

Case No.

731

Application, Transcript,
Small Exhibits, Etc.

CASE 721: Continental Oil Company appli-
cation for unorthodox gas proration unit,
Emmet Gas Pool (& unorthodox location)

BEFORE THE

Oil Conservation Commission

SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 731 to 740, inclusive
(June 16, 1954)

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

ROOMS 105, 106, 107 EL CORTEZ BUILDING

TELEPHONE 7-9546

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico
June 16, 1954

IN THE MATTER OF:

The application of Continental Oil Company for approval of unorthodox location for its Britt A-6 No. 4 Well, 510' from W line and 2130' from S line of 6-20S-37E; and for 80-acre unorthodox gas proration unit consisting of W/2 SW/4 of Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, in the Eumont Gas Pool.

Case No.
731

The application of Continental Oil Company for 40-acre unorthodox gas proration unit in the Eumont Gas Pool: NE/4 NW/4 Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

Case No.
732

The application of Continental Oil Company for approval of unorthodox location for its Lockhart A-18 No. 1 Well, 330' from S and E lines of Section 18, Township 21 South, Range 36 East; and for 80-acre unorthodox gas proration unit consisting of S/2 SE/4 Section 18, Township 21 South, Range 36 East, NMPM, in the Eumont Gas Pool.

Case No.
733

The application of Continental Oil Company for 40-acre unorthodox gas proration unit in the Eumont Gas Pool: NW/4 SW/4 Section 19, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

Case No.
734

The application of Continental Oil Company for 80-acre unorthodox gas proration unit in the Jalco Gas Pool: W/2 NE/4 Section 24, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.

Case No.
735

The application of Continental Oil Company for 80-acre unorthodox gas proration unit in the Jalco Gas Pool: W/2 SE/4 Section 24, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.

Case No.
736

The application of Continental Oil Company for 40-acre unorthodox gas proration unit in the Langmat Gas Pool: SW/4 SW/4 of Section 21,

Case No.
737

Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

The application of Continental Oil Company for 120-acre unorthodox gas proration unit in the Langmat Gas Pool: W/2 SE/4 and SE/4 SE/4 of Section 35, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

Case No.
738

The application of Continental Oil Company for approval of unorthodox location for its Stevens B-12 No. 1 Well, 1650' from W line and 660' from N line of Section 12, Township 23 South, Range 36 East; and for 80-acre unorthodox gas proration unit consisting of N/2 NW/4 of Section 12, Township 23 South, Range 36 East, NMPM, in the Langmat Gas Pool.

Case No.
739

The application of Continental Oil Company for 80-acre unorthodox gas proration unit in the Langmat Gas Pool: E/2 NE/4 of Section 12, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico.

Case No.
740

TRANSCRIPT OF HEARING

MR. SPURRIER: Let's take Case 731.

MR. KELLAHIN: If the Commission please, Jason Kellahin, representing Continental Oil Company, the applicant in 731. Cases 731 through 740, inclusive, are all applications for unorthodox gas proration units which are less than 160 acres lying wholly within a legal subdivision, being a quarter section.

We will use the same witness for all of them and if agreeable to the Commission we would just like to go right through one case after another to facilitate the presentation.

MR. SPURRIER: Very well.

MR. KELLAHIN: Continental Oil Company is presenting the cases for the purposes of complying with the present Commission

rules issued in Southeastern New Mexico gas pools during the first six months of the proration period. It is not intended by the presentation of these cases and the application for unorthodox units to foreclose the execution of communitization agreements on any of the acreages involved.

Continental will consider any reasonable proposal directed toward communitization with offsetting leases and has made an effort in most of the cases to do so. I believe there are two or three in which it would be impractical to communitize. However, we will entertain any proposals in regard to the communitization and the purpose of this case is to comply with the present orders of the Oil Conservation Commission governing the nine Southeastern New Mexico Pools, I believe four of which are involved in this hearing. Our witness will be Mr. Randolph.

W I L L I A M R A N D O L P H

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

DIRECT EXAMINATION

By MR. KELLAHIN:

Q Will you state your name, please?

A William Randolph.

Q By whom are you employed, Mr. Randolph?

A Continental Oil Company.

Q In what position are you employed?

A I am the District Engineer in the New Mexico District.

Q Have you testified as an expert before this Commission in past hearings and had your qualifications accepted?

A Yes, sir.

MR. KELLAHIN: Are his qualifications acceptable to the Commission?

MR. SPURRIER: They are.

