

Case. Number.

4460

Application,  
Transcripts.

Sm all Exhibts.

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
November 18, 1970

EXAMINER HEARING

IN THE MATTER OF: )  
)  
)

Application of Continental Oil )  
Company for a non-standard gas )  
proration unit, Lea County, New )  
Mexico. )  
)

Case No. 4460

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

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MR. UTZ: We'll call Case 4460.

MR. HATCH: Case 4460. Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin of Kellahin & Fox, Santa Fe, appearing for the applicants. We have one witness I'd like to have sworn.

(Witness sworn)  
(Whereupon, Applicant's Exhibits 1 through 5 were marked for identification.)

MR. UTZ: Are there appearances in this case, other appearances? You may proceed.

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1 VICTOR T. LYON

2 having been first duly sworn, was examined and testified as  
 3 follows:

4 DIRECT EXAMINATION

5 BY MR. KELLAHIN:

6 Q Would you state your name, please.

7 A Victor T. Lyon.

8 Q By whom are you employed and in what position, Mr. Lyon?

9 A Continental Oil Company as conservation coordinator in the  
 10 Hobbs division.

11 Q Have you testified before the Oil Conservation Commission  
 12 previously and made your qualifications a matter of  
 13 record?

14 A Yes, I have.

15 MR. KELLAHIN: Are the witness' qualifications  
 16 acceptable?

17 MR. UTZ: Yes, sir.

18 Q Mr. Lyon, are you familiar with the application of  
 19 Continental Oil Company in Case 4460?

20 A Yes, I am.

21 Q What is proposed by the applicant in this case?

22 A Case No. 4460 is the application of Continental Oil  
 23 Company for approval of a four hundred and eighty acre  
 24 nonstandard gas proration unit in the Jalmat pool to  
 25 consist of the north half and the southeast quarter of

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1 Section 23 and to be jointly assigned to Myra B 23,  
 2 Wells number 1, 2 and 3 and for authority to produce  
 3 the joint allowables in any proportion between the  
 4 three wells.

5 Q Now, referring to what has been marked as the Applicant's  
 6 Exhibit No. 1, will you identify that exhibit?

7 A Exhibit No. 1 is a location plant showing the Myra B 23  
 8 lease outlined in red, as I previously described it. It  
 9 shows the three Jalmat wells circled in red. It shows  
 10 the present units outlined in blue. At the present time  
 11 the Well Number 3, which is located in Unit E at a  
 12 location 1980 from the north line, six-sixty from the west  
 13 line of Section 23, the northwest quarter and the west half  
 14 of the northeast quarter. Well Number 2, which is located  
 15 in Unit O at a location sixteen-fifty from the east line  
 16 and nine hundred and ninety feet from the south line  
 17 consists of the southeast quarter, the east half of the  
 18 northeast quarter. We have also shown the surrounding  
 19 leases and wells to the best of our knowledge and ability.

20 Q Now, the units you just described were established by Order  
 21 of this Commission, were they not?

22 A Yes, they were. The proration unit for Well Number 3  
 23 was created by Order No. R2092 and R2093, created unit  
 24 for Number 3, I believe it is.

25 Q Now, what was the status of your Number 1 Well at that

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1 time?

2 A Originally we had one hundred sixty acres allocated to  
 3 each of the three wells. Number one had the north half of  
 4 the north half in the section. Number three had the south  
 5 half of the north half. Well number two had the southeast  
 6 quarter. This acreage was reallocated in 1961 due to the  
 7 fact that wells number two and three had higher deliver-  
 8 abilities and therefore, we reallocated the acreage to  
 9 achieve a higher allowable.

10 Q By referring to what has been marked as the Applicant's  
 11 Exhibit No. 2, would you identify that exhibit?

12 A Yes, sir. Exhibit No. 2 is the latest test which was  
 13 conducted on well number one in June of 1961. It was a  
 14 deliverability test which indicated that the well produced  
 15 at a rate of two thousand and ninety-one MCF with a tubing  
 16 pressure of four hundred nineteen point two PSIA. At  
 17 approximately the same time wells number two and three had  
 18 deliverabilities at eighty percent of their shut-in  
 19 pressure. Number two had an indicated deliverability of  
 20 three thousand nine hundred eighty-seven MCF per day and  
 21 Number three had four thousand four hundred ninety-two MCF  
 22 per day. The deliverability of this well number one is  
 23 indicated to be eighteen hundred and fourteen MCF per day  
 24 at eighty percent of its shut-in pressure.

25 Q By referring to what has been marked as Exhibit No. 3,

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1 would you identify that exhibit?

2 A Exhibit No. 3 is a minimum contract test conducted by El  
 3 Paso Natural Gas Company on Well No. 2 on April 10th of  
 4 1970, on which test it produced one thousand nine hundred  
 5 and fifty MCF at a tubing pressure, one hundred thirty-  
 6 three point two PSIA.


7 Q Now, referring to what has been marked as Exhibit No. 5,  
 8 would you identify that exhibit?

9 A Are we at 5 already? This is 4, isn't it?

10 Q 4. I'm sorry. Exhibit 4.

11 A Exhibit No. 4 is a minimum contract test conducted by El  
 12 Paso on well number three on September 11th, 1970. The  
 13 well produced at the rate of one hundred MCF per day with  
 14 tubing pressure of two hundred and eighty-three point two  
 15 PSIA.

16 Q Now, referring to Exhibit 5, would you identify that  
 17 again.

18 A Yes, sir. Exhibit 5 is a tabulation showing the status of  
 19 the wells as they presently are, individually, and as we  
 20 believe they should be if this application is granted.  
 21 Well number two at the end of September was thirteen  
 22 thousand eight hundred ten barrels of MCF overproduced.  
 23 Well number three was underproduced one hundred and twenty-  
 24 four thousand  hundred and forty-three MCF. On a combined  
 25 basis as of that date the wells would be underproduced one

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1 hundred and ten thousand three hundred and thirty-three  
 2 MCF. Also it shows that well number three entered the  
 3 proration period underproduced one hundred eleven thousand  
 4 six hundred seventy-three MCF. And of this amount one  
 5 hundred eleven thousand two hundred twenty-seven MCF is  
 6 subject to cancellation at the end of this balancing  
 7 period if not made up before that date.

