

CASE 4534: Appli. of CONTINENTAL  
FOR A NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

Case Number  
4534

Application

Transcripts

Small Exhibits

E T C.

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

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
April 28, 1971

EXAMINER HEARING

IN THE MATTER OF:

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

Case No. 4534

BEFORE: Elvin A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 4534.

MR. HATCH: Case 4534, application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin, Kellahin and Fox, Santa Fe, appearing for the applicant.

We have one witness I would like to have sworn.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 through 6 were marked for identification.)

VICTOR T. LYON

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Victor T. Lyon, L-Y-O-N.

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

A Employed by Continental Oil Company as a conservation coordinator in the Hobbs Division Office located in Hobbs, New Mexico.

Q And have you testified before the Oil Conservation Commission and made your qualifications a matter of record?

A Yes, I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: It's too late now if they're not.

MR. KELLAHIN: It sure is.

Q (By Mr. Kellahin) Mr. Lyon, briefly, what's proposed by the applicant in Case 4534?

A Case 4534 is the application of Continental Oil Company for a non-standard 160-acre unit, gas unit in the Blinebry gas pool to be assigned jointly to its Wantz Well -- Wantz Number 8 and 11 located in Units "O" and "L" respectively in Section 21, Township 21 South, Range 37 East, Lea County, New Mexico, or in the alternative, for the re-allocation of acreage between these two wells so as to assign 40 acres to Well Number 11 and 120 acres to Well Number 8.

Q Referring to what has been marked as Applicant's Exhibit Number One, would you identify that exhibit?

A Exhibit Number One is a location plat showing the Wantz Lease outlined in red, which consists of the southwest quarter, the west half of the southeast quarter and the southeast quarter, southeast quarter of Section 21.

It also shows the Blinebry wells, the oil wells in a solid-filled circle and the gas wells by the usual sun-burst symbol. The two wells in question are the Number 8

located 660 feet from the south line, 1980 feet from the east line of the section, Number 11 located 1900 feet from the south line, 660 feet from the west line of the section.

The proration units currently assigned to these two wells are outlined in blue, Number 11 having 120 acres, Number 8 having 40 acres.

It also shows that the remaining acreage on the lease is allocated to Blinebry production, to Well Number 3 in Unit P, Well Number 4 in Unit J, Well Number 6 in Unit M.

Q There's no dual dedication acreage in the Blinebry for oil and gas, is that correct?

A No, there is not.

Q So they have to have separate acreage?

A Yes, sir.

Q Now, referring to what has been marked as Exhibit Number Two, would you identify that exhibit?

A Exhibit Number Two is a copy of the minimum contract test conducted by El Paso Natural Gas Company on January 21, 1971, on the Wantz Number 8. This test shows that the well produced 913 MCF against a back pressure, tubing pressure of 709 PSIG.

Q Is this well a single completion?

A This well is a single completion, yes sir. It produces through the tubing.

MR. UTZ: That's 709 --

A I subtracted 13.2 from the absolute pressure, 722.2.

MR. UTZ: Okay.

Q (By Mr. Kellahin) Now, referring to what has been marked as Exhibit Number Three, would you identify that exhibit, please?

A Exhibit Number Three is a copy of the minimum contract test conducted by El Paso on January 7, 1971, on the Wantz Number 11. This well is a dual completion and produces from the casing. It produced on that test 406 MCF per day at an absolute pressure of 114.2, or an atmospheric pressure of 101 pounds per square inch gauge.

Q Now, is this well a dual completion?

A This well, yes, is a dual completion. It's also a -- completed in the Blinebry -- I mean in the Drinkard Pool as an oil well.

Q Now, Exhibits Two and Three indicate that the Number 8 well is a considerably better well than your Number 11 well, is that correct?

A Yes sir, that is true.

Q And your Exhibit Number One would indicate that your Number 11 Well has three times the acreage assigned to it that the Number 8 has?

A Yes, sir.

Q And that is what you are trying to remedy here, is that correct?

A Right, acreage assigned is disproportionate to the production capacities of the two wells.

Q And the purpose of this application is to remedy that?

A Yes, sir.

Q Now, referring to what has been marked as Exhibit Number Four, would you identify that exhibit?

A Exhibit Number 4 is a tabulation showing the status of the two units on the present basis. The upper portion shows the data on Wantz Number 8, the lower section on Wantz Number 11 for each month of the current balancing period, the allowable production, over and under production during the month, the status at the end of the month, and the amount of allowable in jeopardy is shown in the successive columns.

Well Number 8 entered the proration period under-produced 4,223 MCF, and has since made up this under-production by over-production. Well Number 11 entered the period 21,620 MCF under-produced and has consistently under-produced during the first three months of the period, so that it's under-produced at the end of March in the amount of 36,166 MCF, and of this, 21,620 is subject to



cancellation if not made up by over-production.

Q And would the re-allocation of the acreage save this allowable for you?

A Yes, we think so. This is shown in subsequent exhibits.

Q Now, referring to what has been marked as Exhibit Number Five, would you identify that exhibit?

A Exhibit Number Five is a tabulation showing the status of the two units on a combined basis, showing the same information as is shown on Exhibit Number Five -- I mean Four, except on a -- for the two wells combined.

