

Case No.

1435

Application, Transcript,
Small Exhibits, Etc.

CASE 1955 Continental Oil Co. application
for a license to operate a refinery

To be discussed

EXAMINER HEARING
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 6, 1958

IN THE MATTER OF: Case No. 1435

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

EXAMINER HEARING
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 6, 1958

IN THE MATTER OF:

Application of Continental Oil Company for a
non-standard gas proration unit. Applicant,
in the above-styled cause, seeks an order estab-) Case 1435
lishing a 320-acre non-standard gas proration)
unit in the Eumont Gas Pool consisting of the)
SE/4 of Section 5 and the NE/4 of Section 8,)
all in Township 21 South, Range 37 East, Lea)
County, New Mexico, said unit to be dedicated)
to the applicant's Hawk A-8 No. 2 Well located)
660 feet from the North line and 1980 feet from)
the East line of said Section 8.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: We will take next Case 1435.

MR. PAYNE: Case 1435: Application of Continental Oil
Company for a non-standard gas proration unit.

MR. NUTTER: In Case 1435 we have received a letter from
Continental Oil Company asking that the subject application be
dismissed. We would move to dismiss at this time. If there is
no objection, Case 1435 will be dismissed.

* * * * *

C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 12th day of May, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
NOTARY PUBLIC

My commission expires:
June 19, 1959.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1495, heard by me on 5-6, 1958.

William, Examiner
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

May 27, 1958

C
O
P
Y

Mr. R. L. Adams
Continental Oil Company
825 Petroleum Building
Roswell, New Mexico

Dear Mr. Adams:

We enclose two copies of Order R-1180, Order of Dismissal,
issued May 26, 1958, by the Oil Conservation Commission in Case 1435.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

[Handwritten signature and notes]

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1435
Order No. R-1180

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A 320-ACRE NON-STANDARD
GAS PRODUCTION UNIT IN THE EUDONT GAS
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
May 6, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter,
Examiner duly appointed by the New Mexico Oil Conservation
Commission, hereinafter referred to as the "Commission," in
accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26th day of May, 1958, the Commission, a
quorum being present, having considered the application, the
evidence adduced, and the recommendations of the Examiner, Daniel
S. Nutter, 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, by
letter dated April 21, 1958, requested that this case be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 1435 be and the same is hereby dismissed.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

M. E. Morgan
MURRAY E. MORGAN, Member

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





*Dismissal
notice*

Case 1435

CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

R. L. ADAMS
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

April 21, 1958

✓ New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

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

Re: Continental Oil Company's
application for an exception
to Rule 5 (a) of the Special
Rules and Regulations for the
Eumont Gas Pool contained in
Order No. R-520 in establish-
ment of a non-standard gas
proration unit of 320 acres
consisting of the NE/4 of
Section 8, T-21-S, R-37-E
and the SE/4 of Section 5,
T-21-S, R-37-E, NMPM, Lea
County, New Mexico, to be
allocated to its Hawk A-8
Well No. 2.

Gentlemen:

Due to our inability to obtain all necessary approvals,
our Hawk A-8 Well No. 2, proposed Eumont gas well to be located
660 feet from the North line and 1980 feet from the East line in
Section 8, T-21-S, R-37-E, will not be drilled at this time. Due
to this change in our development plans, it is respectfully re-
quested that the subject application, now set for hearing on May 6,
1958, be dismissed.

Yours very truly,

R. L. Adams

RIA-JC

cc: Jason W. Kellahin

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

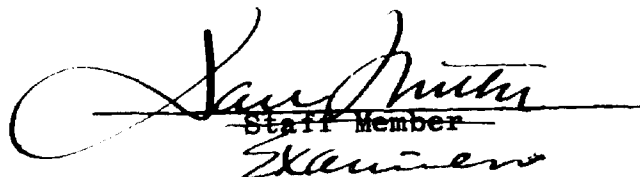
Date 5/9/58

CASE NO. 1435

HEARING DATE 9:00 A.M. May 6 - DSN at SF

My recommendations for an order in the above numbered case(s) are
as follows:

I recommend that this case be dismissed as requested by the
applicant in letter dated April 21, 1958.


Staff Member
Examiner

DOCKET: EXAMINER HEARING MAY 6, 1958

OIL CONSERVATION COMMISSION 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE, NM

The following cases will be heard before Daniel S. Nutter, Examiner:

CASE 1425: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 160-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the E/2 E/2 of Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Lockhart B-14 "A" Well No. 2, located 660 feet from the South and East lines of said Section 14.

CASE 1426: Application of Neville G. Penrose for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Blinbry Gas Pool consisting of the S/2 SE/4 and SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Percy Hardy No. 1 Well, located 660 feet from the South line and 1980 feet from the West line of said Section 17.

CASE 1427: Application of Pan American Petroleum Corporation for approval of a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 480-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the N/2 and SE/4 of Section 24, Township 20 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's O. J. Gillully "A" No. 4 Well, located 660 feet from the North line and 1980 feet from the East line of said Section 24.

