

Case No.

1652

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1652

TRANSCRIPT OF HEARING

MAY 6, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

JOHN A. QUEEN,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Queen, will you state your name?

A John A. Queen.

Q Are you the same Mr. Queen who testified in Case 1651?

A I am.

Q Mr. Queen, are you familiar with the application in Case 1652?

A I am.

Q Briefly, what does that propose?

A This is an application of Continental Oil Company for the approval of a 320-acre non-standard gas proration unit, consisting of the N/2 of Section 8, Township 23 South, Range 36 East, in lieu of the presently approved 160-acre unit, consisting of the NW 1/4 of said Section 8, for assignment to its Danciger A-8 Well No. 3.

(Whereupon, Continental's Exhibits 1 through 5 were marked for identification).

Q Referring to what has been marked as Exhibit No. 1, will you state what that shows?

A Exhibit No. 1 is a location and ownership plat, showing the proposed unit and immediate surrounding area. Danciger

4
A-8 lease is shown on -- consists of Section 8, Township 33 South, Range 36 East. Danciger A-8 No. 3 Well is shown circled in red. The proposed gas proration unit is outlined in red, and consists of the N/2 of Section 8. The presently approved unit the NE/4 of Section 8, and other approved units on surrounding leases are shown outlined in green. The wells to which the surrounding wells are allocated are circled in green.

Q Now, the wells circled in green are all producing from the Jalmat Pool?

A That is correct.

Q Now, referring to what has been marked as Exhibit No. 2, will you state what that shows?

A Exhibit No. 2 is a structure plat of the area shown in Exhibit No. 1. Structural configuration on the top of the Yates formation is shown by contours depicting intervals of twenty feet. The Danciger A-8 No. 3 is circled in red, and the proposed unit is outlined in red. As shown, the Yates exhibits a --various steep dips across the eastern half of the lease.

No. 3 Well located 990 feet from the North and East line was drilled at a location designed to take advantage of the increased net pay without excessive crowding of our eastern neighbor.

Q Referring to Exhibit No. 2, the one you have just discussed, is there anything on that Exhibit which would indicate to you that the entire area proposed to be dedicated to the Danciger

A-8 Well is productive?

A There are two wells lying in Section 17 that would indicate this; one, the TP and C's State 39, located in the SE/4 of Section 17, is gas productive at an interval of minus twenty feet. The other well, the Sinclair Federal No. 3 located in the SW/4 of Section 17, and circled in green on Exhibit 2, is productive of gas at an interval -- at a structural interval that does not even touch the Danciger A-8 lease. This indicates to us that this area is productive of gas.

Q Now, referring to what has been marked as Exhibit No. 3, will you state what that is?

A Exhibit No. 3 is a trace of the radio active log on the Danciger A-8 No. 3. The top of the Yates formation, perforated intervals, and the completion information are shown.

Q Now, referring to what has been marked as Exhibit No. 4, will you discuss that Exhibit?

A Exhibit 4 is an interpretative cross section across the Danciger A-8 lease in an east-west direction drawn through the Danciger A-8 No. 3. By horizontal extension of the elevation of the lowest perforation and assuming this to be the lowest limit of the gas productivity and by extending the top perforation in a line parallel to the top of the Yates formation as depicted on Exhibit 2, The gas productive zone is illustrated by the cross-hatched area. As shown on Exhibit 4, the entire Danciger A-8 lease is reasonably productive of gas in the Yates formation.

On Exhibit 4, the western boundary of the Danciger A-8 lease is depicted by the western heavy line on Exhibit 4. The eastern edge of the lease is also depicted by the right-hand heavy line. As can be seen by this Exhibit, a well drilled toward the eastern boundary is much better located to recover the reserves under the lease. One additional thing I would like to add, is that this cross section was cut into ten equal segments and pre-assembled. A well drilled to the exact center of this area would have been located 1320 feet from the East, and 1320 feet from the North of the Danciger A-8 lease.

Q Now, referring to what has been marked Exhibit 5, will you state what that is?

A Exhibit No. 5 is a copy of the latest C 122-C on the well showing the deliverability at 80 percent shut-in pressure.

It is believed that this well is capable of producing the increased allowable without any difficulty.

Q In summary, in your opinion, is the NW/4 of Section 8 gas productive?

A In my opinion, it is gas productive.

Q And is the Danciger A-8 Well No. 3 capable of producing the gas from that unit?

A It is.

Q Were Exhibits 1 through 4 inclusive prepared by you -- 1 through 5 prepared by you or under your direction and supervision?

A They were.

MR. KELLAHIN: At this time we would like to offer Exhibits 1 through 5 inclusive.

MR. UTZ: Without objection, Exhibits 1 through 5 will be accepted.

(Whereupon, Continental's Exhibits 1 through 5 were received in evidence.)

MR. KELLAHIN: That's all the questions I have, Mr.

Utz.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Queen, your statement as to whether or not this well will produce its allowable, what allowables did you use as a comparison to make as to whether or not the well will produce its gas allowable?

A February and March. They, as I recall, averaged about 100 MCF per day, and, as you can see, that is approximately one-fourth of what the well is capable of producing.

Q Your line pressures are about what in this area?

A I believe the line pressures are within the vicinity of the pressure tested here, 350 pounds.

MR. UTZ: Are there any other questions of the witness?

QUESTIONS BY MR. PAYNE:

Q Mr. Queen, is the NW/4 of Section 8 presently desig-

lated to any Jalmat oil?

A No, it is not.

Q Now, is the S/2 of Section 8, that 320 acres, is that dedicated to the Danciger "E" No. 2?

A Yes, sir, it is.

Q Is that No. 2 capable of producing a 320-acre allowable?

A I made a note of those figures, and I believe that is a non-marginal well. However, I am not able to put my hands on that figure at the present time.

Q All right, sir. Are there any Jalmat oil wells in this immediate area?

A I believe the Continental "A" Farnie 1 and 2 are Jalmat oil wells.

Q And those are located where?

A In the NW/4 of Section 17, but that should be confirmed.

Q Now, is this location of your Danciger No. 3, is that unorthodox for a Jalmat gas well?

A Not for 160. It would be for 320.

Q Have you gotten any approval for that unorthodox location?

A It would be my understanding. However, I am very new to the State of New Mexico,--that this hearing, if so granted, would be approval of that location.

Q That is a question that has never been resolved, to my knowledge, whether granting of a non-standard unit approves the non-standard location of a well. I doubt that it does. What is this location again, Mr. Queon?

