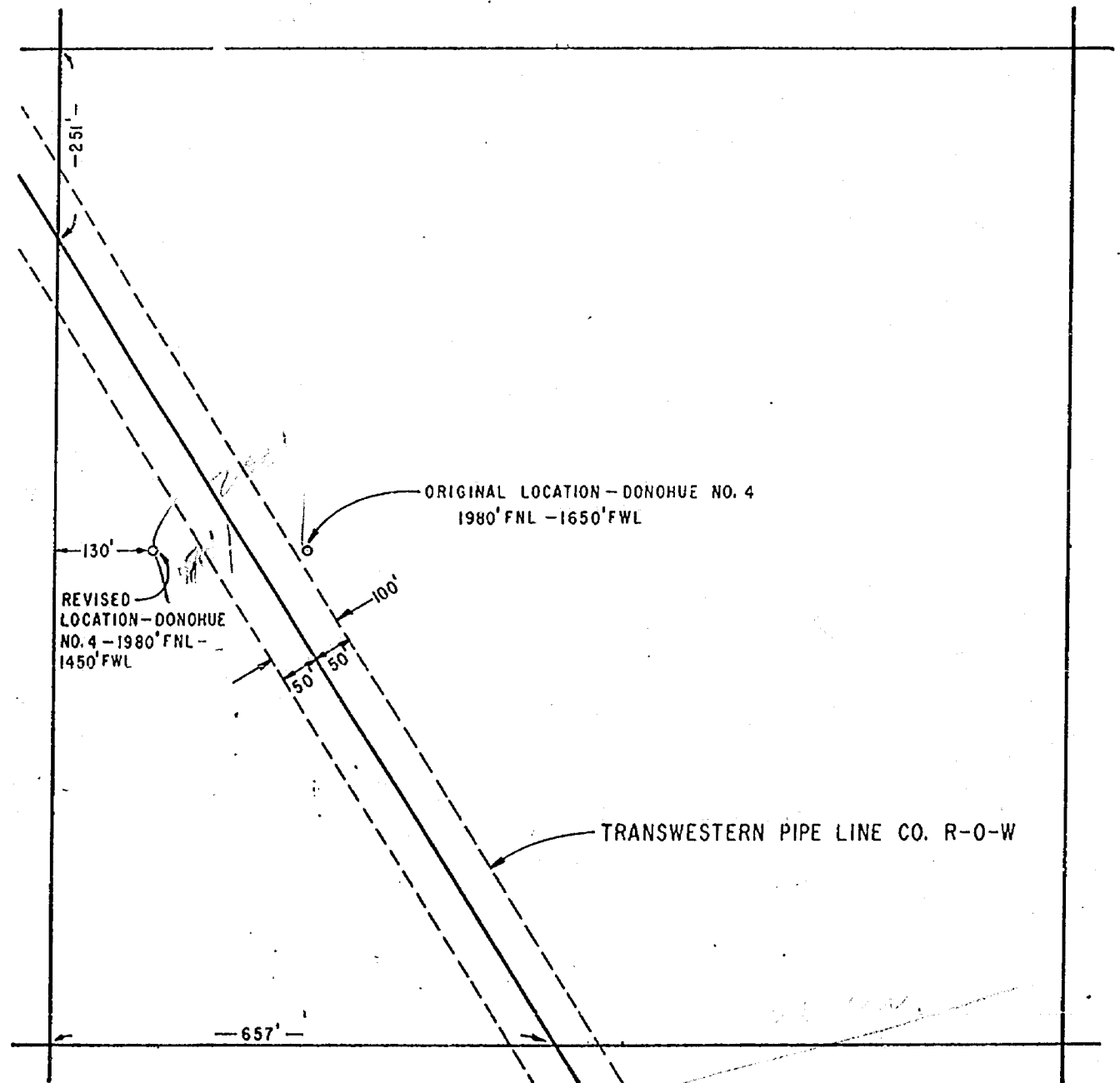


△ PROPOSED INJECTION WELLS
 △ PRESENT INJECTION WELLS

BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 1
 CASE NO. 4197

CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT—HOBBS DIVISION
 FOREST POOL UNIT
 EDDY COUNTY, NEW MEXICO
 LOCATION PLAT
 SCALE
 0 1000' 2000'
 Exhibit 1
 RFL

DONOHUE LEASE
SE/4 NW/4 SEC. 35-T16S-R29E
EDDY COUNTY NEW MEXICO



Scale: 1"=200'

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 4197

Exhibit 2



RECEIVED
31 AUG 1969

CONTINENTAL OIL COMPANY

P. O. Box 480

HOBBS, NEW MEXICO 88240

PRODUCTION DEPARTMENT
HOBBS DIVISION
L. P. THOMPSON
Division Manager
G. C. JAMIESON
Assistant Division Manager

1001 NORTH TURNER
TELEPHONE 393-4141

July 30, 1969

Case 4197

✓ New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

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

Re: Applications for Hearing -
August 27, 1969 Docket

Gentlemen:

Forwarded herewith in triplicate are the following applications.

