CASE 1913: Application of CONTINENTAL for a non-standard oil well location for its Wm. Mitchell "A" Well #20.

Case //o.

1913

Replication, Transcript,
5 mill Exhibits, Etc.

NEW CASES

CASE 1901

Application of Caulkins Oil Company for a gas-gas dual completion and for establishment of a 320-acre non-standard Dakota gas unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its PC-233 Well, located in Unit D, Section 16, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval. Applicant further seeks the establishment of a 320-acre non-standard gas unit in the Dakota Producing Interval consisting of the N/2 N/2 and S/2 NW/4 and N/2 SW/4 of said Section 16 to be dedicated to said PC-233 Well.

CASE 1902:

Application of Kenneth Murchison & Company for permission to commingle the production from two separate non-contiguous leases. Applicant, in the above-styled cause, seeks permission to commingle the Bisti-Lower Gallup Oil Pool production from the Federal lease NM-O36255-A, consisting of the S/2 SE/4 of Section 3 and the Federal Lease NM-O36255-B, consisting of the S/2 NE/4 of said Section 3, Township 25 North, Range 12 West, San Juan County, New Mexico.

CASE 1903:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the liquid hydrocarbon production from the Moore-Pennsylvanian Pool and the Moore-Wolfcamp Gas Pool from all wells on its State "BN" (NCT-1) lease consisting of the SW/4 of Section 25, Township 11 South, Range 32 East, Lea County, New Mexico.

CASE 1904:

Application of Sunray Mid-Continent Oil Company for an amendment of Order R-1414, as amended by R-1414-A and R-1414-B. Applicant, in the above-styled cause, seeks an order amending the provisions of Order R-1414 which relate to assignment and transfer of allowables in the Central Bisti LPG-Gas-Water Injection Project, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

CASE 1905:

Application of Humble Oil & Refining Company for an oil-oil dual completion utilizing parallel strings of small diameter casing cemented in a common well bore.

Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State M-20 Well, located 1930 feet from the North line and 1980 feet from

DOCKET: EXAMINER HEARING FEBRUARY 25, 1960

Oil Conservation Commission - 9 a.m., State Corporation Commission Hearing Room, Basement, Capitol Building, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director:

CONTINUED CASES

CASE 1868:

Application of Hamilton Dome Oil Company, Ltd. for permission to commingle the production from three separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Drinkard Pool, the Justis-Fusselman Pool and an undesignated Tubb pool from wells on a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 1879:

Application of Amerada Petroleum Corporation for a gas-oil dual completion and for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State EM "A" Well No. 2, located 660 feet from the South and West lines of Section 22, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eumont Gas Pool through the casing-tubing annulus and the tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SW/4 of said Section 22 to be dedicated to the said State EM "A" Well No. 2.

CASE 1888:

Application of C. W. Trainer for off-lease storage of oil production. Applicant, in the above-styled cause, seeks permission to store the Pearl-Queen Oil Pool production from his Rushing lease, consisting of the W/2 NE/4 of Section 22, Township 19 South, Range 35 East, Lea County, New Mexico, in a tank battery located on his Signal State lease, consisting of the E/2 NW/4 of said Section 22.

CASE 1894:

(Continued)

Application of Robert N. Enfield for designation of a unit area. Applicant, in the above-styled cause, seeks a designation of the following-Jescribed 560 acres as the Southwest Mescalero Unit Area: Section 32, E/2 NE/4; Section 33, S/2 and NW/4, Township 10 South, Range 32 East, Lea County, New Mexico.

the West line of Section 29, Township 22 South, Range 37 East, Lea County, in such a manner as to permit the production of oil from the Langlie-Mattix Pool and the production of oil from the Drinkard Pool through 2 7/8-inch casing and 4½-inch casing respectively with said casing being cemented in a common well bore.