8 Q Now, your number two well entered the period overproduced;  
 9 is that correct?

10 A Yes, sir.

11 Q By thirty-seven thousand four hundred thirty-nine MCF?

12 A Yes, sir.

13 Q Now, on a combined basis what was the status of the entire  
 14 unit as you proposed it?

15 A The combined unit would have -- would enter the proration  
 16 period underproduced seventy-four thousand two hundred  
 17 thirty-four MCF. It has accumulated additional under-  
 18 production since that date, but with the three wells pro-  
 19 ducing together, we're confident that we can make most, if  
 20 not all of this underproduction.

21 Q In your opinion, is it desirable to reallocate the acreage  
 22 because of the different producing capacities of the wells?

23 A Yes, sir, I do. In addition to declining pressures in  
 24 the Jalmat pool, I believe that it would be necessary to  
 25 do more and more reallocation of acreage in order to assign



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1 allowables to wells which can produce it. And in order  
2 to eliminate additional hearings of this type, we would  
3 like to assign this entire unit to the wells jointly.  
4 Q That would permit you to produce the allowable from any  
5 well or combination of wells on the unit. Is that your  
6 recommendation?  
7 A That is correct. Yes, sir.  
8 Q Will this be in the interest of the protection of  
9 correlative rights?  
10 A Yes, sir. We believe that this is essential to the  
11 protection of our correlative rights and will not interfere  
12 with anyone else's correlative rights.  
13 Q In your opinion, will it prevent waste?  
14 A Yes. I believe it will and it will permit us to more  
15 efficiently produce the gas underlying our lease.  
16 Q Were Exhibits 1 through 5 prepared by you or under your  
17 supervision?  
18 A Yes, they were.  
19 MR. KELLAHIN: At this time I would like to offer  
20 into evidence Exhibits 1 through 5 inclusive.  
21 MR. UTZ: Without objection, Exhibits 1 through 5  
22 will be entered into the record of this case.  
23 MR. KELLAHIN: That completes the direct testimony,  
24 Mr. Utz.  
25

CROSS EXAMINATION

2 BY MR. UTZ:

3 Q Mr. Lyon, as the unit is combined in Exhibit No. 5 it  
4 shows that you have roughly seventy-four thousand MCF  
5 subject to cancellation at the end of December.

6 A Yes, sir.

7 Q Is it your testimony that you will produce a good portion  
8 of that between now and the end of the year?

9 A Yes. If you would look at Exhibit No. 4, I think that the  
10 date contained on this exhibit indicates that this well has  
11 some mechanical difficulties, which have at least in part  
12 been eliminated and the well is now producing at a higher  
13 rate than it has been able to, and with the help of the  
14 other wells we think that we can make up the underproduction.  
15 Incidentally, well number one has been reconnected to the  
16 system and a meter has been installed, and it is ready to  
17 produce when it is authorized to do so by this Commission.

18 Q Exhibit No. 4 is for well number three --

19 A Yes, sir.

20 Q -- which is only about a hundred MCF a day?

21 A Yes, sir. This well is now producing from casing.

22 Q I see.

23 A And it has picked up its producing rate.

24 Q Do you see more indication than you do from the tubing?

25 A Yes, sir. It appears that there is some obstruction in the

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1 tubing, if you'll note the difference in the tubing  
2 casing pressure.

3 Q All right. Do you intend to remedy this situation?

4 A Yes, sir. We're currently studying to see whether it  
5 would be -- the well would be more capable of continuing  
6 to produce now as it is presently equipped to the casing  
7 or to go in and do the remedial work prior to the end of  
8 the balancing period. Our first objective is to make up  
9 our underproduction.

10 Q Ordinarily, will a well produce better through tubing than  
11 it does through casing?

12 A Yes, sir.

13 Q Particularly where you have liquids?

14 A Yes, sir.

15 Q What is the location from the unit line of your well  
16 number three?

17 A Number three is located six hundred sixty feet from the  
18 west line of the unit and six hundred sixty feet from the  
19 nearest southern boundary of the unit.

20 Q All right, sir. Are there other questions of the witness?  
21 Case will be taken under advisement. Statements? Witness  
22 will be excused. Statements of the case will be taken  
23 under advisement. The hearing is adjourned to 1:30.  
24  
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I N D E X

WITNESS

PAGE

VICTOR T. LYON

Direct Examination by Mr. Kellahin  
Cross Examination by Mr. Utz

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9

E X H I B I T S

Applicant's Exhibits 1 through 5

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. 4460  
Order No. R-4064

APPLICATION OF CONTINENTAL OIL COMPANY  
FOR A NON-STANDARD GAS PRORATION UNIT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on November 18, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 23rd day of November, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 co-owner and operator of the Meyer B-23 Lease consisting of the N/2 and SE/4 of Section 23, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That the applicant has heretofore drilled and completed as Jalmat gas wells its Meyer B-23 Wells Nos. 1, 2, and 3, located in Units C, O, and E, respectively, of said Section 23.
- (4) That by Order No. R-2093, dated October 13, 1961, the Commission approved a 240-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the SE/4 and E/2 NE/4 of said Section 23 to be dedicated to the aforesaid Meyer B-23 Well No. 2; that by Order No. R-2092, dated October 13, 1961, the

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CASE No. 4460  
Order No. R-4064

Commission approved a 240-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NW/4 and W/2 NE/4 of said Section 23 to be dedicated to the aforesaid Meyer B-23 Well No. 3; and that the aforesaid Meyer B-23 Well No. 1 was shut in concurrently with the approval of said orders.

