

CASE 4486: Appli. of CONTINENTAL  
FOR A WATERFLOOD EXPANSION, LEA  
COUNTY, NEW MEXICO.

Case. Number.

4486

Application,  
Transcripts.

Sm all Exhibts.

ETC.

dearnley-meier reporting service, inc.

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

209 SIMMS BLDG. • P.O. BOX 1072 • PHONE 243-4491 • ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

February 3, 1971

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil  
Company for a waterflood expansion,  
a dual completion, and lease  
commingling, Lea County, New Mexico.

Case No. 4486

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
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FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 MR. NUTTER: Call Case 4486.

2 MR. HATCH: Case 4486, Application of Continental  
3 Oil Company for a waterflood expansion, a dual completion,  
4 and lease commingling, Lea County, New Mexico.

5 If the Examiner please, this case was heard on  
6 January 6th, 1971, but mistakes in the advertising had to be  
7 corrected, and I'd suggest that an order be issued on the  
8 basis of that hearing, unless there's objection at this time.

9 MR. NUTTER: Are there any appearances at this  
10 time in Case 4486? If not, the case will be taken under  
11 advisement and an order issued on the basis of the record  
12 made previously.

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dearnley-meier reporting

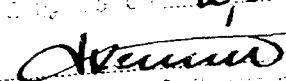
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1 STATE OF NEW MEXICO )  
 ) SS  
 2 COUNTY OF BERNALILLO )

3 I, CHARLOTTE J. MACIAS, Court Reporter in and for the  
 4 County of Bernalillo, State of New Mexico, do hereby certify  
 5 that the foregoing and attached Transcript of Hearing before  
 6 the New Mexico Oil Conservation Commission was reported by  
 7 me and that the same is a true and correct record of the said  
 8 proceedings, to the best of my knowledge, skill and ability.  
 9

10   
 11 Court Reporter

22 I do hereby certify that the foregoing is  
 23 a true and correct record of the  
 24 proceedings before the New Mexico Oil Conservation Commission  
 25

4486  
 2,3  
  
 New Mexico Oil Conservation Commission

dearnley-meier reporting service, inc.

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

209 SIMMS BLDG. • P.O. BOX 10972 • PHONE 243-4497 • ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 6, 1971

EXAMINER HEARING

-----)  
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)  
IN THE MATTER OF: )  
)

Case No. 4486

)  
Application of Continental )  
Oil Company for a waterflood )  
expansion, Lea County, New )  
Mexico. )  
)  
-----)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

I N D E XPAGEVICTOR LYON

Direct Examination by Mr. Kellahin  
Cross Examination by Mr. Nutter

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E X H I B I T SMARKEDOFFERED AND  
ADMITTED

Applicant's Exhibit No. 1 & 2

3

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MR. HATCH: This is the Application of Continental Oil Company for a waterflood expansion, Lea County, New Mexico.

MR. KELLAHIN: I am Jason A. Kellahin, Kellahin and Fox, appearing for the Applicant. I ask that the record show that the witness, Mr. Victor T. Lyon, was previously sworn.

MR. NUTTER: The record will so show.

MR. KELLAHIN: If the Examiner please, in exception to Case No. 4486, there was inadvertently an error on one point of the application as to the description of the well location. The proposed well location was to have been in the southwest quarter of the northeast quarter, which was stated in the first paragraph in the application, and then in paragraph 4 it stated the northwest quarter, so on that basis there is an error in the advertising.

MR. NUTTER: We can go ahead and hear the case, but we will withhold entering the decision until such time as the case has been readvertised and called again for Hearing.

MR. VICTOR LYON, having been previously sworn, testified as follows:

(Applicant's Exhibits Nos. 1 and 2  
were marked for identification.)



DIRECT EXAMINATION

BY MR. KELLAHIN:

Q You are Victor T. Lyon?

A Yes.

Q You are the same Mr. Lyon who testified in the previous case and was qualified by the Commission?

A Yes, sir.

Q Mr. Lyon, it was proposed by Continental Oil Company in Case No. 4486, which is the Application of Continental Oil for an amendment of Order No. R-682 for an authorization of an additional injection well, for the establishment of a 280-acre project area for the Jack A-29 waterflood project. Now, referring to what has been marked as Applicant's Exhibit No. 1, would you identify that exhibit?

A Yes, sir, Exhibit No. 1 is a location plat of the proposed project area of a two-mile radius surrounding the project area. The project area is outlined in red and consists of all of the east half of Section 29 except the northeast quarter northeast quarter which is a part of the Langlie-Jalmat which lies immediately south of this project area. The area is shown by a dashed line. To the east of the project area is the Langlie-Wattix-Woolworth Unit operated by

Amerada. The injection well in the area are shown by the circle-scribed triangle and the proposed injection well to be added shown with a dashed-triangle, and the red circle located in Unit G, that is the southwest quarter of the northwest quarter of Section 29, Township 24, south, Range 37 east. This projection area actually consists of two leases or part of two leases: The Jack-A lease and the Jack-A 29 lease, and the Jack-B 29 lease consists of the southeast quarter southeast quarter and the 40-acre tract with one well on it. The remainder in the area of the Jack-A 29, this is a waterflood project, which has been developed almost by accident when the Langlie-Jack Unit was formed. There were no offset wells in the Jack-A 29 lease, and the No. 3 was a Jalmat gas well. At that time it did not appear to be logically included in the acreage in that unit, and we thought that the well on the south or the southern portion of the lease would be included in the Langlie-Mattix Unit. This has not been the case, and Amerada has requested that we cooperate with them in a waterflood project, which we are doing. In the original hearing we didn't have any intention to unitize that 280 acres, but just before that hearing we held a conference with

the USGS and there are two royalty provisions which apply to the two leases, so consequently they requested not to unitize them, but that we operate them on a co-operative basis and measure production of one of the leases and go on an accounting basis of subtraction method, which we have proposed to do. At that time it was very doubtful if we would do additional drilling. We did intend to recomplete No. 3 as a producer so that the A-portion of the lease would be one producing well. We had expected it to receive response from the Langlie-Jack water injection. When this work was done, the well had not responded and we decided to drill Well No. 5, which is located in Unit B of Section 29, and unexpectedly this well came in from excess producing capacity above the normal unit allowable, and by use has received stimulation from the injection in the Langlie-Jack unit. We now propose to drill Well No. 6, but since there is not production in this portion of the lease, we would like to produce that well for some period of time, which is undetermined at this particular time, just to give some valuation of the property. Also, I think, that it is fortunate for the owners under the A-lease that we did not unitize them. It surely would have penalized them in the participation because we did not anticipate that it would be that productive. So far as Well No. 5 is concerned, it

is offset by the Langlie-Jack Unit No. 14 to the north and 17 to the east. It is desirable to enclose or complete the enclosure Well No. 5 by drilling the well to the south. It is also desirable to complete the pattern and run No. 3 by injecting a well to the west.

The location of the well has not been staked and there are a number of gas lines which run through this area, but they have looked at the locations on the ground and they find that they can drill a well in an orthodox location on that proration unit.

Q Would you propose to convert that immediately to injection?

A Not immediately; it may be a matter of a few days; it may be a matter of a few weeks possibly even or a few months, but I don't anticipate that it would be more than two months.

Q As I understand it, presently you have two basic leases of different overriding royalties, different basic royalty rates?

A Yes.

Q You commission the parties on a commingling of the production?

A Well, there are parties in the B lease who

also own a proportionate interest in the A lease, and there are owners in the A lease who do not own an interest in the B lease. We have contacted all of these parties and described to them what we propose to do, and how we plan to measure and report the oil production and base their payments, and I have received written consent from all of the parties in those two leases.

Q Actually your No. 5 lease is not in the waterflood project and would not be offset immediately by the injection well, is that correct?

A The offset injection wells were not injection wells in the project area. No. 14 and No. 1710, prior to the formation of the Langlie-Jack Unit, were a part of this same lease. The lease as to the other unitized formation is still a part of the same lease. As to the waterflood formation, they are segregated now by virtue of the Federal Laws, and they are segregated into separate leases. It appears that the ownership is, at least, partially the same in these wells, there could be constructive interpretation of an offset. There is another way of looking at it: Since this is a waterflood to the north that has been under operation for over two years, there could be a buffer zone here to permit Well No. 5 to

produce to that capacity, and naturally it is very important to us that it be permitted to produce at capacity because we feel that this is definitely a waterflood oil situation, and if it isn't produced, there is good likelihood that it will sweep past the well and perhaps never be recovered. The only way I know to prevent this from happening is to produce as it comes into the well bore.

Q In other words, you are asking for a project area which would consist of 280 acres?

A Yes, sir.

Q How would you allocate to production the various wells; would you have an allowable for each well unit?

