

C. [REDACTED]  
unit in [REDACTED]  
Well No. 2-1-1 [REDACTED] S.E.

Case No.

1692

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Application, Transcript,  
Small Exhibits, Etc.

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. 1692  
Order No. R-1432

APPLICATION OF CONTINENTAL OIL  
COMPANY FOR THE ESTABLISHMENT  
OF A 160-ACRE NON-STANDARD GAS  
PRORATION UNIT IN THE TUBB GAS  
POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:00 o'clock a.m. on June 24, 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 2nd day of July, 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 lot 15 and the N/2 SE/4 and the SE/4 SE/4 of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant is the owner and operator of the Hawk B-3 Well No. 2-T, located 1650 feet from the South line and 1650 feet from the East line of said Section 3.
- (4) That the applicant proposes the establishment of a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of lot 15 and the N/2 SE/4 and the SE/4 SE/4 of said Section 3 with the said Hawk B-3 Well No. 2-T as the unit well.
- (5) That approval of the subject application will neither cause waste nor impair correlative rights.

-2-

Case No. 1692

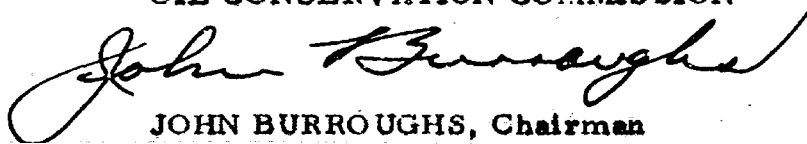
Order No. R-1432

IT IS THEREFORE ORDERED:

That a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of lot 15 and the N/2 SE/4 and the SE/4 SE/4 of Section 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to applicant's Hawk B-3 Well No. 2-T, located 1650 feet from the South line and 1650 feet from the East line of said Section 3.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



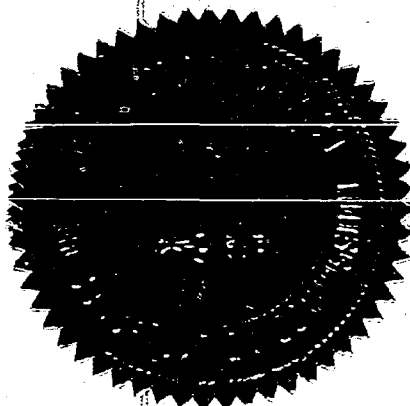
JOHN BURROUGHS, Chairman



MURRAY E. MORGAN, Member



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



vem/

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 6-26-59

CASE NO. 1692

HEARING DATE 6-24-59

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

1. approve the NSP for Continental for the Subb Gas Pool.
2. The Unit will consist of, 215-37E, sec. 3, Lot 15, N $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ .
3. The dedicated well will be the Cent. Hawk B-3 #2-T, 1650/5+E line of 3-215-37E. Subb Gas Pool.
4. Can reasonably be productive of Gas from the Subb Gas Pool & etc.,

*Glenn A. [Signature]*

\_\_\_\_\_  
Staff Member

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1692

TRANSCRIPT OF HEARING

June 24, 1959

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

I N D E X

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>
VICTOR T. LYON	4	10	

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
June 24, 1959

-----  
IN THE MATTER OF: )

)  
)  
) Application of Continental Oil Company )  
) for the establishment of a non-standard )  
) gas proration unit in the Tubb Gas Pool. )  
) Applicant, in the above-styled cause, )  
) seeks the establishment of a 160-acre )  
) non-standard gas proration unit in the )  
) Tubb Gas Pool consisting of lot 15, the )  
) N/2 SE/4 and the SE/4 SE/4 of Section 3, )  
) Township 21 South, Range 37 East, Lea )  
) County, New Mexico, said unit to be )  
) dedicated to applicant's Hawk-B-3 Well )  
) No. 2-T, located 1650 feet from the )  
) South and East lines of said Section 3. )  
)

CASE NO.  
1692

-----  
BEFORE:

ELVIS A. UTZ, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The hearing will come to order, please.