(5) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 480-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 and SE/4 of said Section 23, to be simultaneously dedicated to the aforesaid Meyer B-23 Wells Nos. 1, 2, and 3.

(6) That the applicant further seeks authority to produce the allowable assigned to said unit from any of the aforesaid wells in any proportion.

(7) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Meyer B-23 Wells Nos. 1, 2, and 3.

(8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(9) That Orders Nos. R-2092 and R-2093 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective November 1, 1970, a 480-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 and SE/4 of Section 23, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Meyer B-23 Wells Nos. 1, 2, and 3, located in Units C, O, and E, respectively, of said Section 23.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 480 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion; and that



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CASE No. 4460  
Order No. R-4064

the status of said consolidated unit shall be the combined status as of October 31, 1970, of the two units being consolidated.

(3) That Orders Nos. R-2092 and R-2093 are hereby superseded.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

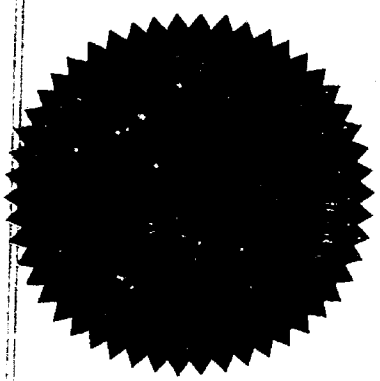
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
ALEX J. ARMIJO, Member

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



esr/

Case 4460

Heard 11-18-70

Rec. 11-19-70

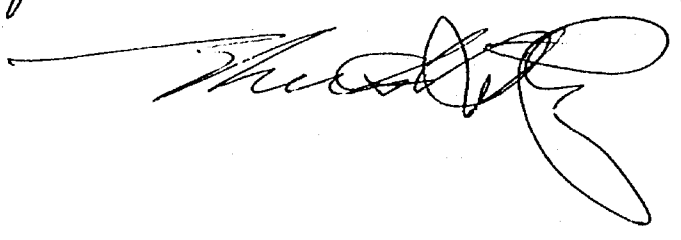
Grant Court. permission for a NSP in Jalmat gas pool and to dedicate 3 wells to the unit.

The unit to consist of the N/2 and SE/4 of sec. 23-229-66-E and the dedicate wells shall be the:

Cont-Meyers B-23	#1	unit C	sec. 23
└	└	└	#2
└	└	└	#3

The unit is now 2 units as granted on R-2092+93 which should be invalidated.

The status provision status for both units shall be combined for the status of the new unit.



DOCKET: REGULAR HEARING - WEDNESDAY - NOVEMBER 18, 1970

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,  
SANTA FE, NEW MEXICO

ALLOWABLE: Consideration of the allowable production of gas for December, 1970, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico, and also presentation of purchaser's nominations for said pools for the six-month period beginning January 1, 1971. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for December, 1970.

CASE 4453: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the promulgation of an order prohibiting the flaring or venting of casinghead gas in the State of New Mexico on or after December 31, 1970, when certain conditions exist. Copies of the proposed order will be circulated by way of the Commission's general mailing list and will be available upon request made to the Commission at its Santa Fe office.

\* \* \* \* \*

THE FOLLOWING CASES WILL BE HEARD BEFORE DANIEL S. NUTTER, EXAMINER, OR ELVIS A. UTZ, ALTERNATE EXAMINER, IN THE OIL CONSERVATION COMMISSION CONFERENCE ROOM ON THE SECOND FLOOR OF SAID BUILDING AT 9:30 A.M.

CASE 4454: Southeastern New Mexico nomenclature case calling for the extension of certain pools in Lea, Chaves and Roosevelt Counties, New Mexico.

(a) Extend the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM  
SECTION 11: N/2 and SW/4

(b) Extend the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM  
SECTION 31: SE/4

(c) Extend the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
SECTION 27: SE/4

(d) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM  
SECTION 14: NW/4  
SECTION 27: NE/4

(e) Extend the Vada-Pennsylvanian Pool in Roosevelt County,

(Case 4454 continued)

New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM  
SECTION 33: NE/4

- CASE 4455: In the matter of the hearing called by the Oil Conservation Commission for the creation of a new oil pool and for the assignment of a discovery allowable, Sandoval County, New Mexico. The Commission, at the request of Refiners Petroleum Corporation, will consider the creation of a new oil pool for the production of oil from the Dakota formation comprising the NE/4 of Section 25, Township 22 North, Range 3 West, Sandoval County, New Mexico, said pool having been discovered by said corporation's Cuba Union Well No. 1 located in Unit A of said Section 25. Also to be considered will be the assignment of approximately 34,390 barrels of discovery allowable to said well.
- CASE 4456: Application of Pan American Petroleum Corporation for expansion of pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Cato Baskett Pressure Maintenance Project, Cato-San Andres Pool, by the conversion to water injection of its Baskett "D" Wells Nos. 1 and 2, located respectively, in Units G and A of Section 11, Township 8 South, Range 30 East, Chaves County, New Mexico.
- CASE 4457: Application of Tenneco Oil Company for the creation of a new pool, assignment of discovery allowable, and promulgation of special pool rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the "D" zone of the Dakota formation for its Lon Ne Pah Well No. 1 located in Unit D of Section 18, Township 17 North, Range 8 West, McKinley County, New Mexico, and for the assignment of an oil discovery allowable to said well. Applicant further seeks the promulgation of special rules for said pool, including provisions for 80-acre spacing units with wells to be drilled in either the northwest or southeast quarter-quarter sections.
- CASE 4458: Application of Continental Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the South Eunice Unit Area comprising 2720 acres, more or less, of Federal and Fee lands in Sections 20, 21, 22, 28, 29, and 33, Township 22 South, Range 36 East, South Eunice Pool, Lea County, New Mexico.
- CASE 4459: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its South Eunice Unit Area by the injection of water into the Seven Rivers and Queen formations through 30 wells located in Sections 20, 21, 22, 28, 29, and 33, Township 22 South, Range 36 East, South Eunice Pool, Lea County, New Mexico.
- CASE 4460: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause,

(Case 4460 continued)

seeks the consolidation of two existing non-standard gas proration units into one 480-acre non-standard unit comprising the N/2 and SE/4 of Section 23, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Meyer B-23 Wells Nos. 1, 2, and 3, located in Units C, O, and E, respectively, of said Section 23. Applicant further seeks authority to produce the allowable from any of said wells in any proportion.

