

CASE 1946: Application of J. R. CONE
for exception to overproduction shut-
in provisions of R-520 as amended by
R-967 for 2 wells in Jalmat Gas Pool

Case No.

1946

Application, Transcript,
Small Exhibits, Etc.

DRAFT
OEP:esr
May 2

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. 1946

Order No. R-1661

APPLICATION OF J. R. CONE FOR AN
ORDER PERMITTING TWO OVERPRODUCED
GAS WELLS IN THE JALMAT GAS POOL,
LEA COUNTY, NEW MEXICO TO COMPEN-
SATE FOR SUCH OVERPRODUCTION AT A
LESSER RATE THAN COMPLETE SHUT-IN
IN EXCEPTION TO ORDER NOS. R-520
AND R-967.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
April 27, 1960, 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 May day of May, 1960, 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 sub-
ject matter thereof.

(2) That the following-described wells in the Jalmat Gas Pool are more than six times overproduced and are therefore subject to complete shut-in under the provision of Order Nos. R-520 and R-967;

Mobil-Myers Well No. 4, Unit I, Section 22
Pan-American Well No. 1, Unit H, Section 22

both in Township 24 South, Range 36 East, Lea County, New Mexico.

(3) That a ~~free-piston installation has been installed~~ in each of the above-described wells and due to liquid problems, the applicant seeks an order permitting the overproduction ^{of the subject wells} to be made up at a lesser rate than complete shut-in in order to preclude permanent injury to the wells.

(4) That the applicant should be permitted to produce the subject wells at a monthly rate ^{not to exceed} ~~equal to~~ 50% of the wells' current monthly allowable or at a monthly rate ^{not to exceed} ~~equal to~~ 50% of the wells' average monthly allowable for the preceding six-month proration period, whichever is greater. ^{each of}

(5) That the ^{above prescribed} curtailed rate of production to compensate for overproduction as ~~hereinafter prescribed~~ should be adequate to prevent permanent injury to either of the ^{subject} wells or to the producing formation.

IT IS THEREFORE ORDERED:

That the ^{applicant} ~~operator~~ be and the same is hereby authorized to compensate for the overproduction of the following-described wells in the Jalmat Gas Pool by producing each well at a monthly rate ^{not to exceed} ~~equal to~~ 50% of the well's current monthly allowable or a monthly rate ^{not to exceed} ~~equal to~~ 50% of the well's average monthly allowable for the preceding six-month proration period, whichever is greater: ~~Mobil-Myers Well No. 4, Unit I, Section 22, Pan American Well No. 1, Unit H, Section 22, both in Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.~~

~~DONE at Santa Fe, New Mexico,~~

Mobil-Myers Well No. 4, Unit I, Section 22
Pan American-Myers Well No. 1, Unit H, Section 22
both in Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

Sheet 1 of 2

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 1946

Well Name: J. R. Cone Mobil-Myers No. 1 4

Pool: Jalmat (Gas).

Location: 1980' FSL & 660' FEL, Section 22, T-24-S, R-36-E, NMPM, Lea County.

Completion Date: April 18, 1956.

Producing Formation: Yates (top of Yates 3154').

Total Depth: 3414 feet; Plugged back total depth: 3312 feet.

Production equipment: 2-3/8 EUE tubing inside 5-1/2 casing. Tubing bottom 3307'.

Producing Perforations: 3154-3186 and 3202-3228' 4 holes/foot; and,
3254-3266 and 3278-3308' 6 holes/foot.

Initial Potential: 890 MCF dry gas (no liquid) per day.

Transporter: El Paso Natural Gas Company.

Acreage assigned to well: 120 acres.

Production History: (All volumes in MCF)

Year	Production	Allowable	Remarks
1956	57,641		First production 7/25/56 (to IP system)
1957	85,754		Free piston installed 8/57 to eject water
1958			out tubing. Gas delivered off casing.
J	6,171	Marginal	Marginal allowable equal to well capacity.
F	6,172	"	
M	6,533	"	
A	6,471	"	
M	4,539	"	
J	5,373	"	
J	3,999	"	Deliverability commencing 7/1/58: 145 MCF.
A	4,348	"	
S	4,747	"	
O	4,853	"	
N	4,263	"	
D	3,900	"	Connected to El Paso LP system 12/30/58.
1959			
J	2,199	"	
F	2,458	"	
M	4,773	"	El Paso connection changed to tubing; casing
A	6,180	"	left closed hereafter.
M	7,204	"	
J	7,737	"	Adjusted OCC June net allowable: - 20,210 MCF.
J	5,278	6,882	Deliverability commencing 7/1/59: 132 MCF.
A	4,146	2,233	
S	0	3,578	Well died. Left shut in to reduce overage.
O	0	4,060	
N	456	4,523	Production resumed under SP 844, dated 10/9/59.
D	1,085	5,718	
1960			
J	1,359	2,899	
F	2,259	1,716	Production February and after obtained during
M	1,381	4,720	annual deliverability tests and per OCC
A		3,595	letter of 3/22/60 permitting production of
			50% of current allowable pending Hearing.

Continued: J. R. Cone Mobil-Myers No. 27

Cumulative well production to April 1, 1960: 253,379 MCF

Production vs. Allowable position of well as of April 1, 1960 according to New Mexico Oil Conservation Commission Southeast Gas Proration Schedule: 6,803 MCF over-produced.

Monthly average allowable of last complete six-months proration period (7/1/59 to 12/31/59) equals 4,499 MCF.

Current status of well:

Producing under time cycle control in conjunction with free piston, three flows per day, 27.5 minutes per flow. Approximate gas volume produced per flow: 20 MCF. Approximate water rate: 0.6 barrel per flow.

Extrapolated present production rate: $20 \times 3 \times 30.4 = 1,824$ MCF/month.

Present character of well:

Well will produce only by intermitting gas and water out tubing with casing closed (using free piston to eject water). Well will not produce continuously into El Paso Low Pressure system through either the tubing or the tubing-casing annulus. Any shut-in exceeding approximately 24 hours requires swabbing to establish flow.

