

Case No.

968

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
Oil Conservation Commission
~~XXXXXXXXXXXX~~
Hobbs, New Mexico
October 17, 1955
Examiner Hearing

IN THE MATTER OF:

CASE NO. 968

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
October 17, 1955

IN THE MATTER OF:

Application of Continental Oil Company for approval of a 200-acre non-standard gas proration unit in the Eumont Gas Pool, to consist of SW/4 and SW/4 NW/4 of Section 10 Township 20 South, Range 37 East, Lea County, New Mexico, and to be dedicated to applicant's Britt B-10 Well No. 1, located 660' FSL and 330' FWL of said Section 10.

Case No. 968

BEFORE:

Warren W. Mankin, Examiner

TRANSCRIPT OF HEARING

HEARING EXAMINER MANKIN: The next case is Case 968.

E. V. BOYNTON,

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

DIRECT EXAMINATION

By MR. KELLAHIN:

Q Will you state your name, please?

A E. V. Boynton.

Q Are you the same Mr. Boynton who testified in Case 967?

A I am, yes, sir.

Q Mr. Boynton, are you familiar with Continental's application in Case 968?

A Yes, I am.

Q What does that application cover?

A This is an application for a 200-acre proration unit in Section 10, Township 20 South, Range 37 East, Lea County, New Mexico.

Q Have you prepared an exhibit showing the area involved in this application, Mr. Boynton?

A Yes, sir, I have. May I pass this?

(Marked Continental's Exhibits No. 1 through 4, for identification.)

Q Referring to Exhibit No. 1, Mr. Boynton, what does that show?

A This shows our Britt B-10 lease, located in Section 10, Township 20 South, Range 37 East, along with the footage location of our Well No. 1, and the acreage in this lease outlined in red.

Q Is the area outlined in red entirely located within the same basic lease as Number 1?

A It is, yes, sir.

Q What is the location of the well in which this acreage would be dedicated?

A The Britt B-10 No. 1 is located 660 feet from the south and 330 feet from the west lines of Section 10.

Q Referring to Exhibit Number 2, what does that exhibit show?

A This is an ownership plat of the area showing offset gas wells circled in green and offset proration units outlined in green. It has a proration unit presently assigned to the Britt B-10 No. 1, shown in solid red line, and the proposed unit outlined with the dashed red lines. It also has Continental acreage in the area cross-hatched in yellow.

Q Does the proposed unit include -- What area does it include

in addition to the present proposed unit?

A It includes the southwest quarter of the northwest quarter of Section 10.

Q Now, referring to Exhibit Number 2, Mr. Boynton, is there production from the Eumont Gas Pool vertical and horizontal of Eumont Gas Pools to the west?

A Yes, there is.

Q Is there to the south?

A Yes, sir.

Q Is there to the east?

A To the northeast, it is, not immediately to the east, no.

Q And is there to the north?

A Yes, sir.

Q In your opinion, is all of the acreage within the proposed unit reasonably presumed to be productive of gas?

A Yes, it is.

Q Now, according to your plat, that would leave the southeast quarter of Section 10 outside of any unit. What do you propose to do with that?

A We propose to communitize J. M. Skaggs 80 acres in Section 11 with the H. M. Britt B Lease, and drill a well for the development of that 320 acres consisting of the southwest quarter of Section 11 and the southeast quarter of Section 10.

Q Now, referring to that, the plat, there appears to be a dry well located in the northwest quarter of the southwest quarter of Section 10. Are you familiar with that well?

A I have studied the available records on it, yes, sir.

Q What did you find in connection with that well?

A This well was drilled during 1929 and it was potentialized for 92 barrels of oil, plus 748 barrels of water per day. It was drilled as a Grayburg at a depth of 2,032 feet. During 1940 the well started producing 100 percent water; it was plugged and abandoned in October of 1940. At that time they made no attempt to complete the well as a gas well. However, there is no electric and radioactive log on the well, but from the sample description we did have good sand development throughout the Yates, not throughout, but in certain intervals of the Yates, Seven Rivers and Queen Formations. And, I believe that the gas well could have been made if it could ever be so desired.

Q Was any effort ever made to complete a Eumont Gas Well?

A No, sir.

Q Now, referring to Exhibit Number 3, Mr. Boynton, what does that show?

A This is the reproduction of the log of Britt B-10 Number 1, showing the productive interval. It shows the casing was set into the top of the Grayburg, but the well has been plugged back to a depth of 3635 feet, which is in the Queen Formation, and perforated intervals producing from 3510 to 3594 feet.

Q Is that located within the vertical limits of the Eumont Gas Pool?

A It is, yes, sir.