There will be a slight shift in the order of the docket. The first two cases will be 1692, 1693. Then we will skip over the water plug cases. We are doing this so that the State Engineers Office will be able to hear this testimony. The third case will be 1196, 1185, 1699, 1704; the rest of the cases will be in order. The first case on the docket will be 1692.

MR. PAYNE: Case 1692. Application of Continental Oil Company for establishment of non-standard gas proration unit in the



Tubb Gas Pool.

MR. FOX: Robert Fox of Kellahin and Fox, Santa Fe,  
New Mexico, appearing for Continental Oil Company.

(Witness sworn.)

VICTOR T. LYON

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

DIRECT EXAMINATION

BY MR. FOX:

Q State your name, please.

A Victor T. Lyon.

Q By whom are you employed, Mr. Lyon?

A Continental Oil Company.

Q And what is your position?

A District Engineer, Eunice District, located in Eunice,  
New Mexico.

Q Have you previously testified before the Commission  
as an expert?

A Yes, sir.

Q And have your qualifications been previously accepted  
by the Commission?

A Yes, sir.

Q Are you familiar with the application of Continental  
Oil Company in this Case No. 1692?

A Yes, sir, I am.

Q Will you explain it, please?

A This is the application of Continental Oil Company for a 160-acre non-standard gas proration unit in the Tubb Gas Pool to be allocated to it's Hawk B-3 No. 2-T Well located 1650 feet from the South and East lines of Section 3, Township 21 South, Range 37 East.

Q Now, there have been marked and handed to the Examiner Exhibits 1, 2, 3 and 4. Will you take Exhibit 1, Mr. Lyon, and explain what this is?

A Exhibit No. 1 is a location and ownership plat showing the Hawk B-3 lease and the immediately surrounding area. The Continental operated acreage is shown cross hatched in yellow. And the Hawk B-3 lease actually consists of three different tracts. One tract consisting of lots 1, 2, 3, 4, 7 and 8. Another tract consisting of lot 12, and the third tract which is involved in this case consists of lot 15 and 16, the north half of the southwest quarter and the southwest quarter of the southwest quarter of Section 3, the proposed gas proration unit.

Q Pardon me. You said southwest of the southwest. Would you check that?

A I beg your pardon. North half of the southwest and the Southeast of the southeast. The proposed non-standard unit is shown outlined in red and consists of lot 15, the north half of the

southeast quarter and the southeast quarter of the southeast quarter of Section 3. It also shows the location of the unit well or proposed unit well circled in red. It shows the outlines of the adjacent approved Tubb Gas proration units outlined in green. And circled in green are the wells to which those units are allocated. The reason that we have excluded Lot 16 from this application is that well Number 1-T which is located in unit P or Lot 16 is an oil well producing from the Tubb formation.

MR. UTZ: Which well was that, Mr. Lyon?

A That was well No. 1-T and it is the well, I believe, that is designated No. 3.

MR. UTZ: All right, sir.

Q (By Mr. Fox) Will you take Exhibit No. 2, Mr. Lyon, and explain that, please?

A Exhibit No. 2 is a contour map showing the structural configurations of the Tubb formation based on the Tubb marker; and showing the proposed unit and the immediately surrounding area. The proposed unit again is outlined in red. The proposed unit well is circled in red. Other producing Tubb gas wells are shown circled in green. As can be seen from this exhibit, the structural location of the proposed unit and its relationship to other producing gas wells indicates that the entire unit is productive of gas in the Tubb formation.

Q Now, will you take the Log Exhibit No. 3, Mr. Lyon,

and explain that, if you please?

A Exhibit No. 3 is a trace of the radio-activity log on our Hawk B-3 No. 2-T, which incidentally perhaps I should mention, was formerly our Hawk B-3 No. 4-E of our Ellenburger producer, producing oil from the Brunson Pool. This log shows the previous Ellenburger producing interval. The top of the Ellenburger, the top of the formation is successively above, including the top of the Drinkard and the top of the Tubb formations. It shows in a blue color the perforations in the Tubb formation.