The two wells entered the proration period under-produced in the amount of 25,843 MCF. The over-production by Well Number 8 has brought the combined unit into balance so that there would not be any allowable cancelled from the combined unit.

Q Now, have you made a similar tabulation if the alternative proposal is granted and you have two separate units?

A Yes sir, if our alternative proposal is selected by the Commission, and this specifically is to re-allocate the acreage between the two wells so that Number 8 would have 120 acres, Number 11 would have 40 acres, and also to allocate two-thirds of the under-production from Number 11 to Number 8 so that it would

follow the acreage, the status of the wells would be as shown on Exhibit Number Six.

In this event, Well Number 8 would have entered the period 18,636 MCF under-produced which has been made up by over-production.

Wantz Number 11, this is assuming that they would be combined on -- I mean that it would be re-allocated effective April 1st, Wantz Number 11 entered the period under-produced 7,207 MCF which would be subject to cancellation, but the re-allocation of acreage in the change in the size of its allowable would permit it, we feel, to make up this under-production by the end of the balancing period.

Q Now, do you request that a portion of the under-production subject to cancellation be transferred with the acreage from your Well Number 11?

A Yes sir, this is the import of our --

Q As reflected in your Exhibits Five and Six?

A Yes, sir.

Q Or I mean in Six?

A Yes, sir.

Q Now, what is the preference of the operator in the application? You made an alternative proposal to the Commission.

A Well, naturally our preference is that the unit be

combined. We feel that this could -- will probably eliminate additional applications on the allocation of acreage in the future, which would remove some administrative burden both from the Commission and from Continental Oil Company.

We feel that it would also give us much greater flexibility in producing the wells. To do this would require an exception to the spacing rules because the unit is more than one-half mile in width, but there is adequate precedent for this type of exception. The acreage is contiguous, it consists of 160 acres, which is the standard size of proration unit, but not the standard shape, and we would much prefer the combined unit.

Q If the alternate proposal were adopted by the Commission, you would still require an exception, would you not?

A Yes, it would require an exception to the spacing rule because we cross the quarter section boundary.

Q Neither one of these would be subject to approval by administrative action then?

A That is correct.

Q In your opinion, would the granting of this application protect the correlative rights and prevent waste?

A Yes sir, it certainly would.

Q Were Exhibits One through Four -- One through Six, were they prepared by you or under your supervision?

A Yes sir, they were.

MR. KELLAHIN: At this time, I would like to offer in evidence Exhibits One through Six.

MR. UTZ: Without objection, Exhibits One through Six will be entered into the record of this case.

(Whereupon, Applicant's Exhibits One through Six were admitted in evidence.)

MR. KELLAHIN: And that completes the testimony.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Lyon, is your alternate request for 40 acres for the Number 11 and 120 for the Number 8?

A Yes, sir. We would in fact just ask that the east half of the southwest quarter be transferred to Number 8 for gas allocation purposes.

Q Well, will it jeopardize any of your under-production by making this unit -- if it's granted effective May 1st?

A Well, it would give -- it would make the ability of Number 11 to make up its under-production a little questionable, because it would have only sixty days at the reduced allowable rather than ninety days. I think we could

make it up, but I'm not sure.

MR. UTZ: Other questions?

MR. HATCH: Were those present units by some order?

A Yes.

MR. HATCH: Do you happen to have those?

A I think they were named in the application.

MR. HATCH: If they're in there, I can find them.

A No, they're not, either.

MR. KELLAHIN: They are not.

MR. HATCH: I can find them in our records, I think.

A I've got that information here somewhere in all this stuff, if I can find it.

MR. UTZ: Well, maybe you can have it by after lunch, do you suppose?

A You bet.

MR. UTZ: Stuff like that in an empty stomach is not good.

Do you have anything else, Mr. Hatch?

MR. HATCH: No, that was all.

MR. KELLAHIN: One question, Mr. Lyon. In the event the Commission approves one unit, you do propose that the allowable be assigned to the two wells jointly to be

produced in any proportion, is that correct?

A Yes, we would like this privilege.

MR. UTZ: Other questions?

(Witness excused.)

MR. UTZ: Statements?

MR. KELLAHIN: We're in favor of it.

MR. UTZ: The case will be taken under advisement, and the hearing is adjourned. Oh, we didn't take care of the last case. The case will be taken under advisement, and the hearing is not adjourned.

I N D E XWITNESSPAGE

VICTOR T. LYON

Direct Examination by Mr. Kellahin

2

Cross Examination by Mr. Utz

10

EXHIBITMARKEDOFFERED AND  
RECEIVEDApplicant's 1  
through 6

2

10

STATE OF NEW MEXICO )  
                               : ss  
 COUNTY OF MCKINLEY )

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

  
 Court Reporter

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Executive Hearing of Case No. 4-534  
 held by me on April 28, 1971  
 \_\_\_\_\_, Secretary  
 New Mexico Oil Conservation Commission





# 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**

**May 10, 1971**

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

Re: Case No. 4534  
Order No. R-4142  
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.  
A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC           x            
Artesia OCC                             
Aztec OCC                           

**Other** \_\_\_\_\_

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. 4534  
Order No. R-4142

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1971,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of May, 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  
owner and operator of the Wantz Lease which, in addition to other  
lands, consists of the N/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of  
Section 21, Township 21 South, Range 37 East, NMPM, Lea County,  
New Mexico.