Q And is the acreage that you seek to dedicate to that well in the horizontal limits of the Eumont Pool?

A Yes, sir.

Q When was the well Britt B-10 Number 1 completed?

A It was completed November 18, 1937.

Q What is the casing program on that well, how was it completed? Do you have that information?

A I probably do. I don't see it here now, but it was approximately 3720 feet.

Q I will ask you this question then, Mr. Boynton, is any portion of the well open in any pool other than the Eumont Gas Pool?

A It is not, no, sir.

Q Now, referring to Exhibit Number 4, Mr. Boynton, what does that show?

A Exhibit Number 4 is an openflow computation test taken on Britt B-10 Number 1 October the 11th, 1955.

Q What does it indicate as to the ability of this well to produce?

A It shows that the well is capable of producing 2,200 MCF per day at zero bottom hole pressure, at 600 pounds deliverability of 1,230 MCF per day, and deliverability of 150 pounds, 2,080 MCF per day; shut-in pressure per day is 934.2 percent absolute.

Q Does the well produce any liquids?

A No, sir, it does not.

Q Are the means by which you have calculated the openflow potential which you have given here, attached to the Exhibit No. 4?

A Yes, sir, we have a data sheet and also a graphical solution to it.

Q Based on these tests and the information you have given in regards to this well, could it, in your opinion, make an allowable for the acreage assigned to it in the event this application is approved by the Commission?

A I believe that it could, yes, sir.

HEARING EXAMINER MANKIN: Any questions of the witness? If not, the witness may be excused.

(Witness excused.)

HEARING EXAMINER MANKIN: Do you wish to enter these exhibits?

MR. KELLAHIN: I offer in evidence, Exhibits 1 through 4 in Case 968.

HEARING EXAMINER MANKIN: Is there objection to the entering of these exhibits in the record? If not they will be so entered in the record. Are there any statements to be made in this case? If not we will take the case under advisement.

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

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

DATED at Albuquerque, New Mexico, this 31st day of October, 1955.

Amado Trujillo
Court Reporter

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. _____

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 2-6691
ALBUQUERQUE, NEW MEXICO

ROUGH
DRAFT
JWG/ir
10-24-55

WUM 10/25/55
WBM

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
CONSIDERING:

CASE NO. 968
Order No. R- 715

THE APPLICATION OF CONTINENTAL
OIL COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF THE SPECIAL RULES AND
REGULATIONS FOR THE EUMONT GAS POOL
OF ORDER NO. R-520 IN ESTABLISHMENT OF
A NON-STANDARD GAS PRORATION UNIT OF
200 CONTIGUOUS ACRES CONSISTING OF SW/4
AND SW/4 NW/4 SECTION 10, TOWNSHIP 20
SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ^{1:30} o'clock ^{P.}m. on October 17, 1955
at Hobbs, New Mexico, before Warren W. Mankin, Examiner ^{appointed} by
the Oil Conservation Commission of New Mexico, in accordance with Rule
1214 of Order R-681.

NOW, on this _____ day of ~~October~~, 1955, the Oil Conservation
Commission of New Mexico, hereinafter referred to as the "Commission",
a quorum being present, having considered said application and the recom-
mendations of the Examiner, Warren W. Mankin, 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 jurisdiction
of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 5 (a) of the Special Rules and
Regulations for the Eumont Gas Pool of Order No. R-520, the Commission
has power and authority to permit the formation of a gas proration unit consist-
ing of other than a legal section after notice and hearing by the Commission.

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

Case No. 968

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM, ~~LEA COUNTY, NM~~
SW/4 and SW/4 NW/4 Section 10

containing 200 acres, more or less.

(4) That applicant, Continental Oil Company, has a producing well on the aforesaid lease known as Britt "B-10" No. 1, located 660 feet from the South line and 330 feet from the West line of Section 10, Township 20 South, Range 37 East ^{NMPM} ~~Lea County, New Mexico~~.

(5) That the aforesaid well was recompleted as a gas well and in production prior to the effective date of Order No. R-520, and is located within the horizontal limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That at the present time said well has assigned to it a 160 acre gas proration unit consisting of the SW/4 of Section 10.

(7) That it is impractical to pool applicant's said lease with adjoining acreage in the Eumont Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 200 acres.

(8) 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.

(9) 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 a non-standard proration unit ^{in the Eumont Gas Pool of Lea County, N.M.,} consisting of the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM, ~~LEA COUNTY, NM~~
SW/4 and SW/4 NW/4 Section 10

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

(2) That applicant's well, Britt "B-10" No. 1, located in the SW/4 SW/4 Section 10, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, ^{and the same is hereby} ~~shall~~ be granted an allowable in the proportion that the above

-3-
Case No. 968

described 200 acre unit bears to the standard or orthodox proration unit
for said pool, all until further order of the Commission.