Q Mr. Randolph, Case Number 731 covers the application of Continental Oil Company for approval by the Commission of an unorthodox location for its Britt A-6 No. 4 Well, 510 feet from the West line and 2130 feet from the South line of Section 6, Township 20 South, Range 37 East, Lea County, New Mexico, and for an 80-acre unorthodox gas preration unit consisting of the west half of the southwest quarter of Section 6, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico, in the Eument Pool.

Have you prepared a plat covering the acreage and showing the location of that well, Mr. Randolph?

A I have. (Marked Continental's Exhibit No. 1, Case No. 731, for identification).

Q Was it prepared under your direction and supervision?

A Yes, sir.

Q The information shown thereon is correct to the best of your knowledge and belief?

A To the best of my knowledge, yes, sir.

Q Tell the Commission when that well was drilled? Do you have that information?

A No, sir, I do not.

Q What type of completion is it?

A This is a dually completed well in the Paddock and in the Eument Gas Pools. Dual completion order under Case 281, Order R-82 granted as a dual completion of this well.

Q Was that in June, 1951?

A June 21, 1951.

Q Do you have a log of that well?

A No, sir, the testimony, the logs and pertinent data on the completion of this well was introduced in this Case 281 and to avoid repetition on this thing we introduce that as evidence.

MR. KELLAHIN: We ask the Commission to take notice of the completion data and the logs which are in evidence in Case Number 281 in the files of the Commission at the present time.

MR. SPURRIER: Without objection, we will.

Q Do you have anything further to add to that?

A This Exhibit 1 is a plat showing the unit as you have described it in your introduction of this case. It is colored in yellow comprising the west half of the southwest quarter of section 6, Township 20 South, Range 37 East. The Britt A-6 well is circled in red and also shown in that plat within the quarter section around this there are the wells circled in green which are, to the best of my knowledge the offsetting gas completions there in the Eumont Pool.

Q Is there another gas well within that same quarter?

A Yes, there is Anderson Pritchard-Britt No. 2-A. That is in the northeast quarter of the southwest quarter of that section.

Q For that reason it would be impractical to communitize that quarter section, would it not, in your opinion?

A Yes, sir.

Q In Case 732 the application of Continental Oil Company for a 40-acre unorthodox gas proration unit in the Eumont consisting of the northeast quarter of the northwest quarter of Section 8, Township 20 South, Range 37 East, Lea County, New Mexico, is that correct?

A Yes, sir.

Q Have you prepared a plat of that?

A I have. (Marked Continental's Exhibits Nos. 1 and 2, Case No. 732, for identification).

Q What does this plat show?

A This plat, as in the previous one and in all subsequent cases will show the unit, the unorthodox unit being requested, colored in yellow and the well on the particular unit colored in red and the surrounding gas wells colored in green.

If this will expedite subsequent cases, I will omit reference to the coloring on the subsequent plats.

Q Does that show another gas well in the same quarter section?

A Yes, the Sinclair Barbara Number 7 located in the southwest quarter of the northwest quarter of the Section 8, 20, 37.

Q I forgot to ask you in the other case, does the acreage shown, and for which Continental is applying for the unorthodox unit, is that acreage dedicated to the well?

A Yes, it is in all cases.

Q It is the same acreage?

A It is the same.

Q No difference. That is true of all the cases to be presented today?

A Yes, sir.

Q Do you have a log covering the well involved in Case 732?

A I do. It is a radioactivity survey on the subject well.

Q What does that show as to the completion of that well?

A This log will show that this well which was originally completed in 1937 in the Monument Oil Pool at the total depth of

3893 feet was subsequently plugged back in January of 1953 to 3364 feet, recompleted through perforation from 2900 to 2962 feet opposite the Seven Rivers formation for open flow potential, 3690 MCF per day. That was from the Eumont Gas Pool. The production during April was 14,205 MCF of gas.

MR. KELLAHIN: I offer the Exhibit No. 1 in Case 731 and Exhibits Numbers 1 and 2 in Case 732.

MR. SPURRIER: Without objection they will be admitted.

Q Mr. Randolph, Case 733, is that the application of Continental Oil Company for approval of an unorthodox location for its Lockhart A-18 No. 1 well 330 feet from the south and east lines of Section 18, Township 21 South, Range 36 East, and for an 80-acre unorthodox gas proration unit consisting of the south half of the southeast quarter of Section 18, Township 21 South, Range 36 East, in the Eumont Gas Pool?

A Yes, sir, it is.