(3) That by Administrative Order MSP-629, the Commission  
approved a 40-acre non-standard gas proration unit in the Blinebry  
Gas Pool comprising the SW/4 SE/4 of said Section 21 to be dedi-  
cated to the applicant's Wantz Well No. 8.

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CASE NO. 4534

Order No. R-4142

(4) That by Administrative Order NSP-633, the Commission approved a 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the NW/4 SW/4 and E/2 SW/4 of Section 21 to be dedicated to the applicant's Wantz Well No. 11.

(5) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 160-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the N/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of said Section 21, to be simultaneously dedicated to its Wantz Wells Nos. 8 and 11.

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

(7) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Wantz Wells Nos. 8 and 11.

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

(9) That Administrative Orders NSP-629 and NSP-633 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective as of April 1, 1971, a 160-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the N/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Wantz Wells Nos. 8 and 11, located, respectively, in Units O and L of said Section 21.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 160 acres; and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

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CASE NO. 4534

Order No. R-4142

(3) That the cumulative overproduction/underproduction status of said consolidated unit shall be the combined cumulative overproduction/underproduction statuses as of April 1, 1971, of the two units being consolidated.

(4) That the cancellation status of said consolidated unit shall be the combined cancellation statuses as of April 1, 1971, of the two individual units being consolidated.

(5) That Administrative Orders MSP-629 and MSP-633 are hereby superseded.

(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*

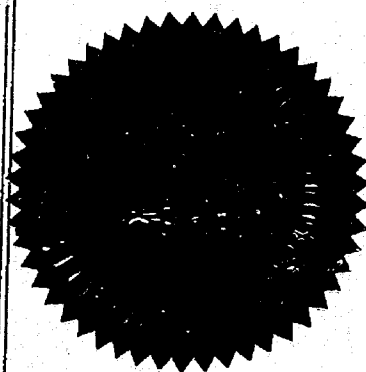
BRUCE KING, Chairman

*Alex J. Armijo*

ALEX J. ARMIJO, Member

*A. L. Porter, Jr.*

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



dr/

~~Cont.~~

Case 4534

Lease #28-71

Res. #28-71

Grant Cont. a Dual well unit  
in the Belvedere as pool consisting  
of the SW 1/4, Sec 2 - 215-37E  
E 1/4, S 1/2 SE 1/4, NW SE 1/4, 280 Ac.  
The well shall be their M.C. Warty  
#8 Unit. © and their Warty #11  
~~Unit. ©~~ unit L.

Effective Date shall be given if  
possible.

The unit status shall be consol-  
idated as of 4-1-71.

Thurs

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 28, 1971

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4352: (Reopened) Continued from the April 14, 1971 hearing. This case will again be continued - to the May 19, 1971 hearing.

In the matter of Case 4352 being reopened by the Oil Conservation Commission upon its own motion to give all interested persons an opportunity to appear and present evidence as to whether the Double L-Queen and Suble-Queen Pools, Chaves County, New Mexico, are in fact separate reservoirs or one common reservoir. Further, in the event it is found that the two pools comprise one common reservoir, the Commission will consider the adoption of special rules and regulations to provide for the classification of oil and gas wells, spacing and well location requirements for oil and gas wells, and an allocation formula for withdrawals from the gas wells and oil wells.

CASE 4523: Application of Texas Pacific Oil Company, Inc., for the re-dedication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the rededication of a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 31, Township 25 South, Range 37 East, Lea County, New Mexico, to its Legal Wells Nos. 1 and 2, located, respectively, in Units R and I of said Section 31. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.

CASE 4524: Application of Texaco Inc. for reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the general rules and regulations for the prorated gas pools of Southeastern New Mexico to permit the reinstatement of accumulated underproduction cancelled for its Blinbry "A" Federal (NCT-1) Well No. 2 located in Unit I, Section 31, Township 23 South, Range 37 East, Jalmat Gas Pool Lea County, New Mexico.

CASE 4525: Application of Wolfson Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 280-acre non-standard gas proration unit comprising the SW/4, S/2 NW/4, and NE/4 NW/4 of Section 20, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its

Cities-Federal Well No. 1 located 2310 feet from the South line and 380 feet from the West line of said Section 20.

CASE 4526: Application of Pennzoil United, Inc., for the creation of a new pool and promulgation of special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the San Andres formation for its Superior State Well No. 1 located in Unit L of Section 8, Township 7 South, Range 35 East, Roosevelt County, New Mexico, and for the promulgation of special rules therefor, including a provision for 320-acre spacing units.

CASE 4527: Application of Big "6" Drilling Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bone Springs formation in the interval from 10,062 feet to 10,119 feet in its Ora Jackson "A" Well No. 1 located in Unit M of Section 5, Township 19 South, Range 35 East, Scharb-Bone Springs Pool, Lea County, New Mexico.

CASE 4528: Application of Frankan, Aston & Fair, Inc., for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, to dispose of water produced by its Coppedge Well No. 1-C located in Unit H of Section 5, Township 18 South, Range 30 East, Loco Hills-Grayburg-San Andres Pool, Eddy County, New Mexico, in an unlined pit in the vicinity of said well.