Q All right. Will you take Exhibit 4, Mr. Lyon, and explain that?

A Exhibit No. 4 is a copy of the form C-122 showing the results of a 1. back pressure test, which was taken on this well. In order to conserve gas we took only 1., in as much as any gas that was produced during the test had to be vented to the atmosphere. This test shows that the well was flowed at a rate of 4,117 MCF per day at a tubing pressure of 1421 pounds, which is a draw down of only 141 pounds. Attached to this is a deliveryability curve showing the calculated open flow based on a 1. slope drawn through this rate, which gives a calculated open flow of 37,000 MCF per day. If a slope of .5 were used instead of the 1., the deliveryability would be approximately 12,330 MCF per day.

Q Mr. Lyon, is the entire 160 acres available for allocation to this particular gas well proposed?

A Yes, sir. The 160 acres which we propose to allocate to this well is presently unallocated to any Tubb producing well.

Q In your opinion is the well in question capable of producing the allowable for a 160 acre unit?

A Unquestionably.

Q Is the proposed unit comprised of contiguous governmental subdivisions within a single governmental section?

A Yes, sir, it is.

Q And in your opinion is the entire unit reasonably proved to be productive of gas from the Tubb Pool?

A Yes, sir, in my opinion it is. The only question that I can see which would probably arise would be the existence of the No. 1 well as an oil producer. And the explanation for these Tubb oil wells is beyond me. However, I do find that the No. 1-T produces not only from the interval which is perforated in this well but also an interval which is approximately 40 feet lower.

Q In your opinion, Mr. Lyon, would the allowance or approval of the application be in the interests of preventing waste and protecting correlative rights?

A Yes, sir.

Q And as an expert would you recommend that the application be approved to the Examiner?

A Yes, sir, I would.

MR. FOX: I think that's all I have.

MR. UTZ: Did you offer your exhibits?

MR. FOX: I have not. I would like to move that Exhibits 1 through 4 be admitted in evidence.

MR. UTZ: Without objection Exhibits 1 through 4 will be admitted into evidence.

QUESTIONS BY MR. UTZ:

Q Mr. Lyons, there are no other Tubb oil wells on your proposed unit, is there?

A No, sir.

Q What formations are on the well shown on your Exhibits No. 2 producing from? You don't have to be specific.

A Well, we have production in this area from the Ellenburger, from the McKee, from the Drinkard, from the Blinebry and from the Tubb.

Q Are there any other Tubb oil wells offsetting this unit except your 1-T?

A Not to my knowledge.

Q The wells circled in green are Tubb gas wells?

A Yes, sir. The only other Tubb oil well of which I'm aware is our Nolan unit well located in Section 11 in the southwest quarter.

Q Was the Hawk B-3 No. 2 well -- did you test that lower zone that you think might be producing oil in your No. 1-T?

A No, sir. Of course, we didn't know what to expect

when we perforated that interval because of the fact that our No. 1-T was productive of oil, but we perforated the zone that appeared to have the greatest porosity and we found it to be gas productive with a ratio in excess of two hundred thousand to one.

Q Is this well connected to pipe lines as yet?

A Not yet.

Q Do you intend to run a 4. test on it when you do connect it to the pipe line?

A Yes, sir, immediately after connection.

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

CROSS EXAMINATION

BY MR. PAYNE:

Q Yes, sir. Mr. Lyon, is this Hawk B-3 a new well?

A No, sir. This was formerly our Hawk B-3 No. 4-E, a Brunson oil well, and had been plugged back. It was plugged back in May of this year and recompleted in the Tubb formation.

Q And I believe you testified that there is no Tubb acreage dedicated to this well at present?

A None of the acreage which we propose to dedicate to this well is presently dedicated to other Tubb wells.

MR. PAYNE: Thank you. That's all.

MR. UTZ: Are there any other questions of the witness? If not the witness may be excused.

