

CASE 1774: Application of CONTINENTAL
for a non-standard gas unit. Said
unit to be dedicated to Britt B-15
No. 10 Well - Lea County, N. Mex.

Case No.

1774

Application, Transcript,
Small Exhibits, Etc.

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. 1774
Order No. R-1502

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A 160-ACRE NON-
STANDARD GAS UNIT IN THE WEIR-
TUBB 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 September 30, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 30th day of October, 1959, 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 is the owner and operator of the Britt B-15 Lease containing, among other acreage, the E/2 NW/4 and the W/2 NE/4 of Section 15, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to drill the Britt B-15 Well No. 10 at a location 1980 feet from the North line and 1980 feet from the East line of said Section 15.

(4) That the applicant proposes the establishment of a 160-acre non-standard gas unit in the Weir-Tubb Gas Pool consisting of the E/2 NW/4 and the W/2 NE/4 of the said Section 15, to be dedicated to the said Britt B-15 Well No. 10.

(5) That it would be impractical to communitize the adjoining acreage to form a standard gas unit.

-2-

Case No. 1774
Order No. R-1802

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That a 160-acre non-standard gas unit in the Weir-Tubb Gas Pool, consisting of the E/2 NW/4 and the S/2 NE/4 of Section 15, Township 20 South, Range 37 East, NMPN, Lea County, New Mexico, be and the same is hereby established. Said unit is to be dedicated to the applicant's Britt B-15 Well No. 10, to be located 1980 feet from the North line and 1980 feet from the East line of said Section 15.

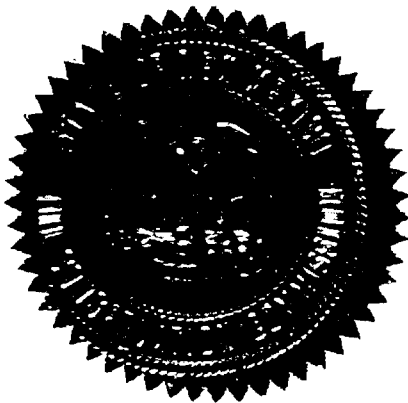
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



lcr/

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

October 19, 1959

Mr. Jason Kellahin
P. O. Box 1713
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your clients, Standard Oil Company, and Continental Oil Company, we enclose two copies of Order R-1496 in Case 1764, - Order R-1499 in Case 1775, and Order R-1502 in Case 1774 issued by the Oil Conservation Commission on October 19, 1959.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Enclosures: (6)

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Y

DOCKET: EXAMINER HEARING SEPTEMBER 30, 1961

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner, or A. L. Potter, Jr., Secretary-Director.

CONTINUED CASE

CASE 1739: Application of Shell Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Henshaw Deep Unit Agreement comprising 4824 acres, more or less, of Federal and State lands in Township 16 South, Ranges 30 and 31 East, Eddy County, New Mexico.

NEW CASES

CASE 1760: Application of The Atlantic Refining Company for an automatic custody transfer system and for permission to produce more than 16 wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from all Horseshoe-Gallup oil wells on its Navajo "B" Lease comprising certain acreage in Township 31 North, Range 16 West, San Juan County, New Mexico.

CASE 1761: Application of Stanton Oil Company, Ltd., for a pilot water flood project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Turkey Track Pool in Eddy County, New Mexico, by the injection of water into the Queen formation through four wells located in Section 34, Township 18 South, Range 29 East.

CASE 1762: Application of Newmont Oil Company for an unorthodox water injection well location. Applicant, in the above-styled cause, seeks an order authorizing it to reopen and utilize for water injection a well located on an unorthodox location at a point 1620 feet from the North line and 1020 feet from the West line of Section 32, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico.

CASE 1763: Application of Southwestern Hydrocarbon Company for an order abolishing the Sawyer-San Andres and South Sawyer-San Andres Oil Pools in Lea County, New Mexico, and creating the Sawyer-San Andres Gas Pool; or in the alternative for an order extending the horizontal limits of the South Sawyer-San Andres Oil Pool to include the NE/4 of Section 6, the N/2 of Section 5 and the NW/4 of Section 4, Township 10 South, Range 38 East, Lea County, New Mexico, and removing all gas-oil ratio limitations for wells in said pool; or in the alternative for an order combining the Sawyer-San Andres and the South Sawyer-San Andres Oil Pools, as well as the intervening acreage, and removing all gas-oil ratio limitations for such pool.

