



BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico June 10, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company for two non-standard gas proration units and reinstatement of cancelled underage, Lea County, New Mexico

CASE NO. 5479

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

APPEARANCES

For the New Mexico Oil Conservation Commission: William F. Carr, Esq. Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico

THE NYE REPORTING SERVICE STATE-WIDE DEPOSITION NOTARIES 225 JOHNSON STREET SANTA FE, NEW MEXICO 87501 TEL. (505) 902-0386

MR. NUTTER: Case 5479.

MR. CARR: Case 5479. Application of Continental Oil Company for two non-standard gas proration units and reinstatement of cancelled underage, Lea County, New Mexico. MR. NUTTER: Case No. 5479 was heard at the

Examiner Hearing on May 14, 1975, however, at that time there was an error in the advertising and it had to be readvertised and also the Application was broadened somewhat by the testimony of May 14th and it will be incorporated in the record of this hearing today and the case taken under advisement.

Are there any appearances to be made in Case No.

54798

The case will be taken under advisement.

THE NYE REPORTING SERVICE STATE-WIDE DEPOSITION NOTARIES 225 JOHNSON STREET SANTA FE, NEW MEXICO 87501 TEL. (505) 982-0386

CASE 5479 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. i do hereby certify that the foregoing is a complète record of the proceedings in the Examiner hearing of Case No. 5477 1.7) 1975 New Mexico Oil Conservation Commission <. Examiner THE NYE REPORTING SERVICE STATE-WIDE DEPOSITION NOTARIES 225 JOHNSON STREET SANTA FE, NEW MEXICO 87501 TEL. (505) 982-0386 \$ 15 52.

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico 14 May 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company for two non-standard gas proration units, two unorthodox locations, and simultaneous dedications, Lea County, New Mexico. Applicant, in the abovestyled cause, seeks approval for a non-standard gas proration unit comprising Lots 1, 2, and 3 and Lots 6 through 11 of Section 4, Township 11 South, Range 36 East, Eumont Gas Pool Lea County, New Mexico, to be dedicated to its Meyer B-4 Well No. 14 located in Unit G of said Section 4. Applicant further seeks approval of a 360-acre Eumont Gas proration unit comprising Lots 14, 15, and 16 and the SE/4 and E/2 SW/4 of said Section 4 to be simultaneously dedicated to its Meyer B-4 Well No. 4 and 29 at unorthodox locations in Units S and P, respectively, of said Section 4.

BEFORE: Daniel S. Nutter, Examiner.

For the New Mexico Oil Conservation Commission:

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William F. Carr, Esq. Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico 87501

THE NYE REPORTING SERVICE STATE-WIDE DEPOSITION NOTARIES 225 JOHNSON STREZT SANTA FE, NEW MEXICO 87501 TEL. (508) \$82-0386 No. 5479

CASE 5479 Tom Kellahin, Esq. KELLAHIN & FOX For the Applicant, 500 Don Gaspar Santa Fe, New Mexico 87501 Continental Oil Company: THE NYE REPORTING SERVICE STATE-WIDE DEPOSITION NOTARIES 225 JOHNSON STREET SANTA FE, NEW MEXICO 87501 TEL. (505) 982-0386

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Testimony of Victor T. Lyon Direct Examination by Mr. Kellahin Questions by Mr. Nutter

EXHIBITS

Exhibits One and Two

THE NYE REPORTING SERVICE STATE-WIDE DEPOSITION NOTARIES 225 JOHNSON STREET SANTA FE, NEW MEXICO 07501 TEL. (505) 902-0306

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MR. NUTTER: Case 5479.

MR. CARR: Case 5479. Application of Continental Oil Company for two unorthodox locations, and simultaneous dedication, Lea County, New Mexico.

MR. KELLAHIN: Tom Kellahin, Kellahin and Fox, Santa Fe, New Mexico, and I have one witness who was previously sworn and qualified as an expert witness, and who is still under oath.

MR. NUTTER: The record will so show.

MR. KELLAHIN: In addition, Mr. Examiner, we have a correction with regards to the advertisement of this case. The advertisement indicates Township 11 South and that should be corrected to read Township 21 South. We would request permission to present our case today.

MR. NUTTER: Was that in the advertisement or was that just here in the docket, do you know?

"MR. KELLAHIN: I believe it's in the ad.

MR. NUTTER: Was it?

MR. KELLAHIN: Yes, sir.

MR. NUTTER: This is another one that would have to be carried over and be re-advertised.

MR. KELLAHIN: I'd like to present our case today and have it re-advertised for a subsequent hearing.

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MR. NUTTER: Fine.

VICTOR T. LYON,

being called as a witness and being previously sworn upon his oath, testified as follows, to-wit: DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Lyon, would you please refer to Exhibit One, what's been marked as Exhibit One, and state what Continental is seeking?