DONE etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 15, 1955

Mr. Jason Kellahin
P.O. Box 597
Santa Fe, New Mexico

Dear Sir:

In behalf of your client, Continental Oil Company, we enclose two copies of each of the following orders issued November 10, 1955, by the Oil Conservation Commission:

Order R-714, Case 967
Order R-715, Case 968
Order R-716, Case 969

All of these cases were heard on October 17th.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encls.

C
O
P
Y

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
CONSIDERING:

CASE NO. 968
Order No. R-715

THE APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN ORDER GRANTING
APPROVAL OF AN EXCEPTION PURSUANT
TO RULE 5 (a) OF THE SPECIAL RULES AND
REGULATIONS FOR THE EUMONT GAS POOL
OF ORDER NO. R-520 IN ESTABLISHMENT OF
A NON-STANDARD GAS PRORATION UNIT OF
200 CONTIGUOUS ACRES CONSISTING OF SW/4
AND SW/4 NW/4 SECTION 10, TOWNSHIP 20
SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 1:30 o'clock p. m., on October 17, 1955 at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, in accordance with Rule 1214 of Order R-681.

NOW, on this 10th day of *November*, 1955, the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", a quorum being present, having considered said application and the recommendations of the Examiner, Warren W. Mankin, 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 jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool of Order No. R-520, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SW/4 and SW/4 NW/4 Section 10

containing 200 acres, more or less.

(4) That applicant, Continental Oil Company, has a producing well on the aforesaid lease known as Britt "B-10" No. 1, located 660 feet from the South line and 330 feet from the West line of Section 10, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) That the aforesaid well was recompleted as a gas well and in production prior to the effective date of Order No. R-520, and is located within the horizontal limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That at the present time said well has assigned to it a 160 acre gas proration unit consisting of the SW/4 of Section 10.

(7) That it is impractical to pool applicant's said lease with adjoining acreage in the Eumont Gas Pool, and that the owners of adjoining acreage in said area have not objected to the formation of the proposed proration unit of 200 acres.

(8) 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.

(9) 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 a non-standard proration unit in the Eumont Gas Pool of Lea County, New Mexico, consisting of the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SW/4 and SW/4 NW/4 Section 10

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

(2) That applicant's well, Britt "B-10" No. 1, located in the SW/4 SW/4 of Section 10, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby granted an allowable in the proportion that the above described 200 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 on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

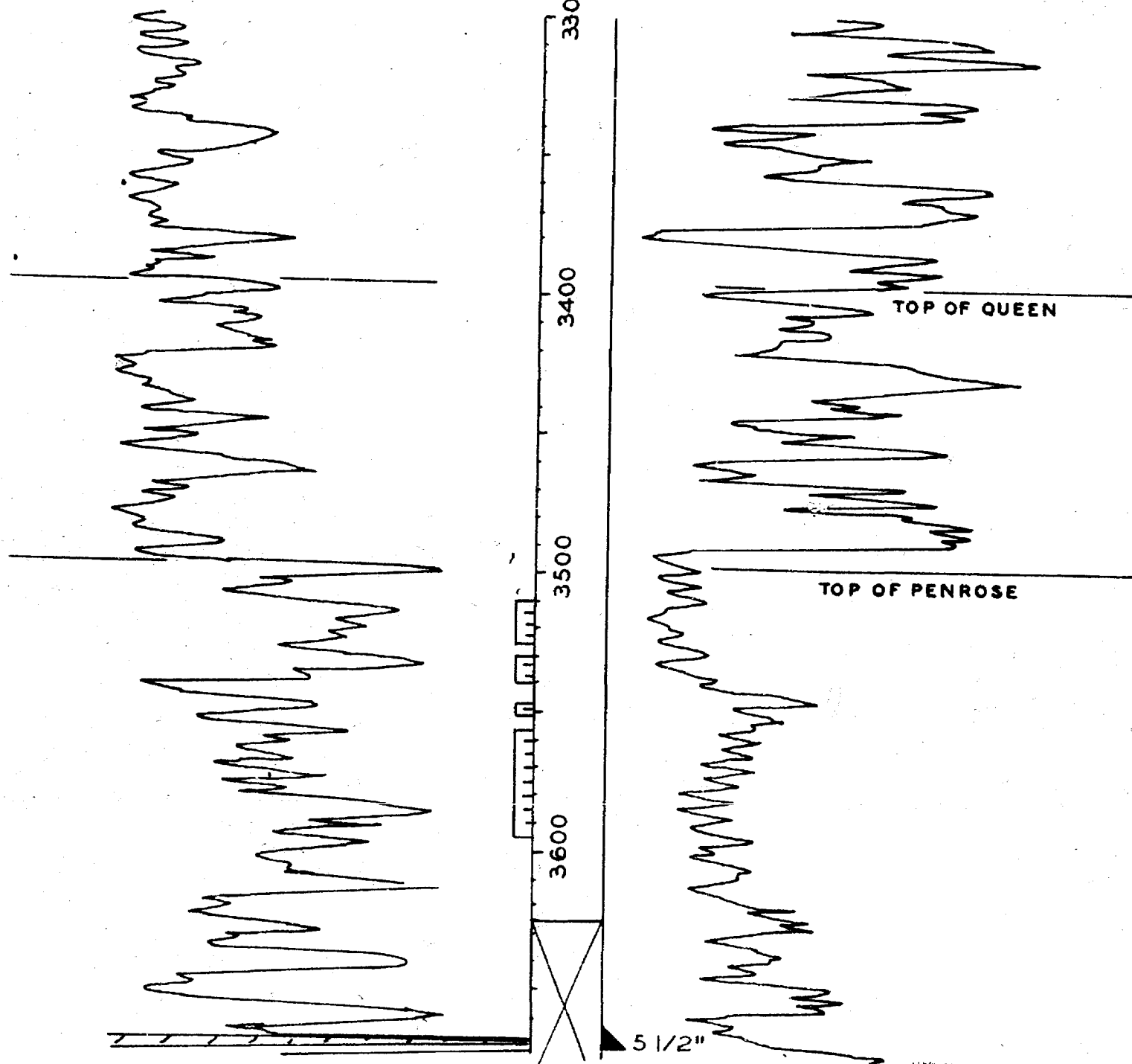
W. B. Macey
W. B. MACEY, Member and Secretary