A Yes, sir.

Q An injection well or a producing well?

A Well, as it produces--under Rule 701--the project and the allowable would be based on the number of producing wells within a project area times the normal units allowable, or 42 barrels a day, whichever is greater.

Q It would also include an injection well, too?

A Yes.

Q Aren't you asking for the same thing as Rule 701 provides?

A Yes, sir, except we do not have at this time injection wells in our project area across from No. 5, so that it could not under a strict interpretation of the Rule be considered to be part of the project area.

Q How many wells would you have, now, then to allocate to production?

A At the present time there are five wells in the proposed project area, and therefore the project allowable would be five times the normal units allowable.

MR. NUTTER: Do you mean five wells include the proposed gas well up here?

THE WITNESS: It is no longer a gas well. This map hasn't been corrected.

MR. NUTTER: No. 3 has been completed.

THE WITNESS: No. 3 is now a Langlie-Mattix Oil Well.

MR. NUTTER: How much will it make?

THE WITNESS: Very little.

MR. NUTTER: Hadn't you been skirting around, Vick? How much will No. 5 make?

THE WITNESS: Well, I was thinking this morning that I had forgotten to bring my pre-completion report, but I believe that it is in the neighborhood of 125 barrels a day.

MR. NUTTER: Is it a steady or does it go up and down or what?

THE WITNESS: We had to curtail it because of the last allowable restriction. I haven't a recent test, but I would be glad to furnish one.

MR. NUTTER: Now, the Langlie-Jack Unit, it is a producing well which offsets No. 14 and 17, for example.

THE WITNESS: No. 15, in the latest test I saw, it was 42 barrels of oil per day.

MR. NUTTER: So actually this No. 5 is a better well than those wells up there, then?

THE WITNESS: Yes.

BY MR. KELLAHIN:

Q How would you allocate this production in the event this project reaches the maximum allowable?

A Until that time, we would allocate just on the basis of the well capacity. We do not expect it to happen. In the event that we do reach maximum allowable in the project area, we would propose to allocate that, too.

Q Among the leases on the basis of the number of producing wells on each list?

A At the present time there is one producing on the B-lease and 2 on the A-lease and consequently the



allowable would be allocated  $2/3$  to the A-lease and  $1/3$  to the B-lease. When Well No. 6 has been drilled and we do propose to drill a well in No. 7 in the unit-J, when those two wells are drilled there would be a 7-well project allowable and we would probably allocate on the basis of  $3/4$  on the A-lease and  $1/4$  on the B-lease.

Q Now, turning to what has been marked No. 2, would you identify that exhibit?

A Exhibit No. 2 is a schematic diagram of the proposed construction of the Well No. 6 as an injection well. We will file our form C-101 to drill this well as a producer, and then after we have performed the desired testing, we would convert it to an injection well, which is also shown on this exhibit. The proposed depth size and the amount of cement to be used are shown on the exhibit, and also the proposed tentative perforation in the pipe, and the proposed depth of the setting of the Packer. Also there is another question: If the well is drilled as proposed here, we would, of course, fill the annular space with inert fluid and install a pressure gauge for a sleeve casing valve. There is consideration being given to dually completing this well. Referring back to Exhibit No. 1 and Well No. 3, which was a gas well for a 220-

acre gas proration unit which is still in existence under a communitization agreement, we are evaluating the remaining gas reserves and there is a good possibility that this well will be dually completed as an injection well in the Langlie-Mattix and Jalmat, and in which case, of course, we will not fill the annular space with inert fluid, and we would install additional strings of tubing, and by the performance of the gas zone, we would be aware of any escape of water into the upper zone.

Q Were Exhibits 1 and 2 prepared under your direction and supervision?

A Yes, they were.

MR. KELLAHIN: We would request that Exhibits No. 1 and 2 be received into evidence.

MR. NUTTER: Exhibits No. 1 and 2 will be admitted into evidence.

MR. KELLAHIN: That completes our case, Mr. Nutter.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Lyon, I'm not sure whether I misunderstood you or not, but on this Jack-A lease you have gotten two injection wells, two producing well?

A Right.

Q You are proposing to drill No. 6. It is eventually going to produce injection wells, but for the time being, you want to count it as a producing well?

A For No. 5 to be eligible to be included as a project, No. 6 would have to be an injection well. Unless it is considered a buffer zone or if we give it a constructive interpretation of being offset by the injection wells, and those wells were in the offsetting unit.

Q This other phase of the case, it might have to be advertised?

MR. KELLAHIN: That was omitted from the advertising, and we don't want the allocation allowable to be in there as a project as was outlined by Mr. Lyon, and this will require further advertising since the case is to be advertised anyway.

THE WITNESS: It requires special consideration.

MR. KELLAHIN: It is an exception to Rule No. 701, and I think it is covered by the Application.

MR. NUTTER: It is the old gas well, not the Jalmat.

THE WITNESS: Yes, sir.

MR. NUTTER: It would offset the well?

THE WITNESS: Yes, sir, it would.

MR. NUTTER: It wouldn't make any oil?

THE WITNESS: Right. It hasn't responded to waterflood, consequently the basis of my statement is that I didn't think that it will be producing for very long.

MR. NUTTER: It probably cuts the natural saturation, and there is no waterflood oil.

THE WITNESS: Right. It could be, also, that it's rather an unusual area where the structure to control the accumulation of oil where there is so much porosity and permeability, and if there is a pinch-out near that well, then, of course, it could have received an unusually fast response to water injection. Of course, that would bring up the production--

MR. NUTTER: (Interrupting) Yes, it would bring up production, and if No. 5 wasn't producing at capacity, the oil would be swept on by it.

THE WITNESS: Yes, swept on down to No. 6, and if there is a barrier there, it could be efficiently swept; if there is not a barrier there, then, you know, we have no way of knowing where it will go.

MR. NUTTER: There are two leases, the Jack-A and the Jack-B, and it will not be communitized. This will just be covered by this?

THE WITNESS: That is correct. This isn't actually another phase that would have to be heard after a hearing to commingle production from these two leases.

MR. NUTTER: We have a commingling.

THE WITNESS: We have a commingling order in the letter which we forwarded to this administration office, and there was a statement that the Commission understood all interest in both leases were common, and I had thought that I had clarified that in the Application, and in going back and reading the Application, it appeared that the interpretation that you made could have been made and it was not my intention to mislead the Commission in writing it that way.

MR. NUTTER: The way I read it, this would not be eligible for administrative approval by a subtraction method.

THE WITNESS: Right, but we will measure the production of the one lease, and we have approval of the U. S. G. S., and so we had written consent of the owners and, therefore, we felt that since there is no production anyway until No. 5 was completed, that certainly there was no harm done by anybody.

MR. NUTTER: We are re-advertising this case anyway, and I think we should re-advertise to include

the advertisement of this commingling because the administrative approval isn't legitimate since the ownership is not an identical issue with our order commingling.

THE WITNESS: Right.

MR. NUTTER: What we will need will be the consent of all of these various parties as part of the record, and we will need, also, as part of the record, in this case that this be furnished at a later date by mail.

THE WITNESS: Can I send you xerox copies?

MR. NUTTER: Yes.

MR. KELLAHIN: That will be reported in the record in this case, yes, sir, and we will include it, then, in the advertising.

MR. NUTTER: We can include it in the advertisement, that is the commingling. Do you have it there, Vic?

THE WITNESS: It is recited in the Application.

MR. NUTTER: K.T.B. 214, that will have to be recinded.

Are there any other questions of Mr. Lyon? If not, he may be excused.

MR. KELLAHIN: That is all that I have, Mr. Nutter.

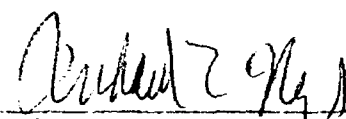
MR. NUTTER: If there is nothing that anyone wishes

to offer in Case No. 4486, then we will take it under advisement.

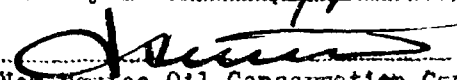
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STATE OF NEW MEXICO )  
 ) SS  
COUNTY OF SANTA FE )

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

  
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Amended Hearing of Case No. 4486, heard by me on 1/6 1972.

  
Examiner  
New Mexico Oil Conservation Commission

from

V.T. LYON

To Don Mutter - NMCC - Santa Fe Jan 7, 1971

Attached are lists of ownership  
and signed approval by ORR  
owners for commingling Jack  
A + B 29 lease production. USGS  
approval was filed w/ application  
for administrative approval.