A 990 from the North and 990 from the East.

MR. PAYNE: I believe that's all.

MR. UTZ: Any other questions of the witness?

A I would like to make one other statement in regard to your question about the Jalmat Oil case. In the Jalmat oil area we have counted up to, I believe, I do not recall the number, but a large number of wells, I believe, over a hundred that are Jalmat oil wells, and they are over the entire area.

MR. PAYNE: This area here is on the western boundary of the pool, isn't it?

A That is correct, sir.

MR. UTZ: The witness may be excused.

(Witness excused)

MR. UTZ: Are there any other 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, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 11th day of May, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
 NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1652, heard by me on May 10, 1959.

Frank A. [Signature], Examiner
 New Mexico Oil Conservation Commission

DEARNLEY, MEIER & ASSOCIATES
 GENERAL LAW REPORTERS
 ALBUQUERQUE, NEW MEXICO
 Phone CHapel 3-6691

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 5-6-59

CASE NO. 1652

HEARING DATE 5-6-59

My recommendations for an order in the above numbered case(s) are
as follows:

Grant Continental's application for a
non-Std. Unit for the Cont. Range
A-8 #3, 990/34E lines of Sec. 8 - ²³⁵~~36~~E - 36E,
Galumet Pool consisting of the N/2 of said
sec. 8.

Since we have dedicated ~~accretions~~
accretions to the North & South of this
unit & herein we have admitted that
the NW/4 of Sec. 8 is productive of gas
from the Galumet pool.

Thos. H. Allen

The effective date should be June 1959.

Allen

Staff Member

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN EXCEP-
TION TO RULE 5(a) OF THE SPECIAL RULES
AND REGULATIONS FOR THE JALMAT GAS
POOL CONTAINED IN ORDER NO. R-520 IN
ESTABLISHMENT OF A NON-STANDARD GAS
PRORATION UNIT OF 320 ACRES CONSISTING
OF THE N/2 OF SECTION 8, T-23S, R-36E, NMPM,
LEA COUNTY, NEW MEXICO, TO BE ALLOCATED TO
ITS DANCIGER A-8 WELL NO. 3.

A P P L I C A T I O N

Comes now applicant, Continental Oil Company and petitions
the Commission for an order approving the enlargement of the 160-
acre non-standard gas proration unit consisting of the NE/4 of
Section 8, T23S, R36E, NMPM, Lea County, New Mexico, to a 320-acre
non-standard gas proration unit to consist of the N/2 of said Sec-
tion 8. The acreage is to be allocated to its Danciger A-8 No. 3
well located 990 feet from the North and East lines of said section
and in support thereof would show:

1. That applicant is co-owner and operator of the Dan-
ciger A-8 Lease consisting of Section 8, T-23S, R-36E, NMPM, Lea
County, New Mexico.

2. That applicant drilled the Danciger A-8 No. 3 at a
location 990 feet from the North and East lines of said Section 8
and completed it March 5, 1958, as a gas well in the Jalmat Pool.

3. That said well was assigned a 160-acre gas proration
unit consisting of NE/4 of said Section 8 by order No. NSP 436 and
is currently producing its allowable.

4. That the NW/4 of Section 8 is not allocated to any
gas well and that said acreage may reasonably be presumed to be
productive of gas from the Jalmat Pool and should be allocated to a
gas well in the interests of the prevention of waste and the protec-
tion of correlative rights.

5. That the most practical and economical method of allo-
cating said acreage for Jalmat Pool gas production is to establish a
320-acre non-standard gas proration unit, as described above, for
assignment to the Danciger A-8 well No. 3.

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

Page 2

be entered granting applicant an exception to Rule 5 (a) of the Special Rules and Regulations for the Jalmat gas pool contained in order No. R-520 for the non-standard gas proration unit described above.