CONTINENTAL OIL COMPANY

BRITT B-10 NO.1

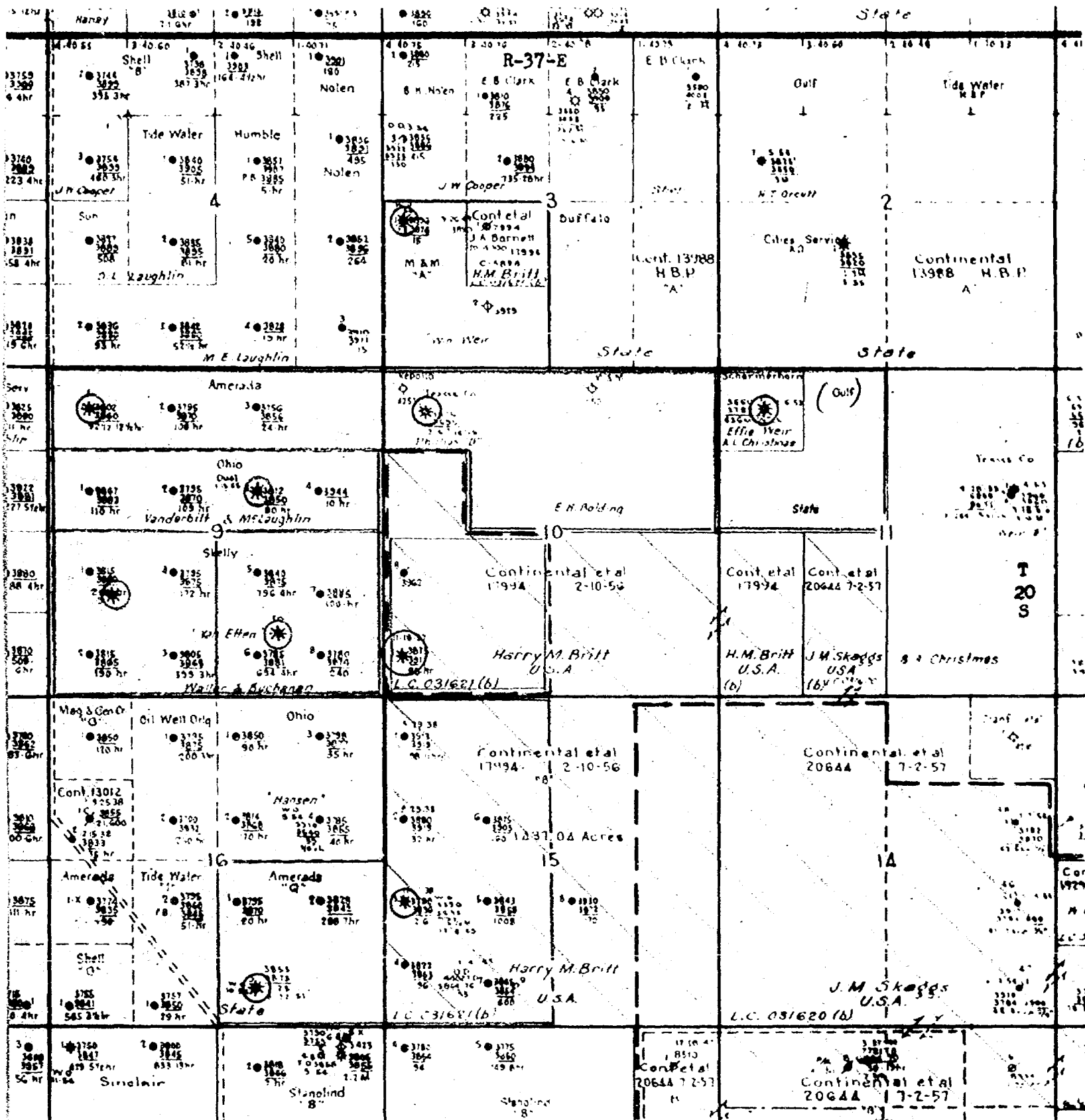
Elev. 3565'