Latest status on wells are as  
follows:

Jack B-29#1 - shut in

Jack A-29#3 (9-20-70) 12 B0, 0 BW

Jack A-29#5 (12-3-70) 103 B0, 33 BW

File 7

Re: Case # 4486



## CONTINENTAL OIL COMPANY

## DIVISION ORDER

IBM Code No. 41613

H. O. No. 19205

EFFECTIVE March 1, 1968

To CONTINENTAL OIL COMPANY  
Ponca City, Oklahoma

The undersigned certify and guarantee that they are the owners and holders, in the proportions set out below, of oil wells Nos. 1 and up on the Govt. EE Jack B-26 No. 2 and 3 (NM-0321613) Farm, more particularly described as W/2 NW/4 of Section 26, T-24S, R-37E

*This is same basic lease as Jack B-27, the Division order for which is out of date. Interests are identical.*  
ms

, in Lea County, New Mexico and of all oil produced therefrom,  
in the following proportions, to-wit:

CREDIT TO	DIVISION OF INTEREST	P. O. ADDRESS (Give box number or street address)
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THE ROYALTY INTEREST

United States Geological Survey	.1250000 to .3333333 in accordance with Schedule "D" of the lease.	
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THE OVERRIDING ROYALTY INTEREST

The Catholic Church Extension		
Society of Chicago, Illinois	.005000	
Lucille R. Jack	.0056250	
Howard Bradley Jack	.0003125	
Annie May Kavanaugh	.0059375	
W. M. Beauchamp, Ancillary Guardian of the Estate of William Howard Jack, an Incompetent	.0056250	
Mack Easley	.0006250	
John Quinn	.0006250	
J. H. Daws	.0006250	
Mrs. Charles S. Mitchell	.0003907	You are authorized and instructed until further written notice to make payment for these four interests (.0006250) directly to Mrs. Charles S. Mitchell.
Virginia Mitchell Lee	.0000781	
Charles S. Mitchell, Jr.	.0000781	
Dorothy Mitchell Latady	.0000781	

THE WORKING INTEREST

Continental Oil Company	1/4)
Chevron Oil Company	1/4)
Atlantic Richfield Company	1/4) of balance after SSRI and 2.5% ORI
Pan American Petroleum Corporation	1/4)

Subject to the terms and conditions hereof, and until further notice, you are authorized to receive and purchase and/or sell to any other purchaser the oil produced from the real estate above described, belonging to the undersigned, according to the division of interests hereinbefore indicated. In case of sale of the oil to another, you are authorized to receive payment therefor, and whether the oil be purchased by you or by another, the following terms and conditions shall apply:

(1) The oil run or sold hereunder shall be and become the property of the purchaser as and when received into its custody, or the custody of any pipe line or other agency designated by it.

(2) You shall account to and pay the owners, or their assigns, for the oil purchased, in proportion to their respective interests therein, as indicated above, at the market price paid by the purchaser for the same kind and quality of oil in the particular field on the day when such oil is received, as aforesaid. If, however, it is or shall become necessary to transport by truck crude oil sold and purchased hereunder, then you are authorized to deduct from such price the hauling charges agreed upon and paid by you, or if sold to another at the lease, by the purchaser. Your checks are to be mailed to the addresses given above, respectively, or delivered, monthly for the oil run under this division order during the preceding calendar month; pipe line grades and measurements to govern and control in all settlements. You are hereby authorized to pay when required or permitted by any law, and until such law is declared invalid by a court of final appeal, all taxes, fees and charges imposed by the federal or state governments, or any political subdivision thereof, in respect to or which may be a lien upon said oil, the proceeds therefrom, the production thereof, or the lease from which the oil is produced and to deduct from any amount accruing hereunder to the undersigned such party's proportionate part of the payment made.

(OVER)

LANGLIE JACK UNIT  
APPENDIX TO EXHIBIT "B"

*This is ORR interest  
in Jack-A-29 lease  
100%*

NOTE 1 - LESSEE OF RECORD UNDER TRACT 1

W. M. Beachamp, Anc. Guardian of the Estate of  
William Howard Jack  
Howard Bradley Jack  
Lucille R. Jack  
The Catholic Church Extension Society of Chicago, Ill.  
Annie May Kavanaugh

NOTE 2 - OVERRIDING ROYALTY OWNERSHIP UNDER TRACT NO. 1

Column A provides for an overriding royalty of 7.5% during the period or periods when the average production per well per day is more than 15 barrels on the entire leasehold or any part of the area thereof or any zone segregated for computation of royalties. Column B provides for an overriding royalty of 5% during the period when the average production per well per day is 15 bbls. or less on the entire leasehold or any part of the area or any zone segregated for computation of royalties.

<u>O.R.R.I. Owner</u>	<u>Col. A (%)</u>	<u>Col. B (%)</u>
Ray E. Hubbard	0.12500	0.08333
W. W. Lechner	0.12500	0.08333
Marshall & Winston, Inc.	0.75000	0.50000
Helen Hudson	1.00000	0.66667
- Annie May Kavanaugh	0.59375	0.39584
- Mack Easley	0.06250	0.04167
- John Quinn	0.06250	0.04167
- J. H. Daws	0.06250	0.04167
- W. M. Beauchamp, Anc. Gdn. of Est. of William Howard Jack	0.56250	0.37500
Ruth Rush Weaver	0.03125	0.02083
Boyce Rush Davis	0.03125	0.02083
Selma E. Andrews	0.53705	0.35803
Albuquerque National Bank, Testa- mentary Trustee of Frank Andrews, Dec.	0.46295	0.30863
John M. Loffland, Jr.	0.75000	0.50000
Lula S. Rush	0.06250	0.04167
- Lucille R. Jack	0.56250	0.37500
June D. Speight	1.00000	0.66667
- Mrs. Charles S. Mitchell	0.03907	0.02604
- Virginia Mitchell Lee	0.00781	0.00521
- Charles S. Mitchell, Jr.	0.00781	0.00521
- Dorothy Mitchell Latady	0.00781	0.00521
Raymond E. Hubbard, Raymond Ellsworth Hubbard, Jr., & Morgan Richardson Hubbard, Executors under the Will of G. E. Hubbard, Deceased	0.12500	0.08333
- The Catholic Church Extension Society of Chicago, Illinois	0.50000	0.33333
- Howard Bradley Jack	0.03125	0.02083
	<u>7.50000</u>	<u>5.00000</u>

NOTE 3 - OVERRIDING ROYALTY OWNERSHIP UNDER TRACT NO. 2

Column A provides for an overriding royalty of 7.5% during the period or periods when the average production per well per day is more than 15 barrels on the entire leasehold or any part of the area thereof or any zone segregated for computation of royalties. Column B provides for an overriding royalty of 5% during the period when the average production per well per day is 15 barrels or less on the entire leasehold or any part of the area or any zone segregated for computation of royalties.



# CONTINENTAL OIL COMPANY

P. O. Box 460  
Hobbs, New Mexico  
February 10, 1970

Owners of Overriding Royalty  
Interests in E/2 Section 29,  
Township 24 South, Range 37 East,  
Lea County, New Mexico

Gentlemen:

For many years the sole revenue from the E/2 Section 29, T24S; R37E, has come from the Jack A-29 Well No. 3 which produced gas for the entire half section (40 acres of Jack B-29, 280 acres of Jack A-29) under a communitization agreement. This well has reached its economic limit. The oil wells in this area were shut down many years ago because of uneconomical producing rates.

Several years ago, the operator of the Langlie Mattix Woolworth Unit began injecting water into the Langlie Mattix wells in a pilot area approximately one mile east of Section 29. This waterflood project has been expanded until it is now approaching the eastern boundary of Section 29. Also, last year, the Langlie Jack Unit, operated by Continental Oil Company began injecting water into the Langlie Mattix Pool through several injection wells, one of which is located in the NE/4 NE/4 Section 29.

After considerable study, Continental has concluded that waterflooding can be conducted in the E/2 Section 29 provided that our investment is kept low and our operating expenses are minimized. There are two economies essential to the success of this waterflood project. One is the consolidation of tank batteries so that production from the project can be produced into a single facility utilizing a meter to measure production from one lease. This measurement will be subtracted from the total battery sales and the remainder allocated to the other lease. This is a common practice under the supervision of the New Mexico Oil Conservation Commission and the United States Geological Survey for commingling crudes of common interest and our experience indicates accuracy of measurement is at least as good as separate tank measurement and reduces the evaporation losses due to weathering. Another economy is the avoidance of a formal unitization agreement. Such an agreement requires between one and two years to receive approval and involves a considerable expense to the operator.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

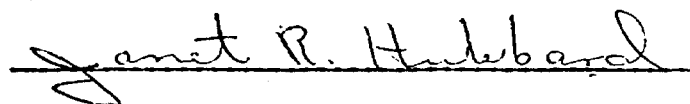
We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 10th day of <sup>April</sup> February, 1970.



Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

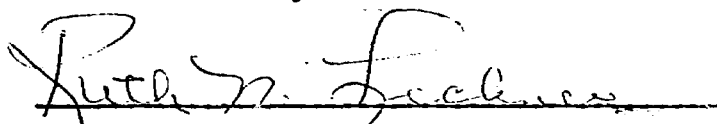
We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 16 day of February, 1970.



Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,

*B. C. Freeman*

**VTL-JS**

Agreed to this 23<sup>rd</sup> day of February, 1970.

MARSHALL & WINSTON, INC.

By: William A. Mearns  
President

**Note: If married, please have spouse sign on second line.**

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

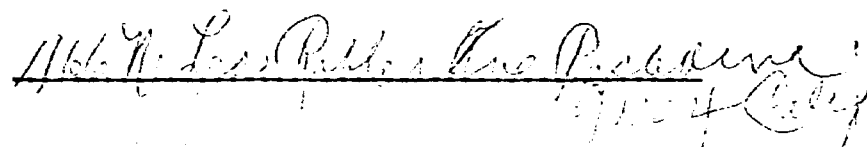
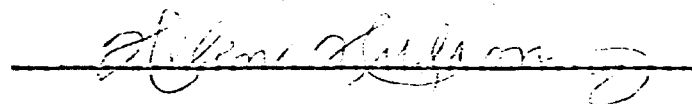
We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 12 day of February, 1970.



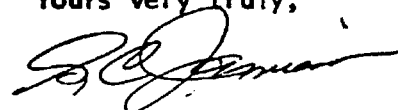
Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 19 day of February, 1970.

Annie May Kavanaugh, a widow

---

Note: If married, please have spouse sign on second line.



Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

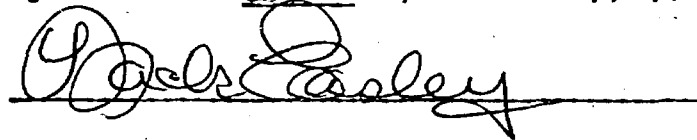
We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 24th <sup>March</sup> day of ~~February~~, 1970.



Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

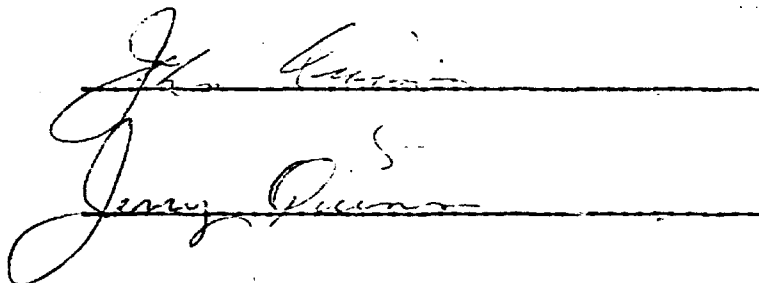
We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 12th day of February, 1970.



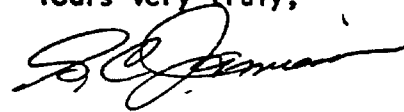
Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

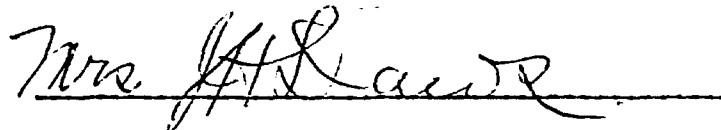
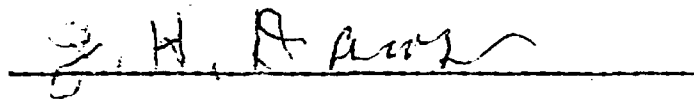
We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 16<sup>th</sup> day of February, 1970.



Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

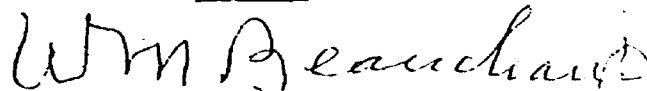
We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 20th day of February, 1970.



ANCILLARY GUARDIAN OF THE ESTATE OF  
WILLIAM HOWARD JACK, AN INCOMPETENT


Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 18 day of MARCH February, 1970.



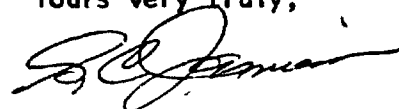
Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

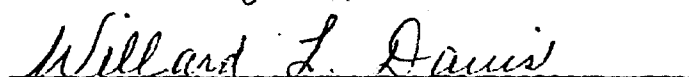
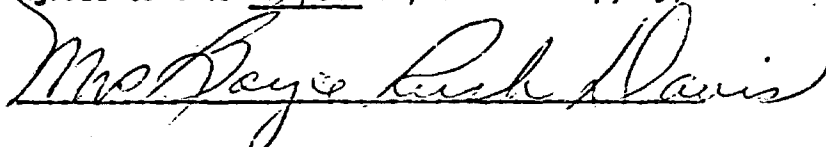
We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 28 day of February, 1970.



Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 23 day of <sup>April</sup>~~February~~, 1970.

Republic National Bank of Dallas

By Frank B. Houghton  
Asst. Vice President & Trust Officer



C. R. Mallison  
C. R. Mallison

Co-Trustees for the Selma E. Andrews Trust #5188

Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,

*B. C. Freeman*

**VTL-JS**

Agreed to this 18 day of February, 1970.

Albuquerque National Bank, Testamentary  
Trustee of Frank A. Andrews, Deceased  
By Xavier A. Bernal V. P.

**Note: If married, please have spouse sign on second line.**



Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

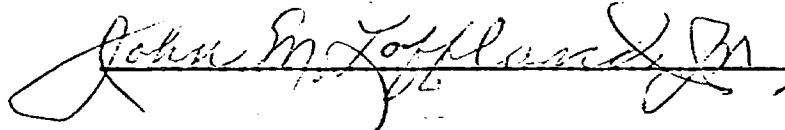
We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 17<sup>TH</sup> day of February, 1970.



Mrs. J. M. Loppeland Jr.

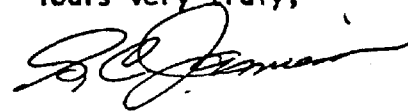
Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 22 day of February, 1970.

Mrs. L. [unclear] S. [unclear]

\_\_\_\_\_

Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,

*G. C. Ferman*

**VTL-JS**

Agreed to this 24<sup>th</sup> day of February, 1970.

Lucius R. Jack

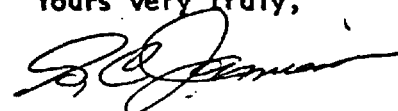
**Note:** If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water Injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,

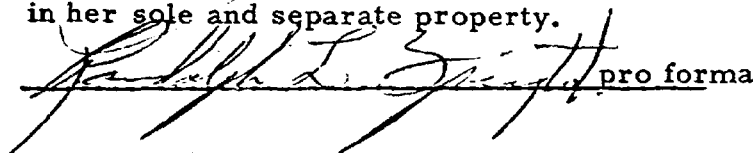


VTL-JS

Agreed to this 23 day of ~~February~~ <sup>March</sup>, 1970.



June D. Speight, a married woman dealing  
in her sole and separate property.

 pro forma

Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 17<sup>th</sup> day of February, 1970.

Marathy S. Mitchell

By Marathy M. Latrod

(by Power of Attorney dated 2-25-68 and  
filed in Book 327 Page 515 of the Records  
of the Chancery Court of Jackson County, Minn.)

Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,

*[Signature]*

**VTL-JS**

Agreed to this 19 day of February, 1970.

Theresa Mitchell Lee

Koblenz

**Note:** If married, please have spouse sign on second line.

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,

*S. C. Jensen*

**VTL-JS**

Agreed to this 20 day of MARCH, 1970.

Charles Hutchings

**Note:** If married, please have spouse sign on second line.

**Note: If married, please have spouse sign on second line.**



Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,

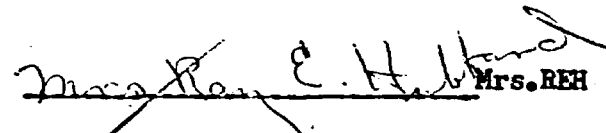


VTL-JS

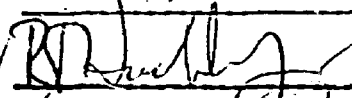
Agreed to this 10 day of April, 1970.



REH

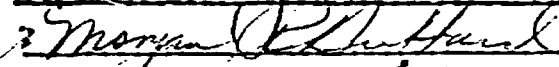


Mrs. REH

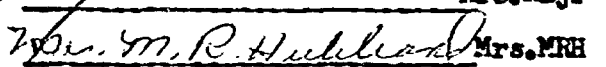


REH Jr

Mrs. RE Jr



MRH



Mrs. MRH

Trustees and Executors U & E Hubbard, dec'd.