(Witness excused.)

MR. UTZ: Are there any other statements to be made in this case? If there are no other statements the case will be taken under advisement.



STATE OF NEW MEXICO     )  
                                   )     ss  
 COUNTY OF BERNALILLO    )

I, Ned A. Greenig, 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 Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me and/or under my personal supervision and that the same is a true and correct record to the best of my knowledge, skill and ability.

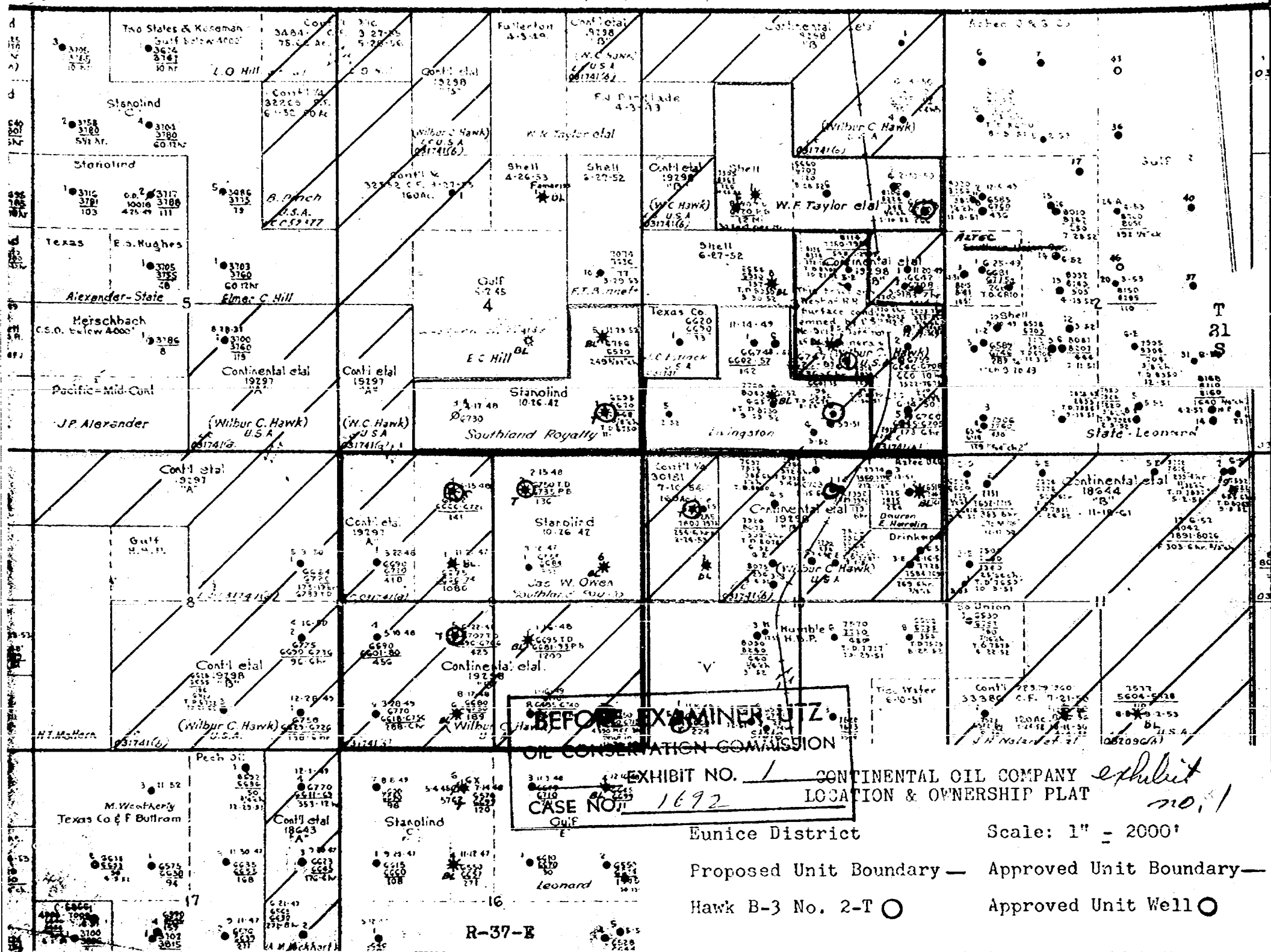
Witness my hand and seal this the 6<sup>th</sup> day of July, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