Prepared April 26, 1960.

L. O. Storm, P. E.
Agent for J. R. Cone

Well Name: Thompson & Cone Pan American-Myers No. 1

Pool: Jalmat (Gas)

Location: 1650' FNL & 330' FEL, Section 22, T-24-S, R-36-E, NMPM, Lea County.

Completion Date: March 1, 1954.

Producing Formation: Yates (top of Yates 3122').

Total Depth: 3501 feet. Plugged back total depth: 3380 feet.

Production equipment: 2-3/8 EUE tubing inside 5-1/2 casing. Tubing bottom: 3357'.

Producing Perforations: 3120 to 3360 feet, four holes per foot.

Initial Potential: 4,200 MCF dry gas (no liquid) per day.

Transporter: El Paso Natural Gas Company.

Acreage assigned well: 160 acres.

Production History: (All volumes in MCF)

Year	Production	Allowable	Remarks
1954	71,523		First production 7/7/54 (to HP system).
1955	244,452		Connected to El Paso IP system 1/6/55.
1956	208,311		
1957	152,230		Free piston installed 8/57 to eject water out tubing. Gas delivered off casing.
1958			
J	12,528	Marginal	Marginal allowable equal to well capacity.
F	11,832	"	
M	13,492	"	
A	12,056	"	
M	11,009	"	
J	11,385	"	
J	9,198	"	Deliverability commencing 7/1/58: 258 MCF.
A	10,409	"	
S	10,442	"	
O	11,799	"	
N	10,914	"	
D	8,235	"	Connected to El Paso IP system 12/30/58
1959			
J	8,697	"	
F	8,225	"	
M	5,184	"	El Paso connection changed to tubing; casing left closed hereafter.
A	9,272	"	
M	10,268	"	
J	11,013	"	Adjusted OCC June net allowable: -57,400 MCF.
J	9,090	10,500	Deliverability commencing 7/1/59: 247 MCF.
A	8,689	3,405	
S	4,315	5,471	Time settings on intermitter reduced 9/59 to reduce production rate and overage.
O	3,083	6,180	
N	0	6,891	Well shut in 10/26/59 per OCC instructions.
D	369	8,725	
1960			
J	0	4,425	Production January and after obtained during annual deliverability tests and per OCC letter of 3/22/60 permitting production of 50% of current allowable pending hearing.
F	995	2,620	
M	2,993	5,400	
A		5,458	

Continued: Thompson & Cone Pan American-Myers No. 1:

Cumulative well production to April 1, 1960: 892,008 MCF.

Production vs. Allowable position of well as of April 1, 1960 according to New Mexico Oil Conservation Commission Southeast Gas Proration Schedule: 41,350 MCF over-produced.

Monthly average allowable of last complete six-months proration period (7/1/59 to 12/31/59) equals 6,862 MCF.

Current status of well:

Producing under time cycle control in conjunction with free piston, two flows per day, 28.5 minutes per flow. Approximate gas volume produced per flow: 33 MCF. Approximate water rate: 0.5 barrel per flow.

Extrapolated present production rate: $33 \times 2 \times 30.4 = 2,006$ MCF/month.

Present character of well:

Well will produce only by intermitting gas and water out tubing with casing closed (using a free piston to eject water). Well will not produce continuously into El Paso Low Pressure system through either the tubing or the tubing-casing annulus. Under no condition will well kick off into El Paso system after shut-in exceeding approximately 24 hours. Extended shut-in usually requires swabbing to establish flow.

Approximate pressure ranges of El Paso systems:

High pressure: 550 to 650 psig.
Intermediate Pressure: 200 to 250 psig.
Low Pressure: 90 to 125 psig.

Prepared April 26, 1960.



L. O. Storm, P. E.,
Agent for J. R. Cone

No. 12-60

DOCKET: EXAMINER HEARING APRIL 27, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

- CASE 1942: Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the Jicarilla Well No. 28-1, located in the NW/4 SE/4 of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation and the production of oil from the Dakota formation through parallel strings of tubing.
- CASE 1927: (Continued)
Application of J. W. Brown for the establishment of special rules and regulations governing the Brown Pool in Chaves County, New Mexico, to provide for 2½-acre spacing in said pool.
- CASE 1943: Application of Gulf Oil Corporation for a dual completion and for an exception to the tubing requirements of Rule 107. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Apache-Federal Well No. 8, located in Unit D, Section 8, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Otero-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through the casing-tubing annulus and the tubing respectively. Applicant further seeks an exception to certain tubing requirements set forth in Rule 107 of the Commission's Rules and Regulations.
- CASE 1944: Application of Great Western Drilling Company for establishment of a 200-acre non-standard gas proration unit in the Eumont Gas Pool. Applicant, in the above-styled cause, seeks an order establishing a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to its Bordages Well No. 1 located 330 feet from the North line and 270 feet from the West line of said Section 33.

CASE 1945: Application of Permian Oil Company for an order force-pooling the interests in a 320-acre unit in the Dakota formation. Applicant, in the above-styled cause, seeks an order force-pooling all Dakota formation mineral interests in the 320 acres comprising the E/2 of Section 5, Township 30 North, Range 13 West, San Juan County, New Mexico, the non-consenting mineral interest owners being Raymond H. Walker and Edith Walker, 1250 South Figueroa Street, Los Angeles, California, and Norman Roybark and Rose Ella Roybark, address unknown.

CASE 1946: Application of J. R. Cone for an exception to the over-production shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Mobil-Myers Well No. 4, Unit I, Section 22

Pan American-Myers Well No. 1, Unit H, Section 22

both in Township 24 South, Range 36 East, Lea County, New Mexico.

CASE 1947: Application of Phillips Petroleum Company for the establishment of two 80-acre non-standard oil proration units and one unorthodox oil well location. Applicant, in the above-styled cause, seeks an order establishing two 80-acre non-standard oil proration units in the Kemnitz-Wolfcamp Pool, Lea County, New Mexico, each consisting of a portion of the S/2 of Section 25, Township 16 South, Range 33 East. Applicant further seeks approval of an unorthodox oil well location in said Kemnitz-Wolfcamp Pool, the location to be in the center of the NW/4 SE/4 of said Section 25.