Producing interval: 3510'-3594'
QUEEN FORMATION

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Conoco EXHIBIT NO. 3
CASE 968

CASE: 968
EXHIBIT: 3



CONTINENTAL OIL COMPANY

scale: 1"=2000'



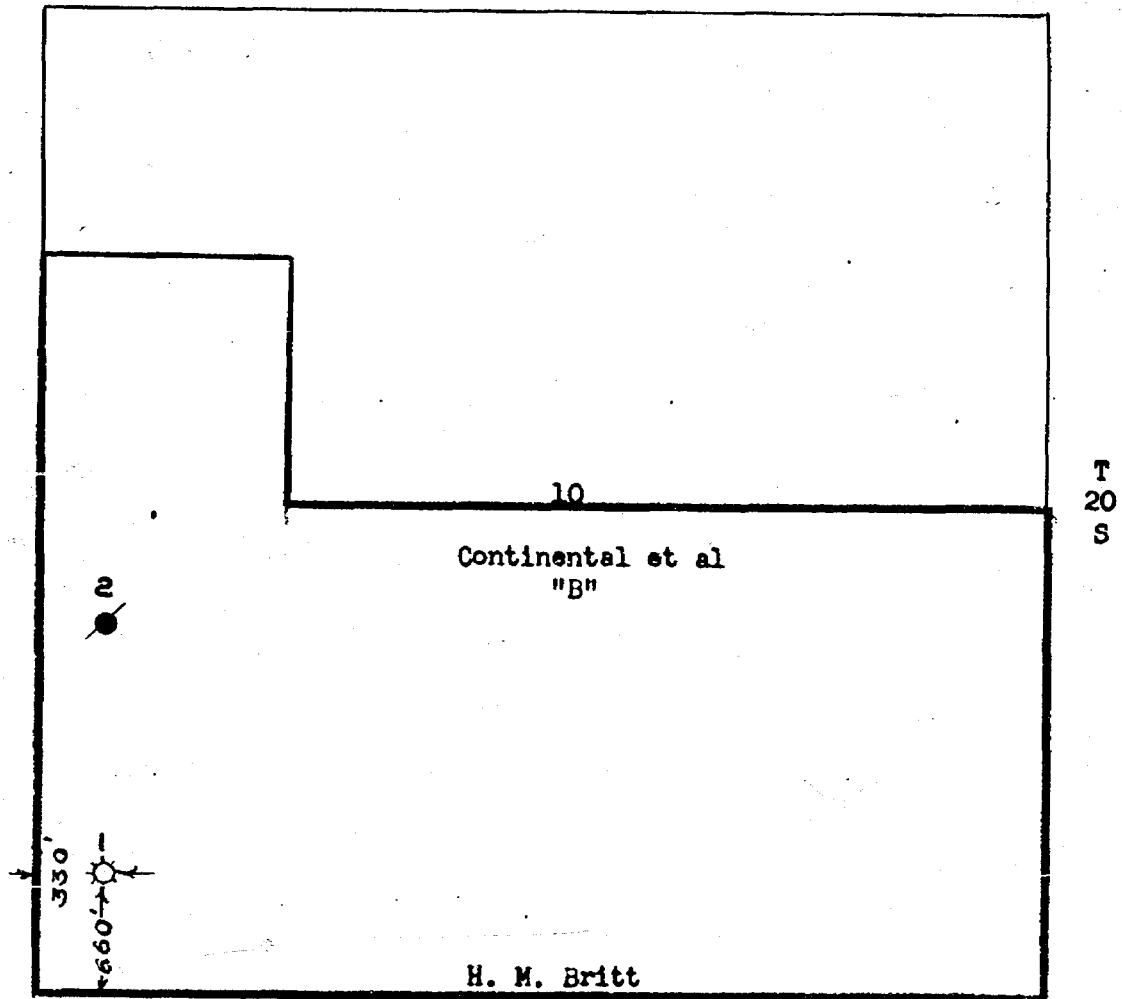
Subject Gas Well
Offset Gas Well

----- Acreage Proposed for Gas Well
----- Acreage Now Assigned to Gas Well
----- Acreage Assigned to Offset Gas Well