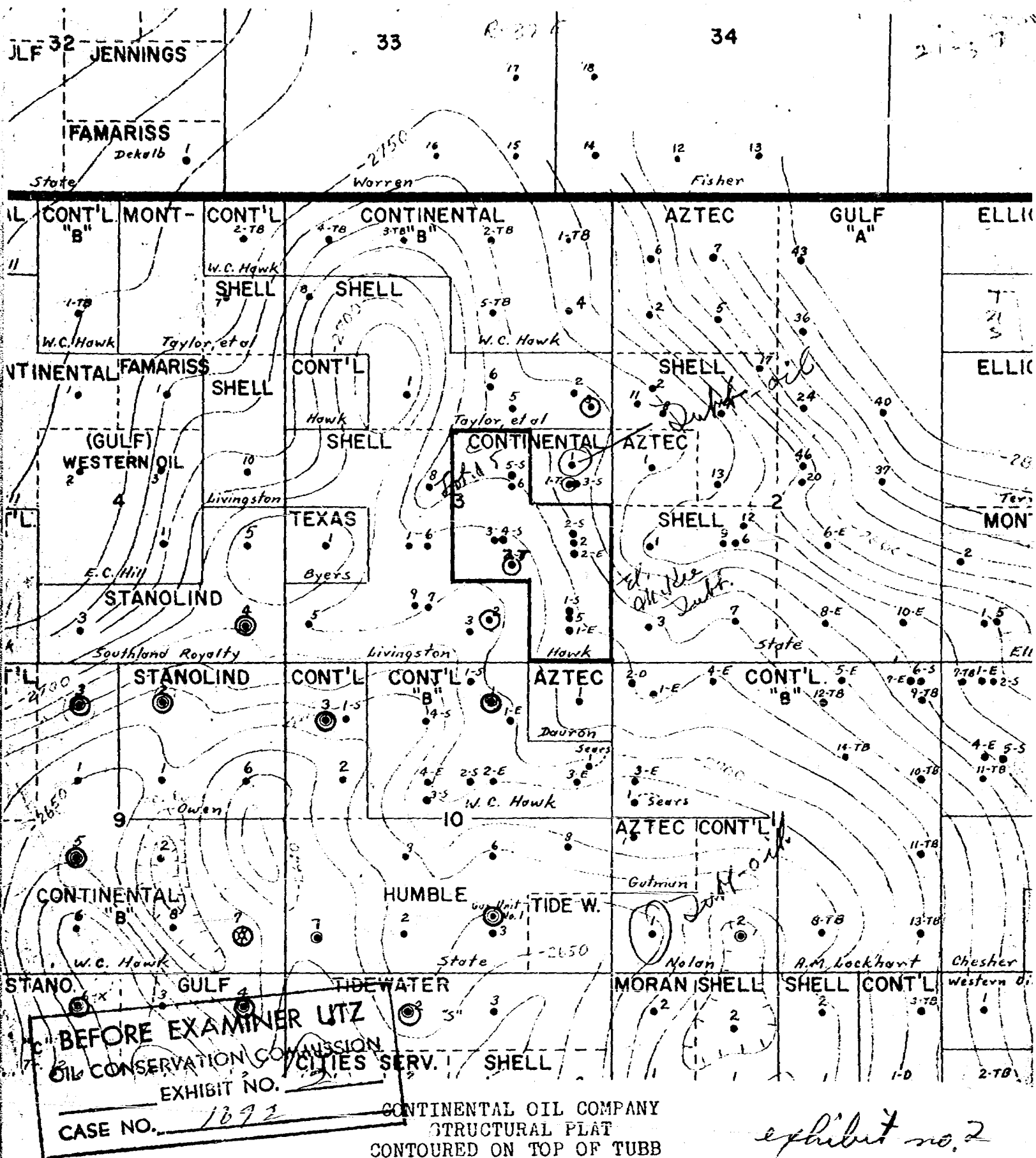
Ned A. Greenig  
 NOTARY PUBLIC

My Commission Expires:  
 May 5, 1963

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1692, heard by me on June 24, 1959.