CASE 1948: Application of Humble Oil & Refining Company for authority to commingle the production from several separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from certain leases in Sections 4, 8, 9, 16 and 17, Township 18 South, Range 27 East, Eddy County, New Mexico, all of such leases being in the Chalk Bluff Draw Unit. Applicant also seeks approval of an automatic custody transfer system to handle said Empire-Abo Pool production from all wells presently completed or hereafter drilled on said leases.

- CASE 1949: Application of Trice Production Company for approval of a "slim-hole" completion. Applicant, in the above-styled cause, seeks an order authorizing the "slim-hole" completion of its Four Lakes State Well No. 1, located in the NE/4 NW/4 of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico, to be completed in either the Pennsylvanian or Wolfcamp formation at a minimum total depth of 10,000 feet.
- CASE 1950: Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the West Teas Pool production from its State Lea 886 lease consisting of the S/2 NW/4 and N/2 NE/4 of Section 16 with the West Teas Pool production from that portion of its State Lea 6019 lease consisting of the NW/4 NW/4 and SE/4 of said Section 16, all in Township 20 South, Range 33 East, Lea County, New Mexico.
- CASE 1951: Application of Texaco Inc. for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the State "CH" Well No. 1, located in Unit H, Section 36, Township 20 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Atoka gas pool and the production of gas from the South Salt Lake-Pennsylvanian Gas Pool through parallel strings of tubing.
- CASE 1952: Application of Texaco Inc. for establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks the establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 4 and the NE/4 of Section 5, Township 24 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the E. D. Fanning Well No. 6, to be located 660 feet from the North and West lines of said Section 4.
- CASE 1953: Application of Keohane, Saunders, Welch and Iverson for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hinkle-Federal Well No. 7-B in the Shugart Pool at a point 330 feet from the South line and 2329 feet from the East line of Section 35, Township 18 South, Range 31 East, Eddy County, New Mexico.

- CASE 1954: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Saunders (Permo-Pennsylvanian) Pool from all wells presently completed or hereafter drilled on the State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, Lea County, New Mexico.
- CASE 1955: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Monument Pool from all wells presently completed or hereafter drilled on the State B lease comprising the NW/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico.
- CASE 1956: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Townsend-Wolfcamp Pool from all wells presently completed or hereafter drilled on the State ETA lease comprising all of Section 8, Township 16 South, Range 35 East, Lea County, New Mexico.
- CASE 1957: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Denton (Devonian) Pool from all wells presently completed or hereafter drilled on the Priest lease comprising the N/2 of Section 1, Township 15 South, Range 37 East, Lea County, New Mexico.

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

Cone 1946

*Docket
Mailed
April 18, 1960
JR*

March 22, 1960

Mr. J. R. Cone
Room 1706 - Great Plains Life Bldg.
Lubbock, Texas

Re: Release of Cone-Mobil
Myers #4 & Pan American
Myers #1 Jalmat.

Dear Sir:

Reference is made to your letter of March 17, 1960.

This will advise you that you may produce the above-captioned wells at no more than 50% of each wells current allowable until such time as the commission can hold a hearing and issue an order in regard to your request for hearing to exempt these wells from the shut-in provisions of order R-967.

The Mobil-Myers #4 was overproduced 9599 MCF and the Pan American Myers #1 was overproduced 47187 MCF as of January 31, 1960. The balance of your curtailment on the Mobil-Myers #4 is 8455 MCF on the same date. If this well were shut-in during February, March, and April you would not need any relief from the shut-in provisions mentioned above.

Very truly yours,

E. A. Utz
Gas Engineer

EAU/ig

C
O
P
Y

Memo

From
Elvis A. Utz
Gas Engineer

To *Whit. Meyer #4* *Plan. Comm. - Meyer #1*

	P	A.	P	A.
July	5275	6582	10500	9090
Aug.	4146	2237	3405	8689
Sept.	3588	0	5471	4315
Oct.	4060	0	6180	3083
Nov.	4523	4156	6891	0
Dec.	5715	1085	8725	369
Jan.	2899	13590 <i>PO 49</i>	4425	0 <i>PO 47197</i>
Feb.	1716		2620	
Mar.	4720		7205	

Out 59

Bal. Cmt. 8445
1-31-60

SI. 240 A.

RESIDENCE PHONE
SHERWOOD 4-8173

OFFICE PHONE
PORTER 3-7329

J. R. CONE

ROOM 1708 - GREAT PLAINS LIFE BLDG.
LUBBOCK, TEXAS
March 17, 1960

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

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

Dear Mr. Porter:

J. R. Cone is the operator of two dry gas wells located
in the Jalmat Gas Pool, to wit:

J. R. Cone Mobil-Myers No. 1
Unit I, Section 22, T-24-S, R-36-E

Thompson & Cone American-Myers No. 1
Unit H, Section 22, T-24-S, R-36-E

During June, 1959, the afore-mentioned wells were reclassified from marginal to non-marginal status, effective July 1, 1958. As a result of the reclassification, these two wells were found to be more than six times overproduced on July 1, 1959, and subsequently were shut in under the provisions of Orders Nos. R- 520 and R-967.

Both of these wells have severe liquid problems. We believe that the extended shut-in time which evidently will be required to bring these wells into balance may lead to permanent damage from water loading.

Accordingly, we respectfully request that a Hearing be called so that J. R. Cone may apply for permission to produce the subject wells at a monthly rate equal to fifty percent of the wells' current monthly allowables or at a monthly rate equal to fifty percent of the wells' average monthly allowables for the preceding six-month proration period, whichever is greater.