CASE 1428: Application of E. G. Rodman for the approval of a communitization agreement and for a forced pooling order. Applicant, in the above-styled cause, seeks an order approving a communitization agreement embracing the NW/4 and the W/2 NE/4 of Section 20, Township 21 South, Range 37 East, Lea County, New Mexico, as to dry gas and associated liquid hydrocarbons produced from said tract from the Eumont Gas Pool; and further, for an order force pooling the interests of all persons in the above-described tract who have not voluntarily subscribed to above-referenced communitization agreement.

CASE 1429: Application of Standard Oil Company of Texas for a dual completion and for permission to commingle the production from two common sources of supply. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its V. L. Leavitt No. 2 Well, located 1650 feet from the North line and 2310 feet from the West line of Section 13, Township 18 South, Range 26 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Atoka-Grayburg Pool and oil from the Atoka (San Andres Pool) through parallel strings of tubing; and further, for permission to commingle the production from the said V. L. Leavitt No. 2 Well from both of the above-described pools in common tankage

CASE 1429
Continued

after separately measuring the oil from each of said pools by means of volume type meters.

CASE 1430:

Application of El Paso Natural Gas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 331-acre non-standard gas proration unit in the Blanco Mesaverde Gas Pool consisting of the W/2 of Partial Section 6 and the NW/4 of Partial Section 7, Township 30 North, Range 8 West, San Juan County, New Mexico, said unit to be dedicated to the applicant's Howell No. 2-G Well located 990 feet from the South and West lines of said Section 6.

CASE 1431:

Application of Skelly Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its P. L. Davis Well No. 1, located 990 feet from the North and East lines of Section 26, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of gas from an undesignated Gallup gas pool and gas from an undesignated Dakota gas pool underlying the above-described area.

CASE 1432:

Application of King Oil Company for approval of three unorthodox gas well locations. Applicant, in the above-styled cause, seeks an order authorizing the unorthodox gas well locations for the following described wells:

Navajo A-1 Well, located 2310 feet from the South line and 2310 feet from the West line of Section 4, Township 30 North, Range 17 West;

Navajo A-2 Well, located 1650 feet from the North line and 330 feet from the East line of Section 4, Township 30 North, Range 17 West;

Navajo B-2 Well, located 660 feet from the South line and 660 feet from the East line of Section 34, Township 31 North, Range 17 West,

all in San Juan County, New Mexico.

- CASE 1433: Application of Graridge Corporation to expand a pilot water flood project in the Caprock Queen Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order permitting the expansion of the pilot water flood project authorized by Order No. R-972 in the North Caprock Queen Unit in the Caprock-Queen Pool, Lea County, New Mexico, to include eight additional water injection wells in Sections 30, 31, and 32 of Township 12 South, Range 32 East, Lea County, New Mexico.
- CASE 1434: Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Coates "C" Well No. 11, located 1980 feet from the North line and 1650 feet from the West line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard formation adjacent to the Justis-Drinkard Pool and oil from the Justis-Fusselman Pool through parallel strings of tubing.
- CASE 1435: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SE/4 of Section 5 and the NE/4 of Section 8, all in Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Hawk A-8 No. 2 Well located 660 feet from the North line and 1980 feet from the East line of said Section 8.
- CASE 1436: Application of Amerada Petroleum Corporation for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Bagley-Upper Pennsylvanian Gas Pool consisting of the SE/4 of Section 3 and the NE/4 of Section 10, all in Township 12 South, Range 33 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Amerada Mathers No. 2 Well located in the SE/4 SE/4 of said Section 3.
- CASE 1437: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 7, Township 23 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Stevens B-7 Unit Well No. 1 located 990 feet from the North and West lines of said Section 7.
- CASE 1438: Application of Monsanto Chemical Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location for its Viersen Well No. 1 at a point 660 feet from the North and East lines of Section 19, Township 30 North, Range 13 West, San Juan County, New Mexico.

14436

NEW MEXICO
OIL CONSERVATION COMMISSION
P. O. Box 871
Santa Fe, New Mexico

Date April 18, 1958

Continental Oil Company
825 Petroleum Bldg.
Roswell, New Mexico

ATTENTION: R. L. Adams

Gentlemen:

Your application for a 320-acre non-standard gas proration unit in the
Eumore Gas Pool

dated April 11, 1958 has been received, and has been tentatively
scheduled for hearing before an examiner on
May 6, 1958.

A copy of the docket will be forwarded to you as soon as the matter is
advertised.