Note: If married, please have spouse sign on second line.

*beginning*

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,

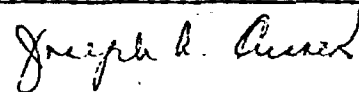


VTL-JS

Agreed to this 16 day of February, 1970.

CATHOLIC CHURCH EXTENSION SOCIETY

BY:



Vice President and General Secretary

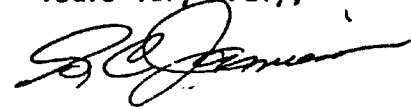
Note: If married, please have spouse sign on second line.

Joint Letter  
February 10, 1970  
Page 2

Under our proposed plan, which includes cooperation with Amerada Hess Petroleum Company, operator of the Langlie Mattix Woolworth Unit, and with the Langlie Jack Unit, Jack A-29 Wells Nos. 2 and 4 will be converted to water injection wells and Jack A-29 No. 3 will be recompleted in the Langlie Mattix Pool as a producing oil well. Jack B-29 No. 1 will be a producer; consequently, both leases will have one producing well and both leases will receive the benefit of water injected from offset properties.

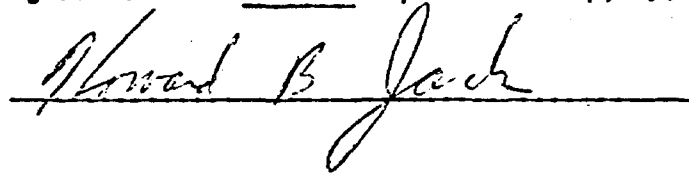
We hope to initiate this program in the very near future. If you are agreeable to the waterflood project as outlined above, please so indicate by signing in the space provided below. An extra copy of this letter is attached for your file.

Yours very truly,



VTL-JS

Agreed to this 28 day of MARCH, 1970.

---

Note: If married, please have spouse sign on second line.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 18, 1971

C  
O  
P  
Y

Continental Oil Company  
P. O. Box 460  
Hobbs, New Mexico 88240

Attention: Mr. L. P. Thompson

Gentlemen:

Reference is made to your submission to the Santa Fe Office of the Commission of satisfactory evidence that Continental Oil Company's Jack A-29 and Jack B-29 Leases have been consolidated or all persons owning working interests and/or royalty interests within said lease areas have so agreed. In accordance with the terms of Order No. R-3862-A, the Continental Langlie-Mattix Jack A-29 Waterflood Project Area is hereby expanded to include the SE/4 SE/4 of Section 29, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

The above-described expansion shall be effective November 16, 1971, the date the above-described evidence was furnished the Santa Fe Office of the Commission.

Yours very truly,

A. L. PORTER, Jr.  
Secretary-Director

ALP/GMH/dr

cc: Oil Conservation Commission - Hobbs  
U. S. Geological Survey - Roswell

Case 4486

Reference is made to your submission  
~~of evidence to the Office of the~~ <sup>to the Office of the</sup> Commissioner of satisfactory  
evidence that your Continental oil  
Company's Jack A-29 and Jack B-29  
Leases have been consolidated on all  
persons owning working interests  
and/or royalty interests within  
said lease area as agreed.  
In accordance with the terms of Order No. R-3862-A,  
the Continental Langlie - Mattix Jack  
A-29 waterflood Project Area is  
hereby expanded to include the  
SE 1/4 SE 1/4 of Section 29, Township  
24 South, Range 37 East, NM PM, Lea  
County, New Mexico.

The effective above-described  
expansion shall be effective November  
16, 1971, the date the above-described  
evidence was furnished the State & the  
Office of the Commissioner.

A. L. Porter

cc to Hobbs  
USGS (Rasmussen  
Core file (Core 4486)



L. P. Thompson  
Division Manager  
Production Department  
Hobbs Division

Western Hemisphere Petroleum Division  
Continental Oil Company  
P. O. 460  
1001 North Turner  
Hobbs, New Mexico 88240  
(505) 393-4141

RECEIVED

NOV 16 1971

OIL CONSERVATION COMM.  
SANTA FE

November 15, 1971

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Gentlemen:

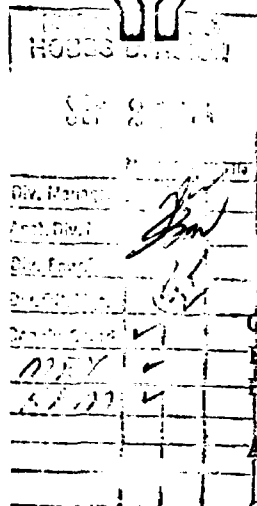
Jack A-B 29 Waterflood Project, Langlie Mattix Pool, Lea County,  
New Mexico

Order No. R-3862-A authorized consolidation of the project area to include the Jack A-29 and Jack B-29 leases which comprise the SE/4, S/2 NE/4, and NW/4 NE/4 of Section 29, Township 24 South, Range 37 East, provided that all owners of interest consent in writing to said consolidated project area. We forward herewith copies of ratifications by all such parties.

It is respectfully requested that the project area of the Jack A-B 29 Waterflood Project be expanded to include both leases as described above. Production from the two leases will be measured and reported separately in accordance with previous orders of the commission.

Yours very truly,

rw  
Enc



## GEOLOGICAL SURVEY

September 20, 1971

Attention: Mr. L. P. Thompson

Gentlemen:

Your letter of September 8 requests approval to include the SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> sec. 29, T. 24 S., R. 37 E., Lea County, New Mexico, lease New Mexico 0321613, in the project area of your Jack A-29 Water Flood Project in progress in the E<sup>1</sup>/<sub>2</sub> sec. 29 on lease NM 7486.

Your proposal to include the SE $\frac{1}{4}$ SE $\frac{1}{4}$  sec. 29 in the project area of your Jack A-29 Water Flood Project is hereby approved subject to like approval by the New Mexico Oil Conservation Commission, and, in the event producing capacity in the project area should exceed the project allowable, subject to restriction of production in the project area on a basis equitable to both leases.

Sincerely yours,

W. F. Fiedler

N. O. ~~FREDERICK~~  
Regional Oil and Gas Supervisor



**G. C. Jamieson**  
Assistant Division Manager  
Production Department  
Hebb Division

**Western Hemisphere Petroleum Division**  
Continental Oil Company  
P. O. Box 460  
1001 North Turner  
Hobbs, New Mexico 88240  
(505) 393-4141

7-27-71, 1971

**Owners of Overriding Royalty Interests**  
 72<sup>1</sup>/<sub>2</sub> Section 29, Township 24 South,  
 Range 37 East, Lea County, New Mexico  
 (Address List Attached)

Cent: 1000:

My letter dated March 26, 1971, explained the desirability of forming a project area for the waterflood operation on the E/2 Section 23, T-24S, R-37E. To date we have received approval from 2/3 of the overriding royalty owners. We should appreciate your favorable consideration of this request and your furnishing the signed approval at your early convenience.

If you have any questions about this matter, please feel free to contact me, by mail or by collect telephone call.

Yours very truly,

*SA James*

54

I agree & will have for the  
 same \$100.00 as before R.I.  
 Rev. Dr. Newell  
 June May Keweenaw  
 Oct. 1894



Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER



DATE

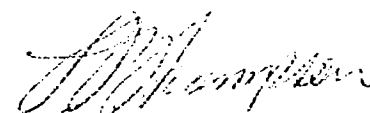
4/4/71

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack 8-29 No. 1 would receive 25% of the allowable and the Jack 7-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,

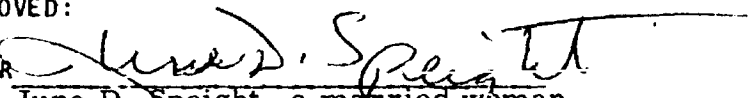


L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER



June D. Speight, a married woman

DATE dealing in her sole and separate property.

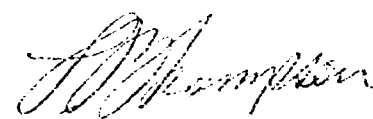
April 1, 1971

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER

Mr. L. S. Hush

DATE

Apr. 5, 1971

Working Interest Owners

Page 2

March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,




L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

BY

DATE

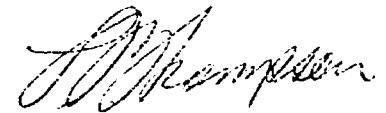
  
7-2-71

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER

DATE

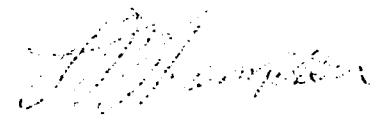
*Chas S. Hutchcey Jr.*  
*Aug 31, 1971*

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER Mrs Charles S. Mitchell, 2317 Washington Avenue  
Paragould, Miss. 39567

DATE March 29, 1971

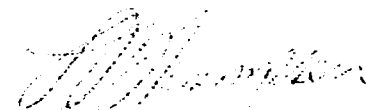
By Dorothy Mitchell Latady  
(Power of Attorney dated  
2-25-68 and filed  
in Book 327, Page 517  
of the Records of the  
Chancery Court of  
Jackson County,  
Miss.)