Q Have you prepared a plat of that?

A Yes, sir, it describes the acreage of the unit requested as in the previous cases and as you have so stated.

(Marked Continental's Exhibits 1 and 2 in Case 733, for identification).

Q Do you have the schematic design and completion on that well?

A Yes, I do.

Q Is that bradenhead or dual completion?

A The Lockhart A-18 No. 1 is a bradenhead gas well. The well was completed February 4, 1931 for an initial potential of 404 barrels of oil and 43 barrels of water a day producing from open hole interval base of the 5½ oil string set at 3881 and the total

depth of 3990 in the Grayburg. It is a bradenhead gas well producing from the annulus between the 7" and 9 5/8" strings of casing. High pressure gas has been used from this bradenhead since 1934 for gaslift purposes. In May, 1954, the well produced 32,091 MCF of gas, which was used for gaslift purposes.

This Exhibit 2 is a schematic plat showing the mechanical condition of this well which shows a surface string of casing 12 1/2 inches, set at 275, and cemented with 150 sacks; 9 5/8 inch set at 2983 and cemented with 400 sacks; 7 inch set at 3825 and cemented with 50 sacks; and 5 1/2 inch string of casing set at 3881 and cemented with 25 sacks.

MR. KELLAHIN: We offer in evidence Exhibits 1 and 2 in Case 733.

MR. SPURRIER: Without objection they will be admitted.

MR. KELLAHIN: In connection with this case Mr. Dailey would like to make a statement.

MR. DAILEY: We noticed that in Section 18 the intersection is under lease to the Continental Oil Company, this particular case. And why we have not communitized, the north half of the southeast quarter is a different permit than the south half of that quarter, and they both happen to be 80 acres, which means that the original permit has an override on the acreage and it happens to be two different individuals.

Q In Case 734, State A-19-No. 1. Is that an application for 40-acre unorthodox gas proration unit in the northwest quarter of the southwest quarter of Section 19, Township 19 South, Range 37 East in the Eumont Gas Pool?

A Yes, sir.

Q Have you prepared a plat covering that unit?

A Yes, sir, I have. It shows the same information as in the previous cases.

Q Have you a schematic diagram showing the completion data on that well?

A Yes, I have. It would be Exhibit 2. This is a bradenhead gas well and the schematic plat that I have shown there shows the mechanical condition of this well. The string of 10 3/4 inch casing set at 258 feet and cemented with 200 sacks; 7 5/8 inch casing set at 2599 with 900 sacks and 5 1/2 inch string set at 3834 cemented with 150 sacks.

This well was originally completed February 14, 1936 in the Monument Pool for an initial potential of 1,200 barrels of oil per day from the open hole interval, 3834 to 3977 feet the total depth of the well. The bradenhead, or rather the high pressure gas is produced from the annulus between 7 5/8 and 5 1/2 inch strings of casing. The gas produced from this bradenhead has been used for and is now being used for gaslift purposes. The production during the month of May, 1954 was 100 MCF of gas.

Also on this schematic plat, and I failed to mention that on the other ones, why we have shown the sample tops of the formations involved, to show that the production of these bradenhead is coming from the formations included in the Eumont Gas Pool.

Q That statement applies to each of the schematic diagrams?

A Yes, sir.

Q In Case 735, is that the application for 80-acre unorthodox gas proration unit in the Jalco Gas Pool, consisting of the west half of the northeast quarter of Section 24, Township 25 South,

Range 36 East, Lea County, New Mexico?

A Yes, sir.

Q Have you prepared a diagram of that?

A Yes, sir. Exhibit 1, and as in the previous cases, it shows the same information.

(Marked Continental's Exhibit No. 1, for Case 735, for identification).

Q Is this also a bradenhead well?

A No, sir, this well is a straight gas well.

(Marked Continental's Exhibit No. 2, Case 735, for identification).

A The Ascarate C-24, No. 1 was initially completed April 9, 1934 in the Seven Rivers formation at a total depth of 3290 feet, producing from the Cooper-Jal Pool. In December 1952 the well was plugged back to 3,020 feet and recompleted for 535 MCF of gas per day, producing from perforation from 2810 to 2940 feet opposite the Yates Formation.

The Exhibit 2 is the radio-activity survey of this well and has this information shown on the log.

MR. KELLAHIN: I believe I overlooked offering in evidence Exhibits 1 and 2 in Case 734. I would like to make that at this time, and also Exhibits 1 and 2 in Case 735.