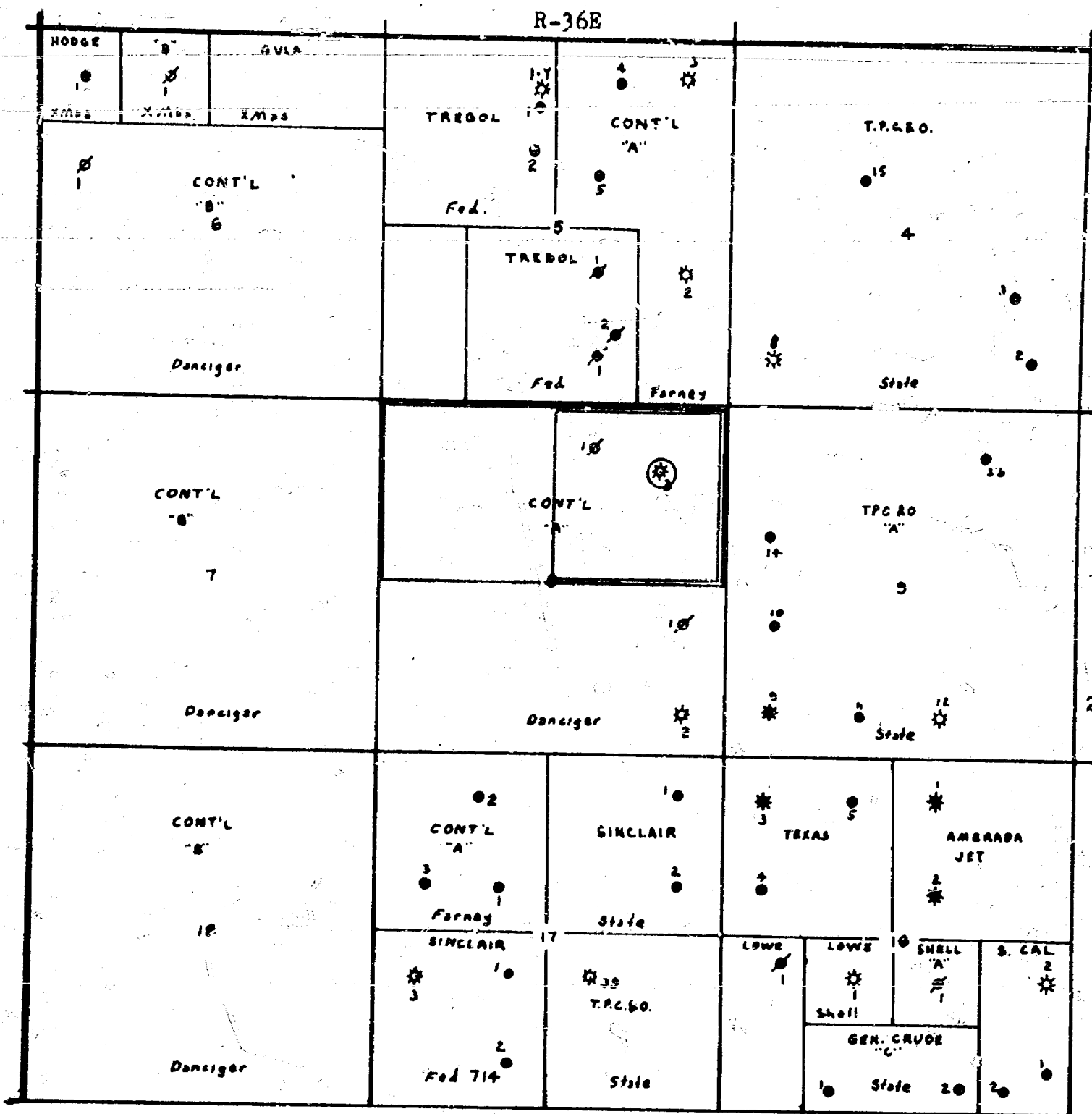
Respectfully submitted,

CONTINENTAL OIL COMPANY



R. L. ADAMS
Division Superintendent
of Production
New Mexico Division

RLA-BR



**LOCATION AND OWNERSHIP PLAT
CONTINENTAL OIL COMPANY**

Danciger A-8 Lease

Jalmat Pool-Lea County, New Mexico

Scale 1" = 2000'

Danciger A-8 No. 3 ○
Jalmat Gas Well

— Approved Proration Unit
— Proposed Proration Unit



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

R. L. ADAMS
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

April 8, 1959

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

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

Re: Application of Continental Oil Company for an Exception to Rule 5(a) of the Special Rules and Regulations for the Jalmat Gas Pool Contained in Order No. R-520 in Establishment of a Non-Standard Gas Proration Unit of 320 Acres Consisting of the N/2 of Section 8, T-23S, R-36E, NMPM, Lea County, New Mexico to be Allocated to its Danciger A-8 Well No. 3.

Gentlemen:

Please find attached three copies of Continental Oil Company's application for an exception to Rule 5(a) of the Special Rules and Regulations for the Jalmat Gas Pool contained in Order No. R-520 for the enlargement of the 160-acre non-standard gas proration unit consisting of the NE/4 Section 8, T-23S, R-36E, NMPM, Lea County, New Mexico, to a 320-acre non-standard gas proration unit to consist of the N/2 of said Section 8. The acreage is to be allocated to its Danciger A-8 No. 3 well.

*Docket mailed
5-1-59
JH*

*Docket mailed
4-22-59
BP*

PIONEERING IN PETROLEUM PROGRESS SINCE 1875

New Mexico Oil Conservation Commissior
Page 2

We respectfully request that this matter be set for
hearing at the earliest convenient date.

Yours very truly,

R. L. Adams

RLA-BR
Enc

NEW MEXICO OIL CONSERVATION COMMISSION
One-point Back Pressure Test for Gas Wells
(Deliverability)

Form C-122-C
4-1-54

Pool Jalmat Formation Yates County Lea
Initial Annual X Special Date of test 4-3/4-10-59
Company Continental Oil Company Lease Daniger A-8 Well No. 3
Unit A Sec. 8 Twp. 23 Rge. 36 Purchaser El Paso Nat. Gas Co.
Casing 5 1/2 Wt. 14 I.D. 5.012 Set at 3649 Perf. 3390 To 3600
Tubing 2 Wt. 4.7 I.D. 1.995 Set at 3433 Perf. To
Gas Pay: From 3390 To 3600 L 3433 x G .668 = GL 2293 Bar.Press. 13.2
Producing Thru: Casing X Tubing Type Well Single
Single- Bradenhead-G.C. or G.C. Dual

FLOW DATA

Started		Taken		Duration Hours	Type Taps	Line Size	Orifice Size	Static Press.	Differ- ential	Flow Temp.
Date	time	Date	time							
4-6	10:35 AM	4-7	10:35 AM	24	Fig.	4"	1.000	262	42.25	74
	PM		PM							

FLOW CALCULATIONS

Static Pressure P_f	Differ- ential h_w	Meter Extension $\sqrt{P_f h_w}$	24-Hour Coeff- icient	Gravity Factor F_g	Temp. Factor F_t	Compress- ability F_{pv}	Rate of Flow MCF/Da. @ 15.025 psia Q
275.2	42.25	107.82	6.135	.9477	.9868	1.026	634.7

SHUT-IN DATA

Shut-in		Press. Taken		Duration Hours	Wellhead Pressure (P_c) psia		W.H. Working Pressure (P_w) and (P_t) psia	
Date	Time	Date	Time		Tubing	Casing	Tubing	Casing
4-7	10:35 AM	4-8	10:35 AM	24		420.2		
	PM	4-9		48		430.2		282.2
		4-10		72		435.2		

FRICTION CALCULATIONS (if necessary)

$$P_w^2 = (282.2)^2 + (1.712 \times .6347)^2 (.146) = 79.81$$

$$P_w = 282.51$$

DELIVERABILITY CALCULATIONS

$$P_w = 282.5 \quad P_c = 435.2 \quad P_w + P_c = .6491$$

$$1 - \frac{P_w}{P_c} = .3509 \quad 1 + \frac{P_w}{P_c} = 1.6491 \quad \left| 1 - \frac{P_w}{P_c} \right| \left| 1 + \frac{P_w}{P_c} \right| = M = .5787$$

$$.36 + M = .6221 \quad \log .6221 = -1.793860 \quad x (n) = .771 = -1.841066 +$$