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach too allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED: MARSHALL & WINSTON, INC.

OWNER By: Samuel H. Marshall  
Vice-President

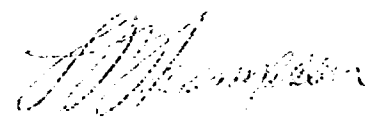
DATE April 7, 1971

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,

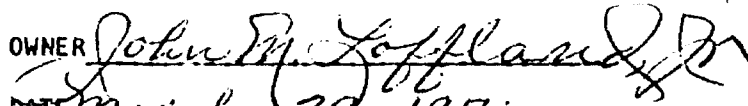


L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER



DATE March 29, 1971

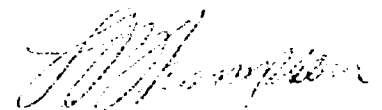


Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER Virginia Mitchell Lee

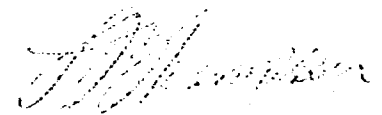
DATE April 14, 1971

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack 6-20 No. 1 would receive 25% of the allowable and the Jack A-20 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,




L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER

DATE

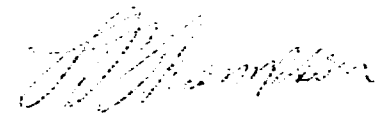
  
APR 7 1971

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable production rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-20 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER Donna Mitchell Latady, 2317 Washington Avenue  
Paragoula, Miss. 39567

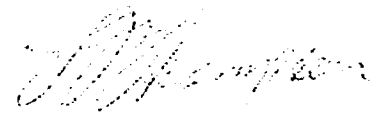
DATE March 24, 1971

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning our completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER

Lucille R. Jack

DATE

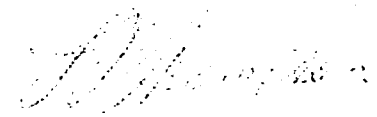
March 26th 1971

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach the allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack No. 1 would receive 25% of the allowable and the Jack No. 2 would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning our completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



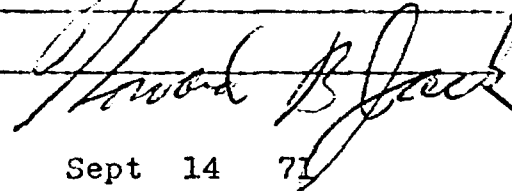
L. P. Thompson  
Division Manager

LPT-RW

APPROVED: Estate of William Howard Jack

OWNER: Howard B. Jack Administrator

DATE



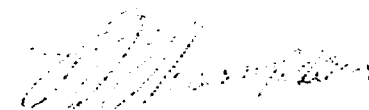
Sept 14 71

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable production rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-2H No. 1 would receive 25% of the allowable and the Jack A-2H would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER

DATE

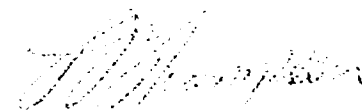
Harold B. Jack  
June 5, 1971

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable production rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 production well would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER

DATE

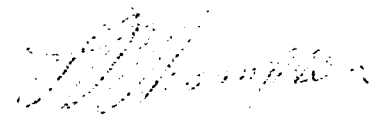
Albert Hudson  
March 29, 1971

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top economic producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER ESTATE OF RE HUBBARD SR, deceased

~~NAME~~

By

  
R E Hubbard Jr - Executor

Date \_\_\_\_\_

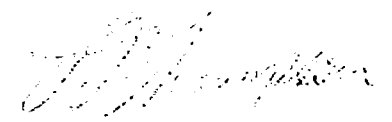


Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the oil in the project area, including both leases, could reach top allowable production rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack 0-29 No. 1 would receive 25% of the allowable and the Jack 0-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning our completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

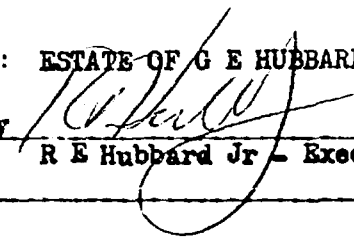
Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED: ESTATE OF G E HUBBARD, deceased

OWNER By   
R E Hubbard Jr - Executor

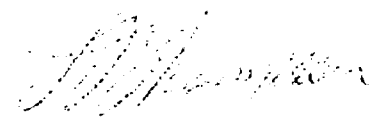
DATE \_\_\_\_\_

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-20 No. 1 would receive 25% of the allowable and the Jack A-19 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thomson  
Division Manager

LPT-RW

APPROVED:

OWNER

DATE


Duke Easley  
4-1-71

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that well No. 1 would receive 25% of the allowable and the well No. 2 would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning this letter ballot at your early convenience. A pre-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. S. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER

DATE

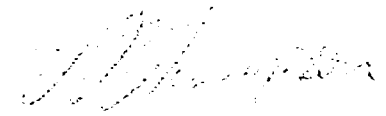
*J. H. [Signature]*  
*Mar 28 1971*

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top production rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-2J No. 1 would receive 25% of the allowable and the Jack B-2J No. 2 would receive 75% of the allowable.

If this proposal meets your approval, we should request that you so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER

Mr. Royce Lesh Davis

DATE

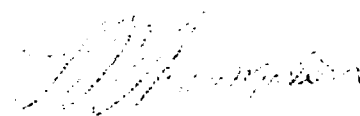
April 30 1971

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach low production sustaining rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-23 No. 1 would receive 25% of the allowable and the Jack A-12 producing well would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning a carbon copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER

DATE

*James A. Zacher*  
*General Secretary*

*Catholic Church Extension Society*

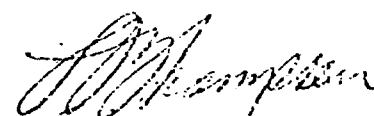
*3/30/71*

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager


LPT-RW

APPROVED:

OWNER Selma E. Andrews Trust #5188

DATE 25 May 71

Republic National Bank of Dallas

By Frank B. Houghton   
Vice President & Trust Officer

C. R. Mallison  
C. R. Mallison

Co-Trustees for the Selma E. Andrews  
Trust #5188

Working Interest Owners  
Page 2  
March 26, 1971

There is a possibility, although not probable, that the entire project area, including both leases, could reach top allowable producing rates. In the event this does happen, we propose to allocate the allowable between leases on the basis of producing wells. This would mean that the Jack B-29 No. 1 would receive 25% of the allowable and the Jack A-29 producing wells would receive 75% of the allowable.

If this proposal meets your approval, we should appreciate your so indicating in the space provided below and returning one completed copy of this letter ballot at your early convenience. A self-addressed stamped envelope is enclosed for your convenience.

Yours very truly,



L. P. Thompson  
Division Manager

LPT-RW

APPROVED:

OWNER ALBUQUERQUE NATIONAL BANK  
ALBUQUERQUE, NEW MEXICO  
DATE 3-1-71

CONSENT TO CONSOLIDATED PROJECT AREA FOR JACK AB 29  
WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO

The undersigned working interest owner, under the SE/4, S/2 NE/4 and NW/4 NE/4 Section 29, Township 24 South, Range 37 East, hereby consents to the creation of a project area for the Langlie Hattix Waterflood Project being conducted on said properties. It is our understanding that the project allowable will be seven times the normal unit allowable. It is further our understanding that, in the event the project achieves producing rates in excess of the project allowable, the allowable will be allocated between the two tracts on the basis of 25 percent to the Jack B-29 Lease and 75 percent to the Jack A-29 Lease.

COMPANY

CHEVRON OIL COMPANY

BY

G. A. Schurman / CFO

G. A. SCHURMAN

DATE

SEP 13 1971



CONSENT TO CONSOLIDATED PROJECT AREA FOR JACK A3 29  
WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO

The undersigned working interest owner, under the SE/4, S/2 NE/4 and NW/4 NE/4 Section 29, Township 24 South, Range 37 East, hereby consents to the creation of a project area for the Langlie Mattix Waterflood Project being conducted on said properties. It is our understanding that the project allowable will be seven times the normal unit allowable. It is further our understanding that, in the event the project achieves producing rates in excess of the project allowable, the allowable will be allocated between the two tracts on the basis of 25 percent to the Jack B-29 Lease and 75 percent to the Jack A-29 Lease.

