

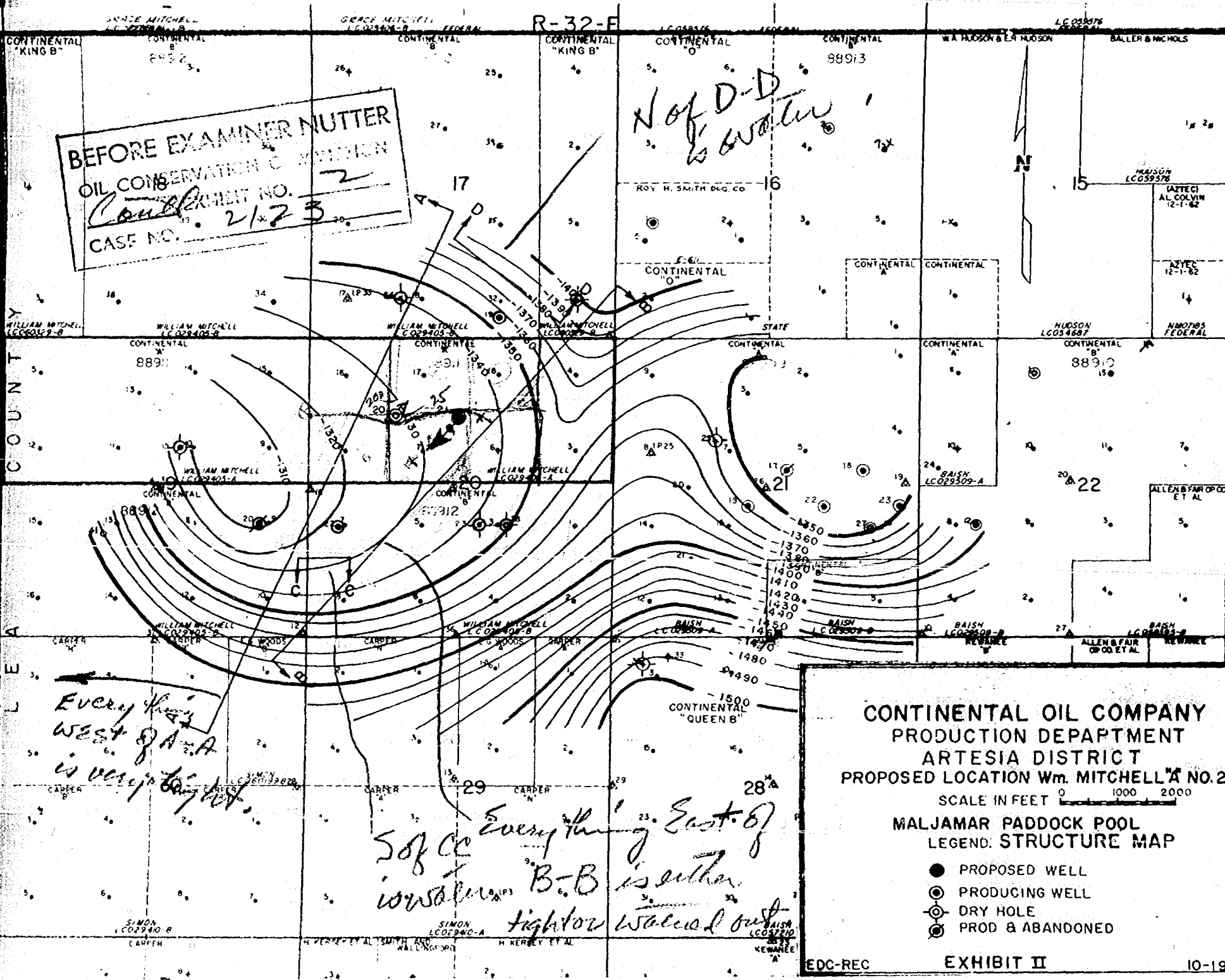
CASE 2123: Application of CONTINENTAL
for an unorthodox oil well location
for its WILLIAM MITCHELL "A" WELL #21.