CASE 4461: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of two existing non-standard gas proration units into one 120-acre non-standard unit comprising the E/2 SW/4 and NW/4 SE/4 of Section 9, Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to be dedicated to its Hawk B-1 Wells Nos. 2 and 6, located in Units J and N, respectively, of said Section 9. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.

CASE 4462: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from an undesignated Gallup oil pool and undesignated Dakota oil pool in the wellbores of four wells to be drilled in Township 25 North, Range 4 West, West Lindrith Field, Rio Arriba County, New Mexico, as follows:

Jicarilla 22 Well No. 5 - Unit L - Section 22  
Jicarilla 28 Well No. 9 - Unit A - Section 28  
Jicarilla 28 Well No. 10 - Unit L - Section 28  
Jicarilla 28 Well No. 11 - Unit B - Section 33

CASE 4463: Application of Roger C. Hanks for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the NE/4 of Section 18, Township 9 South, Range 36 East, Vada Pennsylvanian Pool, Lea County, New Mexico, said acreage to be dedicated to applicant's Ford Federal Well No. 1 located in the NW/4 NE/4 of said Section 18. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4451: (Readvertised)

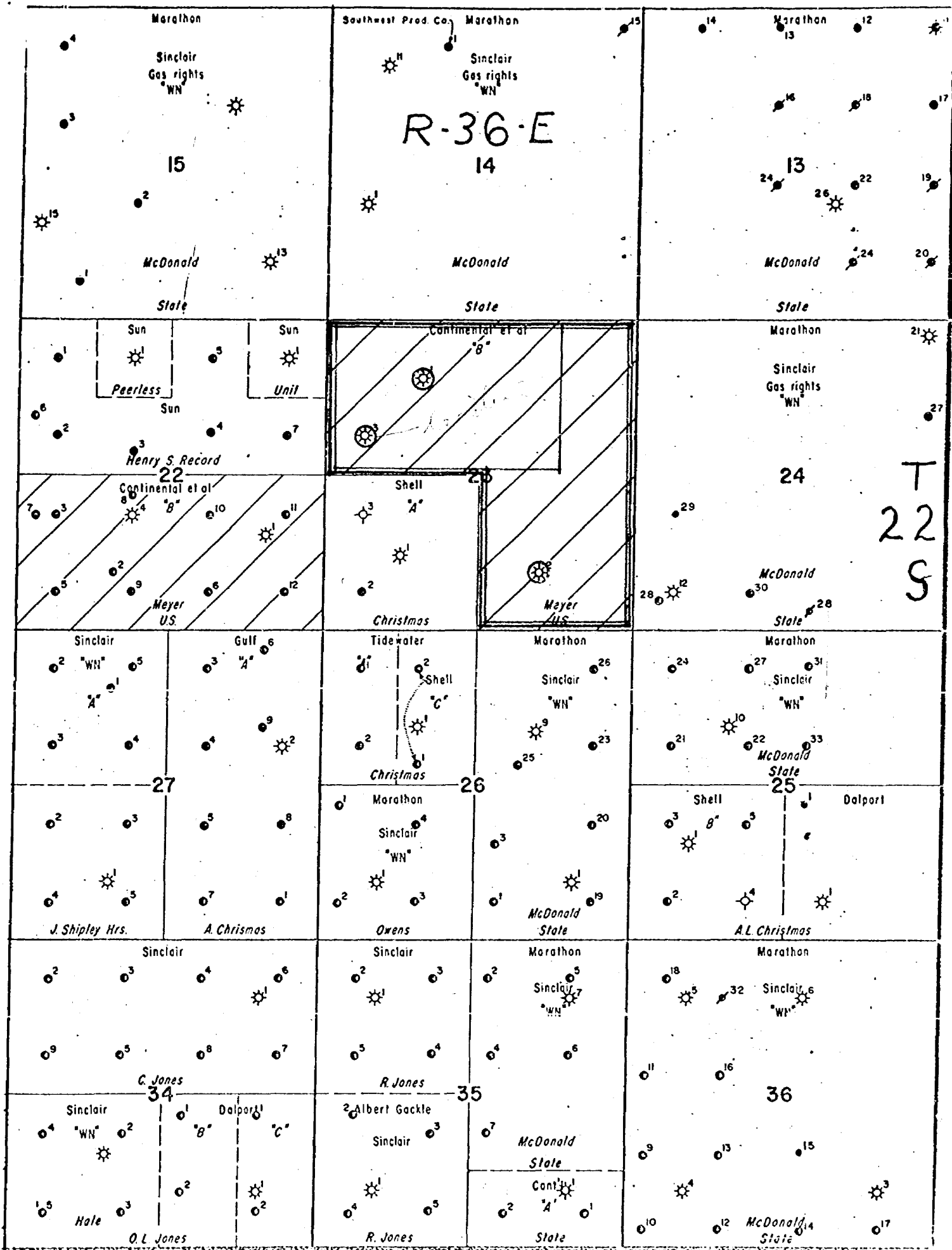
Application of Union Oil Company of California for a non-standard oil proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit comprising the SW/4 SE/4 of Section 17 and the NW/4 NE/4 of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to a well to be drilled at a standard location in the NW/4 NE/4 of said Section 20.