COMPANY ATLANTIC RICHFIELD COMPANY

BY

A. B. Krasin

DATE

September 14, 1971

CONSENT TO CONSOLIDATED PROJECT AREA FOR JACK A-29  
WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO

The undersigned working interest owner, under the SE/4, S/2 NE/4 and NW/4 NE/4 Section 29, Township 24 South, Range 37 East, hereby consents to the creation of a project area for the Langlie Mattix Waterflood Project being conducted on said properties. It is our understanding that the project allowable will be seven times the normal unit allowable. It is further our understanding that, in the event the project achieves producing rates in excess of the project allowable, the allowable will be allocated between the two tracts on the basis of 25 percent to the Jack B-29 Lease and 75 percent to the Jack A-29 Lease.

AMOCO PRODUCTION COMPANY  
COMPANY \_\_\_\_\_

BY \_\_\_\_\_

DATE \_\_\_\_\_

*Alex Clarke Jr*  
*10/29/71*



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

GOVERNOR  
BRUCE KING  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

February 10, 1971

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4486  
Order No. R-3862-A  
Applicant:  
Continental Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC           

Aztec OCC           

Other            State Engineer Office

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. 4486  
Order No. R-3862-A

APPLICATION OF CONTINENTAL OIL COMPANY  
FOR A WATERFLOOD EXPANSION, A DUAL COM-  
PLETION, AND LEASE COMMINGLING, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 3, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of February, 1971, 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 operator and co-owner of the Jack A-29 and Jack B-29 Leases in Section 29, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the aforesaid Jack A-29 Lease comprises the NW/4 NE/4, S/2 NE/4, N/2 SE/4, and SW/4 SE/4 of said Section 29 and the aforesaid Jack B-29 Lease comprises the SE/4 SE/4 of said Section 29.

(4) That Order No. R-3862, dated October 28, 1969, authorized the applicant to institute a waterflood project on said

-2-

CASE No. 4486

Order No. R-3862-A

Jack A-29 Lease by the injection of water into the Seven Rivers-Queen formations, Langlie-Mattix Pool, through two wells located in Units I and O of said Section 29.

(5) That the applicant seeks the expansion of said Jack A-29 Waterflood Project area to include all of the acreage in said Jack A-29 and Jack B-29 Leases as described above.

(6) That the applicant proposes to drill and dually complete a well in the SW/4 NE/4 of said Section 29 in such a manner as to produce gas from the Jalmat Gas Pool and to produce oil from the Langlie-Mattix Pool or inject water into the Langlie-Mattix Pool as an additional injection well for said waterflood project.

(7) That the applicant further seeks authority to commingle the Langlie-Mattix production from its Jack A-29 and Jack B-29 Leases and to allocate production to the Jack B-29 lease by the subtraction method after separately metering the production from the Jack A-29 Lease.

(8) That the applicant's Jack A-29 Well No. 5, located in the NW/4 NE/4 of said Section 29 has experienced a substantial response to water injection and the subject waterflood project area should, therefore, be expanded to include said quarter-quarter section.

(9) That the SE/4 SE/4 of said Section 29 is offset by two injection wells on the Jack A-29 Lease.

(10) That the subject waterflood project area should be expanded to include the above-described SE/4 SE/4 of Section 29, provided that said Jack A-29 and Jack B-29 Leases are unitized or otherwise consolidated, or provided all persons owning working interests and/or royalty interests within said lease areas have so agreed and evidence of such unitization, consolidation, or agreement has been furnished to the Santa Fe office of the Commission.

(11) That the applicant should be authorized to expand the above-described waterflood project area by the drilling of an additional well at an orthodox location in the SW/4 NE/4 of said Section 29 and to dually complete said well in such a manner as to produce gas from the Jalmat Gas Pool and inject water into the Langlie-Mattix Pool through parallel strings of tubing.

(12) That the applicant should be authorized to commingle the Langlie-Mattix production from said Jack A-29 and Jack B-29

Leases in a common tank battery and to allocate the production to the Jack B-29 Lease by the subtraction method after separately metering the production from the Jack A-29 Lease.

(13) That approval of the above will prevent waste and will not violate correlative rights.

(14) That Administrative Order CTB-214 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to expand its Langlie-Mattix Jack A-29 Waterflood Project by the drilling and dual completion of a well at an orthodox location in the SW/4 NE/4 of Section 29, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce gas from the Jalmat Gas Pool and to produce oil from the Langlie-Mattix Pool or to inject water into the Langlie-Mattix Pool through parallel strings of tubing, with said zones being separated by a packer.

(2) That the Continental Langlie-Mattix Jack A-29 Waterflood Project area is hereby expanded to include the NW/4 NE/4 of said Section 29.

(3) That, effective upon the date the applicant furnishes the Santa Fe office of the Commission satisfactory evidence that its Jack A-29 and Jack B-29 Leases have been unitized or otherwise consolidated, or all persons owning working interests and/or royalty interests within said lease areas have so agreed, the Continental Langlie-Mattix Jack A-29 Waterflood Project area is hereby expanded to include the SE/4 SE/4 of said Section 29.

(4) That the applicant is hereby authorized to commingle the Langlie-Mattix production from its Jack A-29 Lease and its Jack B-29 Lease, as said leases are described in Finding No. 3, above, in a common tank battery and to allocate the production to said Jack B-29 Lease by the subtraction method after separately metering the production from the Jack A-29 Lease.

(5) That Administrative Order CTB-214 is hereby superseded.

-4-

CASE No. 4486

Order No. R-3862-A

(6) 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

  
*Bruce King*  
BRUCE KING, Chairman

*Alex J. Armijo*  
ALEX J. ARMILLO, Member

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

esr/

AMERADA DIVISION  
AMERADA HESS CORPORATION

15  
JAN 23 1971  
JAN 23 1971

*JA*

D. G. GRIFFIN  
Technical Services Manager

January 22, 1971

Box 591  
MIDLAND, TEXAS 79701  
915-684-5531

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

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

Re: Application for Dual Completion  
Jack "A-29" Well No. 6 Unit G,  
Section 29, T24S, R37E  
Lea County, New Mexico

Gentlemen:

This is to advise that Amerada Hess Corporation has received notice of the referenced application and that we hereby waive any objections to Continental Oil Company's application to dually complete it's Jack "A-29" No. 6 as a Jalmat Gas Well and a Langlie Mattix water injection well.

Yours very truly,

*D. G. Griffin*

D. G. Griffin

DGG:sw

cc: Continental Oil Company  
P. O. Box 460  
Hobbs, New Mexico 88240



OIL CONSERVATION COMMISSION  
I DISTRICT

71 JAN 25 AM 8 2

OIL CONSERVATION COMMISSION  
BOX 871  
SANTA FE, NEW MEXICO

DATE Jan. 20, 1971

Re: Proposed NSP \_\_\_\_\_  
Proposed Triple \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed NFO \_\_\_\_\_  
Proposed DC X \_\_\_\_\_

Gentlemen:

I have examined the application dated 1/14/71

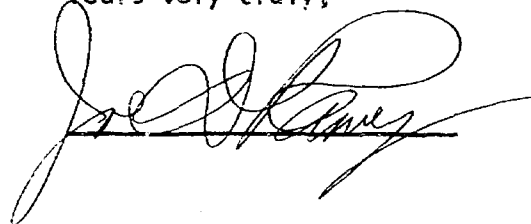
for the Continental Oil Co. Jack A-29 #6-G 29-24-37  
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

O.K.---J.D.R.

O.K.---J.W.R.

Yours very truly,



- CASE 4483: Application of Pubco Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Kemnitz-Lower Wolfcamp East Unit Area comprising the SW/4 and W/2 SE/4 of Section 27, the E/2 NW/4 of Section 27, and the E/2 NE/4 of Section 28, Township 16 South, Range 34 East, Kemnitz-Lower Wolfcamp Pool, Lea County, New Mexico.
- CASE 4484: The application of the Oil Conservation Commission upon its own motion for an order granting an exception to the ninth paragraph of Chapter II, Section 2 of Order No. R-333-F to permit shutting in gas wells for the required shut-in test at some period during the 1971 test season other than immediately following the 7-day deliverability flow test; further to permit measuring the shut-in test pressure during the 8th to 15th day of shut-in of the well rather than on the 8th day as presently required. The above exceptions would be for the 1971 annual deliverability test season only and would be applicable to all wells in San Juan, Rio Arriba, McKinley, and Sandoval Counties, New Mexico, subject to the testing requirements of Chapter II of Order No. R-333-F.
- CASE 4485: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit comprising the NW/4 NW/4, S/2 NW/4, NE/4 SW/4, and S/2 SW/4 of Section 1, Township 25 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Wells "A" Wells Nos. 2 and 7, located, respectively, in Units E and F of said Section 1. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.
- CASE 4486: Application of Continental Oil Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Langlie-Mattix Jack A-29 waterflood project, Langlie-Mattix Pool, by the drilling of an additional injection well at an orthodox location in the SW/4 NW/4 of Section 29, Township 24 South, Range 37 East, Lea County, New Mexico.
- CASE 4487: Application of Pennzoil United, Inc., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the W/2 of Section 6, Township 23 South, Range 27 East, South Carlsbad Strawn Gas Pool, Eddy County, New Mexico, said acreage to be dedicated to a well in the W/2 of said Section 6. Also to be considered will be the cost 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 4488: Application of Resler and Sheldon for downhole commingling, Lea County, New Mexico. Applicants, in the above-styled cause, seek approval for the downhole commingling of gas and liquids produced from the Jalmat Gas Pool and oil and gas produced from the Langlie-Mattix Oil Pool through a common string of tubing in their Steeler Well No. 1 located in Unit L of Section 20, Township 23 South, Range 37 East, Lea County, New Mexico.