A Yes, Case 5479 is the application of Continental Oil Company for approval of two 360-acre nonstandard gas proration units in Eumont Gas Pool for its Meyer B-4 Lease, for joint allocation of one of these units to Wells Number 4 and 29, located in Units S and P, respectively, and for approval of unorthodox locations for those two wells. All of this is located on its Meyer B-4 Lease, located in Section 4 and 21 South, Range 36 east, Lea County, New Mexico.

Exhibit Number One is a location plat which shows the Meyer B-4 Lease outlined in red and also the two units which we are requesting outlined in red. The lease consists of the east half of the west half of irregular Section 4, Township 21 South, Range 36 East. The

> THE NYE REPORTING SERVICE STATE-WIDE DEPOSITION NOTARIES 225 JOHNSON STREET SANTA FE, NEW MEXICO 87501 TEL. (505) 902-0386

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three wells involved are circled in red and are Well Number 14, located in Unit G; Well Number 4, which is located in Unit S; and Well Number 29, which is located in Unit P of that section. The 320-acre unit which is proposed to be allocated to Well Number 14 is described as Lots 1, 2, and 3, 6, 7, 8, 9, 10, 11 of that section.

MR. NUTTER: Mr. Lyon, you said the 320-acre unit. I think you meant 360-acre.

MR. LYON: I'm sorry, 360-acre. And the proration units to be assigned jointly to Wells 4 and 29 would be described as Lots 13, excuse me, 14, 15, and 16 of the southeast quarter and east half southwest quarter of Section 4.

There was a recent order, Number R-4908, which re-allocated acreage on this lease between Wells Number 4 and 14 so that Number 14 had the northern two-thirds of the lease; Well Number 4 had the southern one-third and the units created by that order were 480 acres for Number 14; 240 acres for Number 4. Continental has now drilled its Well Number 29 in Section -- or in Unit P at a location 4883 feet from the north line, 990 feet from the east line of Section 4. This would place the well approximately 340 feet from the south line and 990

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feet from the east line of Unit P. Well Number 29 was drilled in order to increase the producing capacity for the lease. Number 14 has produced its increased allowable without any difficulty. Well Number 4, however, has continued to fall behind and was unable to produce the allowable assigned to it, but we believe that between Wells 4 and 29, that the two wells can produce the 360-acre allowable.

Q Would you please refer to Exhibit Two and identify it?

A · Exhibit Two is a tabulation showing a comparison of production and allowable for Meyer B-4 Number 4. It covers the period beginning January of 1974 and continuing through April of '75. The first column is the month and year and the second column is the allowable; the third column is the production; the fourth column is the status of under-production or over-production, and the fifth column is the amount allowable which is cancellable, from the well. The well entered the proration period April 1st, 1974; under-produced in the amount of 239, -- no, I'm sorry. It entered the period under-produced in the amount of 238,226 MCF and during the months of April through September made up some of its under-production.

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Since that time, however, it has fallen progressively further behind. The provisions of Order Number R-4908 required the transfer of under-production from Number 4 to Number 14 in proportion to the amount of its proration unit, which was reassigned, and the amount of under-production transferred was or should have been 71,285 MCF. The well was classified to marginal effective January 1st of 1975.

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MR. NUTTER: Which one, 4 or 14?

4

A Number 4, and so the allowable that I show here is not the actual allowable assigned to the well but the allowable that would have been assigned to the well as a non-marginal well.

Q In your opinion, Mr. Lyon, will the granting of this application be in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A Yes, it will. I would like to request, and I think that probably since the case is going to have to be re-advertised, that it would be proper to include this in the revised advertisement, that we would like the well to be restored to the status that it would have enjoyed had it not been reclassified to marginal on January 1st.

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I think that this -- this action would serve to protect the correlative rights of the owners of this lease and I don't believe it would impair the correlative rights of anybody else.

Q Were Exhibits One and Two prepared by you?

A Yes, they were.

MR. KELLAHIN: We move the introduction of Exhibits

MR. NUTTER: Conoco's Exhibits One and Two will be admitted in evidence. Is that all, Mr. Kellahin?

MR. KELLAHIN: Yes, sir.

QUESTIONS BY MR. NUTTER:

Q Mr. Lyon, now when that first order came out how many wells were on the unit; when the acreage was redistributed just two wells, right?

Yes.

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Q The 4 and 14?

A Right.

Q And the 400 -- there was one 440-acre unit and one 240-acre unit?

A Yes.

Q And we took a composite status of the 720 acres and divided up that under-production between those wells

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and two-thirds of it went to the Number 14, is that correct?

A Well, let's say ---

Q Number 14 was a non-marginal well?

A Number 14 was a non-marginal and over produced.

Q And over produced?

A And Number 4 was under-produced.