Yours very truly,

J. R. CONE

By L. O. Storm
L. O. Storm, Agent

cc: Conservation Commission,
Hobbs

*Set for hearing
on 2ND. St.
hearing in
April -*

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

Form C-122-C
4-1-54

Pool Jalmit Formation Yates County Lea
Initial Annual X Special Date of test March 13-20, 1960
Company Thompson & Cone Lease Pan American-Myers Well No. 1
Unit H Sec. 22 Twp. 24-S Rge. 36-E Purchaser El Paso Natural Gas Company
Casing 5-1/2 Wt. 14 I.D. 5.012 Set at 3472 Perf. 3120 To 3360
Tubing 2-3/8 Wt. 4.7 I.D. 1.995 Set at 3358 Perf. 3354 To 3357
Gas Pay: From 3120 To 3360 L 3354 x G 0.659 = GL Bar.Press. 13.2
Producing Thru: Casing Tubing X Type Well Single
Single- Bradenhead-G.G. or G.O. Dual

FLOW DATA

Started		Taken		Duration	Type	Line	Orifice	Static	Differ-	Flow
Date	time	Date	time	Hours	Taps	Size	Size	Press.	ential	Temp.
	AM		AM							
3/16/60	2:00 PM	3/17/60	2:00 PM	24/00	Plange	4.000	1.500	*	*	*

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
* Due to water, well produced by intermitting with free piston. Flow volume integrated by El Paso. Flow time: 6 flows per day, approximately 28.5 minutes per flow.							200.0 *

SHUT-IN DATA

Shut-in		Press. Taken		Duration	Wellhead Pressure (P _c) psia		W.H. Working Pressure (P _w) and (P _t) psia	
Date	Time	Date	Time	Hours	Tubing	Casing	Tubing	Casing
	AM	3/18/60	AM	24/00		626.2		
		3/19/60		48/00		633.2		
3/17/60	2:00 PM	3/20/60	2:00 PM	72/00		637.2		538.2

FRICTION CALCULATIONS (if necessary)

P_w measured

SUMMARY

P_c = 637.2 psia
Q = 200.0 MCF/Da.
P_w = 538.2 psia
P_d = 509.8 psia
D = 229.0 MCF/Da.

DELIVERABILITY CALCULATIONS

P_w 538.2 P_c 637.2 P_w + P_c 0.8445
 $1 - \frac{P_w}{P_c} = 0.1555$ $1 + \frac{P_w}{P_c} = 1.844$ $\left(1 - \frac{P_w}{P_c}\right) \left(1 + \frac{P_w}{P_c}\right) = M$ 0.2867
 $.36 + M = 1.256$ Log 0.09899 x (n) 0.587 = 0.05811 +

COMPANY Thompson & Cone
ADDRESS 1706 Great Plains Life Building, Lubbock, Texas
AGENT and TITLE L. O. Storm, Professional Engineer
WITNESSED }
COMPANY El Paso Natural Gas Company

Log Q = 2.30103
Log D = 2.35914
Antilog = 228.6 = D

REMARKS

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 Lease Mobil-Myers Date of test March 11-18, 1960
Company J. R. Cone Well No. 4
Unit I Sec. 22 Twp. 24-S Rge. 36-E Purchaser El Paso Natural Gas Company
Casing 5-1/2 Wt. 15.5 I.D. 4.950 Set at 3400 Perf. 3154 To 3312
Tubing 2-3/8 Wt. 4.7 I.D. 1.995 Set at 3307 Perf. 3301 To 3307
Gas Pay: From 3154 To 3312 L 3301 x G 0.687 = GL Bar.Press. 13.2
Producing Thru: Casing Tubing X Type Well Single
Single- Bradenhead-G.C. or G.O. Dual

FLOW DATA

Started		Taken		Duration	Type	Line	Orifice	Static	Differ-	Flow
Date	time	Date	time	Hours	Taps	Size	Size	Press.	ential	Temp.
3/14/60	AM	3/15/60	AM	24/00	Flange	4.000	1.500	*	*	*
	1:00 PM		1:00 PM							

FLOW CALCULATIONS

Static Pressure	Differ-ential	Meter Extension	24-Hour	Gravity Factor	Temp. Factor	Compress-ability	Rate of Flow
P _f	h _w	$\sqrt{P_f h_w}$	Efficient	F _g	F _t	F _{pv}	MCF/Da. @ 15.025 psia
							Q
* Due to water, well produced by intermitting with free piston. Flow volume integrated by El Paso. Flow time: 4 flows per day. approximately 27.5 minutes per flow.							127.0 * 3 flows

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
3/15/60	AM	3/16/60	AM	24/00		562.2		
		3/17/60		48/00		564.2		
	1:00 PM	3/18/60	1:00 PM	72/00		584.2		318.2

FLOW DATA

FRICTION CALCULATIONS(if necessary)

P_w measured.

SUMMARY

P_c = 584.2 psia

Q = 127.0 MCF/Da.

P_w = 318.2 psia

P_d = 467.4 psia

D = 67.00 MCF/Da.

DELIVERABILITY CALCULATIONS

P_w 318.2 P_c 584.2 P_w + P_c 0.5447

$1 - \frac{P_w}{P_c} = 0.4553$ $1 + \frac{P_w}{P_c} = 1.545$ $\left(1 - \frac{P_w}{P_c}\right) \left(1 + \frac{P_w}{P_c}\right) = M$ 0.7034

.36 + M 0.5118 Log 9.70910-10 x (n) 0.961

= 9.72045-10 +

COMPANY J. R. Cone
ADDRESS 1706 Great Plains Life Building, Lubbock, Texas

AGENT and TITLE L. O. Storm, Professional Engineer

WITNESSED }
COMPANY El Paso Natural Gas Company

Log Q = 2.10380

Log D = 1.82425

Antilog = 66.72 = D

REMARKS

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 4-29-60

CASE 1946

Hearing Date 4-27-60

My recommendations for an order in the above numbered cases are as follows:

Grant ~~these~~ J. R. Cone relief from
complete shut-in ~~for~~ the following
2 wells in J almad gas Pool in ~~it~~
~~ception~~ to Reel. 10 of R-967.

J. R. Cone - Mobil Myers #4
I - Dec. 22 - 245-36 E.

Thompson & Cone - Pan American Myers #1,
H. Dec. 22 - 245-36 E.