James H. Rife, Examiner  
 New Mexico Oil Conservation Commission





DOCKET: EXAMINER HEARING JUNE 24, 1959

OIL CONSERVATION COMMISSION - 1120 CERRILLOS ROAD, HIGHWAY DEPARTMENT  
AUDITORIUM, 8 a.m., SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director.

CONTINUED CASE

CASE 1666: Application of Sunray Mid-Continent Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Central Bisti-Lower Gallup Sand Unit embracing approximately 7389 acres of federal, state, and allotted Indian lands in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

NEW CASES

CASE 1692: Application of Continental Oil Company for the establishment of a non-standard gas proration unit in the Tubb Gas Pool. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of lot 15, the N/2 SE/4 and the SE/4 SE/4 of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's Hawk B-3 Well No. 2-T, located 1650 feet from the South and East lines of said Section 3.

CASE 1693: Application of Amerada Petroleum Corporation for three non-standard oil proration units. Applicant, in the above-styled cause, seeks an order establishing three 43.7 acre non-standard oil proration units for Mississippian production in the SE/4 of Section 11, Township 13 South, Range 38 East, Lea County, New Mexico. Applicant further seeks approval of one unorthodox oil well location.

CASE 1694: Application of Texas Crude Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Big Eddy Unit 1-30 Well, located in the SE/4 SE/4 of Section 30, Township 20 South, Range 31 East, Eddy County, New Mexico, in such a manner as to produce oil from an undesignated Tansil pool and to produce oil from an undesignated Delaware pool through parallel strings of tubing.

CASE 1695: Application of Texaco, Inc. for a triple completion, for permission to commingle the production from three separate pools, and for the establishment of two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its A. H. Blinbry NCT-4 Well No. 1, located in the SE/4 SE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit production from the Blinbry formation, production of gas from the Tubb Gas Pool, and production of oil from the Drinkard Pool through tubing, the annulus via cross-over, and tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in both the Tubb Gas Pool and Blinbry Gas Pool each consisting of the S/2 S/2 of said Section 31. Applicant further seeks permission to commingle the liquid production from the Blinbry, Tubb, and Drinkard formations underlying said acreage.