Q And we took two-thirds of its under-production-no, I guess it was one-third.

A I think we took one-third of the under-production. Q One-third of the under-production assigned to

Number 14?

A Yes.

Q And since then the well has continued to carry an under-produced status?

A Yes.

Q And then it was reclassified as marginal on what date?

A It was -- actually it appeared I believe in the February schedule. Then, of course, it was effective at the end of the balancing period ending December 31st

of 1974.

Q And how much under-production was cancelled at

THE NYE REPORTING SERVICE STATE-WIDE DEPOSITION NOTARIES 225 JOHNSON STREET SANTA FE, NEW MEXICO 87501 TEL. (505) 902-0386

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that time?

A I don't have the schedule with me but it shows that it was under-produced 155,298 according to --

Q At the end of December?

A At the end of December, yes.

But, of course, at the time that this took place January's production allowable had come out and the January schedule it was non-marginal, so that' its total accumulated under-production was cancelled when it was classified as marginal.

Q Uh-huh. And now you're seeking that when we re-advertise this case because of the error in the township, that we would include in the notice, I think you said you want the well restored to this status it enjoyed?

A It would have enjoyed. Q It would have enjoyed had it not been reclassified marginal, which would include the reinstatement of the under-production which was cancelled.

A Yes, according to my calculations, under the balancing provisions the well would have lost 119,856 MCF gas at the end of the balancing period, March 31st of '75. O It would have lost that because that was underproduction that was carried into the proration period and

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hadn't been made up. Now when was Well Number 29 completed?

It was completed -- I'm sorry, I didn't bring Α that exact date, but it was drilled -- it was drilling in January as I recall, and if you will recall at about the time that it was nearing its total depth the FPC clarified its order 699, which -- which did not -- which indicated that gas from wells drilled to reservoirs discovered before whatever their cut-off date would not be entitled to new gas prices and therefore we decided to drill into the San Andres and test the Eunice-Monument pool and it was tested there for some time; was determined to be noncommercial, and then just, well, while this testing was going on, the FPC reclarified their clarification and indicated that such wells would be entitled to new gas prices, and therefore we have work underway in the well right now recompleting it into the Eumont.

Q So it's just now being recompleted. You don't have any idea of its potential?

A. No.

Q In the Eumont.

A No, the report that I had yesterday morning, it was still recovering load and they did not give any gas

data.

THE NYE REPORTING SERVICE STATE-WINE DEPOSITION NOTARIES 225 JOHNSON STREET SANTA FE, NEW MEXICO 87501 TEL. (505) 962-0386

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MR. NUTTER: Are there any further questions of Mr. Lyon?

MR. KELLAHIN: No.

MR. NUTTER: He may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: Not in this case.

MR. NUTTER: Does anyone have anything further in Case 5479?

(No response.)

MR. NUTTER: We'll take the case under advisement.

THE NYE REPORTING SERVICE STATE-WIDE DEPOSITION NOTARIES 225 JOHNSON STREET

ANTA FE, NEW MEXICO 87501 TEL. (505) 982-0386

(Hearing concluded.)

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STATE OF NEW MEXICO)) ss REPORTER'S CERTIFICATE COUNTY OF SANTA FE)

I, Sally Walton Boyd, Notary Public and General Court Reporter, Santa Fe, New Mexico, DO HEREBY CERTIFY that the facts stated in the caption hereto are true and correct; that I reported the captioned proceedings; that the foregoing 13 pages, numbered 1 through 13, inclusive, are a full, true, and correct transcript of said proceedings, prepared by me to the best of my ability.

WITNESS my hand this 24th day of May, 1975, at Santa Fe, New Mexico.

Walton Walton Boyd

Notary Public and General Court Reporter

My Commission expires: 10 September 1975

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THE NYE REPORTING SERVICE STATE-WIDE DEPOSITION NOTARIES 225 JOHNSON STREET SANTA FE, NEW MEXICO 07501 TEL. (805) \$82-0306

OIL CONSERVATION COMMISSION

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STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE July 2, 1975

Re:

I. R. TRUJILLO CHAIRMAN

LAND COMMISSIONER PHIL R. LUCERO MEMBER

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

Mr. Tom Kellahin Kellahin & Fox Attorneys at Law Post Office Box 1769 Santa Fe, New Mexico 87501

Applicant:

CASE NO.

Continental 011 Co.