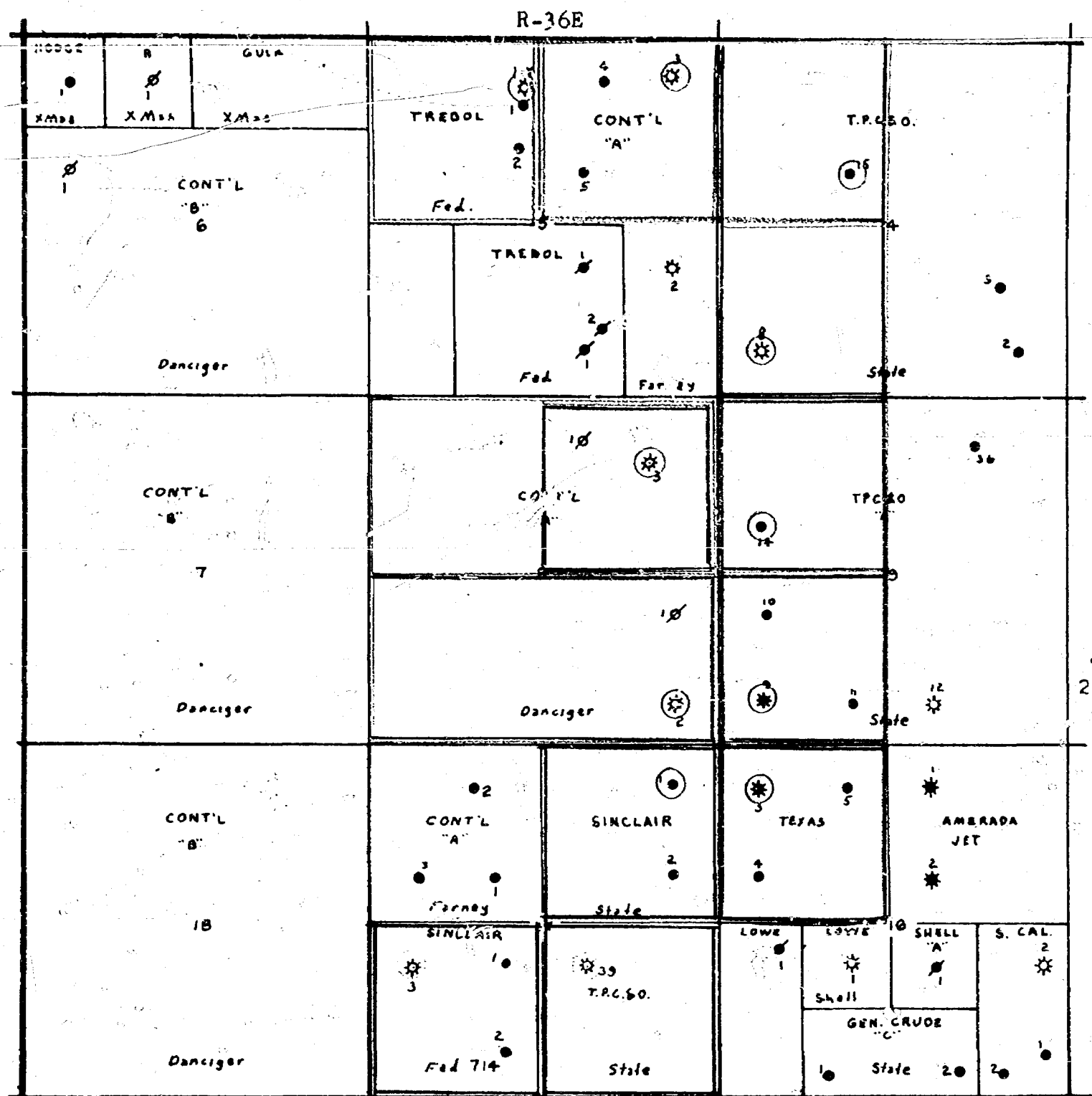
SUMMARY

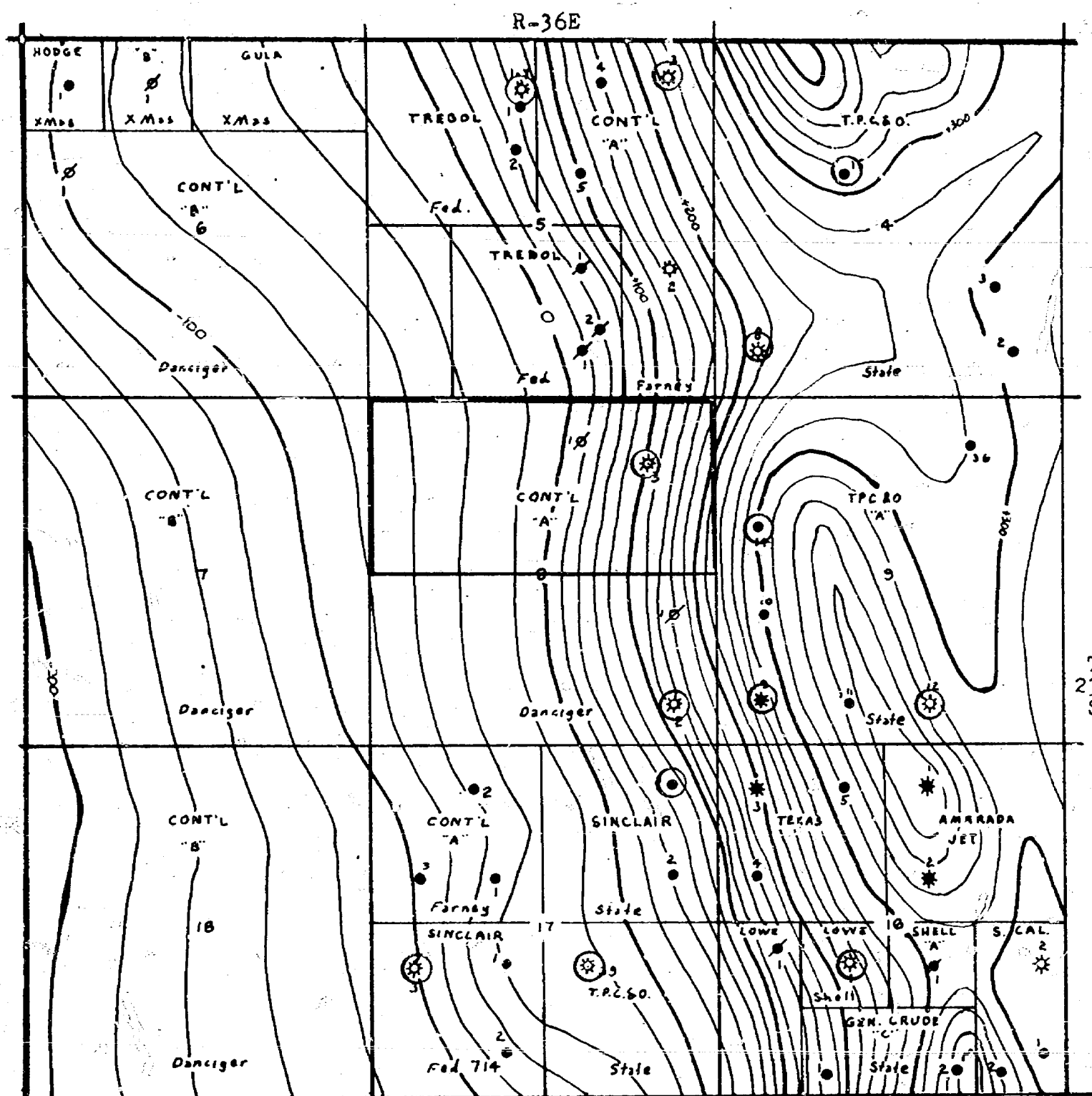
$P_c = 435.2$ psia
 $Q = 634.7$ MCF/Da.
 $P_w = 282.51$ psia
 $P_d = 348.2$ psia
 $D = 440$ MCF/Da.