## UNIT G

Yours truly

8 5/8" 20# CSG AT 750' WITH  
CEMENT CIRCULATED

PROPOSED TOP OF CEMENT BEHIND  
5 1/2" CSG AT 2650'

2 3/8" CEMENT LINED TUBING

BAKER MODEL "AD" TENSION PACKER  
TO BE SET 3350'

Est. Perfs

5 1/2" 14# J-55 CSG. @ 3/00'

TD - 3700'

nicht  
gehind

© 3700

TD - 3700

BEFORE EXAMINER NUTTER

CIL CONSERVATION CC(1111)

OIL CONSERVATION COMM.

EXHIBIT NO. 2

C. 4486

DWJ 12-31-70 erw

20  
1982  
JUN 17 11 32

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR AN AMEND-  
MENT OF ORDER NO. R-3862 FOR THE  
AUTHORIZATION OF AN ADDITIONAL IN-  
JECTION WELL AND THE ESTABLISHMENT  
OF A 280-ACRE PROJECT AREA, FOR ITS  
JACK "A-B" 29 WATERFLOOD PROJECT,  
SEC. 29, T-24S, R-37E, LEA COUNTY,  
NEW MEXICO.

*Case 4486*

A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and respectfully requests an Amendment of Order No. R-3862 to authorize an additional water injection well at an orthodox location in SW/4 NE/4 from the East line, Section 29, Township 24 South, Range 37 East, Lea County, New Mexico; and for establishment of a 280-acre project area for the Jack "A-B" 29, waterflood project, and in support thereof would show:

1. Applicant is the operator and co-owner of the Jack A-29 Lease, consisting of NW/4 NE/4, S/2 NE/4, N/2 SE/4 and SW/4 SE/4, Section 29; and of the Jack B-29 Lease, consisting of SE/4 SE/4 of said Section 29, Township 24 South, Range 37 East, Lea County, New Mexico.
2. Under the provisions of Order No. R-3862, applicant has converted to water injection its Jack A-29, Wells Nos. 2 and 4, located in Units 1 and 0, respectively of said Section 29.
4. Operator proposes to expand the waterflood project by drilling Jack A-29 No. 6, at an orthodox location in SW/4 NW/4, of said Section 29.
5. Administrative Order CTB-214, authorizes the commingling of production from the Jack A-29 and Jack B-29 Leases, after separately metering production from the Jack A-29 Lease.

DOCKET MAILED

Date \_\_\_\_\_

DOCKET # 4486

Date 12-23-70

Said commingling has been agreed to in writing by all parties owning interest in the two leases.

6. That the two leases should be considered as a single project area for allowable purposes.
7. That the granting of this application will prevent waste and will not impair 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 permitting the additional water injection well and the creation of the Jack "A-B" 29 Waterflood Project Area as described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY



L. P. Thompson  
Division Manager

VTL-RW

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. 4486

Order No. R- 3862-2

APPLICATION OF CONTINENTAL OIL COMPANY  
FOR A WATERFLOOD EXPANSION, A DUAL COM-  
PLETION, AND LEASE COMMINGLING, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 3, 1971,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of February, 1971, 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  
operator and co-owner of the Jack A-29 and Jack B-29 Leases in  
Section 29, Township 24 South, Range 37 East, NMPM, Lea County,  
New Mexico.

(3) That the aforesaid Jack A-29 Lease comprises the  
NW/4 NE/4, S/2 NE/4, N/2 SE/4, and SW/4 SE/4 of said Section 29  
and the aforesaid Jack B-29 Lease comprises the SE/4 SE/4 of  
said Section 29.

(4) That Order No. R-3862, dated October 28, 1969, autho-  
rized the applicant to institute a waterflood project on said

Jack A-29 Lease by the injection of water into the Seven Rivers-Queen formations, Langlie-Mattix Pool, through two wells located in Units I and O of said Section 29.

(5) That the applicant seeks the expansion of said Jack A-29 Waterflood Project area to include all of the ~~above described~~ <sup>acres in said Jack A-29</sup> ~~acreage~~ <sup>in Jack B-29 Lease</sup>

(6) That the applicant proposes to drill and dually complete a well in the SW/4 NE/4 of said Section 29 in such a manner as to <sup>and to produce oil from the Langlie Mattix Pool or</sup> produce gas from the Jalmat Gas Pool ~~and~~ inject water into the Langlie-Mattix Pool as an additional injection well for said waterflood project.

(7) That the applicant further seeks authority to commingle the Langlie-Mattix production from its Jack A-29 and Jack B-29 Leases and to allocate production to <sup>the Jack B-29 Lease</sup> ~~each of said leases~~ by the subtraction method after separately metering the production from the Jack A-29 Lease.

(8) That the applicant's Jack A-29 Well No. 5, located in the NW/4 NE/4 of said Section 29 has experienced a substantial response to water injection and the subject waterflood project area should, therefore, be expanded to include said quarter-quarter section.

(9) <sup>(10)</sup> That the subject waterflood project area should be expanded to include the above-described SE/4 SE/4 of Section 29, provided that said Jack A-29 and Jack B-29 Leases are unitized or otherwise consolidated, or provided all persons owning working interests and/or royalty interests within said lease areas have so agreed and evidence of such unitization, consolidation, or agreement has been furnished to the Santa Fe office of the Commission.

(11) <sup>(12)</sup> That the applicant should be authorized to expand the above-described waterflood project area by the drilling of an

(9) That the SE/4 SE/4 of said Section 29 is offset by two injection wells on the Jack A-29 Lease.

additional well at an orthodox location in the SW/4 NE/4 of said Section 29 and to dually complete said well in such a manner as to produce gas from the Jalmat Gas Pool and inject water into the Langlie-Mattix Pool through parallel strings of tubing.

(12) ~~(11)~~ That the applicant should be authorized to commingle the Langlie-Mattix production from said Jack A-29 and Jack B-29 Leases in a common tank battery and to allocate the production ~~to said leases~~ *to Jack B-29 lease* by the subtraction method after separately metering the production from the Jack A-29 Lease.

~~(13)~~ (12) That approval of the above will prevent waste and will not violate correlative rights.

*(14) That Administrative Order No CTB - 214 should be superseded.*  
IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to expand its Langlie-Mattix Jack A-29 Waterflood Project by the drilling and dual completion of a well at an orthodox location in the SW/4 NE/4 of Section 29, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as *and to produce oil from the Langlie-Mattix Pool or* to produce gas from the Jalmat Gas Pool *and* inject water into the Langlie-Mattix Pool through parallel strings of tubing, with said zones being separated by a packer.

*Continental Langlie-Mattix*  
(2) That the ~~above~~ described Jack A-29 Waterflood Project area is hereby expanded to include the NW/4 NE/4 of said Section 29.

(3) That, effective upon the date the applicant furnishes the Santa Fe office of the Commission satisfactory evidence that its Jack A-29 and Jack B-29 Leases have been unitized or otherwise consolidated, or all persons owning working interests and/or

royalty interests within said lease areas have so agreed, the *Continental Langlie-Mattix* ~~above-described~~ Jack A-29 Waterflood Project area is hereby expanded to include the SE/4 SE/4 of said Section 29.



(4) That the applicant is hereby authorized to commingle the Langlie-Mattix production from its Jack A-29 Lease and its *as said leases are described in Finding No. 3 above,* Jack B-29 Lease, *Jack B-29 Lease* in a common tank battery and to allocate the production to said *leases* by the subtraction method after separately metering the production from the Jack A-29 Lease.

*(5) That Administrative Order QTB-21 is hereby superseded.*

(5) 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.

CASE 4487: Appli. of PENNZOIL  
UNITED, INC., FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.