Examiner Hearing  
November 18, 1970

Docket No. 25-70

-4-

CASE 4464: Application of Pan American Petroleum Corporation for authority to over-produce a gas well's allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to over-produce the allowable of its Gallegos Canyon Unit Well No. 185, located in Unit D of Section 33, Township 28 North, Range 12 West, Basin-Dakota Pool, San Juan County, New Mexico, in the amount of 19,311 MCF. According to applicant, this amount of gas, produced by other wells in the Gallegos Canyon Unit and with royalty and taxes already paid, was injected into the subject well to create a reservoir back-pressure prior to fracturing on work-over. Applicant seeks authority to produce, without being subject to allowable, royalty, or taxes, the volume of gas injected into the well.



— PRESENT PRORATION UNIT

— PROPOSED PRORATION UNIT

○ JALMAT GAS WELL

BEFORE EXAMINATION BY  
 OIL COMMISSION  
 App. 1  
 CASE NO. 4460

EXHIBIT 1

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

RECEIVED  
LUNGE DIST. OFFICE

JUL 21 1961

Form C-122-C

4-1-54

Pool Jalnet Formation Yates County Lea  
Initial Annual X Special Date of test 6/5 - 6/9/61  
Company Continental Oil Company Lease Hoyer B-23 Well No. 1  
Unit C Sec. 23 Twp. 22N Rge. 36E Purchaser El Paso Natural Gas Company  
Casing 5 1/2" wt. 1.7 I.D. 5.012 Set at 3139 Perf. Oil 3139 To 3153  
Tubing 2 3/8" wt. 1.7 I.D. 1.995 Set at 3297 Perf. To  
Gas Pay: From 3139 To 3153 L. 3297 x G. .672 = GL 2216 Bar. Press. 13.2  
Producing Thru: Casing X Tubing X Type Well Single  
Single- Bradenhead-G.G. or G.O. Dual

FLOW DATA

Started		Taken		Duration Hours	Type Taps	Line Size	Orifice Size	Static Press.	Differ- ential	Flow Temp.
Date	time	Date	time							
6-5-61	10:45 AM	6-6-61	10:45 AM	24	F	4"	1.750	397	30.25	70°
	PM		PM							

FLOW CALCULATIONS

Static Pressure P <sub>f</sub>	Differ- ential h <sub>w</sub>	Meter Extension $\sqrt{P_f h_w}$	24-Hour Coeff- icient	Gravity Factor F <sub>g</sub>	Temp. Factor F <sub>t</sub>	Compress- ability F <sub>pv</sub>	Rate of Flow MCF/Da. @ 15.025 psia Q
410.2	30.25	111.39	19.27	.9149	.9905	1.011	2091

SHUT-IN DATA

FLOW DATA

Shut-in		Press. Taken		Duration Hours	Wellhead Pressure (P <sub>c</sub> ) psia		W.H. Working Pressure (P <sub>w</sub> ) and (P <sub>i</sub> ) psia	
Date	Time	Date	Time		Tubing	Casing	Tubing	Casing
6-6-61	10:15 AM	6-7-61		24	634.2	634.2	439.2	484.2
		6-8-61	10:15 AM	48	632.2	633.2		
		6-9-61		72	634.2	634.2		
	PM		PM					

FRICITION CALCULATIONS (if necessary)

P<sub>w</sub> Measured \_\_\_\_\_  
OIL CONSERVATION COMMISSION  
APP. EXHIBIT NO. \_\_\_\_\_  
CASE NO. 4460

SUMMARY

P<sub>c</sub> = 634.2 psia  
Q = 2091 MCF/Da.  
P<sub>w</sub> = 439.2 psia  
P<sub>d</sub> = 507.4 psia  
D = 1814 MCF/Da.

DELIVERABILITY CALCULATIONS

P<sub>w</sub> 439.2 P<sub>c</sub> 634.2 P<sub>w</sub> ÷ P<sub>c</sub> .6935  
 $1 - \frac{P_w}{P_c} = .2365$   $1 + \frac{P_w}{P_c} = 1.7635$   $\left(1 - \frac{P_w}{P_c}\right) \left(1 + \frac{P_w}{P_c}\right) = M$  .4171  
 $.36 + H = .8631$   $\log \frac{9.936661 \cdot 10 \cdot x(n)}{.965} = 9.936661 - 10 +$

COMPANY Continental Oil Company  
ADDRESS Box 68, Pecos, New Mexico  
AGENT and TITLE \_\_\_\_\_ Dist. Supt.  
WITNESSED \_\_\_\_\_  
COMPANY \_\_\_\_\_

Log Q = 3.320354  
Log D = 3.258653  
Antilog = 1814 = D

NR000-3  
JEN LAM File

REMARKS Well now producing into intermediate pressure line.

EXHIBIT 2



El Paso Natural Gas Company  
**MINIMUM CONTRACT TEST**  
 Form 15-20 (10-67)

Company <b>Continental Oil Company</b>					Lease <b>Meyer B-23 No. 2</b>			
Unit <b>0</b>	Sec. <b>23</b>	Twp. <b>22</b>	Rge. <b>36</b>	County <b>Lea</b>	Pool <b>Jalmat</b>			
Type Well <b>Single</b>		Producing Thru		Tubing <b>X</b>	Casing	Top of Pay <b>3079</b>	Bar. Pressure <b>13.2</b>	Compressor <b>On</b>
Date of Previous Minimum Contract Test <b>Sept. 12, 1969</b>		n <sub>1</sub> of Previous Back Pressure Test <b>.637</b>		Gravity <b>.676</b>	Meter Sta. No. <b>60-330</b>	Acre Factor <b>1.50</b>		

FLOW DATA					FLOWING PRESSURES, PSIA		DURATION OF FLOW HOURS
Prover Line Size	X Choke Orifice Size	Static Pressure Psig.	Diff. h <sub>w</sub>	Temp. °F	Tubing	Casing	
		100			133.2	218.2	24