COMPANY Continental Oil Company Log Q = 2.802569
ADDRESS Box 68, Lovice, New Mexico Log D = 2.643635
AGENT and TITLE Dist. Supt.
WITNESSED
COMPANY Antilog = 440.2 = D

REMARKS

This well began loading up with fluid just prior to recording flow data. Permission is requested to retest at rate sufficient to keep well unloaded.





CONTINENTAL OIL COMPANY
STRUCTURE MAP-JALMAT POOL
CONTOURED ON TOP OF YATES SANDS

Danciger A-8 Lease

Contour Interval: 20'

Scale: 1" = 2000'

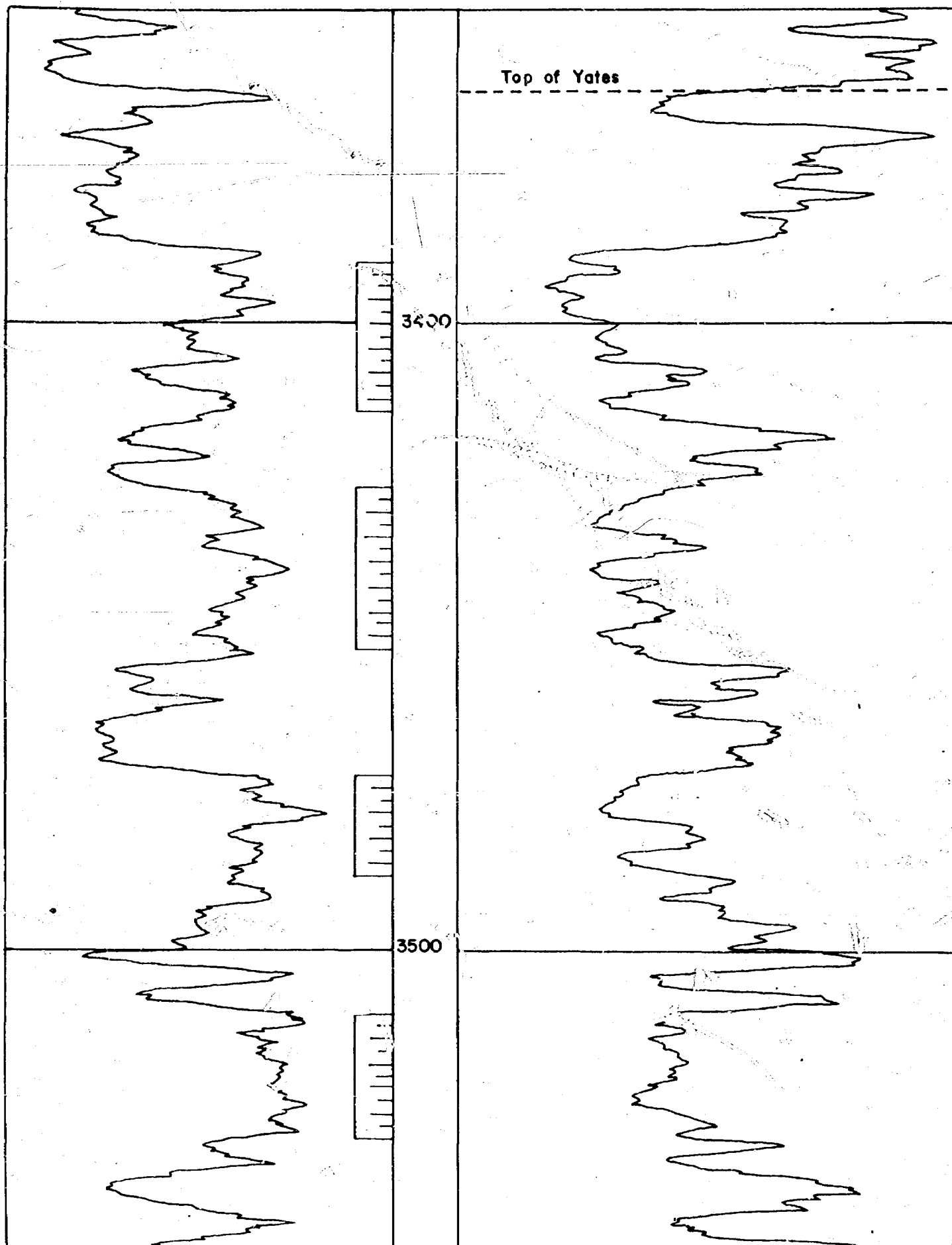
Proposed Unit Well ○
Jalmat Gas Well ○

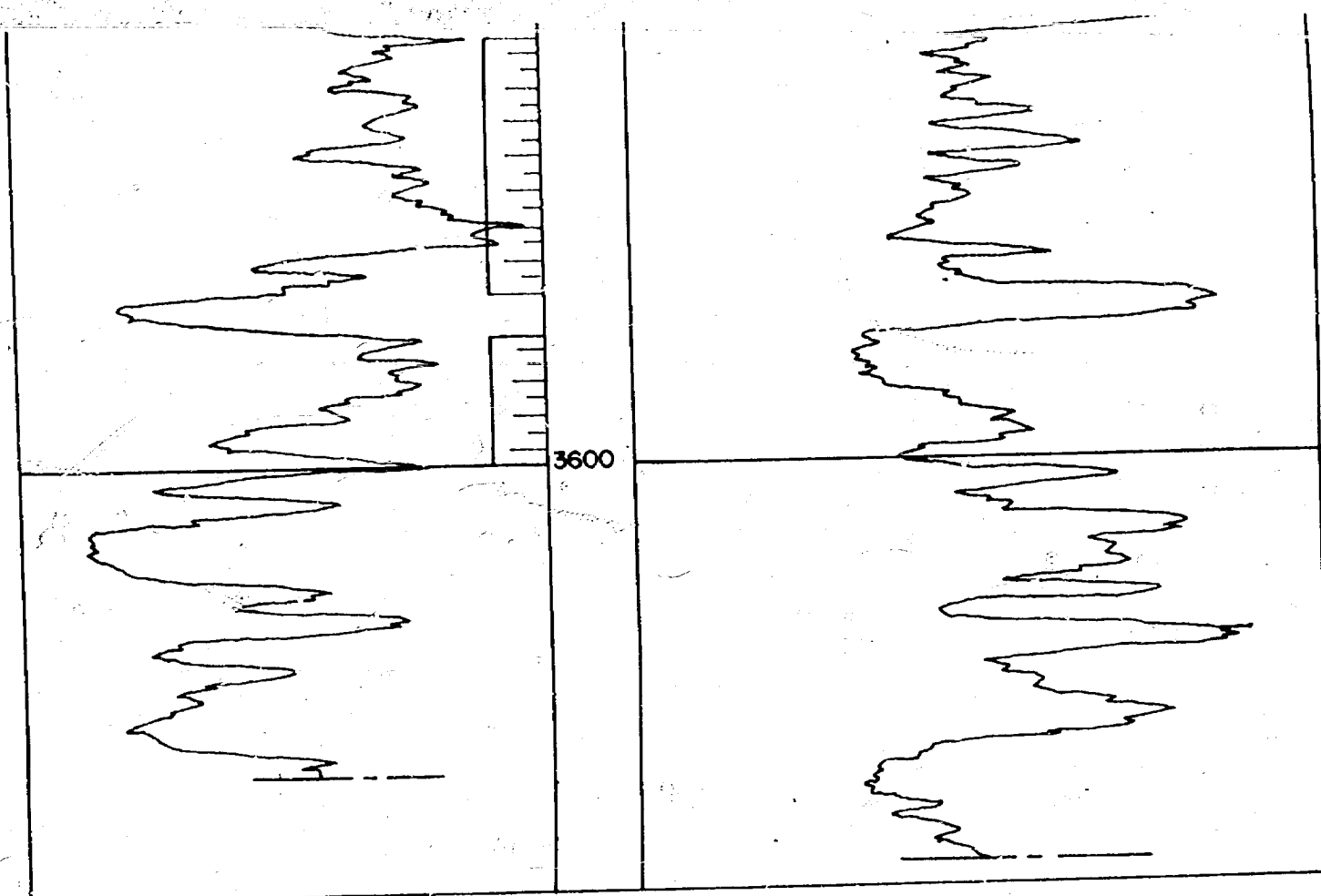
Proposed Gas Unit —

