

MAIN OFFICE 633

AZTEC OIL & GAS COMPANY
920 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

QUILMAN B. DAVIS
SECRETARY AND GENERAL ATTORNEY

EX 9:03

March 30, 1956

*await
letter
from
asking
for hearing*

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

Attention: Mr. A. J. Porter, Secretary-Director

Re: Continental's Application for
Dual Completion of its Hawk B-10
No. 2-E Well, SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 10,
T-21-S, R-37-E, Lea County,
New Mexico

*DC-287
revised 3/9/56*

Gentlemen:

On or about March 7, 1956, Continental Oil Company filed its application with the Commission requesting permission to dual complete its W. C. Hawk B-10 No. 2-E Well, located 1980 feet from the north line and 1980 feet from the east line of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico, in the Brunson Oil Pool and Blinbry Gas Pool and asked for the assignment of 120 acres, consisting of the NW $\frac{1}{4}$ and the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 10, to the well.

Aztec Oil & Gas Company hereby objects to Continental's application because its Dauron No. 2-C Well, located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 10, is completed in and producing from the Blinbry Gas Pool. Aztec previously had an agreement with Continental to pool and communitize the NE $\frac{1}{4}$ of Section 10 to form a standard gas proration unit for the Blinbry Gas Pool, and the questions concerning this matter were the subject of a hearing before the Commission in Case No. 992. We are willing at this time to conclude the formal pooling in accordance with the agreement reached with Continental.

In view of the circumstances, we respectfully request the Commission to deny this application.

Yours very truly,

Quilman B. Davis

QBD:NT

cc - Mr. Prentice R. Watts

AIR MAIL

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 14, 1956

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O
P
Y

Continental Oil Company
P. O. Box 68
Eunice, New Mexico

Attention: Mr. W. E. Allen

Gentlemen:

Reference is made to your application dated February 13, 1956, for dual completion and a non-standard proration unit in the Tubb Gas Pool for your W. C. Hawk "B-10" Well No. 1, located in the NW/4 NE/4 of Section 10, Township 21 South, Range 37 East, Lea County, New Mexico.

We are processing the NSP as NSP-251 to be issued on April 6, 1956 providing there are no objections.

Your attention is called to Administrative Order DC-86 issued March 19, 1954 for the same dual in this well in the Tubb Gas Pool and Drinkard Pool. We are enclosing two copies of this order for your use. As this order has already been issued and is still in effect, we are not processing your current application as far as the dual is concerned, but only for the non-standard proration unit.

Very truly yours,

Warren W. Mankin
District Engineer

WWM:jh

cc: Continental Oil Company
Fair Building
Fort Worth, Texas

CONTINENTAL OIL COMPANY
Box 68
Eunice, New Mexico

MAIN OFFICE REC
1956 MAR 9 2 45

NSP-245
Jm 4/8/56

no copy
to [unclear]

✓ Aztec Oil and Gas Company
Box 847
Hobbs, New Mexico

The Texas Company
Box 1270
Midland, Texas

✓ Humble Oil and Refining Company
Box 2347
Hobbs, New Mexico

✓ Tidewater Associated Oil Company
Box 547
Hobbs, New Mexico

Shell Oil Company
Box 1957
Hobbs, New Mexico

Gentlemen:

Attached is Continental Oil Company's application to the Oil Conservation Commission of New Mexico for permission to dual complete and form a non-standard proration unit for its W. C. Hawk B-10 No. 2-E well which is self explanatory.

This application is submitted to you as offset operators in compliance with Commission rules and regulations.

Yours very truly,



W. E. Allen
District Superintendent
of Production
Eunice District

WEA-RC
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN ORDER
GRANTING IT PERMISSION TO DUAL COMPLETE
AND ALLOCATE A NON-STANDARD UNIT TO ITS
W. C. HAWK B-10 NO. 2-E SW/4 NE/4 SEC-
TION 10, T. 21S, R. 37E, N.M.P.M., LEA
COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now CONTINENTAL OIL COMPANY, a Delaware Corporation, hereinafter called "Applicant" and respectfully requests the Oil Conservation Commission of the State of New Mexico to issue orders authorizing Applicant to dually complete its W. C. Hawk B-10 No. 2-E well, and allocate a non-standard proration unit to the well, located 1980 feet from the North line and 1980 feet from the East line of Section 10, T. 21S, R. 37E, N.M.P.M., Lea County, New Mexico, in the Brunson Oil Pool and the Blinebry Gas Pool, and in support thereof would show the following:

A non-standard proration unit of 120 acres consisting of contiguous quarter quarter sections, NW/4 and S/2 of the NE/4, Section 10, T. 21S, R. 37E, is requested. In support of this request we should like to point out that the proposed unit conforms with Commission requirements in all respects as follows:

1. Said unit consists of contiguous quarter quarter sections (and/or lots).
2. Said unit lies wholly within a single governmental section.
3. The entire proposed unit may be reasonably presumed to be productive of Blinebry gas.
4. The length or width of said unit does not exceed 2640 feet.
5. Copies of this application have been furnished by registered mail to all offset operators and all operators within 1500 feet of said well.