MR. SPURRIER: Without objection they will be admitted.

Q Case 736, Mr. Randolph, is that the application of Continental for an 80-acre unorthodox gas proration unit in the Jalco Gas Pool consisting of the west half of the southeast quarter of Section 24, Township 25 South, Range 36 East, Lea County, New Mexico?

A Yes, sir.

Q Have you prepared a plat showing that location?

A I have and the particular well is the Ascarate D-24 No. 1, which is circled in red on this plat.

Q That is Exhibit 1.

(Marked Continental's Exhibit Nos. 1 and 2, Case 736, for identification).

Q Have you a log prepared showing the completion data and the formations producing for that well?

A Yes, I have. Exhibit 2 is a radioactivity survey of this well which shows that the well was completed at a plug-back depth of 3,008 feet, for initial potential of 2,070 MCF of gas per day producing from perforation from 2940 to 2990 opposite the Yates Formation. Production from this well during the month of April was 5,149 MCF.

MR. DAILEY: In connection with these two cases, the entire west half of east half of Section 24 is under lease to Continental in both 735 and 736. However, you have different royalty ownership in there and different Federal permits and that is the reason why we have not been able, so far, to communitize the acreage.

Q Case 737, Mr. Randolph, is that the application of Continental Oil Company for a 40-acre unorthodox gas preration unit in the Langmat Pool, consisting of the southwest quarter of the southwest quarter of Section 21, Township 24 South, Range 37 East, Lea County, New Mexico?

A Yes, sir, it is.

Q Have you prepared a plat showing that acreage?

A I have.

Q (Marked Continental's Exhibits 1 and 2, Case 737, for identification).

A Exhibit 1 is the plat of the acreage showing the same in-

formation as before, and the well is Jack A-21 No. 1, circled in red.

Q Is there another gas well located within that same quarter section?

A Yes, sir, the Texas Black No. 2 in the northeast quarter of the southwest quarter of Section 21 Township 24 South, Range 37 East is a gas well in the same quarter section as our Jack A-21 No. 1.

Q Do you have a log showing the completion data and other information on that well?

A Yes, sir, I have. Exhibit 2 is a radioactivity survey of the subject well showing the present condition of the well. The Jack A-21 No. 1 was initially completed November 18, 1937 in the Langlie-Mattix Oil Pool total depth of 3,705 feet. In April of 1949 the well was plugged back to 3,255 feet, recompleted for 4,400 MCF of gas per day, producing through perforation from 3,015 to 3,200 feet opposite the Yates Formation.

During April 1954 the well produced 292 MCF of gas.

Q Case 738.

MR. FEDERICI: I have a couple of questions. Should I ask them now or later?

MR. SPURRIER: On Case 737?

MR. FEDERICI: Mr. Federici of Seth and Montgomery, representing El Paso Natural Gas. I don't know whether your records show it, Mr. Randolph, but El Paso Natural Gas is the owner of the gas rights in the southeast quarter of the southwest quarter of Section 21, Township 24 South, Range 37 East. Do you know whether Continental Oil Company had obtained the consent of, or a waiver

from El Paso Natural Gas for this unorthodox proration unit?

A To the best of my knowledge they have not.

MR. FEDERICI: Do you know whether Continental Oil Company has made any effort to communitize the southeast quarter of the southwest quarter?

A I do not. At the outset of this, why we prefaced our testimony with the fact that we are open to any agreements that we can come to a mutual agreement on.

MR. FEDERICI: Mr. Kellahin, do you know whether they have made any agreements?

MR. KELLAHIN: To the best of my knowledge they have not. I do not know. I would like to point out that El Paso Natural Gas has a producing gas well in the southeast quarter of Section 21.

MR. SPURRIER: Southwest Southeast?

MR. KELLAHIN: Southwest, Southeast, There is another producing gas well, as Mr. Randolph testified in the southwest quarter of the northeast of the southwest.

MR. FEDERICI: That producing gas well is outside the normal proration unit.

MR. KELLAHIN: Yes, we have --

MR. DANIELS: (Interrupting) Lee Daniels, representing El Paso Natural Gas. Just for the matter of the record, we were going to request of the Commission that we be able to make an objection to the granting of the order for the unorthodox gas unit. We have No objection to the granting of any partial allowable order from the particular Continental Well. As Mr. Federici said, El Paso has the natural gas rights on the southeast of the southwest quarter of 21. We feel that is being drained at this time, not only

by the Texas well, but by the Continental well. We have no gas well on that particular section. What we would like to do in going along with what Mr. Kellahin said there, would be to enter some negotiations for communitizing our section with theirs, or maybe communitizing the whole quarter section down there. We feel that it definitely would be a great waste for us to go in there at this time and drill another gas well.