CASE 4529: Application of El Paso Natural Gas Company for 320-acre spacing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks 320-acre spacing for the Grayburg-Atoka Gas Pool, Eddy County, New Mexico. Said pool was created prior to June 1, 1964, and therefore is not automatically eligible for 320-acre spacing. In the absence of evidence to the contrary, 320-acre spacing will be established for the pool.

CASE 4530: Application of Amoco Production Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle oil production from the Blinebry and Drinkard Pools in the well-bore of its Southland Royalty "A" Well No. 2, a triple completion, located in Unit B of Section 9, Township 21 South, Range 37 East, Lea County, New Mexico.



CASE 4518: (Readvertised)

Application of American Quasar Petroleum Company of New Mexico for a unit agreement and unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Vega Draw Unit Area comprising 7,680 acres, more or less, of State, Federal and fee lands in Township 25 South, Range 33 East, Lea County, New Mexico. Applicant further seeks authority to drill an exploratory gas well at an unorthodox location 660 feet from the North line and 760 feet from the East line of Section 28, said Township and Range, to test the Devonian, Pennsylvanian, and Wolfcamp formations within one mile of the Red Hills Field. In the absence of objection an order will issue, based upon testimony received in this case on March 31, 1971.

CASE 4531a

Application of Hanson Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water by injection into the Delaware formation in the open-hole interval from 4192 to 4197 feet in its Hanson Federal Well No. 11 located 990 feet from the North line and 1650 feet from the West line of Section 25, Township 26 South, Range 31 East, North Mason-Delaware Pool, Eddy County, New Mexico.

CASE 4532a

Application of Atlantic Richfield Company for the assignment of gas allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of gas allowable to its Phillips "A" Well No. 9, located 800 feet from the South line and 660 feet from the West line of Section 31, Township 19 South, Range 37 East, Monument-McKee Gas Pool, Lea County, New Mexico, for the proration period from July 1, 1970, through December 31, 1970, and for January and February, 1971. Said well was completed in March, 1971, as a twin replacement well for applicant's Phillips "A" Well No. 8 which ceased producing in 1969 and after extensive and unsuccessful workover operations was abandoned in January, 1971.

CASE 4533:

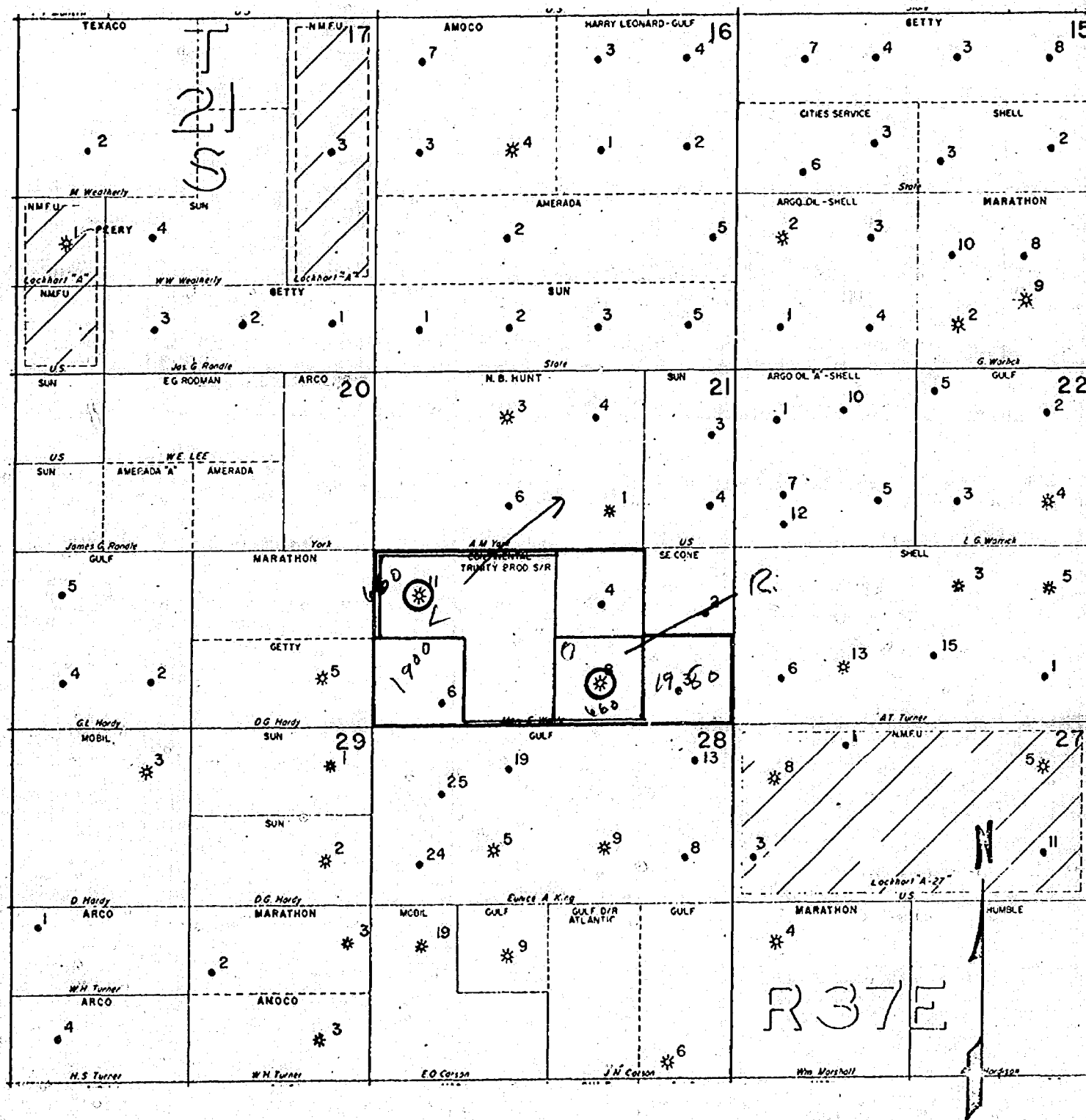
Application of Amoco Production Company for reinstatement of cancelled under production and reclassification of three wells, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the general rules for prorated gas pools in Southeast New Mexico to permit the reinstatement of underproduction cancelled January 1, 1971, for the following wells: Gillully "B" Fed. No. 3, in Unit N of Section 33, Township 20 South, Range 37 East, Eumont