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Case 968
EXHIBIT NO. 2

CASE: 968
EXHIBIT: 2

R-37-E



scale: 1" = 1000'

CONTINENTAL OIL COMPANY
BRITT B-10 NO.1
Section 10-20-37 N.M.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO CASE: 968
Cowley EXHIBIT No. 1 EXHIBIT: /
ONE 968

TO:

SUBJECT: GAS WELL BACK PRESSURE TEST WELL Britt D-10 No. 1
POOL Permian
LOCATION N 10 00 37

A 12 hour back pressure test was conducted on subject well on October 11, 1955 to determine the theoretical open flow capacity of the Permian gas zone at zero bottom hole pressure and the deliverability characteristics at various rates of flow. Well is producing from 5 1/2" casing at 3552'. A calculated open flow potential of 2,200 MCF of gas per day was obtained.

Attached are curves representing the calculated open flow potential and deliverability and a chart tabulating the data obtained by this test.

Calculated open flow potential: 2,200 MCFGPD

Deliverability at 600 lbs. psi: 1,230 MCFGPD

Deliverability at 150 lbs. psi: 2,000 MCFGPD

Shut in pressure: 931.2 lbs. psia

Howard
Gas Tester

CC:

RECEIVED THE
COUNTY OF SUTTER, CALIF.
NEW MEXICO
Conced
EXHIBIT NO. 4
968

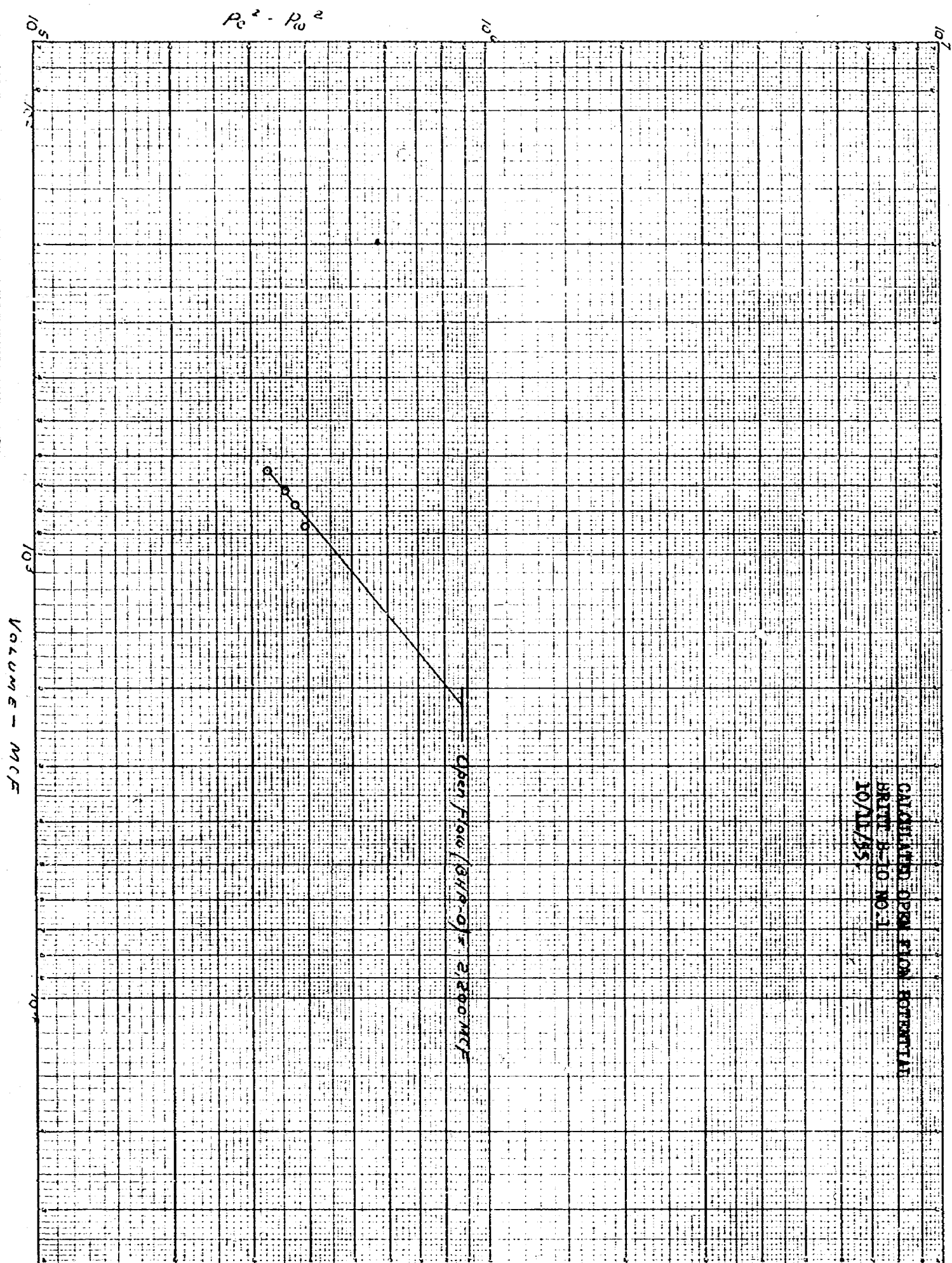
Exhibit 4
Case 968

CONTINENTAL OIL COMPANY
HOBBS DISTRICT
GAS WELL DATA

VOLUME (CALCULATED MCFD)		WORKING WELLHEAD PRESSURE (PSIA)		W.H.P. 2		P ₂ - P ₁ 2	
Q 1	647	Pc -	934.2	Pc 2 -	872M		
		Pw1 -	779	Pw1 2 -	607M	269M	
Q 2	716	Pw2 -	799	Pw2 2 -	576M	296M	
Q 3	774	Pw3 -	746	Pw3 3 -	557M	319M	
Q 4	863	Pw4	735	Pw4 4 -	540M	332M	

Volumes were corrected for specific gravity, flowing temperature, atmospheric pressure and supercompressibility when applicable.

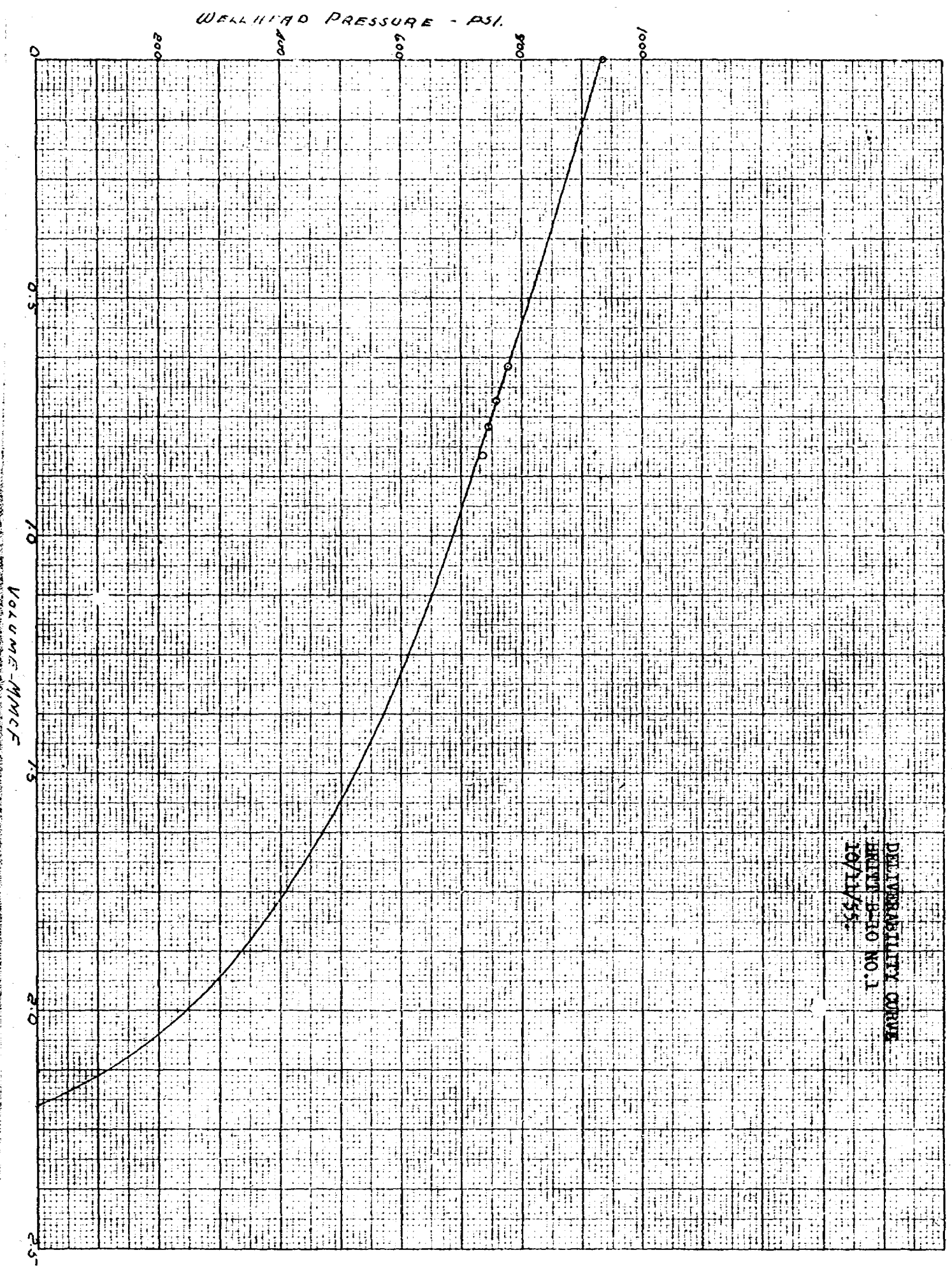
Specific gravity 0.68
 GPM Content 250
 CO₂ Content NA
 H₂ S Content NA
 Water Production 0
 Distillate Production 0
 Distillate Gravity -