- CASE 1696: Application of Caulkins Oil Company for a triple completion. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its Breech "F" Well No. PMD-8, located in the NE/4 NE/4 of Section 34, Township 27 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to produce gas from the South Blanco-Pictured Cliffs Pool, gas from the Mesaverde formation, and gas from the Dakota formation through parallel strings of tubing.
- CASE 1697: Application of Universal Oil Corporation for the creation of a new oil pool for Gallup production, and for an exception to Rules 104 and 107 for wells in said pool. Applicant, in the above-styled cause, seeks an order creating a new pool for Gallup production to be designated the Shiprock-Gallup Oil Pool and located in Sections 16 and 17, Township 29 North, Range 18 West, San Juan County, New Mexico. Applicant further seeks the promulgation of pool rules to permit wells in said pool to be located closer than 660 feet to the nearest producing well in exception to Rule 104, and to permit certain exceptions to the casing requirements of Rule 107 of the Commission Rules and Regulations.
- CASE 1698: Application of Shell Oil Company for an exception to Rule 502 I (a). Applicant, in the above-styled cause, seeks an order which would exempt all wells in the Carson Unit Area and all other Shell wells in Township 25 North, Ranges 11 and 12 West, Bisti-lower Gallup Oil Pool, San Juan County, New Mexico, from the daily tolerance provisions of Rule 502 I (a) of the Commission Rules and Regulations.
- CASE 1195: Application of Graridge Corporation for capacity allowables for certain wells in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowables for three wells in the project area of its water flood in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico.
- CASE 1196: Application of Graridge Corporation for an order amending Order No. R-966. Applicant, in the above-styled cause, seeks an order amending Order No. R-966 to establish administrative procedures for development of its Artesia Water Flood Projects No. 2 and 3, Artesia Pool, Eddy County, New Mexico, and for approval of unorthodox locations for 27 wells in said projects, for authority to convert six wells in said projects to water injection, and for capacity allowables for five wells in said projects.
- CASE 1185: Application of Graridge Corporation for an order amending Order No. R-952. Applicant, in the above-styled cause, seeks an order amending Order No. R-952 to establish administrative procedures for development of its Artesia Water Flood Project No. 1, Artesia Pool, Eddy County, New Mexico, and for approval of unorthodox locations for fifteen wells in said project, and for capacity allowables for five wells in said project.
- CASE 1699: Application of J. W. Brown for an order authorizing a pilot water flood project. Applicant, in the above-styled cause seeks an order authorizing it to institute a pilot water flood project in the Brown Pool, Chaves County, New Mexico, by the injection of water into the Queen formation through four wells located in the SE/4 NW/4 of Section 26, Township 10 South, Range 26 East, Chaves County, New Mexico.

- CASE 1337: Application of Gulf Oil Corporation for an order amending Order No. R-1093-A. Applicant, in the above-styled cause, seeks an order amending Order No. R-1093-A to permit the commingling of Paddock production with the commingled Blinbry, Drinkard, and Langlie-Mattix production from its Learoy McBuffington lease consisting of the S/2 of Section 13, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico.
- CASE 1700: Application of Gulf Oil Corporation for permission to commingle the production from two separate leases: Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the East Millman Queen-Grayburg Pool from two separate non-contiguous leases in Township 19 South, Range 28 East, Eddy County, New Mexico.
- CASE 1703: Application of Tidewater Oil Company to commingle the production from several separate oil pools from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the intermediate grade crudes produced from its Coates "D" Lease comprising the SE/4 SW/4 of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico, with the commingled production of all intermediate grade crudes produced from its Coates "C" Lease comprising the E/2, SE/4 NW/4, and the NE/4 SW/4 of said Section 24 and to pass such commingled production through its automatic custody transfer system.
- CASE 1704: Application of Cities Service Oil Company for capacity allowables for nine wells in a water flood project and for establishment of administrative procedure for expansion of said project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowable for nine wells in the project area of its water flood project in the Caprock-Queen Pool, Chaves County, New Mexico. Said capacity allowables would be in exception to Order R-1128-A. Applicant further seeks establishment of an administrative procedure to expand said water flood project.
- CASE 1705: Application of Neville G. Penrose, Inc., for a capacity allowable for one well. Applicant, in the above-styled cause, seeks an order authorizing a capacity allowable for its Alston Well No. 2, located in the NW/4 NW/4 of Section 11, Township 14 South, Range 31 East, Caprock Queen Pool, Chaves County, New Mexico, due to a response from the adjoining Cities Service Oil Company water flood project. Said capacity allowable would be in exception to Order R-1128-A.

NEW MEXICO OIL CONSERVATION COMMISSION

Docket No. 23-59-a

In addition to the cases listed on Docket No. 23-59, the following cases will also be heard June 24, 1959, before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director:

CASE 1701:

Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Learcy McBuffington Well No. 5, located in the NW/4 SE/4, Section 13, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from an undesignated Paddock Pool and oil from the Justis-Ellenburger Pool through parallel strings of tubing.

CASE 1702:

Application of Humble Oil & Refining Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its South Four Lakes Unit Well No. 6, located in the SW/4 SE/4, Section 2, Township 12 South, Range 34 East, Lea County, New Mexico, in such a manner as to produce oil from a Four Lakes-Pennsylvanian Pool extension and gas from a Four Lakes-Devonian Gas Pool extension through parallel strings of tubing.