3. Use same order as in previous
50% cases of this nature.
R-1575

4. The effective date of this order
should be May 1, 1960,

Staff Member

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

May 9, 1960

Mr. Charlie White
Bishop Building
P. O. Box 787
Santa Fe, New Mexico

Dear Mr. White:

On behalf of your client, J. R. Cone, we enclose
two copies of Order R-1661 in Case 1946 issued by
the Oil Conservation Commission this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Enclosures: (2)

C
O
P
Y

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 27, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of J. R. Cone for an exception to the over-production shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Case
1946

Mobil-Myers Well No. 4, Unit I, Section 22
Pan American-Myers Well No. 1, Unit H,
Section 22
both in Township 24 South, Range 36 East, Lea
County, New Mexico.

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 1946.

MR. PAYNE: Application of J. R. Cone for certain exceptions to the Orders R-520 and R-967.

MR. WHITE: Charles White of Gilbert, White and Gilbert, appearing on behalf of the applicant. We have one witness to be sworn.

MR. UTZ: Are there any other appearances in this case?

(Witness sworn.)



LEWIS O. STORM

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

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Storm, will you state your full name, please?

A Lewis O. Storm.

Q And where do you live, Mr. Storm?

A Hobbs, New Mexico.

Q By whom are you employed, and in what capacity?

A J. R. Cone, independent producer of Lubbock, Texas;
capacity, petroleum engineer.

Q Mr. Cone, in this application, is seeking exception to the over-production shut-in provisions of Order R520 as amended by Order R-967 as it pertains to wells in the Jalmat Gas Pool, namely, the Mobil-Myers Well No. 4, Pan American-Myers Well No. 1. Are you acquainted with those wells, Mr. Storm?

A I am.

Q Will you briefly state to the Commission production history of these wells, and where they are located?

A Are my qualifications necessary?

Q Have you previously testified for the Commission?

A Yes.

MR. WHITE: Are his qualifications accepted?



MR. UTE: Yes, they are.

MR. STORM: Will you repeat your question, Counsel?

Q (By Mr. White) Where are these wells located?

A Both wells are located in Section 22, Township 24 South, Range 36 East, in the Jalmat Gas Pool of Lea County.

Q Will you state the production history of these two wells?

A I have prepared a brief resume here that presents essential mechanical information as well as the production history of the wells up to April 1, 1960. I notice immediately a typographical error at the top of the sheet labelled "J. R. Cone, Mobil-Myers No. 1." No. 1 should be No. 4; that is on Exhibit No. 1.

Both of these wells are completed in the Yates formation, initially completed as light dry gas wells. Over the years there has been an entry of water that has created production problems in maintaining flow. As a number of wells in the Jalmat Gas Pool, these were produced as marginal wells to capacity during the years 1958, 1959, July 1, '58 to July 1, '59, and then when the Jalmat Pool was reviewed by the Commission and deliverabilities considered in allocation, they were found to be over-produced to the extent that the Commission ordered them to be shut-in, which they were, last Fall. In the case of Mobil-Myers Well, it conveniently died at the end of August and we left it shut-in. The Pan-American-Myers No. 1 was shut-in at the end of October. According to the

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Conservation Commission, on April 1, 1960, Mobil-Myers No. 1 had an overage of 6,000,803 MCF; the Pan American-Myers No. 1 had an overage of 41,000,350.

MR. UTZ: In all cases you mean Mobil-Myers No. 4, do you not?

A Mobil-Myers 4, excuse me. In conformance with Commission instructions the wells were swabbed and kicked off in February in order to obtain the deliverability test required for this year. We had much trouble obtaining those tests, and by the time they were concluded we had obtained temporary authority from the Commission to produce 50 per cent of the current monthly allowable.

The wells will produce in only one manner: by intermitting all of the gas and liquids out of the tubing. Initially they produced out of the tubing. When water entry showed, free piston installations were made on both wells. El Paso took gas from the casing; the water ejected off the tubing side in conjunction with the free pistons. Starting approximately a year ago, the wells would not even perform in this manner and we were obliged to deliver the gas off the tubing to El Paso on an intermitting basis. In an effort to determine whether we can operate at restricted allowables we have been experimenting with the wells during this deliverability period, and since obtaining this temporary authority to produce, the Mobil-Myers No. 1 is now producing on three flows each 24 hours. Each flow is approximately 27 1/2 minutes. The



Pan American-Myers No. 1 is producing on two flows a day, approximately 28 1/2 minutes per flow. We have here, on Exhibit No. 3, some gas charts that were run by El Paso Natural Gas, our transporter, on April 19. At that time the Mobil-Myers No. 4 was producing on four flows a day. The Pan American-Myers No. 4 was producing on six flows a day. These charts were run to give us more accurate indication of the actual gas volumes produced on this intermitting basis.

The computed volumes, according to El Paso, who voluntarily furnished these charts, was 26 MCF per flow on the No. 4, 33 MCF per flow on the Pan American No. 1.

Q Results of Exhibit 3 are set forth, also, in Exhibit No. 1, on the last page?

A They were used to interpolate the approximate production rate. The indicated rates at that time, using the four flows on the Mobil-Myers, four and six flows on Pan American No. 1, would exceed the 50 per cent allowable current. That was the reason the wells now have been cut back on three flows per day on the Mobil-Myers 4, two flows on the Pan American No. 1.

Q Are the wells now stabilized, in your opinion?

A They would appear to be in their flow characteristics.

Q From what source did you obtain the information on Exhibit No. 1?

A All of the information there was taken from the reports



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filed by the operator and prepared by me with the Oil Conservation and the U.S.C.S. That is the mechanical well information. The production information is taken from Form C-115 filed by the operator, the allowable information taken from the Oil Conservation Commission pool proration schedule.

Q And Exhibit 1 is a detailed analysis of the production history; more detailed than what you have testified to; is that correct?

A It indicates by the abbreviated forms HP, IP and LP, the various systems of El Paso's oil production into their line. HP, high pressure; IP, intermediate pressure; LP, low pressure. They are currently carrying approximately 100 pounds in the vicinity of these wells.

Q Have you taken any deliverability tests?