As has been said before, we do have a gas well producing at this time in the southeast quarter of Section 21. However, the Commission, prior to this time has advised us that they do not feel that we could dedicate anything in the southwest quarter to anything in the southeast quarter that we had around that well. So, we are left in the position of wanting to dedicate our acreage in the southwest quarter to other acreage producing in the southwest quarter.

MR. KELLAHIN: I would like to ask a question if I could. Has El Paso made application to the Commission for an unorthodox unit including that acreage?

MR. DANIELS: It has not.

MR. KELLAHIN: If the Commission please, as far as the Continental is concerned, we are certainly not opposing any negotiations with El Paso Natural Gas. As I stated at the beginning, it is our purpose to apply for these units in compliance with present orders of the Commission in order to keep these wells on the production schedule. We certainly will be willing to negotiate with El Paso in an attempt to make a unitization agreement with them, since they will be willing to do so.

Q Case 738.

MR. MANKIN: W.W. Mankin, from Texaco. We have indicated we have a well in the same quarter section, 40 acres dedicated to it. We gave Continental a waiver in this particular case. We feel they had a well, and it was unlikely to make any further negotiations.

Q Case 738. Is that the application of Continental Oil Company for a 120-acre unorthodox gas proration unit in the Langmat Gas Pool consisting of the west half of the southeast quarter and the southeast quarter of the southwest quarter of Section 35, Township 23 South, Range 36 East in Lea County, New Mexico?

A Yes, sir, it is.

Q Have you prepared a plat showing that acreage?

A I have.

(Marked Continental's Exhibits Nos. 1 and 2, in Case 738, for identification)

A Exhibit 1 is the plat and it shows the same information as on the previous cases and as you have stated in this particular case.

Q Do you have a log showing the completion data on that well, Mr. Randolph?

A Yes, sir, I do. Exhibit 2 is a radioactivity survey on the Stevens A-35 No. 1 well. The Stevens A-35 No. 1 was drilled to 3798 feet in March 1945, temporarily abandoned after plugging back with cement 2830 feet. In June 1948 the cement was drilled out to 3595 feet, the hole plugged back with cement to 3450 feet. 5½ inch casing was set at 2898 feet and cemented with 1,200 sacks of cement. The well was completed for an initial potential of 9150 MCF of gas per day from the Yates and Seven Rivers Formations as this Exhibit

2 shows.

MR. KELLAHIN: We offer Exhibits 1 and 2 in Case 738 and I offer Exhibits 1 and 2 in Case 737.

MR. SPURRIER: Without objection they will be admitted.

Q Case 739. Is that the application of Continental Oil Company for the approval of an unorthodox location for the Stevens B-12 No. 1 Well, 1,650 feet from the west line and 660 feet from the north line of Section 12, Township 23 South, Range 36 East, and for an 80-acre unorthodox gas proration unit consisting of the north half of the northwest quarter of Section 12, Township 23 South, Range 36 East in the Langmat Gas Pool, Lea County, New Mexico?

A Yes, sir, it is.

Q Have you a plat showing the location of that well and ownership?

A Yes, sir, I do.

(Marked Continental's Exhibit No. 1,
Case No. 739, for identification).

A This Exhibit No. 1, as in previous cases, is a plat of the unit we are asking for. The same information is shown.

Q Have you a log of that well, Mr. Randolph?

A I have no log on this particular well. The well came in on its own accord. Rather than kill the well to run a log we completed it there. I have a schematic plat of the mechanical condition of the well, which is Exhibit No. 2.

(Marked Continental's Exhibit No. 2,
Case 739, for identification).

A It shows that 1356 feet of 7 5/8 surface pipe was set with 550 sacks of cement; 5 1/2 inch casing was set at 2979 and cemented

with 550 sacks. The well was drilled to a total depth of 3460 feet. On this I have shown the tops of the Yates and Seven Rivers Formations as reflected in our sample description of the well and the well was completed on October 26, 1947 for an initial potential of 27,900 MCF of gas per day. As this plat shows, it is producing from the formation that is attributed, or as are included in the Langmat Gas Pool.

MR. KELLAHIN: I offer in evidence Exhibits 1 and 2 in Case 739.

MR. SPURRIER: Without objection they will be admitted.