Unorthodox location for Donohue No. 4, Forest Pool
Section 35, T16S, R29E, Eddy County, New Mexico

Amendment of Order No. R-3487 for Pressure Maintenance
Project, Scarborough Pool, Section 19, T26S, R37E,
Lea County, New Mexico

360-acre non-standard gas proration unit, Stevens
"B" Nos. 16 and 16, Jalmat Pool, Section 18, T23S,
R37E, Lea County, New Mexico

8 NSP Units in the Eumont Gas Pool for SEMU Wells
Nos. 46, 64, 65, 66, 67, 68, 69, and 90, T20S, R37E,
Lea County, New Mexico.

Please set these matters for hearing on your August 27, 1969,
Examiner docket.

Yours very truly, c

VTL-JS

RLA JJB JWK
Attach

DOCKET MAILED

Date 8-15-69

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
OF AN UNORTHODOX LOCATION FOR ITS
DONOHUE WELL NO. 4, TO BE LOCATED 1980
FEET FROM THE NORTH LINE, 1450 FEET
FROM THE WEST LINE, SECTION 35, TOWNSHIP
16 SOUTH, RANGE 29 EAST, EDDY COUNTY,
NEW MEXICO

Case 4197

A P P L I C A T I O N

COMES NOW APPLICANT, Continental Oil Company, and respectfully petitions the Commission for approval of an unorthodox location for its Donohue Well No. 4, to be drilled as an injection well in the Continental Oil Company-operated Forest Pool Waterflood project, and in support thereof would show:

1. Applicant is owner of the Donohue lease consisting of SE/4 NW/4, Section 35, and other lands in T-16S, R-29E, Eddy County, New Mexico.
2. Order No. R-3756 authorized Continental to install a waterflood project in the Forest (San Andres) Pool and to drill the Donohue Well No. 4 as an injection well at a location 1980' from the north line, 1650' from the west line, Section 35, T-16S, R-29E, Eddy County, New Mexico.
3. The location for Donohue Well No. 4 authorized by Order No. R-3756 lies adjacent to a pipeline right-of-way, so that applicant is unable to drill at that location.
4. Applicant proposes to move the location 200 feet west to a point 1980 feet from the north line, 1450 feet from the west line of Section 35, T-16S, R-29E, Eddy County, New Mexico. The plat attached hereto shows the lease, the proposed location, surrounding leases and wells in the nearby area.
5. That the granting of this application will prevent waste and will not impair correlative rights.

Application
Donohue No. 4
Page 2

WHEREFORE, APPLICANT respectfully requests that this matter be set for hearing before the Commission's duly appointed examiner and that upon hearing, an order be entered authorizing an unorthodox location for its Donohue Well No. 4 as described above.

Respectfully submitted,


G. C. JAMIESON

VTL-JS

DRAFT

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. 4197

Order No. R-3756-A

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN AMENDMENT TO ORDER NO. R-3756,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 14th day of July, 1969, 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 by Order No. R-3756, dated May 20, 1969, the appli-
cant, Continental Oil Company, was authorized to institute its
Continental Forest Donahue Waterflood Project in the Forest Pool,
among other projects, by the injection of water into the Grayburg
and San Andres formations through its Donahue Well No. 3 ~~located~~
at a standard location
in Unit J of Section 34 and through its Donahue Well No. 4 to be
at a standard location in
~~drilled in Unit F at a point 1980 feet from the North line and~~
~~1650 feet from the West line~~
of Section 35, both in Township 16
South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That the applicant now seeks the amendment of said Order
No. R-3756 to permit the drilling of its Donahue Well No. 4 in

CASE No. 4197

the Continental Forest Donahue Waterflood Project at an unorthodox location 1980 feet from the North line and 1450 feet from the West line of said Section 35.

(4) That the previously authorized ^{standard} location of said Donahue Well No. 4 at a point 1980 feet from the North line and 1650 feet from the West line of said Section 35 lies adjacent to a pipeline right-of-way.

(5) That approval of the subject application will not violate correlative rights and will permit an efficient water injection pattern to be maintained, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Order No. R-3756, dated May 20, 1969, is hereby amended to authorize the applicant, Continental Oil Company, to drill its Donahue Well No. 4, a water injection well in its Continental Forest Donahue Waterflood Project for the injection of water into the Grayburg and San Andres formations, at an unorthodox location 1980 feet from the North line and 1450 feet from the West line of Section 35, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico.

(2) That Order No. R-3756 in all other respects shall remain the same.

(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.

CASE 4198: Appli. of CONTINENTAL
FOR AMENDMENT OF ORDER R-3487,
LEA COUNTY, NEW MEXICO.