Case No.

2123

Application, Transcript,

Small Exhibits, Etc.



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Case No. 2173

No of D-D
is water

Every thing
West of A-A
is very tight

Every thing East of
B-B is either
tighter watered out

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
ARTESIA DISTRICT
PROPOSED LOCATION Wm. MITCHELL A NO. 21

SCALE IN FEET 0 1000 2000

MALJAMAR PADDOCK POOL
LEGEND: STRUCTURE MAP

- PROPOSED WELL
- ⊙ PRODUCING WELL
- ⊖ DRY HOLE
- ⊙ PROD & ABANDONED

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Cont. EXHIBIT NO. 3
CASE NO. 2123

R-32-E

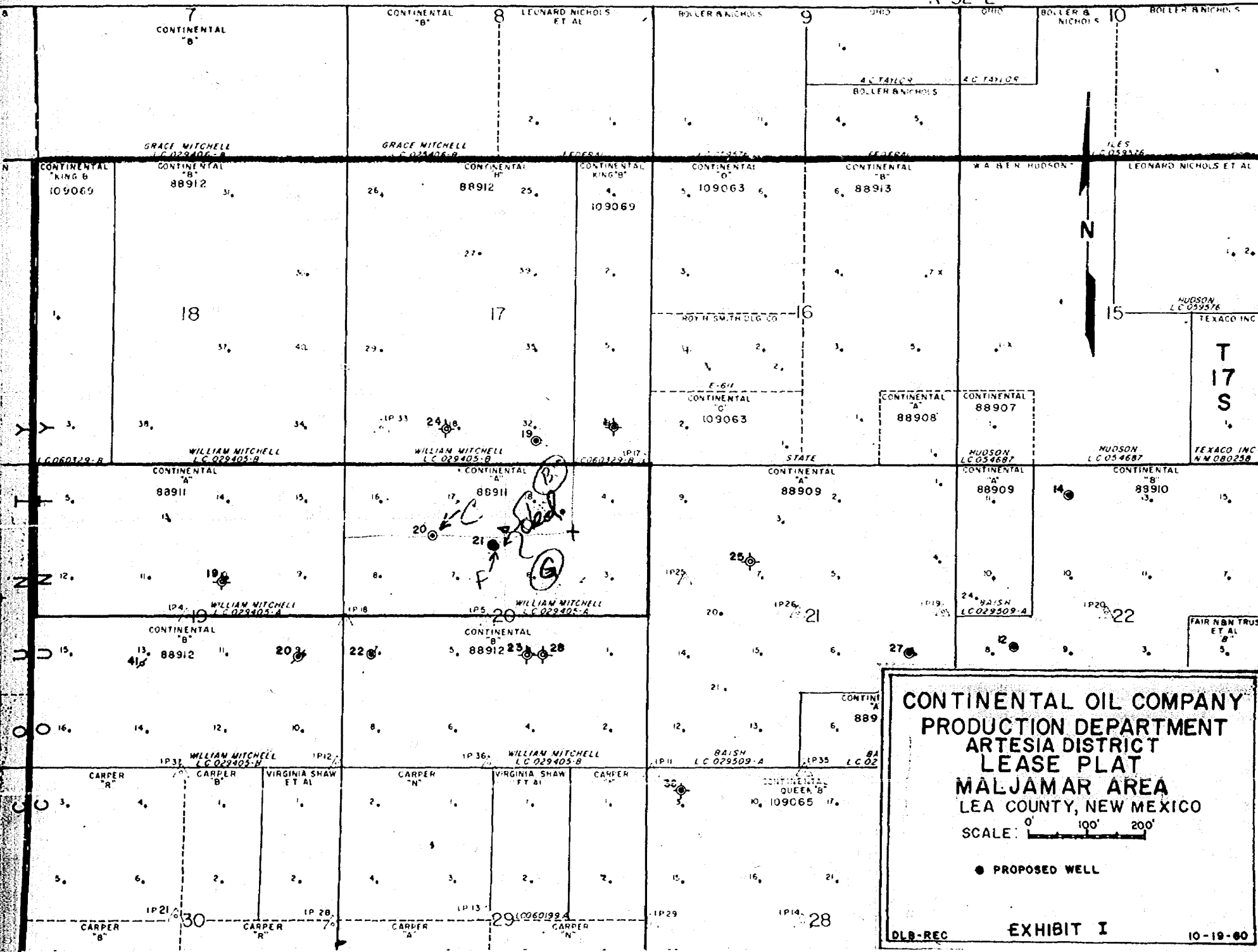
CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
ARTESIA DISTRICT
PROPOSED LOCATION Wm. MITCHELL "A" NO. 21
SCALE IN FEET 0 1000 2000
MALJAMAR PADDock POOL
LEGEND: ISOPACH MAP
● PROPOSED WELL
⊙ PRODUCING WELL
⊙ DRY HOLE
⊙ PROD. & ABANDONED