A We have taken those tests required by the Commission.

Q Is that your C-122-C form?

A Yes, sir. The last deliverability tests shown on Form C-122-C as prescribed by the Commission.

Q Is that your Exhibit No. 2?

A There is a report for each well. These are, perhaps, a little more indicative of the productibility of the wells than the deliverabilities obtained last year and the year before, because the previous years we were forced to use some substitutions on shut-in pressures. In these cases we took the deliverability



costs and then, because of the overage situation, shut wells in, so the 72-hour shut-in pressures taken from each well are not substitutions. They are lower, as one might expect, from deliverabilities of previous years.

Q Mr. Storm, in your application you requested a 50 per cent of the average monthly allowance. Is it your desire to amend that to a greater percentage?

A It is.

Q Will you explain your reasons for this request?

A A matter of simple economics. In the case of Mobil-Myers No. 4, April, 1960, 3,595,000 cubic feet of gas; 50 per cent, approximately 1.8 million, and by sheer accident we are producing the well at that approximate rate now, but 1.8 million feet of gas doesn't bring in much revenue to pay for the operating expense of a well. It would be my desire, in the case of both, if the Commission would so grant, to amend our request to a 75 per cent of current allowable or 75 per cent of the average of the last complete proration period, whichever is the larger. The latter arrangement will provide the operator with more flexibility in producing the wells because gas allowables fluctuate during the year.

Q Do you care to comment any further as to the economic phase of the application?

A Mr. Cone has invested a great deal of money in these



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wells, particularly Mobil-Myers lease. He attempted to overhaul a temporarily abandoned well which Magnolia, now Mobil, had on the lease. This was unsuccessful and subsequently this No. 4 was drilled. I personally don't feel he will ever see his capital investment returned, but I think that it is only fair, since the well will produce gas, to attempt to gain an allowable that will at least return operating expenses.

Q In your opinion, would a complete shut-in of these wells materially damage them?

A I think it is very possible. Mobil-Myers No. 4 demonstrates that perhaps better than Pan American-Myers No. 1. We had a good deal of trouble swabbing it off this February in order to start preparing for the deliverability tests. That well, should the clock equipment fail or the well be shut-in unintentionally -- should some unknown condition develop, in 24 hours we have a dead well and a swab job on our hands.

Q And it would also necessitate restabilization of the wells?

A True. It takes a couple of weeks to really smooth these things out.

Q Would the granting of this application affect correlative rights in any way?

A Not to my knowledge. I am not aware of any producing Jalmat Gas Wells within a mile of these. By that I mean Jalmat



Gas Wells, not oil wells.

MR. WHITE: We offer Exhibits 1 through 3 in evidence at this time.

MR. UTZ: Without objection Exhibits 1 through 3 will be received in evidence.

MR. WHITE: That concludes our presentation.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Storm, during September and October of last year the wells were, well, I believe you said they just shut-in themselves; died?

A The Mobil-Myers died right at the end of August, and we were aware that the overage situation had been indicated from the reclassification of proration schedules, and we left it shut-in. Pan American Well was shut-in when we received the Conservation Commission's letter. It was nearly the end of October, as I recall, before we received instructions to shut-in that well.

Q Now, in the case of the Myers 4, I thought it produced in the month of November 456 MCF. How much of the month was that well producing?

A It must have been just the last two or three days, Mr. Utz. We received the letter, reference F844, relating to the Mobil-Myers No. 4, in our Lubbock office, and it was relayed to me. The notice to me was dated in Lubbock November 28; I received it



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November 30. I have no other indication here. I may well have been advised by telephone and moved the swabbing unit in.

Q You did have to swab the well?

A Yes, sir.

Q Then it produced -- incidentally, someone has made a transposition of figures on the December figure. I have 105 and I notice 1085 here. Do you have any idea which one is right? That's for December, '59.

A 1085 was reported to the Conservation Commission on Form C-115.

Q Was the well producing every day during the month of December?

A To my knowledge, Mr. Utz. I don't know that we had any difficulty with it that month. We had it on a reduced time cycle arrangement, considerably over what it had been in the spring and summer before because of the overage situation. It was on approximately four flows a day, as I recall, even at that time.

Q At that rate it wasn't necessary to do any swabbing?

A No, sir; it has not been.

Q And the January, '59 production, was it necessary to do any swabbing in that month?

A Not that I recall.

Q Now, what is it that you are asking to produce per month from this well?



A I would like to ask 75 per cent of the average monthly allowable of the previous complete proration period 7/1, 12/31/59, for this reason: For example, if you will notice, in February, 1960 the allowable assigned the well was 1,716,000. In other months, going back as far as July, the allowable reaches nearly 7 million. That much variation makes it easier to regulate these wells by putting them on a pattern and leaving them alone. There is less chance of them dying for some reason.

Q You have noted, in some of the recent wells, all of the orders of this nature have given you the option of producing the current monthly allowable, a percentage of that, or an average of the previous six months. That was the reason in giving you that option so you could set your well.

A I presume so, but in your letter authorizing this you referred only to the current allowable, and I was a little concerned about that because, working closely with El Paso, it appears that our AP allowable will be produced in another day or so, and I do not want to shut the wells in unless it is absolutely necessary.

Q It appears that 75 per cent would be around 3,000 a month; does that sound about right?

A It would appear that way from the past 8 or 10 months.

Q Mr. Storm, if you can operate your well at around a thousand to fifteen hundred per month without having to swab the well in, why wouldn't it be better to operate at that rate and get



your overage made up so you can have a full allowance?

A I would have no personal objection, speaking for myself, because we have the wells now set, they are behaving, but it would indicate on the order of 1 million 8 hundred or possibly 2 million, and I am a little skeptical if we can reduce the flows further on that well without running the risk of the thing dying, and I think that, in that case, Mr. Cone would just leave it shut-in.

Q Do you think the maximum would be 2 million?

A I believe the well would operate at 2 million. It will make more. We have learned that by varying the number of flows, but we were searching for a minimum.

Q The average allowable for the past ten months for your information is 3993. In that case it would seem that 50 per cent would be enough, wouldn't it?