CASE 1764: Application of Standard Oil Company of Texas for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location in the Atoka-Pennsylvanina Gas Pool, at a point 1850 feet from the South line and 1650 feet from the East line of Section 14, Township 18 South, Range 26 East, Eddy County, New Mexico.

- CASE 1765: Application of The Ohio Oil Company for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water into the Lower San Andres formation through its State B-4286 "A" Well No. 2, located in Unit F, Section 2, Township 17 South, Range 36 East, Lea County, New Mexico. The proposed injection interval is from 5725 feet to 5968 feet.
- CASE 1766: Application of Northwest Production Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its "S" Well No. 16-2, located in the SW/4 SW/4 of Section 2, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to produce oil from an undesignated Gallup oil pool and to produce oil from an undesignated Dakota oil pool through parallel strings of tubing.
- CASE 1767: Application of El Paso Natural Gas Products Company for permission to produce more than 16 wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing the production of a maximum of 35 wells in the Horseshoe-Gallup Oil Pool into a common tank battery. Said wells are located on applicant's Horseshoe Ute Lease comprising portions of Sections 27, 28, 33 and 34, Township 31 North, Range 16 West, San Juan County, New Mexico.
- CASE 1768: Application of T. F. Hodge for the rededication of acreage assigned to three oil wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order rededicating the acreage assigned to three oil wells on his Mary E. Wills Lease, Section 33, Township 26 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico. Applicant proposes to dedicate 40 acres to each of the three wells, said 40-acre units not to comprise a quarter-quarter section or legal subdivision.
- CASE 1769: Application of Pan American Petroleum Corporation for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Northeast Hogback Unit Agreement, comprising 10,572 acres, more or less, in Township 30 North, Range 16 West, San Juan County, New Mexico.
- CASE 1770: Application of Pan American Petroleum Corporation for approval of a lease automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the automatic custody transfer of oil produced from its Lois Wengerd Lease in Sections 23 and 24, Township 12 South, Range 37 East, Gladiola-Devonian Pool, Lea County, New Mexico.
- CASE 1771: Application of Pan American Petroleum Corporation for approval of a lease automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the automatic custody transfer of oil produced from its USA Malco Refinery "F" Lease, Section 1, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico.
- CASE 1772: Application of Pan American Petroleum Corporation for approval of an automatic custody transfer system for four state leases in the Empire-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order amending Order No. R-1292 to provide for automatic custody transfer of oil commingled thereunder.

- CASE 1773: Application of Pan American Petroleum Corporation for approval of two automatic custody transfer systems for seven federal leases in the Empire-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order amending Order No. R-1399 to provide for automatic custody transfer of oil produced into the two commingled tank batteries authorized therein.
- CASE 1774: Application of Continental Oil Company for a non-standard gas unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas unit in an undesignated Tubb gas pool consisting of the E/2 NW/4 and the W/2 NE/4 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Britt B-15 No. 10 Well, located in the SW/4 NE/4 of said Section 15.
- CASE 1775: Application of Continental Oil Company for a non-standard gas unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas unit in an undesignated Tubb gas pool consisting of the E/2 SE/4 of Section 15 and the W/2 SW/4 of Section 14, all in Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's SEMU Well No. 70, located in the NW/4 SW/4 of said Section 15.
- CASE 1776: Application of Continental Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for nine wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:
Ascarate D-24 Well No. 1, Unit J, Section 24, T-25-S, R-36-E, Danciger A-8 Well No. 2, Unit P, Section 8, T-23-S, R-36-E, Jack A-20 Well No. 4, Unit G, Section 20, T-24-S, R-37-E, Jack A-29 Well No. 3, Unit H, Section 29, T-24-S, R-37-E, Meyer A-29 Well No. 1, Unit O, Section 29, T-22-S, R-36-E, Meyer B-28 Well No. 1, Unit E, Section 28, T-22-S, R-36-E, State A-32 Well No. 4, Unit F, Section 32, T-22-S, R-36-E, Stevens A-34 Well No. 1, Unit E, Section 34, T-23-S, R-36-E, Wells B-1 Well No. 1, Unit A, Section 1, T-25-S, R-36-E, all in Lea County, New Mexico.
- CASE 1777: Application of El Paso Natural Gas Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing its E. J. Wells Lease Well No. 13, Unit L, Section 5, and its Wells B-4 Lease Well No. 1, Unit D, Section 4, both in Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to compensate for their overproduced status without being completely shut-in in order to prevent possible waste.
- CASE 1778: Application of Olsen Oils, Inc., for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for four wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:
Cooper B Well No. 2, NE/4 NW/4 of Section 14, T-24-S, R-36-E, Myers B Well No. 1, SE/4 NW/4 of Section 13, T-24-S, R-36-E, S. R. Cooper Well No. 1, SE/4 NE/4 of Section 23, T-24-S, R-36-E, Wittingham Well No. 3, NE/4 SE/4 of Section 30, T-25-S, R-37-E, all in Lea County, New Mexico.