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Cont. EXHIBIT NO. 2
CASE NO. 1657

CONTINENTAL OIL COMPANY

Danciger A-8 No. 3





Spudded 7 p.m. 1-4-58. Set 8 5/8" csg. at 360'. Set 5 1/2" csg. at 3649'.

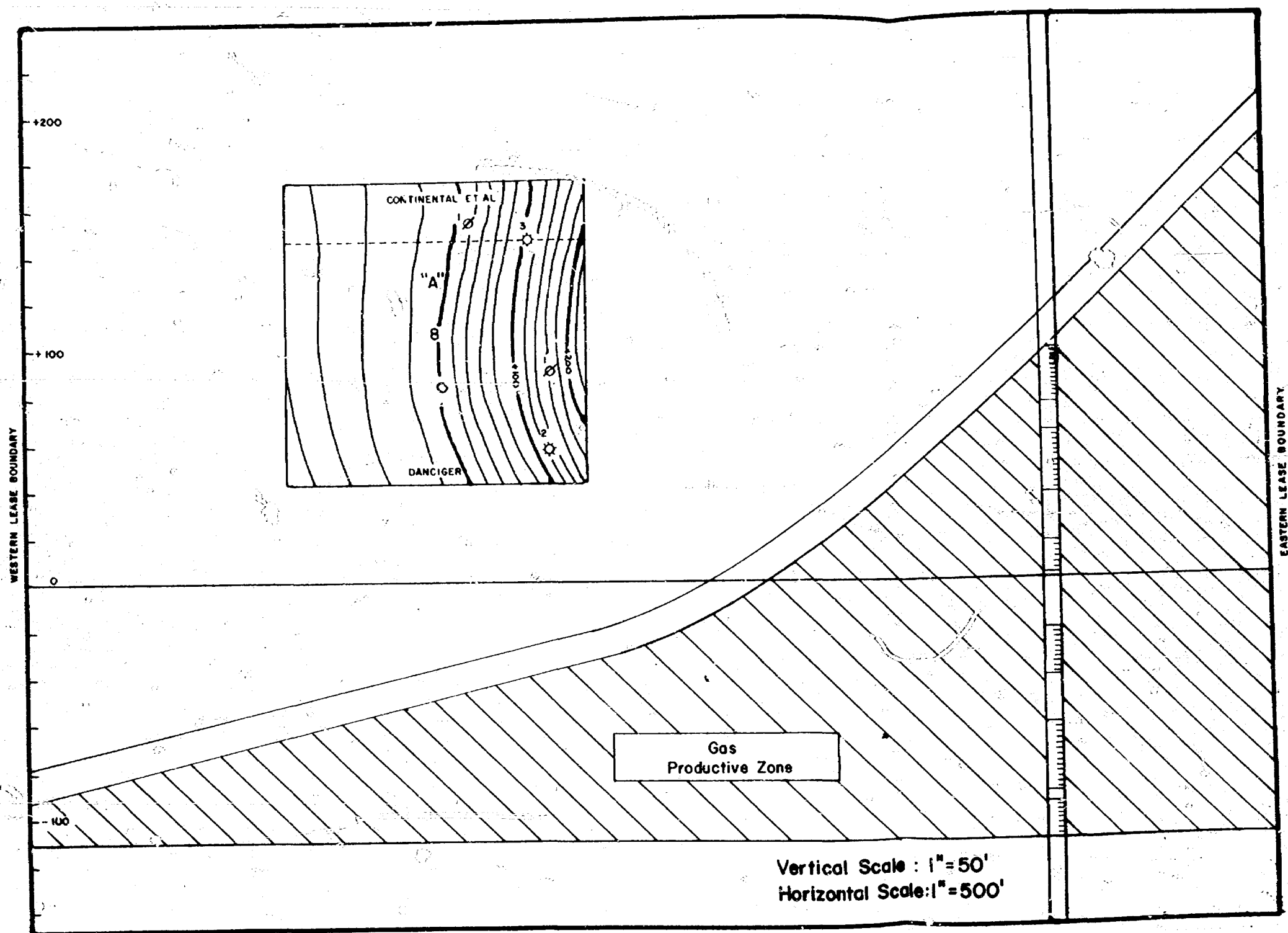
Perforated with 2 shots/ft 3390-3414', 3426-3452', 3472-3488', 3510-3520'. Perforated w/4 shots/ft 3520-3530', 3550-3580', 3585-3600'. Acidized interval 3510-3530', 3550-3580', 3585-3600' w/500 gals 15% LSTNE acid. Sandfraced interval above w/6000 gals crude, 6000# sand, 600# Adomite. Pressure: Max 5500#, min 5000#. SIP 1100#, avg inj rate 6 bbls/min.