The dual completion of said well in the Ellenburger formation for oil and the Blinebry formation for gas is in the interest of conservation and the protection of correlative rights.

Segregation of the producing intervals will be made by appropriate packer installation and said well will be equipped so there can be no comingling of well fluids in producing the gas through the annu-

lus between the tubing and casing, and the oil through the tubing. Said well will be equipped in such a manner that reservoir pressures may be determined separately for each of the two specified pools and the well head equipment to be equipped with all necessary connections to permit accurate measurement of any natural gas, oil, or oil and gas produced from each separate pool as may be required by the Commission.

Attached to this application is a plat showing the location of said well and surrounding wells and leaseholds with the acreage to be assigned the proposed gas unit outlined in red and a plat showing the mechanical condition of said well at present and after the proposed dual completion.

All offset operators have been duly notified by copy of this application.

WHEREFORE, Applicant respectfully requests the Oil Conservation Commission of the State of New Mexico enter its order authorizing Applicant to dually complete said well and permit the assignment of a non-standard proration unit in accordance with the foregoing application and rules and regulations of the Commission.

CONTINENTAL OIL COMPANY

B. W. B. Allen

Subscribed and sworn to before

me this 7th day of March, 1956

Robert Gault III Notary Public

in and for Lea County, New Mexico

My Commission Expires : _____

~~Amoco - Santa Fe~~
Copy-acc Huber
3/19/50

CONTINENTAL OIL COMPANY
Box 68
Eunice, New Mexico

MAIN OFFICE OCC
1956 MAR 9

NSP-253
Jm 4/8/56

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to NMOFFER

✓ Aztec Oil and Gas Company
Box 847
Hobbs, New Mexico

The Texas Company
Box 1270
Midland, Texas

✓ Humble Oil and Refining Company
Box 2347
Hobbs, New Mexico

✓ Tidewater Associated Oil Company
Box 547
Hobbs, New Mexico

Shell Oil Company
Box 1957
Hobbs, New Mexico

Gentlemen:

Attached is Continental Oil Company's application to the Oil Conservation Commission of New Mexico for permission to dual complete and form a non-standard proration unit for its W. C. Hawk B-10 No. 2-E well which is self explanatory.

This application is submitted to you as offset operators in compliance with Commission rules and regulations.

Yours very truly,



W. E. Allen
District Superintendent
of Production
Eunice District

WEA-RC
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CONTINENTAL OIL COMPANY