EDC-REC

EXHIBIT III

10-19-60

R-32-E



DOCKET: EXAMINER HEARING, MONDAY, NOVEMBER 14, 1960Oil Conservation Commission - 9 a.m., ROOM 109, State Capitol Building, Santa Fe, NM

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

CASE 2122:

Application of Hondo Oil & Gas Company for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for the Abo formation, Eddy County, New Mexico, at a point 1160 feet from the North line and 330 feet from the East line of Section 32, Township 17 South, Range 28 East for its Hondo-Western-Yates Well No. 38-A.

CASE 2123:

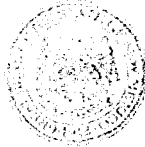
Application of Continental Oil Company for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its William Mitchell "A" Well No. 21 in the Maljamar-Paddock Pool, Lea County, New Mexico, at a point 1345 feet from the North line and 2615 feet from the West line of Section 20, Township 17 South, Range 32 East.

mz/

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



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

P. O. BOX 871
SANTA FE

November 16, 1960

Mr. Jason Kellahin
Kellahin & Fox
Box 1718
Santa Fe, New Mexico

Re: Case No. 2123
Order No. R-1822
Applicant:
Continental Oil Co.

Dear Sir:

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

Very truly yours,

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

ir/

Carbon copy of order also sent to:

Hobbs OCC ☒
Artesia OCC _____
Aztec OCC _____

Other _____

CONTINENTAL OIL COMPANY

Roswell, New Mexico

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

NOV 3 44

Case 2123

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

Re: Continental Oil Company's
Application for Non-Standard
Well Location for drilling
its Wm. Mitchell "A" No. 21
well 1345 feet from the North
line and 2615 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 under provisions of Rule 104(f-2-a) of the New Mexico Oil Conservation Commission's Rules and Regulations granting an exception to Rule 104(c) of same said Rules, for drilling its Wm. Mitchell "A" No. 21 well 1345 feet from the North line and 2615 feet from the West line of Section 20, Township 17 South, Range 32 East, Maljamar Paddock Pool, Lea County, New Mexico.

In support of this request we would like to point out that the proposed location conforms with the requirements of said Rule 104 in all respects, except Rule 104(c) where Rule 104(f-2-a) fulfills the requirements, as follows:

1. That Notice of Intention to Drill (C-101) shall be filed, designating the exact location and legal subdivision of the proposed well location, should this application be granted.
2. That the said location is 1150 feet from the nearest well producing from the same horizon, Wm. Mitchell "A" No. 20, this well having been drilled at a non-standard location according to Order No. R-1624 entered by the Oil Conservation Commission on the 9th day of March, 1960.
3. That Continental Oil Company does own and operate all land within a 660-foot radius of the proposed location as per Rule 104(f-2-a).

11-4-60
M. L. Porter
Jr.