Pool, Gillully Fed. Gas Com. No. 4, in Unit B of Section 24, Township 20 South, Range 36 East, Eumont Pool, and State "C" Tr. 12 No. 4, in Unit F of Section 16, Township 21 South, Range 37 East, Blineby Pool. Applicant further seeks the reclassification from marginal to non-marginal of the aforesaid Gillully "B" Fed. No. 3, and the Owen "B" Fed. No. 2 in Unit B of Section 34 and the Southland Royalty "A" No. 2 in Unit B of Section 9, both in Township 21 South, Range 37 East, Tubb Gas Pool.

← CASE 4534: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit in the Blineby Gas Pool consisting of the N/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Lea County, New Mexico, to be assigned jointly to its Wantz Wells Nos. 8 and 11 located in Units O and L respectively of said section; or, in the alternative, for the reallocation of acreage between the two wells so as to assign 40-acres to Well No. 11 and 120-acres to Well No. 8.

CASE 4535: Application of Continental Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Monument-Tubb and Weir Drinkard oil production in the well-bore of its SEMU Well No. 70, located in Unit I of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.



• BLINEBRY OIL WELL

\* BLINEBRY GAS WELL

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 1  
CASE NO. 4534

CONTINENTAL OIL COMPANY  
PRODUCTION DEPARTMENT - HOBBS DIVISION  
LEA COUNTY, NEW MEXICO  
WANTZ LEASE  
SCALE  
0' 1000' 2000'

EXHIBIT 1

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

103

Start Date of Test  
January 21, 1971

Company <b>Continental Oil Company</b>					Lease <b>M. E. Wantz No. 8</b>			
Unit <b>0</b>	Sec. <b>21</b>	Twp. <b>21</b>	Range <b>37</b>	County <b>Lea</b>	Pool <b>Blinebry</b>			
Type Well <b>Single</b>		Producing Thru		Tubing <b>X</b>	Casing	Top of Pay <b>5490</b>	Bar. Pressure <b>13.2</b>	Compressor <b>None</b>
Date of Previous Minimum Contract Test <b>7-9-70</b>		n <sub>i</sub> of Previous Back Pressure Test <b>1.000</b>		Gravity <b>.682</b>	Meter Std. No. <b>61-084</b>	Acres Factor <b>.250</b>		

FLOW DATA					FLOWING PRESSURES, PSIA		DURATION OF FLOW HOURS	
Prover Line Size	X	Choke Orifice Size	Static Pressure Psig.	Diff. hw	Temp. °F	Tubing		Casing
			539			722.2		24

VOLUME CALCULATIONS

Coefficient (24 - Hour)	$\sqrt{h_w P_m}$	Pressure Psia.	Flow Temp. Factor F <sub>t</sub>	Gravity Factor F <sub>g</sub>	Super Compress. Factor F <sub>pv</sub>	Rate of Flow Q-MCF/D : 15.025 Psia.
						913

VOLUME INTEGRATED BY MAIN OFFICE

$$D_i = Q \left[ \frac{P_c^2 - P_d^2}{P_c^2 - P_i^2} \right]^{n_i}$$

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

SHUT-IN DATA, PSIA

DURATION	TUBING	CASING
24 Hour		
48 Hour		
72 Hour	1089.2	

LINE	ITEM	SOURCE	113.2	263.2	613.2	863.2
1	P <sub>c</sub> <sup>2</sup>					
2	P <sub>d</sub> <sup>2</sup>					
3	P <sub>i</sub> <sup>2</sup>					
4	P <sub>c</sub> <sup>2</sup> - P <sub>d</sub> <sup>2</sup>	$\bar{1} - \bar{2}$				
5	P <sub>c</sub> <sup>2</sup> - P <sub>i</sub> <sup>2</sup>	$\bar{1} - \bar{3}$				
6	B	$\bar{4} \div \bar{5}$				
7	Log $\bar{6}$					
8	n <sub>i</sub>					
9		$\bar{7} \times \bar{8}$				
10	B <sup>n<sub>i</sub></sup>	Antilog $\bar{9}$				
11	Q-MCF/D					
12	D <sub>i</sub>	$\bar{10} \times \bar{11}$	1612			606

This well was changed from 600# system to 500# system on Dec. 11, 1970

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

Witnessed By: (Name)	TomPay
Company:	Continental Oil Co.
Tested By:	Jack T. Littlefield
Calculated By:	