Q Referring to Case 740, is that the application for the 80-acre unorthodox gas proration unit in the Langmat Pool consisting of the east half of the northeast quarter of Section 12, Township 24 South, Range 36 East, in Lea County, New Mexico?

A Yes, sir, it is.

Q Do you have a plat showing the acreage involved and the location of the well?

A Yes, sir, I do. Exhibit 1 shows this information.

Q Do you have a log or schematic diagram of that well?

A Yes, I do.

(Marked Continental's Exhibits Nos. 1 and 2, Case 740, for identification).

A Exhibit No. 2 shows the mechanical condition of this well and shows that 10 3/4 inch casing was set at 360 and cemented with 250 sacks, 7 5/8 inch casing was set at 2756 with 450 sacks of cement and 5 1/2 inch casing was set at 3447 with 100 sacks.

Also shown on here are the sample tops of the Yates and Seven Rivers Formations. This well is a bradenhead gas well producing

from the annulus between the 7 5/8 and 5 1/2 inch casing strings. The well was originally completed on July 8, 1940 in the Langlis-Mattix Oil Pool for the initial potential of 55 barrels of oil from the interval, the base of the 5 1/2 inch casing to total depth of 3560 feet.

The well is presently producing from the packer as shown on this diagram set at 3400 feet at the base of the 5 1/2 inch casing. This plat shows clearly the production of this gas in the bradenhead is from the Yates and Seven Rivers Formations within the limits as defined for the Langmat Gas Pool. On May 5, 1953 the open flow potential of this bradenhead was 12,000,000 cubic feet per day with a shut-in pressure of 1,061 pounds. During May, 1954, this well produced 3,078 MCF of gas.

MR. KELLAHIN: I offer in evidence Exhibits 1 and 2 in Case 740.

MR. SPURRIER: Without objection they will be admitted.

Q Mr. Randolph, referring to Cases 731 through 740, inclusive, is it difficult to reach a communitization agreement on wells that have been dually completed?

A Yes, sir, the situation is complicated.

Q There are a number of these wells that have been so completed?

A Well, most of them are bradenhead wells which, in effect, are duals. We have one so-called dual completion.

Q The same problem exists as to a bradenhead as does to a dual completion with regard to communitization agreements?

A I would think so, yes.

MR. KELLAHIN: That completes our presentation. In case

I have overlooked any of these exhibits, I would like to offer in evidence the exhibits offered in Cases 731 through 740, inclusive.

MR. SPURRIER: Is there objection? Without objection they will all be admitted. Does anyone have a question of the witness on any of these cases? If not the witness may be excused.

(Witness excused).

MR. SPURRIER: Does that complete your case?

MR. KELLAHIN: That completes our case, and as we stated at the outset, it is being presented for the purpose of complying with the Commission's orders governing the pools involved. We will entertain any reasonable proposal to communitize. I think the record will show it is not practical or feasible to communitize, but in others perhaps it might be. We would cooperate in every way possible in trying to reach some agreement.

MR. SPURRIER: Does anyone have anything further in these Continental cases? If not we will take the cases under advisement and go on to Case 730.

STATE OF NEW MEXICO)
: ss.
COUNTY OF BERNALILLO)

I, Ada Dearnley, Court Reporter, do hereby
certify that the foregoing and attached transcript of proceedings
before the New Mexico Oil Conservation Commission at Santa Fe,
New Mexico, is a true and correct record to the best of my
knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial
seal this 22 day of June, 1954.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires:

June 19, 1955

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF CON-
SIDERING:

CASE NO. 731
ORDER NO. R-494

THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 7 (a) OF ORDER NO. R-370-A IN
ESTABLISHMENT OF AN UNORTHODOX GAS
PRORATION UNIT OF 80 CONTIGUOUS ACRES.
CONSISTING OF THE W/2 SW/4 OF SECTION
6, TOWNSHIP 20 SOUTH, RANGE 37 EAST,
NMPM., LEA COUNTY, NEW MEXICO IN
THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on June 16, 1954,
at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-
after referred to as the "Commission".

NOW, on this 7th day of July, 1954, the Commission, a
quorum being present, having considered the records and testimony adduced,
and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose
thereof having been given as required by law, the Commission has jurisdic-
tion of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-370-A,
the Commission has power and authority to permit the formation of a gas pro-
ration unit consisting of other than a legal quarter section after notice and
hearing by the Commission.