CASE 1706:

Application of Sunray Mid-Continent Oil Company for an order amending Order No. R-1414. Applicant, in the above-styled cause, seeks an order amending Order No. R-1414 to include the following additional acreage: NW/4 NW/4 of Section 6, Township 25 North, Range 12 West, and the SW/4 SW/4 of Section 31, Township 26 North, Range 12 West, San Juan County, New Mexico.

Place of hearing will be Highway Department Auditorium, 1120 Cerrillos Road, Santa Fe, New Mexico.

Time of hearing will be 8:00 o'clock a.m.



# CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

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

May 19, 1959

Case 1692

June 24

Ex. hearing

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

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

Re: Continental Oil Company's  
Application for the Establish-  
ment of a non-standard pro-  
ration unit of 160 acres  
consisting of Lot 15, N/2 SE/4,  
SE/4 SE/4 Section 3-21S-37E,  
Lea County, New Mexico, to be  
allocated to its Hawk B-3 Well  
No. 2-T

Gentlemen:

We are attaching three copies of Continental Oil  
Company's application for the establishment of a non-standard  
gas proration unit of 160 acres consisting of Lot 15, N/2 SE/4,  
SE/4 SE/4 Section 3-21S-37E, Lea County, New Mexico, to be  
allocated to its Hawk B-3 Well No. 2-T.

Please set this application for hearing at the  
earliest convenient date.

Yours very truly,

*R. L. Adams*

RLA-BR



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE  
STATE OF NEW MEXICO

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  
TUBB GAS POOL CONTAINED IN ORDER  
NO. R-586 IN ESTABLISHMENT OF A  
NON-STANDARD GAS PRORATION UNIT  
OF 160 ACRES CONSISTING OF LOT 15, N/2  
OF THE SE/4 AND THE SE/4 OF SE/4 OF  
SECTION 3, T-21S, R-37E, NMPM, LEA  
COUNTY, NEW MEXICO, TO BE ALLOCATED  
TO ITS HAWK B-3 WELL NO. 2-T.

*Case 1692*

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 a non-standard gas proration unit consisting of Lot 15, the N/2 of the SE/4, and the SE/4 of the SE/4 of Section 3, T-21S, R-37E, NMPM, Lea County, New Mexico, to be allocated to its Hawk B-3 No. 2-T well located 1650 feet from the south and east lines of said Section 3 and in support thereof would show:

1. That applicant is co-owner and operator of the Hawk B-3 Lease containing, among other lands, the N/2 of the SE/4, Lot 15, and the SE/4 of SE/4 of Section 3, T-21S, R-37E, NMPM, Lea County, New Mexico.
2. That applicant drilled the Hawk B-3 No. 4-E at a location 1650 feet from the south and east lines of said Section 3 and completed it on November 30, 1951, as an oil well in the Brunson Pool. On May 13, 1959, the well was plugged back and recompleted in the Tubb formation as a gas well and was redesignated as the Hawk B-3 No. 2-T.
3. The entire proposed non-standard gas proration unit may be reasonably presumed to be productive of gas from the Tubb Pool.
4. That no part of the acreage comprising the N/2 of the SE/4, Lot 15 and the SE/4 of the SE/4 of said Section 3 is allocated to a gas well and should be allocated to a gas well in the interests of the prevention of waste and the protection of correlative rights


*Accts  
mailed  
6-12-59  
given Kellum  
x  
M. A. Jones  
JH*

5. That the most practical and economical method of allocating said acreage for Tubb gas production is to establish a 160-acre non-standard gas proration unit, as described above, for assignment to the Hawk B-3 Well No. 2-T.

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 entered granting applicant an exception to Rule 5 (a) of the Special Rules and Regulations for the Tubb gas pool contained in Order No. 586 for the non-standard gas proration unit described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY

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