VOLUME CALCULATIONS

Coefficient (24 - Hour)	$\sqrt{h_w P_m}$	Pressure Psia.	Flow Temp. Factor F <sub>t</sub>	Gravity Factor F <sub>g</sub>	Super Compress. Factor F <sub>pv</sub>	Rate of Flow Q-MCF/D @ 15,025 Psia.
VOLUME INTEGRATED BY MAIN OFFICE						1,950

$$D_1 = Q \left[ \frac{P_c^2 - P_d^2}{P_c^2 - P_1^2} \right]^{n_1}$$

P <sub>r</sub>	Temp. R	T <sub>r</sub>	Z

SHUT-IN DATA, PSIA

DURATION	TUBING	CASING
24 Hour		
48 Hour		
72 Hour	333.2	333.2

LINE	ITEM	SOURCE	113.2	263.2	613.2	863.2
1	P <sub>c</sub> <sup>2</sup>					
2	P <sub>d</sub> <sup>2</sup>					
3	P <sub>1</sub> <sup>2</sup>					
4	P <sub>c</sub> <sup>2</sup> - P <sub>d</sub> <sup>2</sup>	$\bar{1} - \bar{2}$				
5	P <sub>c</sub> <sup>2</sup> - P <sub>1</sub> <sup>2</sup>	$\bar{1} - \bar{3}$				
6	B	$\bar{4} \div \bar{5}$				
7	Log $\bar{6}$					
8	n <sub>1</sub>					
9		$\bar{7} \times \bar{8}$				
10	B <sup>n<sub>1</sub></sup>	Antilog $\bar{9}$				
11	Q.MCF/D					
12	D <sub>1</sub>	$\bar{10} \times \bar{11}$	2,015*			

BEFORE EXAMINED BY  
 OIL CONSERVATION COMMISSION  
 app. EXP. NO. 3  
 CASE NO. 4460

\* DELIVERABILITY CALCULATED BY COMPUTER.

- n<sub>1</sub> = Slope of Wellhead Deliverability Curve (P<sub>c</sub><sup>2</sup> - P<sub>1</sub><sup>2</sup> vs Q)
- Q = Actual flow @ end of Flow Period at Wellhead Press., P<sub>1</sub>
- P<sub>c</sub> = Maximum Shut-in Pressure, Psia Observed in a 72 Hour Period
- P<sub>1</sub> = Flowing Wellhead Pressure (tubing if flowing thru tubing and vice versa), Psia
- P<sub>d</sub> = Deliverability Pressure, Psia
- D<sub>1</sub> = Wellhead Deliverability @ Deliverability Pressure (P<sub>d</sub>), MCF/Day

Witnessed By: (Name)	
Company:	
Tested By:	S. M. Lenamon
Calculated By:	S. M. Lenamon

EXHIBIT 3

El Paso Natural Gas Company  
**MINIMUM CONTRACT TEST**  
 Form 15-30 (10-67)

Start Date of Test  
 FM September 11, 1970

Company Continental Oil Company					Lease Meyer B-23 No. 3			
Unit E	Sec. 23	Twp. 22	Rge. 36	County Lea	Pool Jalmat			
Type Well Single		Producing Thru		Tubing X	Casing	Top of Pay 3312	Bar. Pressure 13.2	Compressor On
Date of Previous Minimum Contract Test 4-10-70			n <sub>1</sub> of Previous Back Pressure Test .727		Gravity .671	Meter Sra. No. 60-980	Acre Factor 1.50	

FLOW DATA					FLOWING PRESSURES, PSIA		DURATION OF FLOW HOURS
Prover Line Size	Choke Orifice Size	Static Pressure Psig.	Diff. h <sub>w</sub>	Temp. °F	Tubing	Casing	
		58			112.2	319.2	24

VOLUME CALCULATIONS

Coefficient (24 - Hour)	$\sqrt{h_w P_m}$	Pressure Psia.	Flow Temp. Factor F <sub>t</sub>	Gravity Factor F <sub>g</sub>	Super Compress. Factor F <sub>pv</sub>	Rate of Flow Q-MCFPD @ 15.025 Psia.
VOLUME INTEGRATED BY MAIN OFFICE						100 ✓

$$D_1 = Q \left[ \frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} \right]^{n_1}$$

Pr	Temp. R	Tr	Z

SHUT-IN DATA, PSIA

DURATION	TUBING	CASING
24 Hour		
48 Hour		
72 Hour	283.2	336.2

LINE	ITEM	SOURCE	113.2	263.2	613.2	863.2
1	P <sub>c</sub> <sup>2</sup>					
2	P <sub>d</sub> <sup>2</sup>					
3	P <sub>t</sub> <sup>2</sup>					
4	P <sub>c</sub> <sup>2</sup> - P <sub>d</sub> <sup>2</sup>	1 - 2				
5	P <sub>c</sub> <sup>2</sup> - P <sub>t</sub> <sup>2</sup>	1 - 3				
6	B	4 ÷ 5				
7	Log 6					
8	n <sub>1</sub>					
9		7 x 8				
10	B <sup>n<sub>1</sub></sup>	Antilog 9				
11	Q.MCF/D					
12	D <sub>1</sub>	10 x 11	100*			

BEFORE EXAMINER UTZ  
 OIL COMPANY (THIS COMPANY)  
 CASE NO. 44604  
 EXHIBIT NO. 4  
 OIL CONSERVATION COMMISSION  
 BEFORE EXAMINER UTZ

\* DELIVERABILITY CALCULATED BY ELECTRONIC CALCULATOR.