(3) That applicant, Continental Oil Company, is the owner of an oil and
gas lease in Lea County, New Mexico the land consisting of other than a legal
quarter section, and described as follows, to-wit:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM.
W/2 SW/4 of Section 6

containing 80 acres, more or less.

(4) That applicant, Continental Oil Company, has a producing well on
the aforesaid lease known as Britt A-6, No. 4 located 510' from the West
line and 2130' from the South line of Section 6, Township 20 South, Range 37
East.

(5) That the aforesaid well was completed and in production prior to
January 1, 1954, the effective date of Order No. R-370-A, and is located
within the limits of the pool heretofore delineated and designated as the
Eumont Gas Pool.

(6) To date it has been impractical to pool applicant's said lease with adjoining acreage in the SW/4 of Section 6, Township 20 South, Range 37 East and that the owners of adjoining acreage in said quarter section have not objected to the formation of the proposed proration unit of 80 acres.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM.
W/2 SW/4 of Section 6

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, Britt A-6, No. 4, located in the NW/4 SW/4 of Section 6, Township 20 South, Range 37 East, NMPM., shall be granted an allowable from January 1, 1954 in the proportion that the above described 80 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


R. R. SPURRIER, Secretary and Member

SEAL



CONTINENTAL OIL COMPANY

FAIR BUILDING
FORT WORTH 2, TEXAS

S. V. MCCOLLUM
ASSISTANT REGIONAL MANAGER OF PRODUCTION
SOUTHWESTERN REGION

May 28, 1954

New Mexico Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

Attention of Mr. R. R. Spurrier

Gentlemen:

We are enclosing herewith three copies each of applications for approval of the unorthodox gas proration units listed below:

Britt A-6 No. 4
Britt B-8 No. 1
Lockhart A-18 No. 1
State A-19 No. 1
Ascarate C-24 No. 1
Ascarate D-24 No. 1
Jack A-21 No. 1
Stevens A-35 No. 1
Stevens B-12 No. 1
Vaughan B-12 No. 1

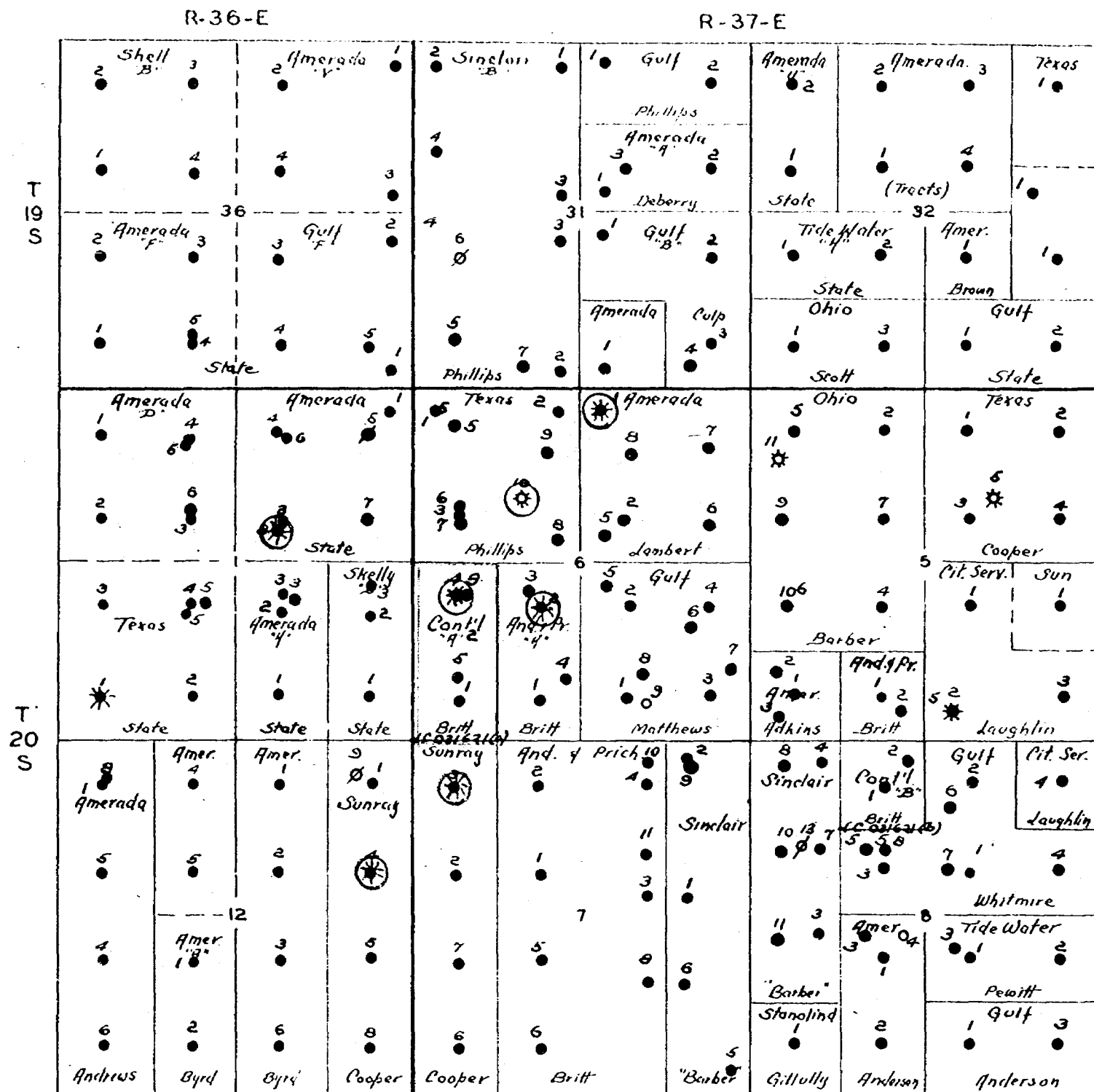
It is respectfully requested that these applications be placed on your docket for hearing at an early date in June.