CASE 1906:

Application of El Paso Natural Gas Products Company for permission to produce more than sixteen wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing the production into a common tank battery of all Horseshoe-Gallup Oil Pool wells presently drilled or hereafter completed on its Horseshoe Ute lease, comprising portions of Sections 27, 28, 33 and 34, Township 31 North, Range 16 West, San Juan County, New Mexico.

CASE 1907:

Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its J. N. Carson (NCT-A) Well No. 11, located in Unit K of Section 28, Township 21 South, Range S7 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Wantz-Abo Pool and the production of oil from the Paddock Poel through parallel strings of 2 5/8-inch tubing.

CASE 1908:

Application of Val R. Reese & Associates, Inc. for an oilgas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Sperling Well No. 1-30, located in Unit I, Section 30, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation adjacent to the Escrito-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 3/8-inch tubing.

CASE 1909:

Application of Pan American Petroleum Corporation for a 386-acre non-standard gas unit in the Dakota Producing Interval. Applicant, in the above-styled cause, seeks the establishment of a 386-acre non-standard gas unit in the Dakota Producing Interval consisting of all of partial Section 7 and the W/2 of partial Section 8, Township 28 North, Range 10 West, San Juan County, New Mexico, said unit to be dedicated to the J. F. Day "F" Well No. 1, to be located in the E/2 of said partial Section 7.

BEFORE THE OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1913:

Application of Continental Oil Company for a non-standard oil well location. Applicant, in the above-styled cause, seeks a nonatandard oil well location for its Wm. Mitchell "A" Well No. 20, to be located 1320 feet from the North line and 1520 feet from the West line of Section 20, Township 17 South, Range 32 East, Maljamar Paddock Pool, Lea County, New Mexico.

> State Conservation Commission Hearing Room Capitol Building Santa Fe, New Mexico February 25, 1960

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 1913.

MR. FLINT: Case 1913. Application of Continental Oil

Company for a non-standard oil well location.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe,

New Mexico, representing the applicant. We will have one witness.

(Witness sworn.)



Any other appearances to be made in this case? MR. UTZ:

E. D. COLTHARP

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

- Would you state your name, please?
- E. D. Coltharp.
- By whom are you employed and in what position, Mr.
- Coltharp? Could we have that spelled for the record?
- C-O-L-T-H-A-R-P. I'm employed by the Continental Oil Company as District Engineer in the Artesia District, Artesia, New Mexico.
- Have you previously testified before this Commission as a petroleum engineer and had your qualifications accepted?
 - Yes, sir.
 - MR. KELLAHIN: Are the witness qualifications acceptable?
 - MR. UTZ: Yes, sir, they are.
- (By Mr. Kellahin) Mr. Coltharp, are you familiar with the application in Case 1913?
 - Yes, sir, I am.
- Will you state briefly what is proposed in this Q application?
- Case No. 1913 is the application of Continental Oil Company for drilling its William Mitchell "A" No. 20 well



non-standard location being 1320 from the north line and 1520 from the west line Section 20, Township 17 South, Range 32 East, in the Maljamar Pool, Lea County, New Mexico.

- Would you give me those locations again?
- Á It will be--the location will be 1320 from the north and 1520 from the west line, Section 20.
- Now, would you discuss briefly the history of the Paddock production in this area?
- Presently there are two wells, namely, the William Mitchell "B" No. 19-P, and William Mitchell No. 222-P presently producing from the Maljamar-Paddock Pool. These two wells are surrounded by several, and I have those indicated on the Exhibit No. 1, several wells which have produced some or no oil from the Paddock formation. These wells are now plugged and abandoned.
- Now, what was the producing history of the William Mitchell "B" 19-P and the No. 22-P?
- The William Mitchell "B" No. 19-P has produced to February the 1st, 1960, approximately one hundred fifty-four thousand eight hundred forty barrels of oil. William Mitchell "B" No. 22 well has produced approximately one hundred five thousand nine hundred nineteen barrels. Their present production on William Mitchell "B" No. 19 is forty-seven barrels of oil per day and zero water with a gas-oil ratio of approximately eleven hundred.