A It would be approximately 2 million.

Q In regard to your Mobil-Myers No. 1 --

A Pan American No. 1?

Q Right. Pan American-Myers No. 1, the month of November the well was completely shut-in?

A Yes, sir.

Q The month of December it produced 369. Do you know how many days that was for?

A No, sir; I don't, and it was not produced by the operators arrangement or permission. We attempted to find out from El Paso

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what happened. We were all aware the well was supposed to be shut-in. The best we can determine is that somebody opened and closed it without authority.

Q In other words, it started producing by merely opening a valve?

A It would indicate that; it won't for me if I go down and open it.

Q And it was shut-in in January of '60, had no production?

A Yes, sir.

Q February production, 995. Do you know how many days that was for?

A Right at the end of the month, again, Mr. Utz, swabbing to kick off and prepare for the scheduled deliverabilities.

Q Was it necessary to swab the well in order to produce that?

A Yes, sir; we swabbed both wells.

Q And in March our records indicate it produced 1831. Did you have any production problems for that month?

A 1831? Let me check that.

Q Is El Paso the only purchaser of this well? That is from the El Paso report.

A Yes, sir.

Q I notice you have 2993.

A That was the March, 1960 report. That is on a purchase

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basis of 15025; El Paso reports several to our office and we report the 15025 volume unless, of course, there is a stenographic error.

Q Well, they are supposed to report 15025 to us on the 114's.

A I will check on that when I return to Hobbs.

Q I checked this personally, so I am quite sure that is what they reported?

A Your volume is what?

Q 1831.

A That was from El Paso's March 114; 1831 is more in line, I believe, but I will check that.

Q Our records show that the average allowable for the past ten months for that well was 6,086. Now, whichever of these production figures happen to be correct, yours, 2993 or the other, would it not appear that 50 per cent would be adequate to keep this well producing? In that case it would take the well about 13 months to make up its over-production.

A Would you repeat your question, please?

Q 50 per cent, or at the rate of approximately 3 million per month?

A We can operate, I believe, at 3 million. That is, viewing it strictly mechanically; not from an economic standpoint.

Q Well, of course, the only reason you can apply for such



a thing as making up overage at a lesser rate is because of well damage. Economically you have already gotten more than your allowable; is that correct?

A Computed on the basis of the proration schedule we have.

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

BY MR. PAYNE:

Q Mr. Storm, do you have data on reserves?

A No, sir, I don't.

Q Could you tell me the approximate amount of water per day produced by each of these wells? Is it about two barrels?

A Mr. Payne, May I answer you this way: We have just completed a six day test on the wells and they indicate a rate of approximately 1/2 barrel of water per flow on the present intermittent cycle. On three flows a day that would be a barrel and a half to two barrels of water. The water volume is not acute, but on shut-in, sufficient to kill the wells.

Q Do you anticipate the water production might increase in the future?

A Not acutely.

Q Have you made any study to determine the feasibility of cutting off water by remedial work?

A Yes, sir. I would say Mr. Cone has something like \$20, \$30,000 in the Mobil-Myers No. 4 specifically for that purpose and it accomplished nothing.



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Q In the event your water problem became more acute have you considered the possibility of installing a bottomhole pump?

A No, sir. I question the economics, if you go to the reserves, would justify such an action.

Q If you produced 50 per cent of the current allowable, or 50 per cent of the average allowable for the preceding six months proration period, do you think these wells would be in balance before they are abandoned?

A If we do?

Q If an order is entered allowing you to produce them at the rate of 50 per cent at your option, that being either 50 per cent of the current allowable or 50 per cent of the preceding six month proration period allowable, do you believe that the wells will be back in balance prior to being abandoned?

A Yes, sir. The Mobil Well is but a few months away from being in balance. The picture in the tabulation is not quite accurate because there has been production experimenting and under authority of various letters from the Commission, trying to determine a way. The Pan American, if there is a choice, is a little stronger, and I would say would indicate a longer life. Therefore, it has as good a chance to make up its overage as the Mobil has to make up the small overage charged to it.

Q Have you determined where the water is coming from?



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A I wish I knew the answer to that, Mr. Payne.

Q Do you know if it is salt water?

A It is sulphur water; it is water that is common to wells of that area.

Q Is there a water drive in this pool?

A In terms of a man's lifetime, it is not effective if there is one.

Q This is formation water, presumably?

A To my knowledge it is.

MR. PAYNE: That is all.

BY MR. UTZ:

Q If it was formation water wouldn't it have been producing it since the wells were initially completed?

A You would think so, Mr. Utz. In the case of the Mobil Well we initiated testing of the well at the top of the reef section, a sandy face just above the reef; unsuccessful. Came back and on each frac treatment we reestablished water until it finally was eliminated, but the wells had not been on production long before the water showed. The Pan American was completed clean; the advent of water has been gradual, volumes not acute but sufficient to load the well if something happens, to where it will not kick off the El Paso system.

Q Are these completions perforated through casing or is the casing set on top?



A Perforated through. The mechanical information on each well is at the top of Exhibit 1.

MR. UTZ: Are there other questions?

BY MR. PAYNE:

Q When one of these wells is shut-in, do you have a difficult time getting your intermitter adjusted again when you get it back on production?

A If all mechanical equipment works properly, no, Mr. Payne. But unfortunately that isn't always the case. We have had clocks fail, and the next day we have to start over.

Q Have you had any particular difficulty with these two wells in that regard?

A As long as we get them unloaded when we first kick them out; we must unload to the air or tank, then we put the clock control in service. From there on the clock control mechanism works properly and we generally get around all right. In the case of the Mobil-Myers Well it didn't; it died by itself, clock control notwithstanding. It just quit.

BY MR. NUTTER:

Q How long has a clock control intermitter been installed on this well?

A Since the summer of '56, '57, Mr. Nutter.

Q The one well died last fall; how long has it been since the other well has been producing without any natural death? Has

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it ever died a natural death?

A When the intermitter hangs open; yes, it will.

Q But that has not happened lately?