NO. 318. 20 DIVISIONS PER INCH BOTH WAYS. 150 BY 200 DIVISIONS.



CODIX BOOK COMPANY, INC. NORWOOD, MASSACHUSETTS. PRINTED IN U.S.A.



DELIVERABILITY CURVE
WELL D-10 NO. 1
10/11/55

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN EXCEPTION
TO RULE 5 (a) OF THE SPECIAL RULES AND
REGULATIONS FOR THE EUMONT POOL CONTAINED
IN ORDER NO. R-520, IN ESTABLISHMENT OF
NON-STANDARD GAS PRORATION UNIT OF 200
ACRES CONSISTING OF THE SW/4 AND SW/4 NW/4
SECTION 10, T20S, R37E, NMPM, LEA COUNTY,
N. M., TO BE ALLOCATED TO ITS BRITT B-10
WELL NO. 1

CASE 968

Comes now Continental Oil Company, hereinafter called "applicant", and would respectfully show unto the Commission:

1. That applicant is co-owner and is the operator of a lease designated the Britt B-10 lease containing, among other lands, the SW/4 and SW/4 NW/4 Section 10, T20S, R37E, NMPM, Lea County, New Mexico.
2. That applicant drilled and completed on November 18, 1937 an oil well on said lease located 660 feet from the south line and 330 feet from the west line of said Section 10.
3. That said well was plugged back and recompleted as a gas well in December, 1952 within the presently defined vertical limits of the Eumont gas pool.
4. That said well at the present time has assigned to it a 160-acre gas proration unit consisting of the SW/4 of said Section 10.
5. That the SW/4 NW/4 of said Section 10 is not now allocated to any gas well and should be allocated to a producing gas well in the interests of the prevention of waste and protection of correlative rights.
6. That the enlargement of the existing gas proration unit to include the said SW/4 NW/4 is the most practical method of allocating the said acreage to a producing gas well.
7. That the offset operators are as follows:

The Texas Co., Continental Life Bldg., Ft. Worth, Texas
Amerada Petroleum Co., Drawer D, Monument, New Mexico
Ohio Oil Company, Box 879, Roswell, New Mexico
Skelly Oil Co., Box 1135, Eunice, New Mexico
Tennessee Gas Transmission Co., Box 1031, Midland, Texas
Cities Service Oil Co., Box 1221, Roswell, New Mexico
Schermmerhorn Oil Co., P. O. Box 287, Tulsa, Oklahoma
Buffalo Oil Co., Box 686, Artesia, New Mexico
B. H. Nolen, Box 326, Hobbs, New Mexico

Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, that appropriate notice thereof be given, and that upon hearing an order be issued granting applicant an exception to rule 5 (a) of the special rules and regulations for the Eumont Gas pool contained in order no. R-520 for the non-standard gas proration unit described above.

NEW MEXICO O. & G. ENGR. COMMITTEE
HOBBS, NEW MEXICO
October 8, 1955

Respectfully submitted,
CONTINENTAL OIL COMPANY
H. L. Johnston
Regional Manager of Production
Southwestern Region

Memo

10/19/15

From *[Signature]*

Re: Case # 968

To
JWG

OK to write normal
approval for NSP