When were these wells completed



William Mitchell "B" No. 19-P was completed in, I believe it was, September, 1950, they were all in the latter part of 1950. No. 22 was also in November, 1950. The exact date I do not have here.

Now, referring to what has been marked as Exhibit No. 1, would you discuss what that Exhibit shows?

Exhibit 1 is a lease plat showing the ownership and the location of the subject well, William Mitchell "A" No. 20, and also showing the six surrounding wells and twenty producers. William Mitchell No. "B" No. 22-P, No. 20-P, excuse me, No. 20-P which is in the Northeast of the Southwest of Section 19, Northeast of the Southwest of the Section 19, that well has produced forty-seven thousand barrels, and was plugged in January 29 of 1957.

Now, was there any production from the other wells Q which indicate or are indicated on the Exhibit as dry holes?

No, sir. All the rest of the wells were either water A or just dry holes, non-commercial production.

Now, the proposed location for the William Mitchell "A" No. 20 and the William Mitchell "A" lease are circled in red; is that correct?

Yes, sir. The proposed location is circled in red and the lease is circled in red also.

Does Continental Oil Company own and operate all of acreage within six hundred sixty feet of the proposed location?



PHONE CH 3-669

Yes, sir. Operated in excess of six hundred sixty which is required by the law. In fact, everything in yellow on these plats are Continental acreage.

- Now, the plat indicates other wells. What are they?
- The little wells are all the Maljamar pay wells which are producing from the Grayburg-San Andres formation.
 - They are on standard locations?
- They are on standard locations, and they are in the M.C.R.A. which is the Maljamar Repressuring --Cooperative reagreement area. pressuring
- Referring to what has been marked as Exhibit No. 2, will you discuss that Exhibit, please?

Exhibit No. 2 is a structure map which is drawn on top of the Paddock producing pay. This structure is a small anticline, and the pay is actually a stratographic trap on the side, on the southeast flank of the anticline. Lines AA, and DD, BB, CC, and DD, I will discuss those in general. Those lines are also on Exhibit No. 3 which is an isopach map showing the net pay of the Paddock formation. The west area, or the line AA. this area is high structurally, but it is also indicated on the isopach that we are getting a pinchout, or the pay is thinning, therefore, anything to the west of that line would be non-commercial, or, in my opinion, it would be non-commercial based upon the drill stem test of the dry holes No. 24-B, Mitchell "B" No. which is in Section 17, and William Mitchell "A". No. 19 which



is in Section number 19. Also William Mitchell "B" No. 20 in Section 19 was the one that did not make really a commercial producer.

What about the area which would lie southeast of the line BB indicated on the plat?

That is structurally lower and it is also approximately the water table in there as such. It is not exactly a water table. Every well that has produced in there -- This does not have a flat water table, the best we can determine, for the simple reason that William Mitchell No. 23 is structurally higher than "B" 19 up in 17, if you will notice number "B" 23 in Section 20, and then 19 well, structurally it is higher. However, on test it was one hundred percent water and 19-B is a water free producer; so, actually, there is no flat water table. However, to the east of that line, we consider it water productive.

Now what wells would indicate that?

No. 23, William Mitchell B-23; William Mitchell "B" No. 28-A; No. 25, and our Queen "B" No. 36 well located down in Section 28.

Now, with reference to the area which would lie south of the line CC, would that be productive?

It is indicated to be structurally too low, and, because of the completion of 22. You'll notice the latest: production from William Mitchell "B" No. 22 current production is that that well is making fifteen barrels of oil a day and thirty-



DEARNLEY-MEIER REPORTING SERVICE, Inc. ALBUQUERQUE, NEW MEXICO

- Would, the correlative rights of any operators other than Continental be affected by this location?
 - A No, sir.
- Were Exhibits 1, 2 and 3 prepared by you or under your direction and supervision?
 - Yes, sir. A

MR. KELLAHIN: At this time, we would like to offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection, they will be accepted.