ORDER NO. **R-5055**

5479

Dear Sir:

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

Yours very truly JOE D. RAMEY Secretary-Director

JDR/fd

Copy of order also sent to:

Hobbs OCC	.	2. ⁶ .
Artesia OCC _		4
Aztec OCC	1997 - 19	<u> </u>
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Other		

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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. 5479 Order No. R-5055

APPLICATION OF CONTINENTAL OIL COMPANY FOR TWO NON-STANDARD GAS PRORATION UNITS AND REINSTATEMENT OF CANCELLED ALLOWABLE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 10, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>lst</u> day of July, 1975, 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, seeks approval for two non-standard gas proration units in Section 4, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, as follows:

> a 360-acre non-standard unit comprising Lots 1, 2, and 3, and Lots 6 through 11 of said Section 4, to be dedicated to applicant's Meyer B-4 Well No. 14 located in Unit G of said Section 4; and

a 360-acre non-standard unit comprising Lots 14, 15, and 16, and the E/2 SW/4 and SE/4 of said Section 4, to be simultaneously dedicated to applicant's Meyer B-4 Wells Nos. 4 and 29, located in Units 8 and P, respectively, of said Section 4.

(3) Applicant further seeks the reclassification of said Meyer B-4 Well 4 to non-marginal status and the reinstatement of underage which was cancelled upon classification of said well to marginal status. -2-Case No. 5479 Drder No. R-5055

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

IT IS THEREFORE ORDERED:

(1) That effective July 1, 1975, the two following nonstandard gas proration units in Section 4, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, are hereby approved:

> a 360-acre non-standard unit comprising Lots 1, 2, and 3, and Lots 6 through 11 of said Section 4, to be dedicated to applicant's Meyer B-4 Well No. 14 located in Unit G of said Section 4; and

a 360-acre non-standard unit comprising Lots 14, 15, and 16, and the E/2 SW/4 and SE/4 of said Section 4 to be simultaneously dedicated to applicant's Meyer B-4 Wells Nos. 4 and 29, located in Units S and P, respectively, of said Section 4, and the allowable for said unit may be produced from either of said wells in any proportion.

(2) That the classification of the aforesaid Meyer B-4 Well No. 4 to marginal status on December 31, 1974, is hereby rescinded, and the unproduced allowable accrued to said well and cancelled on that date is hereby reinstated.

(3) That effective July 1, 1975, Order No. R-4908 is superseded.

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

STATE OF NEW MEXICO

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



LUCERO R. Member me

OIL CONSERVATION COMMISSION

JOE D. RAMEY, Member & Secretary

jr/.



<u>Month</u>	- Year	<u>Allowable</u>	Production	Status	<u>Cancellable</u>
Jan.	1974	58,568	11,985	130,834	
Feb.		54,761	14,507	171,088	· ·
Mar.		48,009	44,013	175.084	
Apr.		41,583	40,497	239,312*	238,226
May	· · · · · · · · · · · · · · · · · · ·	34,449	51,772	221,989	220,903
June	· · ·	20,605	30,100	212,494	211,408
July		17,049	31,660	197,883	196,797
Aug.		17,016	21,687	193,212	192,126
Sept.		14,360	15,347	192,225	191,139
Oct.		14,316	14,185	192,356	(191,139
Nov.		32,691	11,198		
Dec.		22,815	10,083	142,566#	119,856
2001	1997 - 19	22,015	10,005	155,298	119,856
				,	2000 - 1990 - 1990 - 1990 - 1990 - 1990 - 1990 - 1990 - 1990 - 1990 - 1990 - 1990 - 1990 - 1990 - 1990 - 1990 -
Jan.	1975	15,071	9,416	160,953	119,856
Feb.		30,230	8,724	182,459	119,856
Mar.		32,844	10,251	205,052	119,856
Apr.		29,752		203,032	113,000
				· · · · ·	ka k

Comparison of Production and Allowable Meyer B-4 No. 4

* 63,142 redistributed effective 3-31-74

71,283 under-production transferred to Well No. 14

19,856 19,966 19,976 19

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Case NO. 5479
CASE NO.

Case 5479

Docket No. 11-75

Dockets Nos. 12-75 and 13-75 are tentatively set for hearing on May 28 and June 11, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 14, 1975

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner.

ALLOWABLE: (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico, for June, 1975.

> Consideration of the allowable production of gas from five pro-(2)rated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for June, 1975.

CASE 5429:

(Continued from the March 5, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Charles M. Goad and United States Fidelity & Guaranty Company and all other interested parties to appear and show cause why the Charles M. Goad, State No. 1 Well located in Unit M of Section 28, Township 2 South, Range 26 East, De Baca County, New Mexico, should not be plugged and abandoned in accordance with a Commissionapproved plugging program.

CASE 5408:

(Continued from the April 2, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. E. Medlock and Reliance Insurance Company and all other interested parties to appear and show cause why the Queen Ridge No. 1 Well located in Unit M of Section 36, Township 10 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5469:

Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 990 feet from the South and East line of Section 7, Township 15 South, Range 28 East, Chaves County, New Mexico, in exception to the Buffalo Valley-Pennsylvanian Gas Pool Rules.