- CASE 1779: Application of Jal Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for four wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:
- Legal Well No. 2, NE/4 SE/4 of Section 21,
Dyer Well No. 3, SE/4 NE/4 of Section 31,
Jenkins Well No. 2, NE/4 SW/4 of Section 29,
Ropollo Well No. 1, SW/4 NW/4 of Section 28,
all in Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1780: Application of Husky Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for one well in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing its Montecito Woolworth Well No. 2, Unit M, Section 33, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to compensate for its overproduced status without being completely shut-in in order to prevent possible waste.
- CASE 1781: Application of Texaco, Inc. for permission to continue producing an over-produced Jalmat gas well at a lesser rate. Applicant, in the above-styled cause, seeks an order authorizing it to produce its C. C. Fristoe (b) NCI-4 Well No. 2, Unit M, Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, at a maximum rate of 2500 MCF per month for lease use until over production has been compensated for.



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

TO: Mr. J. H. ...

FROM: Mr. W. A. Mead

SUBJECT: Application for gas completion of the Britt B-15 Well No. 10 for gas in the Tubb Formation in an

undesignated Tubb Gas Pool and oil in the Drinkard Formation in the Weir-Drinkard Pool. Copies of the application have been furnished on this date to all subject operators listed under Item 3 and two copies are attached for your further handling. Also, please find attached three copies of Continental Oil Company's application for the establishment of a non-standard gas formation in the Britt B-15 Well No. 10 in Section 10, T-20N, R-3E, S-3E, New Mexico.

Gentlemen:

We respectfully request administrative approval of Continental Oil Company's application for gas completion of the Britt B-15 Well No. 10 for gas in the Tubb Formation in an undesignated Tubb Gas Pool and oil in the Drinkard Formation in the Weir-Drinkard Pool. Copies of the application have been furnished on this date to all subject operators listed under Item 3 and two copies are attached for your further handling.

Also, please find attached three copies of Continental Oil Company's application for the establishment of a non-standard

Figure 1. The effect of the concentration of the H_2O_2 solution on the amount of the released H_2O from the H_2O_2 -loaded hydrogel. The amount of the released H_2O was measured by the weight difference of the hydrogel before and after the release. The concentration of the H_2O_2 solution was 0.1, 0.2, 0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, and 1.0 wt. %.

NMOCC-SANTA FE (2)
NMOCC - HOBBS (2)
HLJ HGD HWS FILE
Offset Opr. (4)

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name	Weir		County	Lea	Date
Operator	Continental Oil Company		Lease	Britt B-15	Well No. 10
Location of Well	Unit G	Section 15	Township 20S	Range 37E	

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES ☒ NO ☐
2. If answer is yes, identify one such instance: Order No. R-1422; Operator, Lease, and Well No.:

Continental Oil Company Britt B-15 No. 9

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Undesignated Tubb	Weir
b. Top and Bottom of Pay Section (Perforations)	Proposed perforations 6470-6560'	Proposed perforations 6810-6950'
c. Type of production (Oil or Gas)	Gas	Oil
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing

4. The following are attached. (Please mark YES or NO)

- Yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Yes c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
- No d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Ohio Oil Co., The, D. K. Spellman, Box 552, Midland, Texas

Pan American Petr. Corp., Box 68, Hobbs, New Mexico

Skelly Oil Company, Box 38, Hobbs, New Mexico

Amerada Petr. Corp., R. S. Christie, Box 2040, Tulsa, Oklahoma

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES ☒ NO ☐ . If answer is yes, give date of such notification _____.