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 2  
CASE NO. 4534

EXHIBIT 2

103

EM	Start Date of Test January 7, 1971
Lease M. E. Wantz No. 11	
Pool Blinebry	
Company Continental Oil Company	Unit L 21 21 37 Lea
Type Well G. O. Dual	Producing Thru X
Date of Previous Minimum Contract Test July 9, 1970	Gravimetric Factor .687
Bar. Pressure 13.2	Compressor On
Meter Sta. No. 60-707	Acce Factor .750

FLOW DATA					FLOWING PRESSURES, PSIA		DURATION OF FLOW HOURS
Prover Line Size	Choke X Orifice Size	Static Pressure P <sub>sig</sub>	Diff. h <sub>w</sub>	Temp. °F	Tubing	Casing	
		97				114.2	24

VOLUME CALCULATIONS							Rate of Flow Q-MCFPD @ 15.025 Psia.
Coefficient (24 - Hour)	$\sqrt{h_w P_m}$	Pressure P <sub>sig</sub>	Flow Temp. Factor F <sub>t</sub>	Gravity Factor F <sub>g</sub>	Super Compress. Factor F <sub>pv</sub>		
							406

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

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

SHUT-IN DATA, PSIA		
DURATION	TUBING	CASING
24 Hour		
48 Hour		
72 Hour		724.2

LINE	ITEM	SOURCE	113.2	263.2	613.2	863.2
1	P <sub>c</sub> <sup>2</sup>					
2	P <sub>d</sub> <sup>2</sup>					
3	P <sub>1</sub> <sup>2</sup>					
4	P <sub>c</sub> <sup>2</sup> - P <sub>d</sub> <sup>2</sup>	1 - 2				
5	P <sub>c</sub> <sup>2</sup> - P <sub>1</sub> <sup>2</sup>	1 - 3				
6	B	4 ÷ 5				
7	Log δ					
8	n <sub>1</sub>					
9		7 x 8				
10	B <sup>n<sub>1</sub></sup>	Antilog 9				
11	Q-MCF/D					
12	D <sub>1</sub>	10 x 11	406*			

\* DELIVERABILITY CALCULATED BY ELECTRONIC CALCULATOR.  
NOTE: THIS WELL WAS CHANGED FROM 150% SYSTEM TO 100% SYSTEM ON 11-23-70.

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

Witnessed By: (Name)
Company:
Tested By: Jack T. Littlefield
Calculated By: Jack T. Littlefield

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 3  
CASE NO. 2534

EXHIBIT 3

# STATUS OF UNITS ON PRESENT BASIS

<u>MONTH</u>	<u>ALLOWABLE</u>	<u>PRODUCTION</u>	<u>OVER/UNDER</u>	<u>STATUS</u>	<u>JEOPARDY</u>
WANTZ NO. 8					
Opening				(4,223)	4,223 <i>OK</i>
January	5,482 ✓	14,309 ✓	8,827	4,604 - ✓	0
February	4,694 ✓	15,782 ✓	11,088	15,692 - ✓	0
March	5,321 ✓	33,529 ✓	28,208	43,900 - <i>OK</i>	0
April	3,917				

WANTZ NO. 11					
Opening				(21,620)	21,620 <i>OK</i>
January	16,445 ✓	11,072 ✓	(5,373)	(26,993) ✓	21,620
February	14,082 ✓	10,595 ✓	(3,487)	(30,486) ✓	21,620
March	15,963 ✓	10,277 ✓	(5,686)	<i>OK</i> 36,166 -	21,620
April	11,752				

36,166 +  
43,900 -  
7,734

43,900  
36,166  
7,734

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 4  
CASE NO. 4534

EXHIBIT NO. 4

COMBINED WANTZ NO. 8 AND NO. 11

<u>MONTH</u>	<u>ALLOWABLE</u>	<u>PRODUCTION</u>	<u>OVER/UNDER</u>	<u>STATUS</u>	<u>JEOPARDY</u>
Opening				(25,843)	25,843✓
January	21,927	25,381	3,454	(22,389)	22,389
February	18,776	26,377	7,601	(14,788)	14,788
March	21,284	43,805	22,521	7,733	0
April	115,669				

*Wrong*

BEFORE EXAMINER UTZ.  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 5  
CASE NO. 4534

EXHIBIT NO. 5

**STATUS OF UNITS AFTER ACREAGE RE-ALLOCATION  
(ALTERNATE REQUEST)**

<u>MONTH</u>	<u>ALLOWABLE</u>	<u>PRODUCTION</u>	<u>OVER/UNDER</u>	<u>STATUS</u>	<u>JEOPARDY</u>
WANTZ NO. 8      120 Ac.					
Open Ing				(18,636)	18,636
January	5,482	14,309	8,827	(9,809)	9,809
February	4,694	15,782	11,088	1,279	0
March	5,321	33,529	28,208	29,487	0
April	11,752				

WANTZ NO. 11      400 Ac.					
Open Ing				(7,207)	7,207
January	16,445	11,072	(5,373)	(12,580)	7,207
February	14,082	10,595	(3,487)	(16,067)	7,207
March	15,963	10,277	(5,686)	(21,753)	7,207
April	3,917				

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 6  
CASE NO. 4534

EXHIBIT NO. 6





# CONTINENTAL OIL COMPANY

P. O. Box 460  
HOBBS, NEW MEXICO 88240

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

April 7, 1971

1001 NORTH TURNER  
TELEPHONE 393-4141

*Case 4534*

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

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

Gentlemen:

Subject: Application to Re-allocate Blinebry Gas Acreage, Wantz Lease,  
Section 21, Township 21 South, Range 37 East, Lea County,  
New Mexico

Enclosed in triplicate is our application for re-allocation of  
acreage on our Wantz Lease located in Section 21, Township 21 South,  
Range 37 East, Lea County, New Mexico. Please set this matter for hearing  
on your April 28, 1971, Examiner Docket.