Very truly yours,


A. L. PORTER, Jr.,
Secretary-Director

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Case 1435



CONTINENTAL OIL COMPANY

325 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

R. L. ADAMS
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

April 11, 1958

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

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

Gentlemen:

We attach herewith our application in triplicate for the establishment of a 320-acre non-standard gas proration unit to consist of the NE/4 of Section 8, T-21-S, R-37-E, and the SE/4 of Section 5, T-21-S, R-37-E, NMPM, Lea County, New Mexico. The gas production will be allocated to the Hawk A-8 No. 2, which is to be drilled at a location 660 feet from the North line and 1980 feet from the East line of said Section 8. It is requested that this matter be set for hearing at your earliest convenience.

Yours very truly,
R. L. Adams

RIA-JC

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN EXCEPTION
TO RULE 5 (a) OF THE SPECIAL RULES AND
REGULATIONS FOR THE EUMONT GAS POOL
CONTAINED IN ORDER NO. R-520 IN ESTABLISH-
MENT OF A NON-STANDARD GAS PRORATION UNIT
OF 320 ACRES CONSISTING OF THE NE/4 OF
SECTION 8, T 21S, R 37E AND THE SE/4 OF
SECTION 5, T 21S, R 37E, NMPM, LEA COUNTY,
NEW MEXICO, TO BE ALLOCATED TO ITS HAWK
A-8 WELL NO. 2.

A P P L I C A T I O N

Comes now applicant, Continental Oil Company and petitions the Commission for an order approving a non-standard gas proration unit consisting of the NE/4 of Section 8-T 21S, R 37E, and the SE/4 of Section 5-T 21S, R 37E, NMPM, Lea County, New Mexico, to be allocated to its Hawk A-8 No. 2 well located 660 feet from the North line and 1980 feet from the East line of said Section 8 and in support thereof would show:

1. That applicant is co-owner and operator of the Hawk A-8 lease containing, among other lands, the NE/4 of Section 8, T 21S, R 37E, and the Hawk A-5 Lease containing the SE/4 of Section 5, T 21S, R 37E, NMPM, Lea County, New Mexico.

2. That applicant has requested permission to drill the Hawk A-8 No. 2 at a location 660 feet from the North line and 1980 feet from the East line of said Section 8 to a depth of 3700 feet in the Eumont Gas Pool.

3. That no part of the acreage comprising the NE/4 of Section 8 and the SE/4 of Section 5 is allocated to a gas well and that all said acreage may reasonably be presumed to be productive of gas from the Eumont Pool and should be allocated to a gas well in the interest of the prevention of waste and the protection of correlative rights.

4. That the most practical and economical method of allocating said acreage for Eumont Pool gas production is to establish a 320-acre non-standard gas proration unit, as described above, for assignment to the Hawk A-8 Well No. 2.

Case 1435

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN EXCEPTION
TO RULE 5 (a) OF THE SPECIAL RULES AND
REGULATIONS FOR THE EUMONT GAS POOL
CONTAINED IN ORDER NO. R-520 IN ESTABLISH-
MENT OF A NON-STANDARD GAS PRORATION UNIT
OF 320 ACRES CONSISTING OF THE NE/4 OF
SECTION 8, T 21S, R 37E AND THE SE/4 OF
SECTION 5, T 21S, R 37E, NMPM, LEA COUNTY,
NEW MEXICO, TO BE ALLOCATED TO ITS HAWK
A-8 WELL NO. 2.

A P P L I C A T I O N

Comes now applicant, Continental Oil Company and petitions the Commission for an order approving a non-standard gas proration unit consisting of the NE/4 of Section 8-T 21S, R 37E, and the SE/4 of Section 5-T 21S, R 37E, NMPM, Lea County, New Mexico, to be allocated to its Hawk A-8 No. 2 well located 660 feet from the North line and 1980 feet from the East line of said Section 8 and in support thereof would show:

1. That applicant is co-owner and operator of the Hawk A-8 lease containing, among other lands, the NE/4 of Section 8, T 21S, R 37E, and the Hawk A-5 Lease containing the SE/4 of Section 5, T 21S, R 37E, NMPM, Lea County, New Mexico.

2. That applicant has requested permission to drill the Hawk A-8 No. 2 at a location 660 feet from the North line and 1980 feet from the East line of said Section 8 to a depth of 3700 feet in the Eumont Gas Pool.

3. That no part of the acreage comprising the NE/4 of Section 8 and the SE/4 of Section 5 is allocated to a gas well and that all said acreage may reasonably be presumed to be productive of gas from the Eumont Pool and should be allocated to a gas well in the interest of the prevention of waste and the protection of correlative rights.

4. That the most practical and economical method of allocating said acreage for Eumont Pool gas production is to establish a 320-acre non-standard gas proration unit, as described above, for assignment to the Hawk A-8 Well No. 2.

Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, in Hobbs, New Mexico, that appropriate notice thereof be given, and that upon hearing an order be entered granting applicant an exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont gas pool contained in order No. R-520 for the non-standard gas proration unit described above.

Respectfully submitted,
CONTINENTAL OIL COMPANY



R. L. ADAMS
Division Superintendent
of Production
New Mexico Division