Acidized interval 3390-3414', 3426-3452', 3472-3488' w/500 gals. 15% LSTNE acid. Sandfraced above interval w/6000 gals crude, 6000# sand, 600# Adomite. Pressure: Max 4600#, min 4200#. SIP 600#, avg inj rate 7 bbls/min.

Waterfraced various intervals between 3390-3600' w/60,000 gals. water, 60,000# sand. Pressure: Max 3400#, min 2200#. SIP 250#. Avg inj rate 42.9 bbls/min.

Tested 3-5-58. O. F. Potential = 1300 MCFPD. Deliverability @ 350 psig = 685 MCFPD. Deliverability @ 150 psig = 1140 MCFPD. Shut-in pressure = 513.2 psia. TD 3650', DF 10', elev 3488' DF.

Interpretive Cross - Section
Danciger A-8 Lease
Showing Gas Productive Yates



NEW MEXICO OIL CONSERVATION COMMISSION
One-point Back Pressure Test for Gas Wells
(Deliverability)

Form C-122-C
4-1-54

Pool Jalmat Formation Yates County Lea
Initial Annual ☒ Special Date of test 4-3/4-10-59
Company Continental Oil Company Lease Danciger A-8 Well No. 3
Unit A Sec. 6 Twp. 23 Rge. 36 Purchaser El Paso Nat. Gas Co.
Casing 5 1/2 Wt. 14 I.D. 5.012 Set at 3649 Perf. 3390 To 3600
Tubing 2" Wt. 4.7 I.D. 1.995 Set at 3433 Perf. To
Gas Pay: From 3390 To 3600 L 3433 x G .668 = GL 2293 Bar.Press. 13.2
Producing Thru: Casing ☒ Tubing Type Well Single
Single- Bradenhead-G.C. or G.O. Dual

FLOW DATA

Started		Taken		Duration Hours	Type Taos	Line Size	Orifice Size	Static Press.	Differ- ential	Flow Temp.
Date	time	Date	time							
<u>4-6</u>	<u>10:35 AM</u>	<u>4-7</u>	<u>10:35 AM</u>	<u>24</u>	<u>Flg.</u>	<u>4"</u>	<u>1.000</u>	<u>262</u>	<u>42.25</u>	<u>74</u>
	<u>PM</u>		<u>PM</u>							

FLOW CALCULATIONS

Static Pressure P_f	Differ- ential h_w	Meter Extension $\sqrt{P_f h_w}$	24-Hour Coeff- icient	Gravity Factor F_g	Temp. Factor F_t	Compress- ability F_{pv}	Rate of Flow MCF/Da. @ 15.025 psia Q
<u>275.2</u>	<u>42.25</u>	<u>107.82</u>	<u>6.135</u>	<u>.9477</u>	<u>.9368</u>	<u>1.026</u>	<u>634.7</u>

SHUT-IN DATA

Shut-in		Press. Taken		Duration Hours	Wellhead Pressure (P_c) psia		W.H. Working Pressure (P_w) and (P_t) psia	
Date	Time	Date	Time		Tubing	Casing	Tubing	Casing
<u>4-7</u>	<u>10:35 AM</u>	<u>4-8</u>	<u>10:35 AM</u>	<u>24</u>		<u>420.2</u>		
	<u>PM</u>	<u>4-9</u>	<u> </u>	<u>48</u>		<u>430.2</u>		<u>282.2</u>
		<u>4-10</u>	<u> </u>	<u>72</u>		<u>435.2</u>		
			<u>PM</u>					

FRICTION CALCULATIONS (if necessary)

$$P_w^2 = (282.2)^2 + (1.712 \times .6347)^2 (.146) = 79.81$$

$$P_w = 282.51$$

DELIVERABILITY CALCULATIONS

$$P_w = 282.5 \quad P_c = 435.2 \quad P_w + P_c = .6491$$

$$1 - \frac{P_w}{P_c} = .3509 \quad 1 + \frac{P_w}{P_c} = 1.6491 \quad \left(1 - \frac{P_w}{P_c}\right) \left(1 + \frac{P_w}{P_c}\right) = M = .5787$$

$$.36 + M = .6221 \quad \text{Log } -1.793860 \quad x (n) = .771$$

SUMMARY

$$P_c = 435.2 \text{ psia}$$

$$Q = 634.7 \text{ MCF/Da.}$$

$$P_w = 282.51 \text{ psia}$$

$$P_d = 348.2 \text{ psia}$$

$$D = 440 \text{ MCF/Da.}$$

COMPANY Continental Oil Company
ADDRESS Box 66, Durice, New Mexico
AGENT and TITLE Dist. Supt.
WITNESSED
COMPANY

$$\text{Log } Q = 2.802569$$

$$\text{Log } D = 2.643635$$

$$\text{Antilog } = 440.2 = D$$

REMARKS

This well began loading up with fluid just prior to recording flow data. Permission is requested to retest at rate sufficient to keep well unloaded.