A plat is attached hereto showing the proposed location of the Wm. Mitchell "A" No. 21 well circled in red and the Wm. Mitchell "A" lease also outlined in red.

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

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. 21 well described above.

W. A. Mead
Wm. A. MEAD
Division Superintendent
of Production
New Mexico Division

STATE OF NEW MEXICO }
COUNTY OF *Eddy* } ss.
~~GRANDES~~

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.

W. A. Mead
(Signature)

Subscribed and sworn to before me this 22nd day of October, 1960.

My Commission Expires:

April 5, 1961

Edith M. Little

COMPANY Continental Oil Company
FIELD MADAMAR PADDON
WELL MITCHELL "A" NO. 21

SPERRY-SUN
SURVEY TABULATION SHEET

IN RUN

SHEET NO. 1415
JOB NO. CS-3064
DATE 11-16-60

COUNTY GRAPPAH LEA COUNTY, NEW MEXICO

CORRECTED TIME	MEASURED DEPTH		VERTICAL DEPTH		DIRECTION OF INCLINATION		ANG. OF INCLIN ATION	100' COURSE DISPLACEMENT				MEASURED COURSE DISPLACEMENT				TOTAL DISPLACEMENT				
	COURSE	TOTAL	COURSE	TOTAL	OBSERVED	CORN		CORRECTED	NORTH	S. 171.	EAST	WEST	NORTH	SOUTH	EAST	WEST	NORTH	SOUTH	EAST	WEST
9-42-00	61	67	62.00	67.00	N. 65	E	1/4													
50-30	58	125	58.00	125.00	N. 77	E	1/4													
9-55-30	58	183	58.00	183.00	N. 83	E	1/4													
10-01-00	59	242	59.00	242.00	N. 72	E	1/4													
07-40	58	300	58.10	300.00	S. 84	E	1/4													
07-40	58	358	58.10	358.00	S. 75	E	1/4													
11-40	58	417	58.00	417.00	S. 64	E	1/4													
13-20	58	475	58.00	475.00	S. 62	E	1/4													
16-30	58	535	58.00	535.00	S. 50	E	1/4													
18-40	57	590	57.00	570.00	S. 45	E	1/4													
21-20	58	642	58.00	642.00	S. 40	E	1/4													
24-00	58	706	58.00	706.00	S. 40	E	1/4													
26-40	60	766	60.10	766.00	S. 30	E	1/4													
28-40	58	824	58.10	824.00	S. 40	E	1/4													
34-00	57	881	57.00	881.00	S. 48	E	1/4													
40-00	59	940	59.00	940.00	S. 48	E	1/4													
49-00	58	998	58.00	998.00	S. 42	E	1/4													
51-40	60	1058	59.97	1057.99	S. 57	E	1/4													
54-20	58	1116	57.97	1115.98	S. 61	E	1/4													
56-40	58	1174	57.99	1173.97	S. 57	E	1/4													
10-58-30	58	1232	57.97	1231.94	S. 56	E	1/4													
11-16-00	59	1291	58.00	1290.95	S. 56	E	1/4													
18-00	57	1348	57.00	1347.92	S. 61	E	1/4													
20-00	57	1405	56.88	1404.94	S. 77	E	1/4													
22-00	58	1462	57.99	1462.83	S. 83	E	1/4													
24-20	59	1519	58.00	1518.92	S. 80	E	1/4													
26-20	58	1576	57.99	1575.94	S. 80	E	1/4													
28-20	57	1633	56.88	1632.89	S. 80	E	1/4													
30-00	58	1690	56.88	1689.89	S. 80	E	1/4													
32-00	58	1747	56.88	1746.89	S. 80	E	1/4													
34-20	58	1804	56.88	1803.89	S. 81	E	1/4													
36-20	58	1861	56.88	1860.89	S. 81	E	1/4													