CASE 5470:

Application of Maralo, Inc. for a unit agreement, Chayes County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Butler Springs Unit Area comprising 3841 acres, more or less, of state and federal lands in Townships 14 and 15 South, Range 28 East, Chaves County, New Mexico.

Docket No. 11-75

CASE 5471: Application of Union Texas Petroleum for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Justis Blinebry and Justis Tubb-Drinkard production in the wellbore of its Carlson "B" Wells Nos. 1 and 2 located in Unit P of Section 23 and Unit H of Section 26, respectively, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 5472: Application of Mesa Petroleum Co. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 660 feet from the North and East line of Section 6, Township 26 South, Range 33 East, Red Hills Field, Lea County, New Mexico.

CASE 5473: Application of Mesa Petroleum Co. for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Drinkard production for its West Knowles Well No. 1 located in Unit P of Section 34, Township 16 South, Range 37 East, Lea County, New Mexico, and for the promulgation of special rules therefore, including a provision for 80-acre spacing units.

CASE 5474:

4: Application of Gulf Oil Company for two non-standard locations and the amendment of Order Nos, R-2904 and R-2909, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Central Drinkard Unit Wells Nos. 101 and 401 located, respectively, 554 feet from the North line and 766 feet from the East line, and 660 feet from the North and East lines of Section 28, Township 21 South, Range 37 East, Drinkard Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2904 which order approved the Central Drinkard Unit Agreement to provide that the vertical limits of the unified formation shall include the entire Drinkard formation; application further seeks the amendment of Order No. R-4909 which approved the Central Drinkard Unit Waterflood Project to provide an administrative procedure for the approval of additional unorthodox well locations.

CASE 5475:

Application of Mobil 011 Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower Siluro-Devonian formation in the open-hole interval from 12,188 feet to 12,525 feet in its Santa Fe Pacific Well No. 9, located in Unit E of Section 35, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico.

CASE 5476:

Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the NE/4 of Section 30, Township 22 South, Range 27 East, and in the Pennsylvanian formation underlying the E/2 of said Section 30, to be dedicated to a proposed gas well to be drilled at an orthodox location for both formations. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the well and a charge for the risk involved in drilling said well.

Docket No. 11-75 -3-

CASE 5477: Application of Cities Service Oil Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 18, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location for said unit 1650 feet from the South line and 1980 feet from the West line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the application as operator of the well and a charge for the risk involved in drilling said well.

CASE 5478:

CASE 5479:

Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Warren Unit Well No. 31 located in Unit O of Section 27, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Blinebry Oil and Gas Pool and oil from the Warren-Tubb Gas Pool through parallel strings of tubing.

Application of Continental Oil Company for two non-standard gas proration units, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard gas proration unit comprising Lots 1, 2, and 3 and Lots 6 through 11 of Section 4, Township 11 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Meyer B-4 Well No. 14 located in Unit G of said Section 4. Applicant further seeks approval of a 360-acre Eumont Gas proration unit comprising Lots 14, 15, and 16 and the SE/4 and E/2 SW/4 of said Section 4 to be simultaneously dedicated to its Meyer B-4 Well No. 4 and 29 at unorthodox locations in Units S and P, respectively, of said Section 4.

CASE 5480:

Application of Continental Oil 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 Pennsylvanian formation through the perforated interval 7648 to 7690 feet in its SEMU Well No. 7 located in Unit F of Section 23, Township 20 South, Range 37 East, Cass-Pennsylvanian Gas Pool, Lea County, New Mexico.

CASE 5481: Application of Phillips Petroleum Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Carlsbad-Atoka and South Carlsbad-Morrow gas production in the wellbore of its Tidwell-A "COM" Well No. 1 located in Unit E of Section 8, Township 23 South, Range 27 East, Eddy County, New Mexico.

CASE 5482:

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Application of Phillips Petroleum Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Lusk Deep Unit "A" Well No. 1 located in Unit A of Section 19, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, Lea County, New Mexico, and the simultaneous dedication of said Section 19 to the above well and to applicant's Lusk Deep Unit "A" Well No. 5 located in Unit J of said Section 19,

Docket No. 11-75 -4-

CASE 5483:

Application of Phillips Petroleum Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to dually complete its Lusk Deep Unit "A" Well No. 12 located in Unit G of Section 20, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico, in such a manner as to produce oil from the Wolfcamp formation through the casing-tubing annulus and gas from the Lusk-Morrow Gas Pool through tubing.

CASE 5484

Southeastern New Mexico nomenclature case calling for the creation and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico and for the assignment of certain oil well discovery allowables.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the East Carlsbad-Wolfcamp Gas Pool. The discovery well is the Champlin Petroleum Co. Nix-Yates Well No. 1, located in Unit G of Section 2, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

> TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM Section 36: SW/4

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM Section 1: NW/4 Section 2: NE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Cemetary-Wolfcamp Gas Pool. The discovery well is the Read & Stevens, Inc. Allirish Well No. 1, located in Unit P of Section 30, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM Section 30: SE/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Crooked Creek-Strawn Gas Pool. The discovery well is the C & K Petroleum Inc. Lowe State Well No. 1, located in Unit C of Section 16, Township 24 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM Section 16: N/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Dickenson-San Andres Pool. The discovery well is the Hanson Oil Corporation Santa Fe Well No. 1, located in Unit F of Section 35, Township 10 South, Range 36 East, NMPM. Said pool would comprise:

> TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM Section 35: NW/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Golden Lane-Atoka Gas Pool. The discovery well is the Meadco Properties Ltd. Harris 6 Well No. 1, located in Unit I of Section 6, Township 21 South, Range 29 East, NMPM. Said pool would comprise:

Docket No. 11-75 -5-

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM Section 6: Lots 1, 2, 7, 8, 9, 10, 15, and 16

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Grayburg-Atoka Gas Pool. The discovery well is the Horizon Oil & Gas Co. of Texas State 28 Com Well No. 2, located in Unit K of Section 28, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 BAST, NMPM Section 28: S/2 Section 29: E/2

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Premier production and designated as the High Nitro-Premier Gas Pool. The discovery well is the McClellan Oil Corporation Hinkle Federal Well No. 1, located in Unit A of Section 9, Township 16 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 16	SOUTH, I	RANGE 29	EAST,	NMPM
Section 3:	SW/4	.* *		
Section 4:	SE/4	te de la companya de	(1,2,2,2)	
Section 9:	NE/4	, second		

(h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Hoag Tank-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Allison CQ Federal Well No. 1, located in Unit P of Section 22, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM Section 22: E/2

(1) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the N. W. Indian Basin-Morrow Gas Pool. The discovery well is the Charles A. Dean Northwest Indian Basin Well No. 1Y, located in Unit K of Section-28, Township 20 South, Range 23 Bast, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM Section 28: W/2

(j) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Lonesome-San Andres Pool. The discovery well is the Phillips Petroleum Compa y Luther A Well No. 1 located in Unit N of Section 18, Township 8 South, Range 32 East, NMPM: Said pool would comprise:

> TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM Section 18: SW/4

Docket No. 11-75 -6-

(k) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the South Rocky Arroyo-Wolfcamp Gas Pool. The discovery well is the El Paso Natural Gas Co. Patterson A Well No. 1, located in Unit N of Section 20, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM Section 20: SW/4

(1) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Sheep Draw-Atoka Gas Pool. The discovery well is the Hanagan Petroleum Corp. Mary Federal Well No. 1, located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM Section 11: E/2

(m) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Sheep Draw-Morrow Gas Pool. The discovery well is the Hanagan Petroleum Corp. Mary Federal Well No. 1 located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 23	SOUTH,	RANGE 25	EAST,	NMPM
Section 11:				
Section 12:	W/2	$= \frac{1}{2} \left[\frac{1}{2}$	21 J	. NE 62 ⁴ 3

(n) CREATE a new pool in Lea County, New Mexico, classified as an oil pool and designated as the Shipp-Drinkard Pool and assign 41,650 barrels of discovery allowable to the discovery well, the Mesa Petroleum Company West Knowles Well No. 1, located in Unit P of Section 34, Township 16 South, Range 37 East, NMPM. Said pool would comprise:

> TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM Section 34: SE/4

(o) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM Section 2: All

(p) EXTEND the North Benson Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

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TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM Section 32: N/2 NE/4

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(q) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

(r) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

> TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM Section 3: N/2

(s) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM Section 18: N/2

(t) EXTEND the South Carlsbad-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM Section 3: W/2 Section 11: A11 TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM Section 8: A11 Section 17: N/2

(u) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County. New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM Section 16: S/2

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM Section 1: W/2

(v) ESTABLISH a discovery allowable in the Casey-Strawn Pool in Lea County, New Mexico, and assign 56,630 barrels of discovery allowable to the discovery well, the C & K Petroleum, Inc. Shipp "27" Well No. 1, located in Unit 0 of Section 27, Township 16 South, Range 37 East, NMPM.