CERTIFICATE: I, the undersigned, state that I am the Division Superintendent of the Continental Oil Company (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard perforation unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

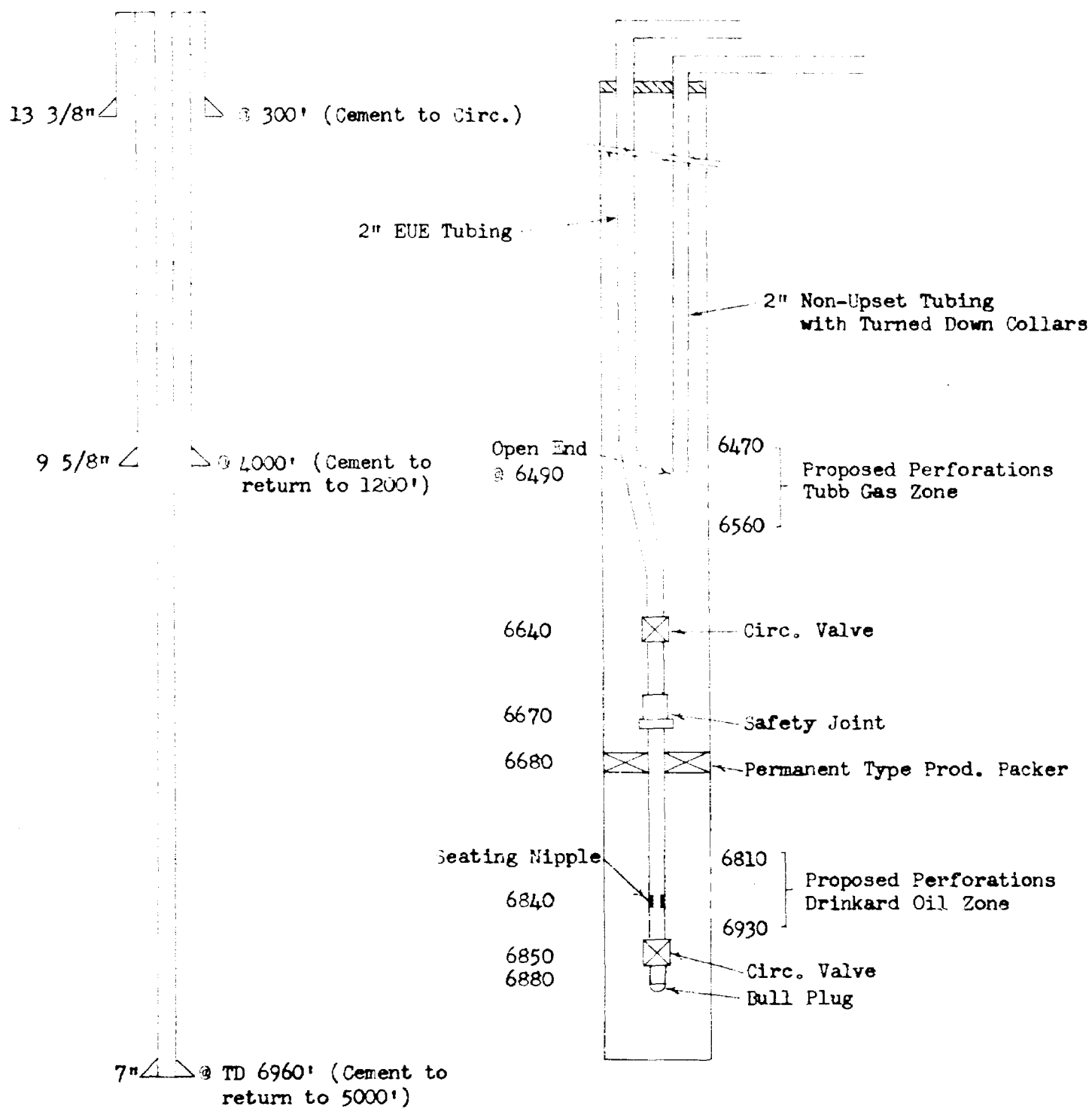
CONTINENTAL OIL COMPANY

BRITT B-15 NO.10

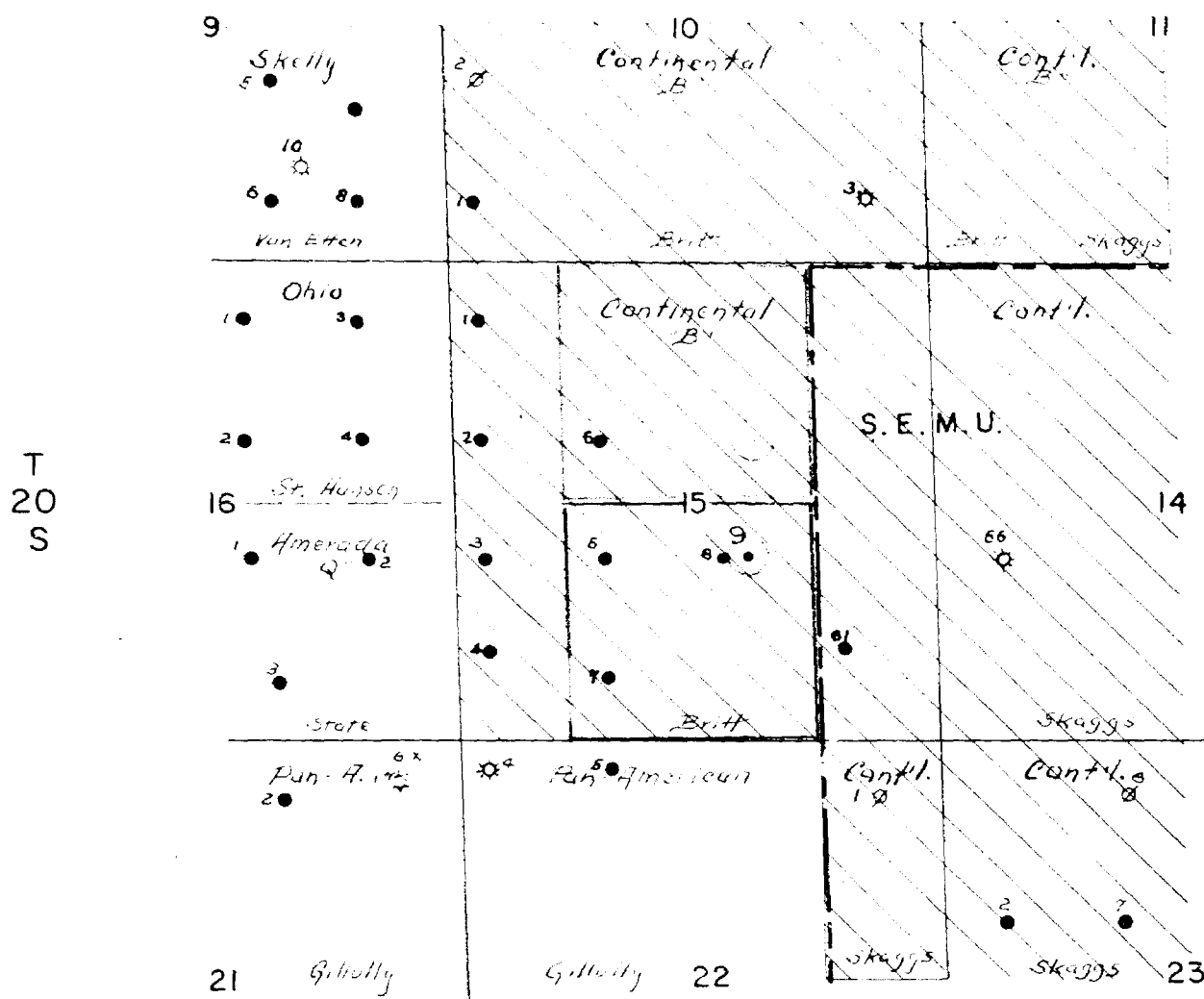
PROPOSED INSTALLATION
(Showing Approx. Depths)

CASING RECORD

DUAL COMPLETION EQUIPMENT



R-37-E



T
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S

OWNERSHIP PLAT

CONTINENTAL OIL COMPANY

Britt B-15 No. 9

Scale: 1"=2,000'

- Proposed Dual Completion
- Proposed Tubb Gas Unit
- Offset Dual Completion
- Offset Tubb Gas Unit
- Continental Acreage Cross-hatched

August, 1959

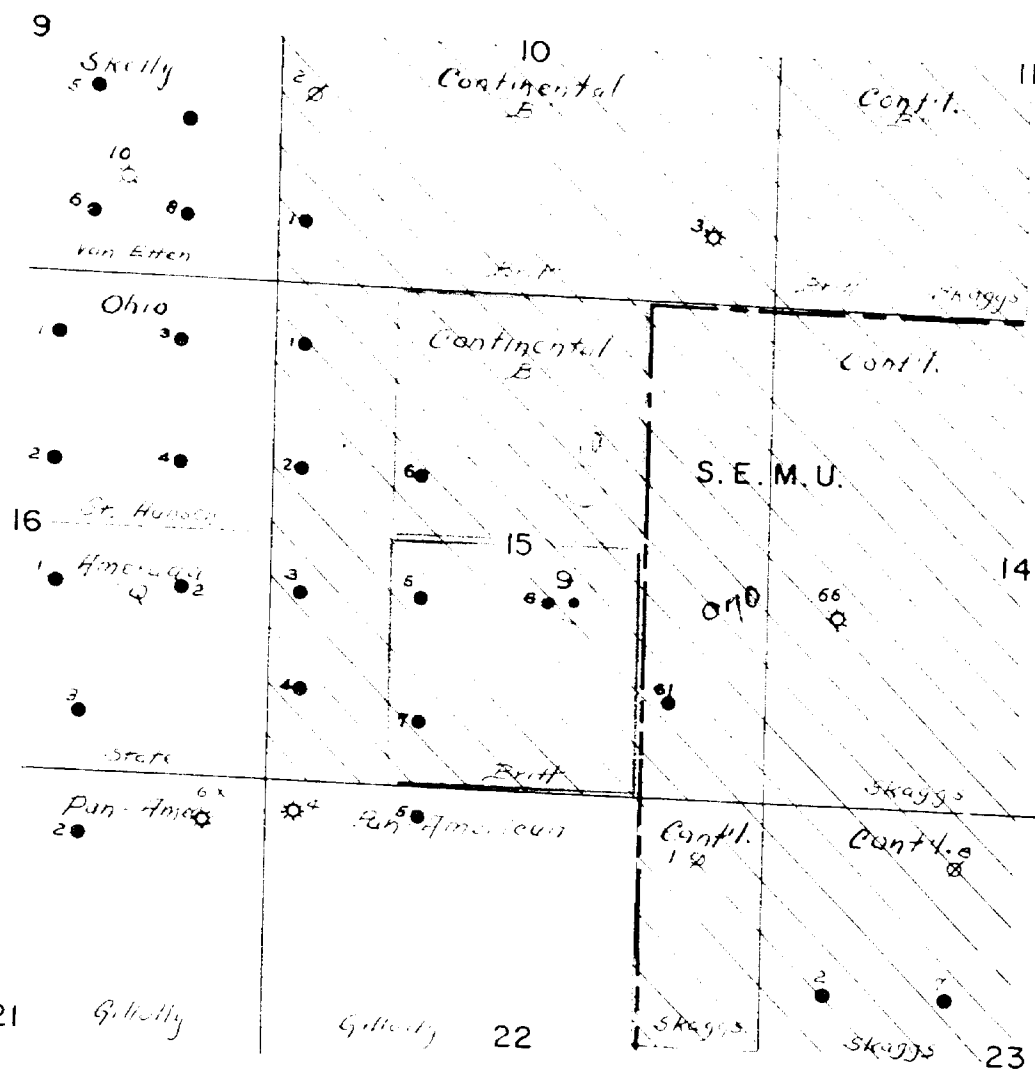
CASE
EXHIBIT

BEFORE EXAMINER NUMBER

OIL CONSERVATION COMMISSION

EXHIBIT NO.

FILE NO. R-37-E



T
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S

241
1714

OWNERSHIP PLAT

CONTINENTAL OIL COMPANY

Britt B-15 No. 9

Scale: 1"=2,000'

Proposed Dual Completion

Proposed Tubb Gas Unit

Offset Dual Completion

Offset Tubb Gas Unit

Continental Acreage Cross-hatched

August, 1959

CASE
EXHIBIT

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1774

TRANSCRIPT OF HEARING

SEPTEMBER 30, 1959

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
SEPTEMBER 30, 1959

IN THE MATTER OF:

CASE 1774 Application of Continental Oil Company for a :
non-standard gas unit. Applicant, in the above: :
styled cause, seeks the establishment of a 160-: :
acre non-standard gas unit in an undesignated :
Tubb gas pool consisting of the E/2 NW/4 and :
the W/2 NE/4 of Section 15, Township 20 South, :
Range 37 East, Lea County, New Mexico, said :
unit to be dedicated to the applicant's Britt :
B-15 No. 10 Well, located in the SE/4 NE/4 of :
said Section 15. :

BEFORE:

Daniel S. Nutter, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. NUTTER: The hearing will come to order, please.
The first case on the docket will be Case 1774.