DOCKET: EXAMINER HEARING MAY 6, 1959

OIL CONSERVATION COMMISSION, MABRY HALL, STATE CAPITOL, 9 a.m., SANTA FE

The following cases will be heard before Elvis A. Utz, Examiner:

- CASE 1651:** Application of Continental Oil Company for an automatic custody transfer system and for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system and to commingle the production from the Hobbs Pool from three separate non-contiguous leases in Township 16 South, Range 38 East, Lea County, New Mexico. Applicant proposes to separately meter the production from each lease prior to commingling.
- CASE 1652:** Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 8, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to applicant's Danciger A-8 Well No. 3 located 990 feet from the North and East lines of said Section 8.
- CASE 1653:** Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NE/4 of Section 28 and the NW/4 of Section 27, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to applicant's Lynn A-28 Well No. 5 located 660 feet from the North and East lines of said Section 28.
- CASE 1654:** Application of Shell Oil Company for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the West Henshaw-Grayburg Pool from three separate contiguous leases located in Township 16 South, Range 30 East, Eddy County, New Mexico. Applicant proposes to separately meter the production from each lease prior to commingling.
- CASE 1655:** Application of Skelly Oil Company for permission to commingle the production from the Tubb Gas Pool and the Drinkard Oil Pool. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the liquids produced from the Tubb Gas Pool with the oil produced from the Drinkard Oil Pool underlying its State "K" Lease comprising the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant proposes to meter the production from each pool prior to commingling.
- CASE 1656:** Application of Skelly Oil Company for permission to commingle the production from five separate pools. Applicant, in the above-styled cause, seeks authority to commingle the production from the Ellenburger, McKee, Fusselman, Montoya, and Blinberry formations underlying its Hobbs "A" Lease comprising the NW/4 of Section 30, Township 25 South, Range 38 East, in the Justice Field, Lea County, New Mexico. Applicant proposes to separately meter the production from each pool prior to commingling.
- CASE 1657:** Application of Standard Oil Company of Texas for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order authorizing its Vac-Edge Unit Area comprising 2078 acres, more or less, of state lands in Township 18 South, Range 35 East, Lea County, New Mexico.

CASE 1658:

Application of The Texas Company for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its "BN" (NCT-1) Well No. 1 located 1980 feet from the South line and 660 feet from the West line of Section 25, Township 11 South, Range 32 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water in the interval from 3529 feet to 7430 feet.

CASE 1659:

Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its A. B. Coates "C" Well No. 9 located in the NW/4 SE/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the J. L. Drinkard Pool and the production of oil from the Justis-Ellenburger Pool through parallel strings of 2-3/8 inch tubing.

CASE 1660:

Application of Atlantic Refining Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system utilizing positive volume tanks with automatic dumping facilities to transfer custody of all oil produced on its Navajo Lease comprising certain acreage in Township 31 North, Range 16 West, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico.

CASE 1661:

Application of Pan American Petroleum Corporation for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its W. H. Turner No. 1 located in the SE/4 SE/4 of Section 29, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont producing interval adjacent to the Eumont Pool and the production of oil from the Drinkard Pool. Applicant proposes to utilize a retrievable-type packer in said well.

CASE 1662:

Application of Pan American Petroleum Corporation for permission to commingle the production from several separate leases and for permission to produce more than sixteen wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Empire-Abo Pool from all or a portion of seven separate federal leases in Township 18 South, Range 27 East, Eddy County, New Mexico. Applicant further requests authority to produce more than sixteen wells into the common tank battery for said leases. Applicant proposes to separately meter production from each lease prior to commingling.

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. 1652
Order No. R-1394

APPLICATION OF CONTINENTAL OIL
COMPANY FOR THE ESTABLISHMENT
OF A 320-ACRE NON-STANDARD GAS
PRORATION UNIT IN THE JALMAT GAS
POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1959, at Santa Fe, New Mexico, before Elvis A. Uta, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Uta, 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 the N/2 of Section 8, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That the applicant is the owner and operator of the Danciger A-8 Well No. 3 located 990 feet from the North line and 990 feet from the East line of said Section 8.
- (4) That the applicant proposes the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of said Section 8, to be dedicated to the said Danciger A-8 Well No. 3.
- (5) That the entire N/2 of said Section 8 can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

-2-

Case No. 1652

Order No. R-1394

(6) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the N/2 of Section 3, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to applicant's Danciger A-6 Well No. 3, located 990 feet from the North line and 990 feet from the East line of said Section 8.

(2) That the said Danciger A-6 Well No. 3 shall be assigned an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.

(3) That Administrative Order NSP-436 be and the same is hereby cancelled.

(4) That the effective date of this Order is June 1, 1959.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs

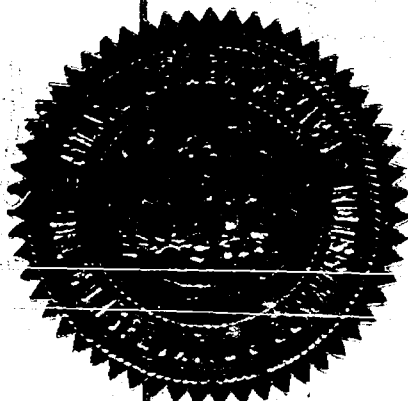
JOHN BURROUGHS, Chairman

M. E. Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

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



vem/

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

May 15, 1959

Mr. Jason Kellahin
Box 1718
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Continental Oil Company,
we enclose two copies of Order No. R-1394 issued
May 13, 1959, by the Oil Conservation Commission in
Case No. 1652, which was heard on May 6, 1959 at
Santa Fe, New Mexico before an examiner.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Enclosures

*Copy sent to
Mr. Adams*

C
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P
Y

Draft
OEP:vem
May 8

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. 1652

Order No. R- 1394

APPLICATION OF CONTINENTAL OIL
COMPANY FOR THE ESTABLISHMENT
OF A 320-ACRE NON-STANDARD GAS
PRORATION UNIT IN THE JALMAT GAS
POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this _____ day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 the N/2 of Section 8, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the owner and operator of the Danciger A-8 Well No. 3 located 990 feet from the North line and 990 feet from the East line of said Section 8.

(4) That the applicant proposes the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of said Section 8, to be dedicated to the said Danciger A-8 Well No. 3.

(5) That the entire N/2 of said Section 8 can reasonably be presumed to be productive of gas from the Jalmat Gas Pool.

(6) That approval of the subject application will ^{neither} ~~not~~ cause waste ^{nor} ~~or~~ impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the N/2 of Section 8, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby established.

-2-

Case No. 1652

Order No. R-_____

Said unit is to be dedicated to applicant's Danciger A-8 Well No. 3, located 990 feet from the North line and 990 feet from the East line of said Section 8.

(2) That the said Danciger A-8 Well No. 3 shall be assigned an acreage factor for allowable purposes in the proportion that the above-described acreage bears to a standard gas proration unit in the Jalmat Gas Pool.

(3) That Administrative Order NSP-436 be and the same is hereby cancelled.

(4) That the effective date of this Order is June 1, 1959.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION