CASE 5185: Appli. of Cast Macro Cas Custar for simultanted dedication, Lea County

# CASE No. 5305

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# BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico October 2, 1974

# EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil )
Company for simultaneous )
dedication, Lea County,
New Mexico.

Case No. 5305

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission:

Thomas Derryberry, Esq.
Legal Counsel for the
Commission
State Land Office Building
Santa Fe, New Mexico

MR. NUTTER: Case 5305

MR. DERRYBERRY: Case 5305. Application of Continental Cil Company for simultaneous dedication, Lea County, New Mexico.

(Whereupon, a discussion was held off the record.)

MR. NUTTER: Case No. 5305 was actually heard on September 4, 1974, however, there was an error in the legal description of the lands involved and the case was continued and readvertised. At this time, we will incorporate the record of the Hearing in Case No. 5305 heard September 4, 1974

Are there any other appearances or positions to be taken in Case No. 5305 at this time?

If not, we will take the case under advisement.

CASE	5305
Page	3

STATE OF NEW MEXICO )

COUNTY OF SANTA FE )

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

COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5305, neard by mey on 10/2, 19.7%.

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# BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico September 4, 1974

# EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil )
Company for simultaneous dedi- )
cation, Lea County, New Mexico )

Case No. 5305

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission:

Thomas Derryberry, Esq. Legal Counsel for the

Commission

State Land Office Building

Santa Fe, New Mexico

For the Applicant:

W. Thomas Kellahin, Esq.

KELLAHIN & FOX 500 Don Gaspar

Santa Fe, New Mexico

CASE 5305

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Cross Examination by Mr. Nutter	7

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Applicant's Exhibits Nos. 1 and 2

Page 3

MR. NUTTER: Case 5305.

MR. DERRYBERRY: Case 5305. Application of Continental Oil Company for simultaneous dedication, Lea County, New Mexico.

MR. KELLAHIN: Tom Kellahin of Kellahin and Fox.

Santa Fe, New Mexico, appearing on behalf of the Applicant,

Continental Oil Company, and I have one witness to be sworn.

(Witness sworn.)

# 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, by whom you are employed and in what capacity?

A My name is Victor T. Lyon, L-Y-O-N, and I am employed by Continental Oil Company as Conservation Coordinator in the Hobbs Division Office located in Hobbs, New Mexico.

Q Mr. Lyon, have you previously testified before this Commission and had your qualifications as an expert witness accepted and made a matter of record?

 $\Lambda$  Yes. Thave.

Page 4

Q Are you familiar with the facts surrounding this particular Application by Continental?

A Yes.

MR. KELLAHIN: If the Examiner please, are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

# BY MR. KELLAHIN:

Q Mr. Lyon, would you please refer to what has been marked as Applicant's Exhibit No. 1, identify it and state briefly what the Application seeks?

A This Case 5305 is the Application of Continental Oil Company for approval of joint allocation of a 320-acre non-standard gas proration unit to Britt B Well No. 17 located in Unit P of Section 10 and its Skaggs B Well No. 7 located in Unit K of Section 11, Township 20 South, Range 37 East in the Eumont Pool, Lea County, New Mexico.

Exhibit No. 1 is a plat showing, outlined in red, the proposed -- well, the existing non-standard gas proration unit which was created by Order No. R-908. Also shown circled in red are the two wells to which this unit is proposed to be allocated jointly. The unit consists of the southeast quarter of Section 10 and the southwest quarter of Section 11 in Township 20 South, Range 37 East,

Page...... 5

and it consists of 320 acres which have been communitized. They are portions of two Federal leases: The Britt B which consists of the southeast quarter of Section 10 and the west half southwest of 11 and then 80 acres of the Skaggs B lease which is the east half of the southwest quarter of Section 11.

We also show on there the offsetting acreage and location and ownership of offsetting wells to the best of our knowledge and belief.

We are in the process of or have already changed the designation of these two wells because of the possible confusion of the two different lease names. This unit is being redesignated the Britt Skaggs Com, and the Britt B No. 17 will be Well No. 1 and the Skaggs B No. 7 will be Well No. 2 under this new designation.

Q What is the current status of the Skaggs B No. 7 Well?

A The Skaggs B To. 7 has just recently been drilled and completed as a producer in the pool.

Q With regard to the Britt B No. 17 Well, what is the status of that well?

since the creation of the unit by Order R-908, and has been

Page 6

as unmarginal well until November 1st of 1973, at which time it was reclassified to marginal, and it obviously needs a little help in producing for this unit, consequently, we drilled the Skaggs B No. 7 to assist in producing the allowable from the unit.

- Q Please refer to and identify Exhibit No. 2?
- A Exhibit Mo. 2 is a copy of the Melt-point
  Backpressure Test for Skaggs B No. 7 which will now be
  the Britt Skaggs Com Mo. 2. The test was taken August 7th,
  of this year, and it shows that the well produced 831 MCF
  at a tubing pressure of 389 pounds which is a drawdown of
  only 31 pounds. Calculated open flow potential of the
  well is 7521 MCF per day.
- Q Based on this data and your analysis of the facts surrounding this Application, Mr. Lyon, in your opinion, will approval of this Application prevent waste and not impair correlative rights of others?
  - i. Yes, it will.
- Q Ware Embldies I and 2 eliber prepared by you directly on under your direction and supervision?
  - A Yes, they were.

MR. TOLLWILL: We move the introduction of Unhibits 1 and 2.

LYON-CROSS

Page.....7

MR. NUTTER: Exhibits 1 and 2 will be admitted into evidence.

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

MR. KELLAHIN: That concludes our direct examination, Mr. Examiner.

# CROSS EXAMINATION

BY MR. NUTTER:

- Q Mr. Lyon, what is the present capacity of the other well on the unit?
- A I don't have that data with me, but it apparently is just barely unable to produce the allowable for 320 acres, and it seems to me that the allowable for 160 acres in the Eumont has because in the order of half million to 600 MCF per day for 160, so it would be somewhere in the range of a million cubic feet per day.
- Q And this well has an absolute open flow of 7 million, so you should be able to make the full allowable with the two wells?
- A Yes. We would also like to request that the wells be permitted to produce the allowable between them in any proportion.

Page 8

MR. NUTTER: Any proportion. Thank you.

an error in the Docket here. It describes the unit as being the southeast of 10 and the southeast of 11 and we checked the ad and the ad also has an error, so we are going to have to withhold any decision on this case until we readvertise it correctly. So, at this time, we will continue Case No. 5305 to the October 2nd Examiner Hearing which will be held at this same place, and it will be readvertised correctly. The record from this case will be incorporated in the record that day, and if there is no opposition, then an order can be entered.

Does anyone have anything further to offer in Case 5305? If not, the Case is continued.

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STATE OF NEW MEXICO )

COUNTY OF SANTA FE )

I, RICHARD L. MYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oir Gervation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of tase No. 5302 heard by me on 9-4 1924.

New Rexico Oil Conservation Commission



# **OIL CONSERVATION COMMISSION**

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

November 12, 1974

I. R. TRUJILLO CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Mr. Tom Kellahin	Re:	CASE NO	5305
Kellahin & Fox		ORDER NO.	R-4910
Attorneys at Law Post Office Box 1769		Applicant:	
Santa Fe, New Mexico		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 Aztec OCC
Other
Artesia OCC Aztec OCC

# 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. 5305 Order No. R-4910

APPLICATION OF CONTINENTAL OIL COMPANY FOR SINULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO.

### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 2, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of November, 1974, 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, is the owner and operator of its Britt B Well No. 17, located in Unit P of Section 10, Township 20 South, Range 37 Rast, HMPM, Eumont Gas Pool, Lea County, New Mexico.
- (3) That pursuant to Order No. R-908, applicant has heretofore dedicated to said Britt B Well No. 17. a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SE/4 of Section 10 and the 3W/4 of Section 11, both in Township 20 South, Range 37 East, NMPM, Lea County.
- (4) That the applicant seeks now to simultaneously dedicate the aforesaid 320-acre unit to said Britt B Well No. 17 and to its Shaggs B Well No. 7, located in Unit K of said Section 11, and to produce said unit's allowable from both wells in any proportion.
- (5) That approval of said application will better enable the applicant to produce its just and equitable share of the gas in the Eumont Gas Pool and will otherwise prevent waste and protect correlative rights.

-2-CASE NO. 5305 Order No. R-4910

## IT IS THEREFORE ORDERED:

- (1) That the applicant, Continental Oil Company, is hereby authorized to dedicate a non-standard 320-acre gas proration unit comprising the SE/4 of Section 10 and the SW/4 of Section 11, both in Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to its Britt B Well No. 17, located in Unit P of said Section 10, and to its Skaggs B Well No. 7, located in Unit K of said Section 11, and to produce said units allowable from either or both of said wells in any proportion.
- (2) That said Britt B Well No. 17 and Skaggs B Well No. 7 shall be designated by a common lease name for provation purposes.
- (3) That Order No. R-908, which previously approved said unit to be dedicated to one well only, is hereby superseded.
- (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 herein-above designated.

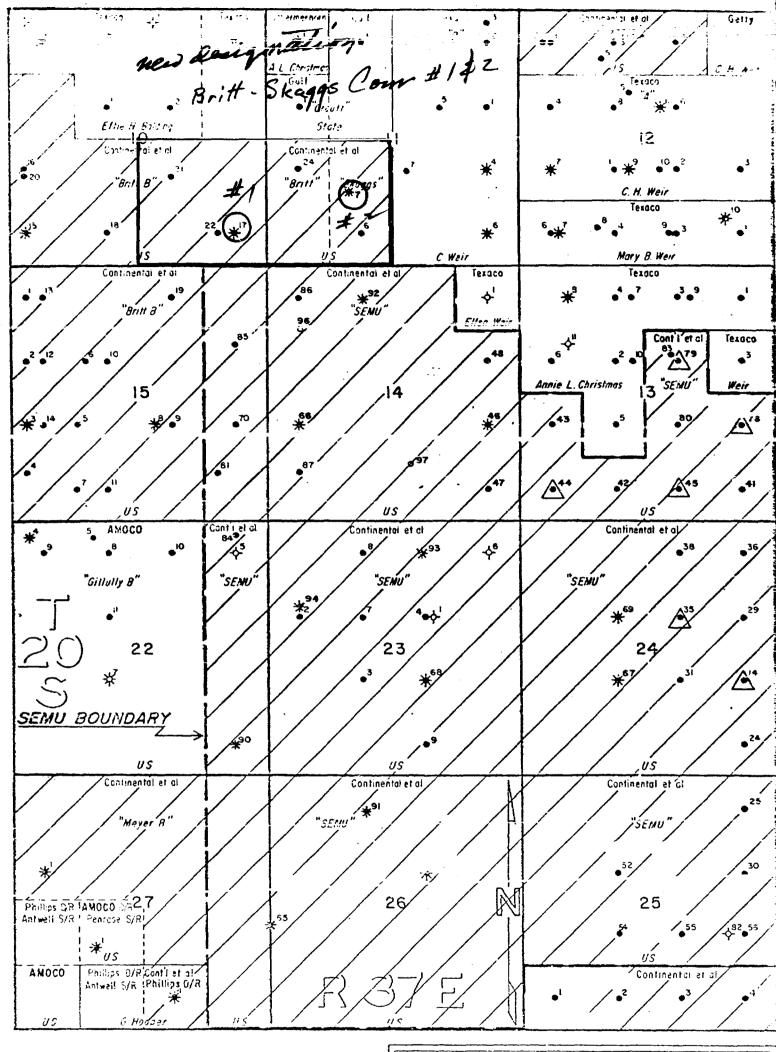
STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

SEAL



BEFORE EXAMINER MUTTER QIL CONSERVATION COMMISSION Conoco EXHIBIT NO. CASE NO. 5305

OIL COMPANY CONTINENTAL

PRODUCTION DEPARTMENT - HORRS DIVISION

LEA COUNTY, NEW MEXICO

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# BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL CIL COMPANY FOR JOINT ALLOCATION OF AN EXISTING 320 ACRE GAS PRORATION UNIT IN THE EUMONT GAS POOL CONSISTING OF THE SW/4 SECTION 10 AND THE SE/4 SECTION 11, TOWNSHIP 20 SOUTH, RANGE 37 EAST, TO BRITT B NO. 17 IN UNIT P OF SECTION 10 AND SKAGGS B NO. 7 LOCATED IN UNIT K OF SECTION 11, TOWNSHIP 20 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW MEXICO

Care 5 3 65

#### APPLICATION

APPLICANT, Continental Oil Company, respectfully requests that an existing 320 acres gas proration unit in the Eumont Pool consisting of SE/4 Section 10 and SW/4 Section 11, T-20S, R-37E be jointly allocated to Britt B No. 17 located in Unit P of Section 10 and Skaggs B No. 7 located in Unit K of Section 11, T-20S, R-37E, Lea County, and in support thereof would show:

- 1. Applicant is operator and co-owner of the Britt B and Skaggs
  B leases, 320 acres of which have been communitized to form
  a gas proration unit consisting of SE/4 Section 10 and SW/4
  Section 11, T-20S, R-37E, Lea County, New Mexico.
- Applicant has herefore drilled and completed a Eumont Gas well designated Britt B No. 17, located in Unit P of said Section 10.
- 3. Order No. R-908 assigned said 320 acre non-standard gas proration unit to said Britt B No. 17 Well for gas proration purposes.
- A Said well has declined in producing capacity until it can no longer produce the allowable for the 320 acre unit and is now classified as a marginal well.
- 5. Applicant has drilled and completed in the Eumont Gas Pool its Skaggs B No. 7 Well located 1650' from South and West lines of Section 11 within the boundaries of said communitized gas unit.

DOCKET MAILED

Date 8,22.14

6. Applicant desires to assign the 320 acre proration unit jointly to said wells and to produce the allowable from them in any proportion.

DOCKET MAILED

Date \_\_\_\_\_

7. That the granting of this application will prevent waste and will not impair correlative rights.

WHEREFORE, applicant respectively requests that this matter be set for hearing before the Commission's duly appointed examiner and that upon hearing an order be entered allocating said 320 acre gas proration unit jointly to the two wells as described above.

Respectively Submitted,

CONTINENTAL OIL COMPANY

L. P. Thompson
Division Hanager
Production

reh



# BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

Order No. R- 77/0

APPLICATION OF CONTINGENTAL OIL COMPANY FOR SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICA

ORDER OF THE COMMISSION

# BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 2, 1974 at Santa Fe, New Mexico, before Examiner Daniel 3. Nutter

NOW, on this day of , 19 , 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.

10 the owner and aperator of its Britt B well No. 17, located in Unit P of Section 10, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(3) That pursuant to Order No. R-908, applicant has heretofore dedicated to said Britt BWEII No. M a 320-acre you ctandard gas moraline unit in the Europe Eas Pool Comprising the 5E/4 of Section 10 and the SW/4 of Section 11, both in Township 20 South, Range 37 East, NMPM, Lea County.

(4) That the applicant seeks now to simultaneously dedicate the oforesaid sacraere unit to said Britt BLOCH No. 17 and to its seeks Skargs BLOCH No. 7, located in Knit K of said Section 11, and to produce said units allowable from

both wells in any proportion.

(5) That approval of said application will better enable the applicant to produce its just and equitable there of the gas in the Emmont Gas Paul and will other wise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED.

here by sutherized to dedicate a non-standard 320Section 10 and the SWJ4 of Section 11, both in TownShip 20 South, Range 37 East, NMPM, Eumont
Bas Pool, Les County, New Mexico, to its Brith B.
Well No. 17, located in Unit Pof & said Section 10,
and to its Skages B Well No. 7, located in Unit K
of said Section 11, and to produce said units allowable
from either or both of said wells in any proportion.

(3/E) That Order No. R-908, which previously approved
vaid unit to be dedicated to one well only, is here by
superseded.

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

DONE at Sonta Fe etc

(2) That said Britt B Well No. 17 and Skaggs
B Well No. 7 shall be medesignated by
a common lease name for prorution
purposes