MR. KEllahin; That's all the questions we have.

- (By Mr. Kellahin) In the event this is a producer, which forty acres do you propose to dedicate?
- This being any forty acres, we would like to dedicate unit number C up there.
 - It would be right on the forty acre line, then?
 - Yes, sir, right on the forty acre line.
- Would there be any objection to moving it off fifty feet?
 - No, sir.
 - You don't think your contour --
- I might add one thing: If you will notice we are almost in a straight line half-way between two producers, and that is primarily the geology.

MR. FIRM: Mr. Coltharp, is the royalty interest common in the acreage in the forty acre units which would be surrounding



this; is that true?

Yes, sir. The William Mitchell "A" is all common, all override, and all interest.

MR. FLINT: And you've mentioned that the working interest is common in that whole area, this whole section?

> Yes, sir. A

MR. FLINT: So that the only acreage you would be crowding would be your own?

Yes, sir.

MR. UTZ: The entire reason for this non-standard unit is structure; that is right?

That's right.

MR. UTZ: * * *Stratographic trap?

Yes, sir. Yes, sir.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused.

(Witness excused.)

MR. UTZ: Do you have anything further?

MR. KELLAHIN: That's all, sir.

Any other statement in this case?

The case will be taken under advisement.



CERTIFICATE

STATE OF NEW MEXICO 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/or 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, the 15 day of , 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

NOTARY PUBLIC

My commission expires: October 5, 1960.

> I do hereby certify that the foregoing is of (Croo No. 1913. Examiner New Mexico Oil Conservation



Can 1913

CONTINENTAL OIL COMPANY

Roswell, New Mexico February 8, 1960

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

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

Re: Continental Oil Company's application for a non-standard location for its Wm. Mitchell "A" No. 20, to be drilled 1320 feet from the North line and 1520 feet from the West line of Section 20, Township 17 South, Range 32 East, Maljamar Paddock Pool, Lea County, New Mexico

Gentlemen:

Continental Oil Company respectfully requests administrative approval for granting an exception to Rule 104(c) of the New Mexico Oil Conservation Commission Rules and Regulations under provisions of Rule 104(f) of same said Rules, for drilling its Wm. Mitchell "A" No. 20 well, 1280 feet from the North line and 1520 feet from the West line of Section 20, Township 17 South, Range 32 East, Maljamar Paddock Pool, Lea County, New Mexico. The proposed location conforms with the requirements of said Rule 104 in all respects, except Rule 104(c), and an exception to the requirements of Rule 104(c) is requested in accordance with Rule 104(f).

In support of this request we would like to point out that:

- 1. Maljamar Grayburg-San Andres Pool wells have already been drilled on the regular 40-acre locations within the quarter-section.
- 2. Continental Oil Company owns and operates all lands within a 660-foot radius of the proposed location.

A plat is attached hereto showing the proposed location of the Wm. Mitchell "A" No. 20 circled in red and the existing producing wells and dry holes in the Maljamar Paddock Pool circled in green. The Wm. Mitchell "A" Lease is outlined in red.

of the production of the produ

New Mexico Oil Conservation Commission Page 2

The above location is believed to be within the best prospective area, structurally, according to available geologic data and will recover reserves otherwise unobtainable from existing wells.

A Notice of Intention to Drill (C-101) shall be filed designating the exact legal subdivision allotted to the well upon approval of this application.

In view of the facts set out herein it is respectfully requested that the Commission enter an order approving the non-standard location for Continental Oil Company's Wm. Mitchell "A" No. 20, described above. In the event this application is not eligible for administrative approval, it is requested that it be set for hearing at the earliest date.