(w) EXTEND the Cerca-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM Section 27: S/2 and NE/4

(x) EXTEND the East Chisum San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM Section 16: NE/4 NE/4

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Docket No. 11-75

(y) EXTEND the Double L Queen Associated Pool in Chaves County, New Mexico, to include therein:

> TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM Section 23: NE/4

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM Section 32: N/2 and SW/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM Section 17: N/2

(z) EXTEND the Double X-Delaware Pool in Les County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM Section 27: NE74

(aa) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP:21 SOUTH, RANGE 36 EAST, NMPM Section 36: SW/4

(bb) EXTEND the East Empire Yates Seven Rivers Pool in Eddy County, New Mexico, to include therein:

> TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM Section 34: W/2 NE/4

(cc) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM Section 22: E/2

(dd) EXTEND the Penasco Draw-San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

> TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM Section 30: NW/4 SW/4

(ee) EXTEND the Ranger Lake-Bough Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM Section 23: SW/4

(ff) EXTEND the Rock Tank-Lower Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM Section 18: All

Docket No. 11-75

Examiner Hearing - Wednesday - May 14, 1975

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(gg) EXTEND the Round Tank San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM Section 31: NW/4 NW/4

(hh) EXTEND the vertical limits of the Sand Hills-San Andres Pool in Lea County, New Mexico, to include the Grayburg fordation.

(11) EXTEND the Sulimar Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM Section 18: SW/4 SW/4

(jj) EXTEND the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM Section 5: SW/4

(kk) EXTEND the Turkey Track Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM Section 32: NE/4 NE/4



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L. P. Thompson Division Manager Production Department Hobbs Division Western Hemisphere Petroleum Division Continental OH Company P.O. Box 460 1001 North Turner Hobbs, New Mexico 88240 (505) 393-4141

April 22, 1975

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New Mexico 011 Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

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

Gentlemen:

Applications for Hearing - May 14, 1975 Examiner Docket

Forwarded herewith are applications for hearing for permission to inject water into the Pennsylvanian Formation in our SEMU Weil No. 7 and to re-allocate acreage in the Eumont Gas Pool on our Meyer B-4 Lease.

Please set these matters for hearing by Examiner on May 14, 1975.

Yours very truly,

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Case 5479

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL OIL COMPANY FOR APPROVAL OF TWO 360 ACRE NON-STANDARD GAS PRORATION UNITS IN THE EUMONT POOL ON ITS MEYER B-4 LEASE IN SECTION 4 AND FOR JOINT ALLOCATION OF ONE OF SAID UNITS TO MEYER B-4 WELLS NOS. 4 AND 29 LOCATED IN UNITS S AND P, RESPECTIVELY, IN SAID SECTION 4, TOWNSHIP 21 SOUTH, RANGE 36 EAST, LEA COUNTY, NEW MEXICO

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APPLICATION

Applicant, Continental Oil Company, respectfully requests approval of two 360-acre non-standard gas proration units in the Eumont Gas Pool on its Meyer B-4 Lease and for joint allocation of one of said units to its Meyer B-4 Wells Nos. 4 and 29, located in Units S and P, respectively, in said Section 4, T-21S, R-36E, Lea County, New Mexico, and in support thereof would show:

- Applicant is operator and co-owner of the Meyer B-4 Lease consisting of the E/2 and E/2 W/2 of irregular Section 4, T-21S, R-36E, Lea County, New Mexico.
 - Applicant has heretofore drilled and completed as Eumont gas wells its Meyer B-4 Wells Nos. 4 and 14 located in Units S and G, respectively, in said Section 4.
- 3. Order No. R-4908 re-allocated acreage on said lease so as to form a 480-acre unit for Well Nc. 14 and a 240-acre unit for Well No. 4.
- 4. Applicant has recently drilled and completed in the Eumont gas pool its Well No. 29 in Unit P of said Section 4.
- 5. Applicant now desires to re-allocate acreage to form two 360-acre units, one consisting of Lots 1, 2, 3, and 6 through 11 to be allocated to Well No. 14 located in Unit G and another consisting of Lots 14, 15, 16, SE/4 and E/2 SW/4 of said Section 4 to be allocated jointly to Wells Nos. 4 and 29 located in Units S and P, respectively, in said section.

The granting of this application will result in the prevention of waste and will not impair correlative rights. WHEREFORE, applicant respectfully requests that this matter be set for hearing before the Commissioner's duly appointed Examiner and upon hearing an order be entered authorizing the re-allocation and joint allocation

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Case 5479

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of acreage as described.

Respectfully submitted,

CONTINENTAL OIL COMPANY

Campo

L. P. Thompson Division Manager Production

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DRA BEFORE THE OIL CONSERVATION COMMISSION dr/ OF THE STATE OF NEW MEXICO N THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING: CASE-No. 5479 APPLICATION OF CONTINENTAL OIL COMPANY Order No. R- 5055 FOR TWO NON-STANDARD GAS PRORATION Diane persone for the UNITS AND REINSTATEMENT OF CANCELLED ALLOWABLE, LEA COUNTY, NEW MEXICO ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 10 at Santa Fe, New Mexico, before Examiner Daniel S. Nutter

NOW, on this <u>day of Julv</u>, 1975, 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, seeks approval
for two non-standard gas proration units in Section 4, Township 21 South,
Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, as follows:

-2-Case No. 5479 Order No. R-

> a 360-acre non-standard unit comprising Lots 1, 2, and 3, and Lots 6 through 11 of said Section 4, to be dedicated to applicant's Meyer B-4 Well No. 14 located in Unit G of said Section 4; and

a 360-acre non-standard unit comprising Lots 14, 15, and 16, and the E/2 SW/4 and SE/4 of said Section 4, to be simultaneously dedicated to applicant's Meyer B-4 Wells Nos. 4 and 29, located in Units S and P, respectively, of said Section 4.