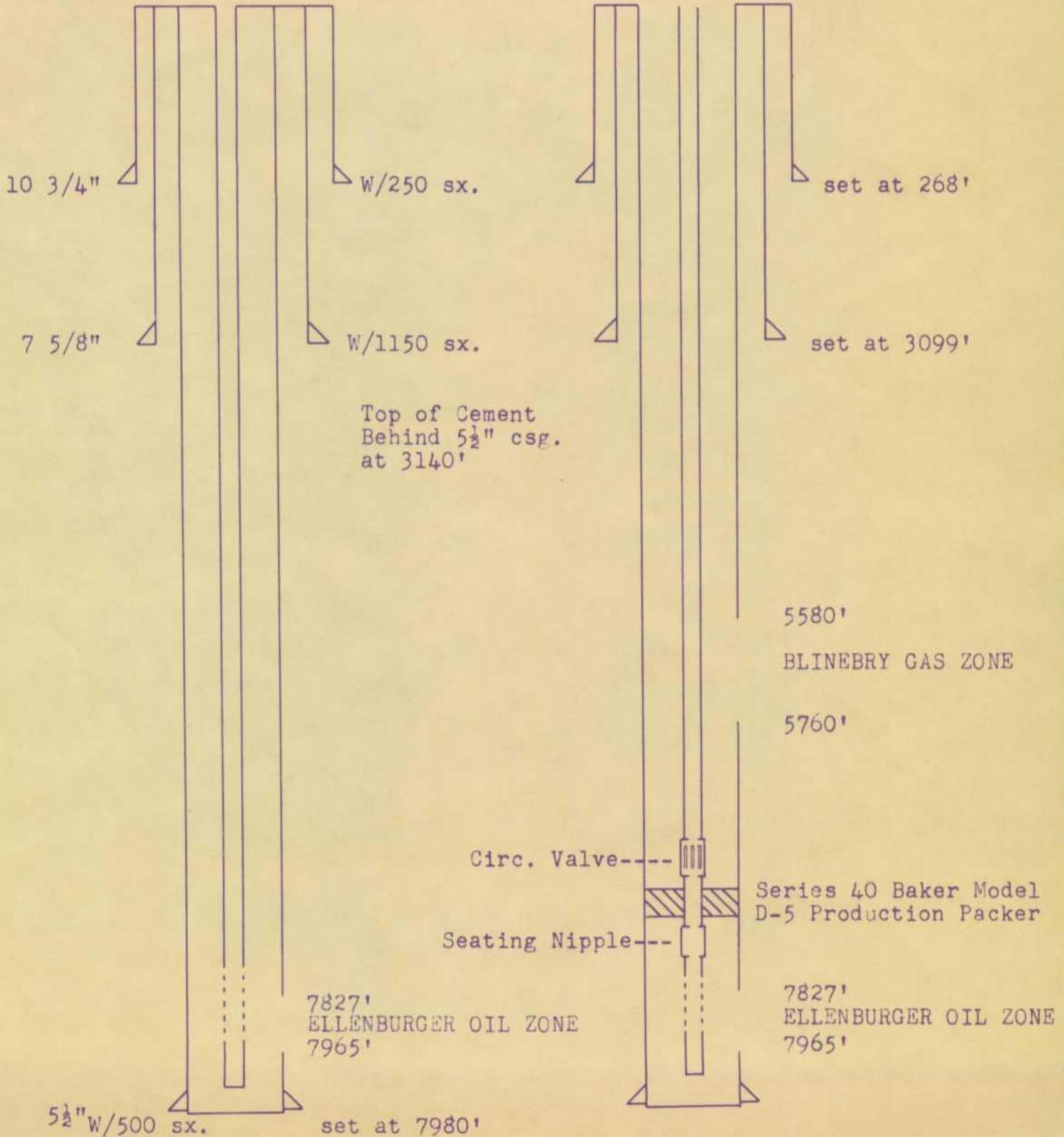
W. C. HAWK B-10 NO. 2-E

COMPLETION

2½" tbg.

PROPOSED DUAL COMPLETION

2½" tbg.



SUBJECT: DUAL COMPLETION (GAS-OIL)

March 19, 1956

ORDER NO. DC-287

THE APPLICATION OF CONTINENTAL OIL COMPANY FOR PERMISSION TO EFFECT DUAL COMPLETION OF ITS W. C. HAWK "B-10" WELL NO. 2-E, LOCATED IN THE CENTER OF THE SW/4 NE/4 OF SECTION 10, TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY, NEW MEXICO IN THE BLINEBRY GAS POOL AND THE BRUNSON POOL.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Order No. R-316, Rule 112-A, Continental Oil Company made application to the New Mexico Oil Conservation Commission on March 9, 1956 for permission to dually complete its W. C. Hawk "B-10" Well No. 2-E, located 1980 feet from the North and East lines and in the SW/4 NE/4 of Section 10, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in the Blinebry Gas Pool and the Brunson Pool.

The Secretary-Director Finds:

- (1) That application has been duly filed under the provisions of Sub-section 'c' of Rule 112-A of the Commission's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- (3) That no objections have been received within the waiting period as prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant, herein, Continental Oil Company be and it hereby is authorized to dually complete its W. C. Hawk "B-10" Well No. 2-E, located in the SW/4 NE/4 of Section 10, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico in such manner as to permit production of gas from the Blinebry formation of the Blinebry Gas Pool from proper perforation of the casing through the casing-tubing annulus and the production of oil from the Ellenburger formation of the Brunson Pool by proper perforation of the casing through the tubing and the installation of a suitable packer and with the installation of adequate surface equipment to maintain complete separation of the two zones of production.

PROVIDED HOWEVER, That subject well shall be completed and thereafter produced in such a manner that there will be no commingling within the well-bore, either within or outside the casing, of gas, oil and gas, or oil produced from either or both of the separate strata,

PROVIDED HOWEVER, That prior to the actual dual completion the operator shall make pressure tests of the casing to prove that no casing leaks have developed since the well was originally completed. In the event a casing leak is apparent the operator shall take appropriate steps to adequately repair the leak. The results of these tests shall be reported to the Commission on Form C-103.

PROVIDED FURTHER, That upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission at Hobbs, New Mexico, copies of Oil Conservation Commission Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on those forms by existing Rules and Regulations and two copies of the electric log of the well, if available.

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and

PROVIDED FURTHER, That the operator-applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten days after completion of such test, and

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas-oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED, That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

APPROVED at Santa Fe, New Mexico, on this 19th day of March 1956.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

W. B. MACEY
Secretary-Director

S E A L

/nc

MAIN OFFICE OCC

OIL CONSERVATION COMMISSION

1956 MAR 19 AM 8:55

BOX 2045

HOBBS, NEW MEXICO

DATE March 16, 1956

MR. W. B. MACEY
OIL CONSERVATION COMMISSION
BOX 871
SANTA FE, NEW MEXICO

Due 4/8/56

RE: PROPOSED NSP 253

PROPOSED NSL _____

Dear Mr. Macey:

I have examined the application dated undated

for the Continental Hawk B-10 #2-E 10-21-37
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

The unit as such would be OK, however, the outcome of Case 992 and any
objection to this by Aztec could affect this unit. CR

See above, concur-RFM

Yours very truly,

OIL CONSERVATION COMMISSION

(Signature)

~~Stanley J. Stanley~~ C. M. Rieder
Engineer