W. a. Mead

Division Superintendent

of Production

New Mexico Division

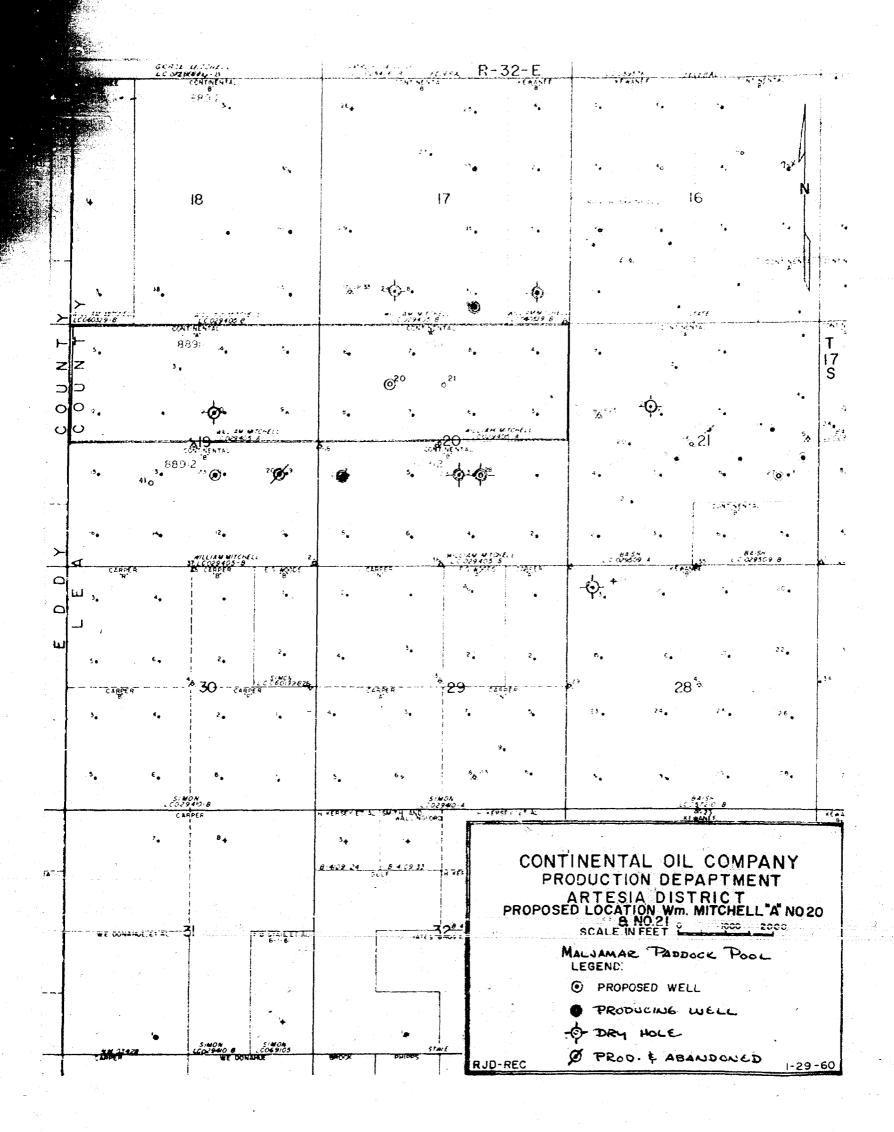
STATE OF NEW MEXICO COUNTY OF CHAVES

Wm. A. Mead, upon being duly sworn, deposes and says that he is the Division Superintendent of Production for Continental Oil Company, and as such is authorized to file the foregoing application, that he has read said application and knows the contents thereof, and that the statements made therein are true, as he is credibly informed and believes.

Subscribed and sworn to before me this 97

My Commission expires:

Louis B. Houston



OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

		Da Ce	
CASE	1913	Hearing Date	2-25-60
	My recommendations for an order	in the above numbered	cases are as follows:
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Staff Member

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

march 9, 1960

Mr. Jason Kellahin Kellahin & Fox Box 1713 Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Continental Oil Company, we enclose two copies of Order R-1624 in Case 1913; issued by the Oil Conservation Commission this date.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

1r/

Attachments: (2)

Section of the Contraction

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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. 1913 ORDER NO. R-1624

APPLICATION OF CONTINENTAL OIL COMPANY FOR A MON-STANDARD OIL WELL LOCATION IN THE MALJAMAR - PADDOCK 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 February 25 1960 at Santa Fe, New Mexico before Elvis A. Utz, 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.