- D<sub>1</sub> = Slope of Wellhead Deliverability Curve (P<sub>c</sub><sup>2</sup> - P<sub>t</sub><sup>2</sup> vs Q)
- Q = Actual flow @ end of Flow Period at Wellhead Press., P<sub>t</sub>.
- P<sub>c</sub> = Maximum Shut-in Pressure, Psia Observed in a 72 hour Period
- P<sub>t</sub> = Flowing Wellhead Pressure (tubing if flowing thru tubing and vice versa), Psia
- P<sub>d</sub> = Deliverability Pressure, Psia
- D<sub>1</sub> = Wellhead Deliverability @ Deliverability Pressure (P<sub>d</sub>), MCF/Day

Witnessed By: (Name)	
Company:	
Tested By:	J. C. Roberts
Calculated By:	J. C. Roberts

4

COMPARISON OF WELL STATUS  
PRESENT PRORATION UNITS VS CONSOLIDATED UNIT

Well No. 2

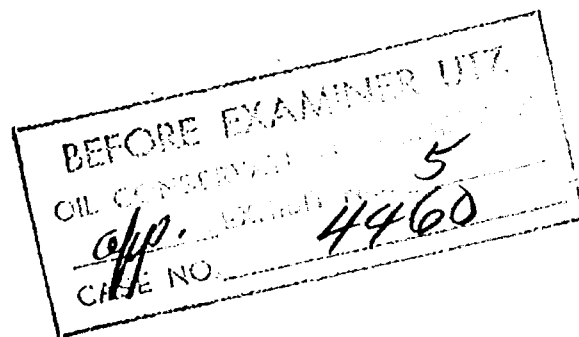
	<u>Allowable</u>	<u>Production</u>	<u>Subj. to Canc.</u>	<u>Underproduced</u>
7-1-70				
July	9,800	0	0	-37,439
August	10,022	0	0	-27,639
September	3,807	0	0	-17,617
				-13,810 ✓

Well No. 3

7-1-70				111,673
July	9,800	3,931	111,673	117,542
August	10,022	2,975	111,673	124,589
September	3,807	4,253	111,227	124,143 ✓

Combined Wells Nos. 1, 2 and 3

7-1-70				74,234 ✓
July	19,600	3,911	74,234	89,903
August	20,044	2,975	74,234	106,972
September	7,614	4,253	74,234	110,333 ✓





# CONTINENTAL OIL COMPANY

P. O. Box 460  
HOBBS, NEW MEXICO 88240

PRODUCTION DEPARTMENT  
HOBBS DIVISION  
L. P. THOMPSON  
Division Manager  
G. C. JAMIESON  
Assistant Division Manager

October 21, 1970

1001 NORTH TURNER  
TELEPHONE 393-4141

*Call 4460*

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

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

Gentlemen:

Subject: Application for NSP Unit - Jalmat Gas Pool -  
Meyer B-23 Lease, Lea County, New Mexico

Enclosed in triplicate is our application for a 480  
acre non-standard gas proration unit to be assigned jointly to  
our Meyer B-23 Wells Nos. 1, 2 and 3. Please place this matter  
for hearing on the earliest examiner docket.

Yours very truly,

*G. C. Jamieson*

GCJ-RW  
CC: RLA, JJB, JWK,  
Atlantic Richfield Co., Roswell  
Chevron Oil Co., Midland  
Pan American Pet. Corp., Fort Worth  
Pan American Pet. Corp., Hobbs

DOCKET MAILED

Date 11-5-70

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

10 Oct 25 AM 9 37

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR APPROVAL  
OF A 480-ACRE NON-STANDARD GAS PRORATION  
UNIT IN THE JALMAT GAS POOL CONSISTING OF  
N/2 AND SE/4 SECTION 23, T-22S, R36E, LEA  
COUNTY, NEW MEXICO TO BE ASSIGNED JOINTLY  
TO APPLICANT'S MEYER B-23 WELLS NOS. 1, 2  
AND 3; AND FOR PERMISSION TO PRODUCE THE  
JOINT ALLOWABLE IN ANY PROPORTION.

*Case 4460*

A P P L I C A T I O N

COMES NOW Applicant, Continental Oil Company, and respectfully  
requests approval of a 480-acre non-standard gas proration unit in the  
Jalmat Gas Pool consisting of N/2 and SE/4 Section 23 T-22S, R36E, Lea County,  
New Mexico, to be assigned jointly to applicant's Meyer B-23 Wells Nos. 1,  
2, and 3; and for permission to produce the joint allowable in any proportion  
among the three wells and in support thereof would show:

1. Applicant is operator and co-owner of the Meyer B-23 Lease  
which, consists of N/2 and SE/4 Section 23, T22S, R36E, Lea  
County, New Mexico.
2. Applicant has heretofore drilled and completed as Jalmat  
gas wells its Meyer B-23 Well No. 1, located 990' from the  
north line and 1650' from the west line; its Well No. 2,  
located 990' from the south line and 1650' from the east  
line; and its Well No. 3, located 1980' from the north line  
and 660' from the west line of said Section 23.
3. Order R-2093 approved a 240-acre proration unit consisting  
of NW/4 and W/2 NE/4 Section 23 for Well No. 2 and Order R-2092  
approved a 240-acre unit consisting of SE/4 and E/2 NE/4,  
of said Section 23 for Well No. 3. Well No. 1 was shut in  
concurrently with the approval of said orders.
4. Producing capacity of Well No. 3 has declined to the extent  
that it can no longer produce the allowable for the unit  
assigned by Order R-2092.

5. In the interest of protecting its correlative rights, applicant proposes to form a 480-acre non-standard unit and allocate said unit jointly to the three said wells; and to produce the joint allowable among the three wells in any proportion.
6. The granting of this application is in the interest of preventing waste and protecting correlative rights.