A We try to watch the equipment to forestall that happening.

Q What is your present rate of production on the Pan American-Myers No. 1?

A About 2,006 MCF per month; that is an approximation. I am using El Paso's chart based on six flows a day; it is possible on two flows there would be a little bit larger volume. We will find that out.

Q You said you had reduced the flows per day; it was originally four?

A On the Mobil-Myers 4 we ran four flows a day at the time the chart was made; subsequently reduced it to three. Pan American-Myers was on six and it is down to two, now.

Q So both of these approximations of production are based on more flows per day than you are actually running at the present time?

A Yes; that was our way. We didn't change the time arrangement.

Q What was the volume of gas produced on the three flows per day on Pan American and on four flows on the Mobil-Myers?

A According to El Paso's calculations, integrations in El Paso, 20 MCF per flow on the Mobil-Myers 4.



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Q And that was running four flows per day; is that right?

A Yes.

Q That would be 80 per day?

A Yes. Pan American well, 33 MCF per flow.

Q That would be 132 per day?

A Yes.

Q And when the Pan American-Myer was flowing on three flows?

A We have had it on three different settings, six, four and two, in the past six weeks. It is currently on two.

Q Well, according to the tabulations here the average allowable for the last complete six month period for the Pan American-Myers would be somewhere in the neighborhood of 6862 MCF per month, and at the rate of three flows per day on the Pan American-Myers you were producing approximately 2970 MCF per month which is actually 50 per cent or less of the allowable. Would that be correct at three flows per day on the Pan American-Myers?

A That is roughly 100 MCF per day, approximately three million a month.

Q Now, when you were flowing the Mobil-Myers four times a day, you were making about 80 MCF a day, or 2400 per month?

A It is a weaker well and the charts will demonstrate that from the differential standpoint.

Q And its average allowable for the past six months, 4500 MCF?



A Approximately.

MR. NUTTER: I believe that is all. Thank you.

MR. UTZ: Any other questions? If not, the witness may be excused. Other statements in this case? If not, the case will be taken under advisement.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, the 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.

June Paige
Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1946 heard by me on Apr. 27, 1960.

Shirley R. [Signature]
Examiner
New Mexico Oil Conservation Commission

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ALBUQUERQUE, NEW MEXICO



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. 1946
Order No. R-1661

APPLICATION OF J. R. CONE FOR AN
ORDER PERMITTING TWO OVERPRODUCED
GAS WELLS IN THE JALMAT GAS POOL,
LEA COUNTY, NEW MEXICO TO COMPEN-
SATE FOR SUCH OVERPRODUCTION AT A
LESSER RATE THAN COMPLETE SHUT-IN
IN EXCEPTION TO ORDER NOS. R-520
AND R-967.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 27, 1960, 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 9th day of May, 1960, 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 following-described wells in the Jalmat Gas Pool are more than six times overproduced and are therefore subject to complete shut-in under the provision of Order Nos. R-520 and R-967;

Mobil-Myers Well No. 4, Unit I, Section 22
Pan American-Myers Well No. 1, Unit H,
Section 22

both in Township 24 South, Range 36 East, Lea County, New Mexico.

(3) That due to liquid problems, the applicant seeks an order permitting the overproduction of the subject wells to be made up at a lesser rate than complete shut-in in order to preclude permanent injury to the wells.

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CASE No. 1946
Order No. R-1661

(4) That the applicant should be permitted to produce each of the subject wells at a monthly rate not to exceed 50% of the well's current monthly allowable or at a monthly rate not to exceed 50% of the well's average monthly allowable for the preceding six-month proration period, whichever is greater.

(5) That the above prescribed curtailed rate of production to compensate for overproduction should be adequate to prevent permanent injury to either of the subject wells or to the producing formation.

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to compensate for the overproduction of the following-described wells in the Jalmat Gas Pool by producing each well at a monthly rate not to exceed 50% of the well's current monthly allowable or a monthly rate not to exceed 50% of the well's average monthly allowable for the preceding six-month proration period, whichever is greater:

Mobil-Myers Well No. 4, Unit I, Section 22
Pan American-Myers Well No. 1, Unit H, Section 22

both in Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

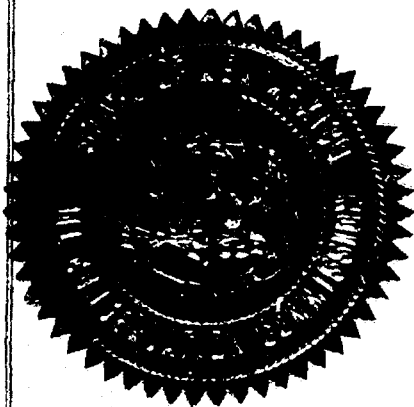
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



esr/

RESIDENCE PHONE
SHERWOOD 4-5173

OFFICE PHONE
PORTER 3-7329

J. R. CONE
ROOM 1708 - GREAT PLAINS LIFE BLDG.
LUBBOCK, TEXAS
May 16, 1960

RECEIVED
MAY 16 PM 1:31

*Check 1946
is what you want
up with.*

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

Attention: Mr. E. A. Utz

Dear Mr. Utz:

Further to our conversation at the April 27 Examiner Hearing, this is to confirm that the high pressure gas volumes reported on our C-115's for the month of March, 1960 on J. R. Cone Mobil-Myers No. 4 and Thompson & Cone Pan American-Myers No. 1, Jalmat Gas Pool are the same as the volumes reported to us by the purchaser, El Paso Natural Gas Company. Specifically, these volumes were: Mobil-Myers No. 4 - 1831 MCF; Pan American-Myers No. 1 - 2993 MCF.

Your records showed 1831 MCF from Pan American-Myers No. 1. Thus it would appear that a simple inter-change of figures has occurred. Furthermore, being personally familiar with the producing patterns of both the aforementioned wells during March, I consider it very unlikely that the Mobil-Myers No. 4 produced more gas than did the Pan American-Myers No. 1.

Please advise if you have any further question relative this matter.

Yours very truly,

J. R. CONE

By

L. O. Storm
L. O. Storm, Agent