MCW, on this $\underline{g_{M_0}}$ day of March, 1950, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 a lease comprising in pertinent part the NN/4 of Section 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to drill its William Mitchell "A" Well No. 20 at a non-standard location in the Maljamar-Faddock Fool, 1320 feet from the North line and 1520 feet from the West line of Section 20, Township 17 South, Range 32 East, MAPM, Lea County, New Mexico.
- (4) That the applicant desires approval of the proposed non-standard location in order to drill at a more favorable position on a well-established structure.
- (3) That the applicant owns all offsetting acreage and, therefore, the proposed location would not crowd the acreage

Caso No. 1913 Order No. R-1624

of any other operator.

(6) That a non-standard location should be approved at a point 25 feet to the north of that requested to move the proposed well off the quarter-quarter Section line.

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to drill its William Mitchell "A" Well No. 20 at a nonstandard location in the Maljamar-Paddock Pool, 1295 feet from the North line and 1520 feet from the West line of Section 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

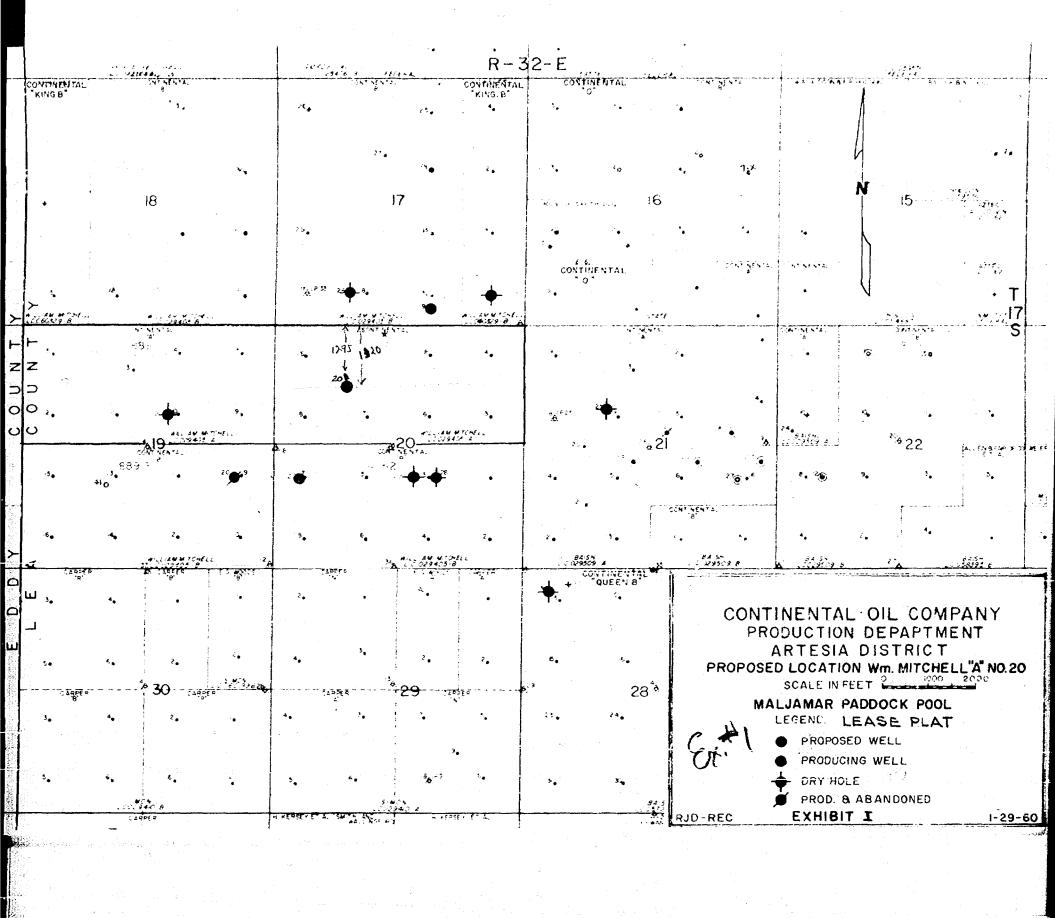
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