Yours very truly,

VTL-RW  
Enc  
CC: RLA, JJB, JWK

DOCKET MAILED

Date 4-16-71



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR APPROVAL

OF A 160-ACRE NON-STANDARD GAS PRORATION  
UNIT IN THE BLINEBRY GAS POOL CONSISTING  
OF N/2 SW/4, SE/4 SW/4, and SW/4 SE/4  
SECTION 21, T-21S, R-37E, TO BE ASSIGNED  
JOINTLY TO ITS WANTZ WELLS NOS. 8 AND 11  
LOCATED IN UNITS O AND L RESPECTIVELY OF  
SAID SECTION; OR, IN THE ALTERNATIVE,  
FOR THE REALLOCATION OF ACREAGE BETWEEN  
THE TWO WELLS SO AS TO ASSIGN 40-ACRES  
TO WELL NO. 11 AND 120-ACRES TO WELL NO. 8

Case 4534

A P P L I C A T I O N

COMES Now Applicant, Continental Oil Company, and respectfully  
requests approval of a 160-acre non-standard gas proration unit in the  
Blinebry Gas Pool consisting of N/2 SW/4, SE/4 SW/4, and SW/4 SE/4 Section 21,  
Township 21 South, Range 37 East, Lea County, New Mexico, to be assigned  
jointly to its Wantz Wells Nos. 8 and 11 in Units O and L, respectively,  
in said section; or, in the alternative, for the reallocation of acreage  
between the two wells so that Well No. 11 will be assigned 40-acres and Well  
No. 8 will be assigned 120-acres, and in support thereof would show:

1. Applicant is the operator of the Wantz lease consisting of  
SW/4, W/2 SE/4 and SE/4 SE/4 Section 21, Township 21 South  
Range 37 East, Lea County, New Mexico.
2. Applicant has heretofore drilled and completed two producing  
Blinebry gas wells on said lease located as follows:  
Well No. 11 located 1900' from the south line and 660' from  
the west line; and Well No. 8 located 660' from the south  
line, 1980' from the east line of said Section 21.
3. Well No. 8 is assigned 40-acres consisting of SW/4 SE/4 for  
gas proration purposes and has excess producing capacity;  
whereas Well No. 11 is assigned 120-acres consisting of N/2  
SW/4 and SE/4 SW/4 and is unable to produce its current allowable.
4. The creation of a non-standard 160-acre gas proration unit  
consisting of the acreage presently allocated to both wells  
will permit the wells to produce the allowable assigned to them.

5. As an alternative measure the removal of the E/2 SW/4 from the unit assigned to Well No. 11 and allocating said acreage to Well No. 8 will result in distribution of allowable more nearly in the ratio of the producing ability of the two wells.
6. In the event the Commission chooses the alternative measure, it is requested that two-thirds of the under-production from Well No. 11 and two-thirds of its cancellable allowable be transferred to Well No. 8 in order to assist the wells to balance during this proration period.
7. That the granting of this application will prevent waste and will not impair correlative rights.