(3) Applicant further seeks the reclassification of said Meyer B-4 Well 4 to non-marginal status and the reinstatement of underage which was cancelled upon classification of said well to marginal status.

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

IT IS THEREFORE ORDERED:

(1) That effective July 1, 1975, the two following nonstandard gas proration units in Section 4, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, are hereby approved:

a 360-acre non-standard unit comprising Lots 1, 2, and 3, and Lots 6 through 11 of said Section 4, to be dedicated to applicant's Meyer B-4 Well No. 14 located in Unit G of said Section 4; and -3-Case No. 5479 Order No. R-

a 360-acre non-standard unit comprising Lots 14, 15, and 16, and the E/2 SW/4 and SE/4 of said Section 4 to be simultaneously dedicated to applicant's Meyer B-4 Wells Nos. 4 and 29, located in Units S and P, respectively, of said Section 4, and the allowable for said unit may be produced from either of said wells in any proportion.

(2) That the classification of the aforesaid Meyer B-4 Well No. 4 to marginal status on December 31, 1974, is hereby rescinded, and the unproduced allowable accrued to said well and cancelled on that date is hereby reinstated.

(3) That Kommission Order No. R-4908 is hereby superseded.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary. DONE at Santa Fe, New Mexico, on the day and year hereinabove

designated.

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. 5479

1975

application of Cantinental Oil Company Order NO. 54. for two non-standard gas pravation Order NO. R-units and reinstatement of cancelled accomance, hea County, un mexico.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on at Santa Fe, New Mexico, before Examiner Dani

NOW, on this day of ully, 1925 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:

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(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject

(2) That the applicant, Cartinental Oil Company, needes approval for two mon-shandard gos pearation cenity in Section 4, Vournship 21 South, pearation cenity in Section 4, Vournship 21 South, Range 36 East, NMPM, Eccount Gar Pose, Rea Cart 7. 201 County, new mexico, as fociones:

a 360-acre non-Alandark unt Comprising holo 1, 2, and 3, and halo 5 6through 11 of See said Section 9. to be dedicated to applicants' meyer B-4 Weel no 14 bocated in Mint G of said Section 4; and le 360-acre non-shandard unit Comprising half 14, 15, and 16, and the E/2 Sulfy and SE/4 of said Section 4, to be simultaneously Redicated to applicant's mayor B-4 Weeks nos. 4 and 29, located in Clints Sand P, respectively, of said Section 4. (3) applicant further seeks the reclassification A said huger B.4 MEll 4 to non-marginal stations and the seinstatement a underage which was saucelled upon dasification of said well to indefinal Status (4) That approval of the subject application will afford the applicant the apportunity to produce fits out and equitable share of the got in the Eunfort Gas Pool will prevent the Crilling of undecessory wills, avaid the augmenter of rick arising from the opilling of the an Alcerdite humber of weed and will otherwise prevent wante and protech Correlative rights.

affective July 1, 1975, IT IS THEREFORE ORDERED: (1) That the two following non-standard gas provation units in Section 4, Town ship 27 South, Range 36 East NMPM Elmout Gar Poal, dea County, her mexico, l'are hereby approved: a 360-acre non-shandard unit Comprising holo 1, 2, and 3, and halo 55 6through 11 of See said Section 9, to be dedicated to applicants' meyer B-4 Wee no 14 located in Mint GA said Section 4; and le 360-acre non-shandard unt Comprising Lats 14, 15, and 16, and the E/2 SWT4 and SE/4 of said Section of to be simultaneously Redicated to applicant's mayor B-4 Wells nos. 4 and 29 located in Clints S and P, respectively, of said Section 4, and the unvale for said unit may be produced from EF either of said welle in any propartion ... at Marenard Storach yes Charming Lots 14, 15 and 16 and there sold base setter mayor B. Will no. 4 lis the richtified to a pour-marginal status, and the underproduction accrued to the which which which causelled Desenter 31, 1974, is hereby hein states We that the effective has of this order what he

(2) That the classification of the expansion Theyer B-4 weel No. 4 to marginal status on Desember 31, 1974, is hereby rescuded, and the improduced allowable assemed to said will and cancelled on that date is hereby reinstand. 11-, (3) That the Commission Order No. R-4908 is hereby superseded.