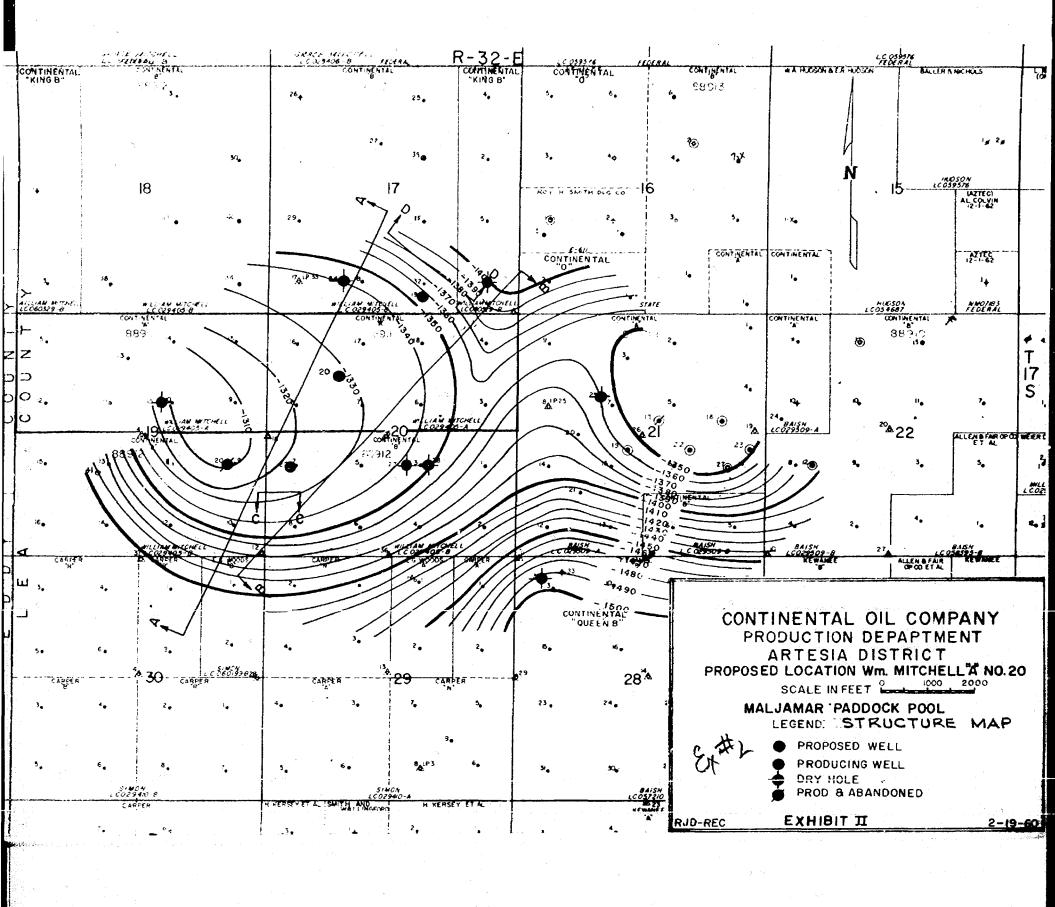
STATE OF NEW MEXICO OIL COMBERVATION COMMISSION

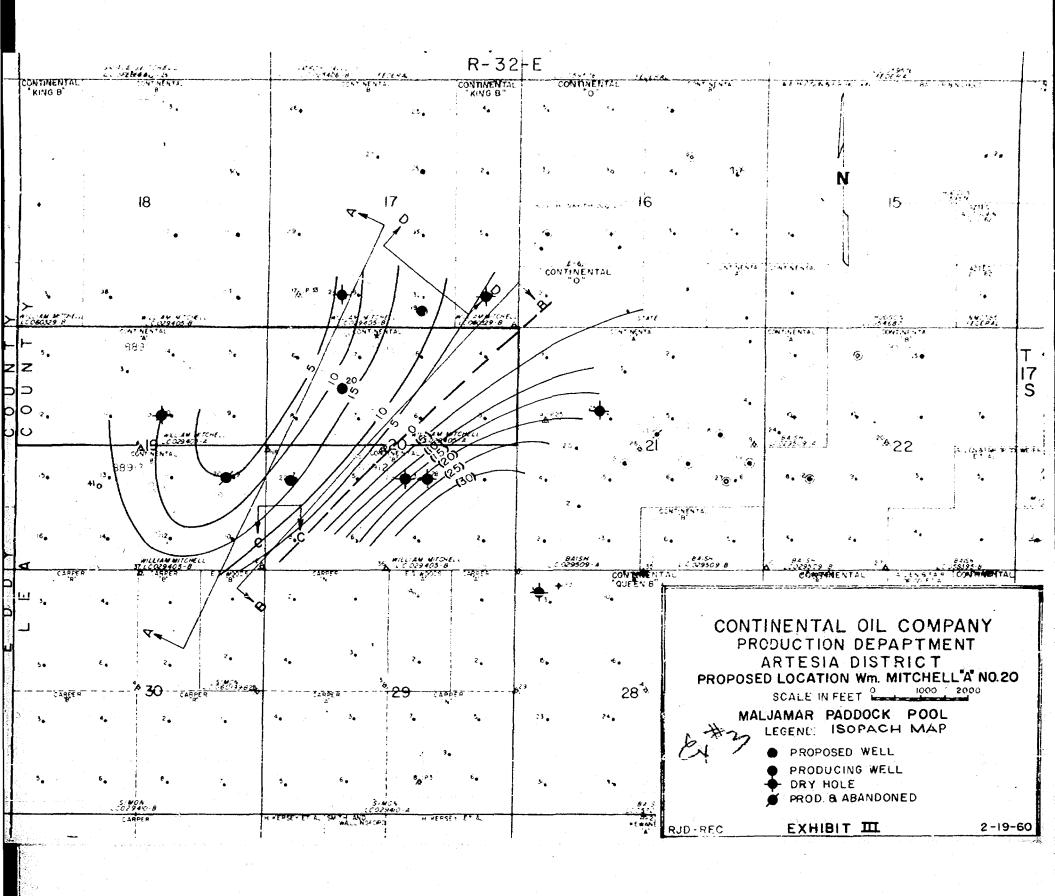
JOHN BURROUGHS, Chairman

MERRAY E. MORGAN, Member

L. PORTER,







Page #7 is filmed out of opeder Following this larget. five barrels of water a day, and we feel anything further lower structurally than that well would be probably more water.

- What would be the situation north of the line DD?
- The King "B" No. 1 well, on attempt to complete that well, also produced all water and was very tight, very little and, A but produced one hundred percent water and war very tight, so we feel that gives another facing off to make the outer limit of this stratographic trap.
- Now, on the basis of this information, in your opinion, would a well drilled at an orthodox location on this lease recover Q the oil underlying?
- No, sir, in my opinion our most advantageous location is the said location No. 20 and that one would recover and give a full forty acre spacing around it. However, it would not be an orthodox forty acre spacing.
- Would a well located as proposed in this application better recover the reserves underlying this area?
 - Yes, sir, it would.
- In your opinion, is the stratographic trap relatively small?
 - Yes, sir, it is.
- And unless this is approved, in your opinion, would Continental Oil Company be able to recover the oil underlying its lease?