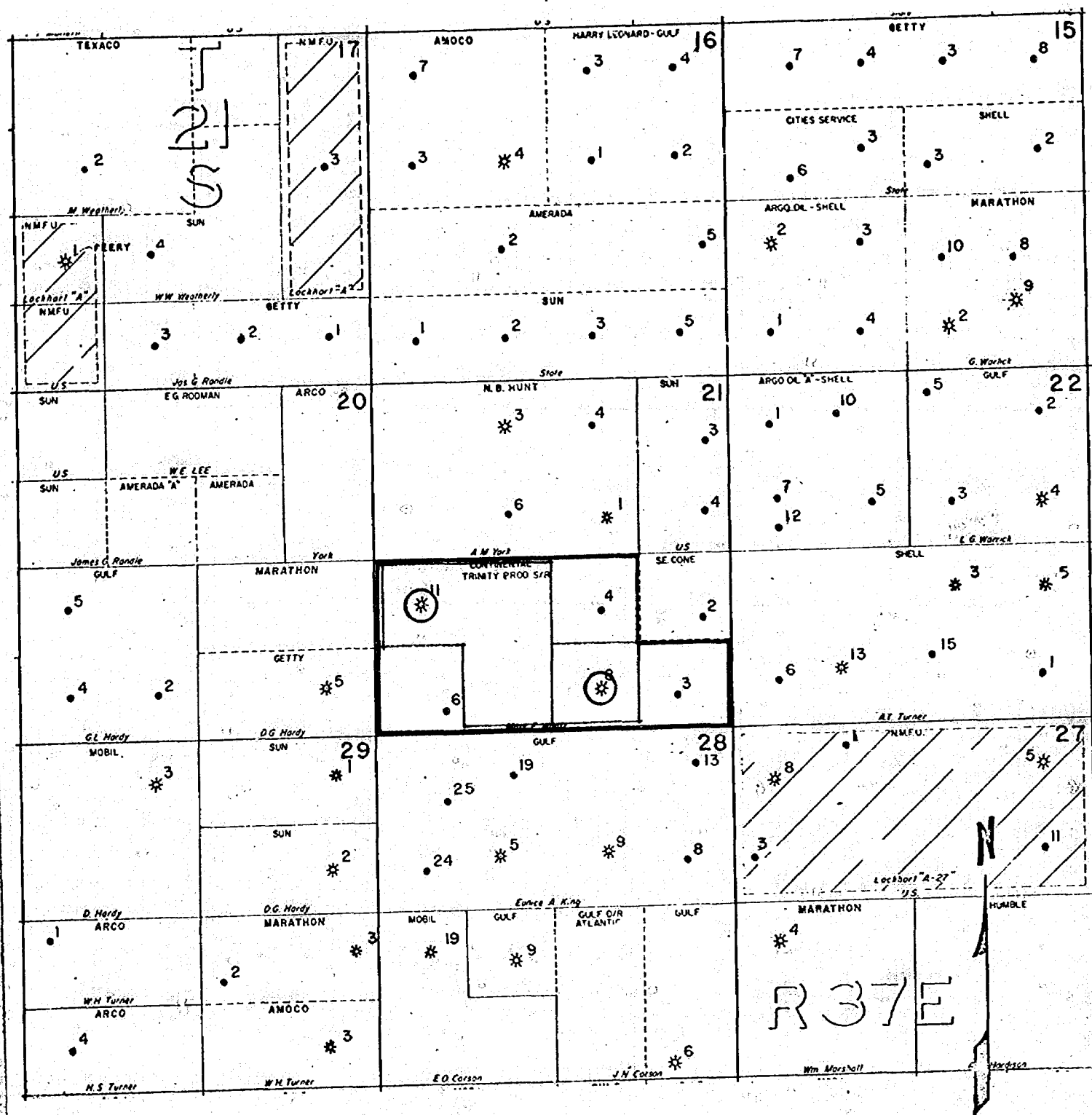
WHEREFORE, Applicant respectfully requests that this matter be set for hearing before the Commission's duly appointed examiner and, upon hearing, an order be entered approving the non-standard gas proration unit to be assigned to the two wells jointly or, in the alternative, reassigning the acreage as described above.

Respectfully submitted  
CONTINENTAL OIL COMPANY



G. C. Jamieson

LPT-RW



• BLINEBRY OIL WELL

\* BLINEBRY GAS WELL

CONTINENTAL OIL COMPANY	
PRODUCTION DEPARTMENT—HOBBS DIVISION	
LEA COUNTY, NEW MEXICO	
WANTZ LEASE	
SCALE 0 1000' 2000'	

Case 4524

DRAFT

GMH/dr

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. 4534

Order No. R- 4142

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1971,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 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  
owner and operator of the Wanty Lease which,  
in addition to other lands, consists of the N/2 SW/4, SE/4 SW/4,  
and SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, NMPM,  
Lea County, New Mexico.

(3) That by Administrative Order NSP-629, the  
Commission approved a 40-acre non-standard gas  
proration unit in the Blueberry Gas Pool comprising  
the SW/4 SE/4 of said section 21 to be dedicated to  
the applicant's Wanty Well No. 8.

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CASE NO. 4534

Order No. R- 4142

(3) That by Administrative Order N9P-633, the Commission approved a 120-acre non-standard gas proration unit in the Blinebry Gas Pool ~~consisting of the~~ comprising NW/4SW/4 and E/2SW/4 ~~N/2SW/4, SE/4SW/4, and~~ SW/4SE/4 of Section 21 to be dedicated to the applicant's Wantz Wells Nos. ~~8 and 11~~ located in Units C and L respectively of ~~said section and that the applicant~~

(4) That the applicant now seeks the consolidation ~~establishment of a~~ the two existing non-standard gas proration units to form one 160-acre non-standard gas proration unit in the Blinebry Gas Pool the N/2SW/4, SE/4SW/4, and SW/4SE/4 of ~~comprising all of the acreage in its Wantz Wells Nos. 8 and 11~~

Lease within said Section 21, as described ~~above~~, to be simultaneously dedicated to its Wantz Wells Nos. 8 and 11.

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

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Wantz Wells Nos. 8 and 11.

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

-3-

CASE NO. 4534

Order No. R- 4142

NSP-629 and NSP-633

(8) That Administrative Orders ~~NSP-629 and NSP-633~~ should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective April 1, 1971, 1971, a 160-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the N/2 SW/4, SE/4 SW/4, and SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Wantz Wells Nos. 8 and 11, located, respectively, in Units O and L of said Section 21.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 160 acres; and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That the cumulative overproduction/underproduction status of said consolidated unit shall be the combined cumulative overproduction/underproduction statuses as of April 1, 1971, of the two units being consolidated.

(4) That the cancellation status of said consolidated unit shall be the combined cancellation statuses as of April 1, 1971, of the two individual units being consolidated.

(5) That Administrative Orders NSP-629 and NSP-633 are hereby superseded.

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

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