MR. PAYNE: Case 1774. Application of Continental Oil
Company for a non-standard gas unit.

MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, Santa
Fe, representing the applicant, and we have one witness.

(Witness sworn)

JOHN A. GUTH,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name and occupation, please?

A John A. Queen, division engineer for Continental Oil Company at Roswell, New Mexico.

Q Mr. Queen, have you testified before this Commission as a petroleum engineer and had your qualifications accepted as an expert?

A Yes, sir, I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. BUTTER: Yes, sir.

Q Mr. Queen, are you familiar with the application in Case 1774?

A Yes, sir, I am.

Q Would you review this briefly?

A Yes, sir. In April of 1959 Continental recompleted their Brice B-15 No. 9 located in Section 15, Township 20 South, Range 37 East in what is now called the Weir Tubb gas pool, and is an extension to the Weir Drinkard oil pool. This was a discovery in the Tubb gas and was called an extension in the Drinkard oil. However, in our opinion, it may or may not be connected. If I may pass out what we will call Exhibit No. 1, I would like to -- if you will refer to what I have marked Exhibit No. 1, which is a location plat of the general area of the Weir Tubb Pool, you

4

will note that we propose to drill the Britt B-15 No. 10 as a direct offset to the Britt B-15 No. 9. The Britt B-15 No. 9 is marked in green, and it's a gas Tubb gas proration unit which has been previously approved by this Commission, is outlined in green, and the proposed location of the Britt B-15 No. 10 is shown in red, and our proposed gas Tubb gas proration unit is outlined in red. Our structure interpretation of this area indicates this location will be oil productive in the Drinkard and gas productive from the Tubb. We are now petitioning the Commission for an N.S.P. to be assigned to the proposed well, Britt B-15 No. 10. And from the location, or Exhibit No. 1, you can see that the circled red area consists of the E/2 of the NE/4 and the W/2 of the NW/4 of Section 15. The reason why, as stated briefly, in our testimony on our Britt B-15 No. 9, the E/2 of the E/2 of Section 15 lies within the Semu S-e-m-u unit; this is the Southeast Monument unit. And if we overlapped this unit with the Britt B-15 lease proper, it would call for complete unitization as if it were two properties. And this unitization and communitization of the property would be required to form a standard gas proration unit. Both of these procedures would be time-consuming and costly, and the discovery well now has an NSP assigned to it, and it is proposed that we assign an NSP to the north offset proposed location. At this time it is impossible to tell the size of this field. We anticipate a fairly small field. Upon the drilling of one or two more wells and proper coring and logging program, we may be better

able to distribute the acreage under this property as it should be. This remains to be seen. And the method we propose appears to be the most likely one to cause the least amount of waste in both oil and money.

Q Mr. Green, do you know whether a unit as outlined on Exhibit No. 1 has been approved by this Commission for the Britt B-15 No. 9 Well?

A Yes, sir, it has been approved.

Q And it was approved on the same basis as is proposed in this application?

A That is correct.

Q In your opinion, would the assignment of a non-standard unit to the Britt B-15 No. 10, as proposed in this application, jeopardize correlative rights?

A No, sir, it would not.

Q Would any economic waste result as a result of the approval of this application?

A No, sir, it would not.

Q Was Exhibit No. 1 prepared by you or under your direction and supervision?

A Yes, sir, it was.

MR. KENNAH: At this time we would like to offer in evidence Exhibit No. 1.

MR. TUTTLE: Without objection Exhibit No. 1 will be entered in Case No. 1774.

MR. KEMMELIN: That's all the questions we have. Mr. Nutter.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Queen, is this now in the Weir Tubb rather than an undesignated Tubb?

A That is correct. We received this word approximately ten days to two weeks ago.

Q And the Weir Tubb is not prorated, is it?

A As I understand, the Weir Tubb will be prorated in the manner as commonly used in the Tubb gas pool.

Q Are there any Tubb units to the east or west.--

A No, sir.

Q -- of your proposed unit? And that southeast Monument unit, there is no Tubb production as yet?

A No, sir.

Q Nothing to the west either?

A No, sir. There is a Tubb oil well approximately one mile to the west, and I do not have the name of that well, and it is down dip from the area in which we are concerned. It is over a mile away.

MR. PAYNE: Thank you.