Plats and forms C-104 and C-110 have been filed on these wells in accordance with the appropriate orders which established field rules for the gas pools in which these wells are located.

Yours very truly,

SVMc-IG
Enc

A handwritten signature in dark ink, appearing to read "S. V. McCollum", written over a horizontal line.



CONTINENTAL OIL COMPANY

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Cont. No. 1
CASE 731

BRITT A-6 No. 4

CASE 731

Continental Oil Co. Exhibit No. 1

1954 MAY 23 PM 5:37

MAIN OFFICE OCC

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN EXCEPTION
TO RULES 3 AND 7(A) OF ORDER NO. R-370-A
FOR THE UNORTHODOX LOCATION AND UNORTHODOX
GAS PRORATION UNIT CONSISTING OF APPROXI-
MATELY 80 ACRES DESCRIBED AS THE W/2 SW/4,
SECTION 6, TOWNSHIP 20 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO, FOR ITS
BRITT A-6 WELL NO. 4 IN THE EUMONT POOL

APPLICATION

Comes now Continental Oil Company, hereinafter called "applicant", and respectfully requests an exception to Rules 3 and 7(a) of Order No. R-370-A and approval by the Commission of unorthodox location and an unorthodox gas proration unit for applicant's Britt A-6 well No. 4 as described in the caption hereof, and in support thereof would show the following:

1. Applicant is joint owner and is the operator of a lease known as the Britt "A" Lease, covering the W/2 SW/4, Section 6, Township 20 South, Range 37 East, N.M.P.M., Lea County, New Mexico, in addition to other lands outside this section.

2. Applicant drilled its Britt A-6 No. 4 well at a location described as 510 feet from west and 2,130 feet from south lines of Section 6 on said lease and completed said well on November 20, 1950, as a bradenhead gas well producing into the annular space between 7 5/8" and 5 1/2" casing strings from 2580 to 2650 feet.

3. Said well is located within the limits of the Eumont Gas Pool as defined by the Oil Conservation Commission and is the only well producing from said pool on the 80-acre unit described above. The location of said well conforms to spacing requirements in effect at the time said well was drilled.

4. Pooling of these lands with lands outside the above described unit to form gas proration units consisting of governmental quarter sections has not been accomplished to date. Operators owning interest within this quarter section have been contacted for the purpose of investigating the feasibility of effecting a communitization. The purpose of this application is to secure an allowable to the above mentioned well, pending the formation of a larger unit provided such a communitization is determined to be practicable.

5. The above described unit consists of less acreage than a standard proration unit, lies wholly within a regular quarter section, and contains a well which was capable of producing gas into a gas transportation facility prior to January 1, 1954.

Wherefore, applicant respectfully requests the Commission to place this matter on its docket for hearing at an early date in June, 1954, cause due notice to be given thereof and upon hearing enter an order approving an unorthodox gas proration unit and the unorthodox location for applicant's Britt A-6 well No. 4 as described above.

CONTINENTAL OIL COMPANY

By 