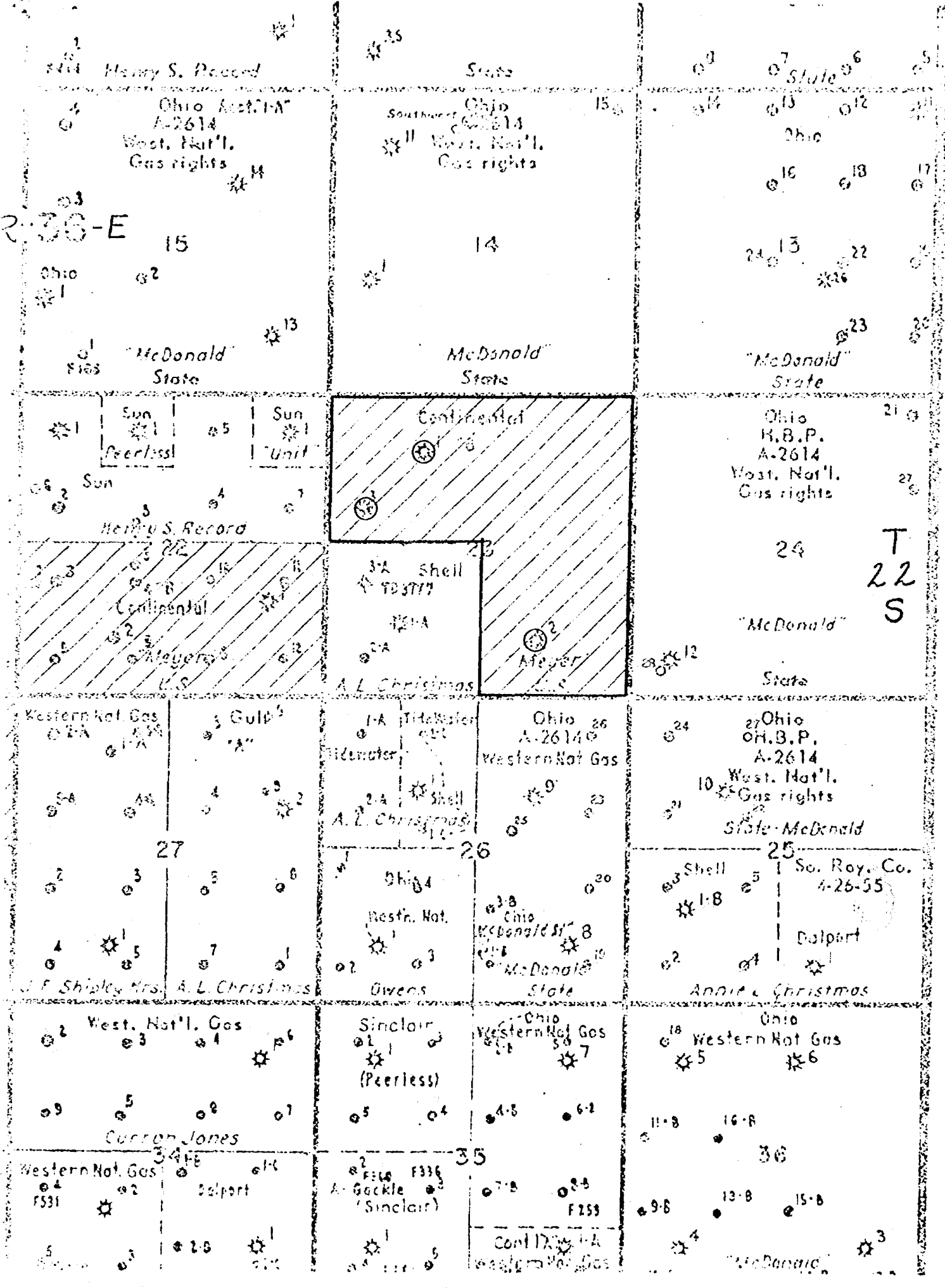
WHEREFORE Applicant respectfully requests that this matter be set for hearing before the Commission's duly appointed examiner and, upon hearing, an order be entered approving the non-standard gas proration unit as described above.

Respectfully submitted,  
CONTINENTAL OIL COMPANY

  
G. C. Jamieson

GCJ:rw

R-36-E



PROPOSED PRORATION UNIT

JALMAT GAS WELL

Case 41/60

DRAFT

GMH/esr

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. 4460

Order No. R- 4064

APPLICATION OF CONTINENTAL OIL COMPANY  
FOR A NON-STANDARD GAS PRORATION UNIT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

9:30

This cause came on for hearing at 9 a.m. on November 18, 1970,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this \_\_\_\_\_ day of November, 1970, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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  
co-owner and operator of the Meyer B-23 Lease consisting of the  
N/2 and SE/4 of Section 23, Township 22 South, Range 36 East,  
NMPM, Lea County, New Mexico.

(3) That the applicant has heretofore drilled and completed  
as Jalmat gas wells its Meyer B-23 Wells Nos. 1, 2, and 3, located  
in Units C, O, and E, respectively, of said Section 23.

(4) That by Order No. R-2093, dated October 13, 1961, the  
Commission approved a 240-acre non-standard gas proration unit  
in the Jalmat Gas Pool consisting of the SE/4 and E/2 NE/4 of



said Section 23 to be dedicated to the aforesaid Meyer B-23 Well No. 2; that by Order No. R-2092, dated October 13, 1961, the Commission approved a 240-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NW/4 and W/2 NE/4 of said Section 23 to be dedicated to the aforesaid Meyer B-23 Well No. 3; and that the aforesaid Meyer B-23 Well No. 1 was shut in concurrently with the approval of said orders.

(5) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 480-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 and SE/4 of said Section 23, to be simultaneously dedicated to the aforesaid Meyer B-23 Wells Nos. 1, 2, and 3.

(6) That the applicant further seeks authority to produce the allowable assigned to said unit from any of the aforesaid wells in any proportion.

(7) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Meyer B-23 Wells Nos. 1, 2, and 3.

(8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(9) That Orders Nos. R-2092 and R-2093 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective Nov 1, 1970, a 480-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 and SE/4 of Section 23, Township 22 South, Range 36 East,

NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Meyer B-23 Wells Nos. 1, 2, and 3, located in Units C, O, and E, respectively, of said Section 23.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 480 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion; and that the status of said consolidated unit shall be the combined status as of Oct 31 1970, of the two units being consolidated.

(3) That Orders Nos. R-2092 and R-2093 are hereby superseded.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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