MR. NUTTER: Any other questions of the witness?

A I would like to state that we are producing this well -- plan to produce it in line with the Tubb gas rules until such time

7
as they are changed.

MR. PAYNE: Even though you are not required to do so?

A No.

QUESTIONS BY MR. NUTTE:

Q Mr. Queen, when was the Weir Tubb gas pool created by the Commission?

A I believe two weeks ago. The Weir Drinkard pool was originally set up some two or three years ago by the drilling of a well on the South Monument property approximately one and one half miles to the southeast, maybe not one mile, and up to that time we had asked for this Britt B-15 No. 9 to be classified in the Britt Tubb pool. It was immaterial to us when they did classify it, as they have now done.

Q Now, you haven't drilled this No. 10 Well yet, have you?

A No, sir. The paper work has been processed through our company waiting partner approval.

Q Approval of this non-standard unit probably would be contingent upon successful completion of a gas well for the acreage?

A It is my understanding that we would receive approval of this. Of course, if there were no gas productive acreage there, it would be disbanded, but I would presume that we would wait receipt of this or a letter from the Commission stating that it would be approved upon successful completion of a Tubb gas well.

Q Now, is the E/2 of the E/2 of Section 15 dedicated to any well?

A No, sir, it is not. We have a hearing coming up, 1/15, in which we will ask for the E/2 of the SE/4 of 15, and W/2 of the SW/4 of Section 14 as a Tubb and Drinkard -- as a Tubb gas proration unit, pardon me.

Q This other companion case will seek another portion of Section 15 to be considered as a non-standard unit.

A That is correct.

Q If you had a well in the W/2 of the W/2 of Section 15 --

A It would have to be communitized with property outside of the Britt B-15 lease or elongated 160-acre proration unit could be assigned. This is the problem that I originally brought up. If the size of the pool can be determined at the time of drilling, the Britt B-15 No. 10 or the SEMU No. 70, which is involved in Case 1775, at that time it may be that the most equitable manner would be to ask for a change in these two proration units and go to two elongated 160-acre units immediately, to start from there on standard proration units. I would like to state we propose to drill the SEMU No. 70, which is an east offset to the Britt B-15 No. 9, first rather than the No. 10, as shown in this case. This will help us, we feel, to determine approximately the size of the pool. We also could add that we believe that the Blinberry to be gas productive in this area, which we hope to prove in the SEMU

No. 70, and if it is productive, we look forward to numerous completions in the Drinkard and Tubb.

Q Is this within the horizontal limits of the Blinebry Pool --

A The Blinebry Pool, as --

Q -- as presently defined?

A As presently defined, I do not know, sir.

Q I take it that Continental feels it would be impractical to communitize the NE/4 of Section 15 to form a standard 160-acre unit?

A It would be costly, and, in our opinion, in no way improve the pattern of the field. It would be just as if we were communitizing with two separate pieces of property entirely, owned by two different people.

QUESTIONS BY MR. PAYNE:

Q I believe you stated your reason here was so you wouldn't have to unitize, the reason you wanted this proposed unit rather than a standard unit, so you wouldn't unitize with the southeast Monument unit.

A That is correct.

Q Aren't you unitizing the Tubb formation and a portion of Section 14 as regards the SEMU 70 Well?

A No, sir, that is all one common property, the E/2 of the E/2 of Section 15, and all of Section 14 is in the SEMU area. I would also add that the Britt B-15 lease is owned by the same

people -- companies as the SEMU. There is no difference in ownership or in royalty. However, the procedures of unitization would not change and the cost involved would not change.

MR. PAYNE: Thank you.

MR. NUTTER: Any further questions?

MR. UTZ: Yes, sir.

MR. NUTTER: Mr. Utz.

QUESTIONS BY MR. UTZ:

Q What was the discovery well again?

A The Britt B-15 No. 9, which is encircled in green and is in the NW of the SE of Section 15.

Q Is that the only well now completed in the Weir Tubb?

A That is correct.

MR. UTZ: Thank you.

MR. NUTTER: Any other questions? The witness may be excused.

(Witness excused)

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1774? Take that case under advisement and take 1775.

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, J. A. Trujillo, 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 by me, 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, the 12th day of October, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
 NOTARY PUBLIC

My Commission Expires:
 October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the B. O. C. Case No. 1774, heard by the Commission on 9-30, 1959.

[Signature] Examiner
 New Mexico Oil Conservation Commission