38-20	57	1918	56.88	1917.89	S. 82	E	1/4													
40-00	57	1975	56.88	1974.89	S. 82	E	1/4													
42-00	57	2032	56.88	2031.89	S. 82	E	1/4													
44-00	57	2089	56.88	2088.89	S. 82	E	1/4													
46-00	57	2146	56.88	2145.89	S. 82	E	1/4													
48-00	57	2203	56.88	2202.89	S. 82	E	1/4													
50-00	57	2260	56.88	2259.89	S. 82	E	1/4													
52-00	57	2317	56.88	2316.89	S. 82	E	1/4													
54-00	57	2374	56.88	2373.89	S. 82	E	1/4													
56-00	57	2431	56.88	2430.89	S. 82	E	1/4													
58-00	57	2488	56.88	2487.89	S. 82	E	1/4													
60-00	57	2545	56.88	2544.89	S. 82	E	1/4													
62-00	57	2602	56.88	2601.89	S. 82	E	1/4													
64-00	57	2659	56.88	2658.89	S. 82	E	1/4													
66-00	57	2716	56.88	2715.89	S. 82	E	1/4													
68-00	57	2773	56.88	2772.89	S. 82	E	1/4													
70-00	57	2830	56.88	2829.89	S. 82	E	1/4													
72-00	57	2887	56.88	2886.89	S. 82	E	1/4													
74-00	57	2944	56.88	2943.89	S. 82	E	1/4													
76-00	57	3001	56.88	3000.89	S. 82	E	1/4													
78-00	57	3058	56.88	3057.89	S. 82	E	1/4													
80-00	57	3115	56.88	3114.89	S. 82	E	1/4													
82-00	57	3172	56.88	3171.89	S. 82	E	1/4													
84-00	57	3229	56.88	3228.89	S. 82	E	1/4													
86-00	57	3286	56.88	3285.89	S. 82	E	1/4													
88-00	57	3343	56.88	3342.89	S. 82	E	1/4													
90-00	57	3400	56.88	3399.89	S. 82	E	1/4													
92-00	57	3457	56.88	3456.89	S. 82	E	1/4													
94-00	57	3514	56.88	3513.89	S. 82	E	1/4													
96-00	57	3571	56.88	3570.89	S. 82	E	1/4													
98-00	57	3628	56.88	3627.89	S. 82	E	1/4													
100-00	57	3685	56.88	3684.89	S. 82	E	1/4													
102-00	57	3742	56.88	3741.89	S. 82	E	1/4													
104-00	57	3799	56.88	3798.89	S. 82	E	1/4													
106-00	57	3856	56.88	3855.89	S. 82	E	1/4													
108-00	57	3913	56.88	3912.89	S. 82	E	1/4													
110-00	57	3970	56.88	3969.89	S. 82	E	1/4													
112-00	57	4027	56.88	4026.89	S. 82	E	1/4													
114-00	57	4084	56.88	4083.89	S. 82	E	1/4													
116-00	57	4141	56.88	4140.89	S. 82	E	1/4													
118-00	57	4198	56.88	4197.89	S. 82	E	1/4													
120-00	57	4255	56.88	4254.89	S. 82	E	1/4													
122-00	57	4312	56.88	4311.89	S. 82	E	1/4													
124-00	57	4369	56.88	4368.89	S. 82	E	1/4													
126-00	57	4426	56.88	4425.89	S. 82	E	1/4									</				

COMPANY Continental Oil Company
FIELD MALAMAR Paddock
WELL Mitchell "A" No. 21

SPERRY-SUN
SURVEY TABULATION SHEET

SHEET NO. 2023

JOB NO. 05-2063

COUNTY GRANT LEA, NEW MEXICO

IN RUN

DATE 11-16-66

CORRECTED TIME	MEASURED DEPTH		VERTICAL DEPTH		DIRECTION OF INCLINATION		ANGLE OF INCLIN ATION	100' COURSE DISPLACEMENT				MEASURED COURSE DISPLACEMENT				TOTAL DISPLACEMENT			
	COURSE	TOTAL	COURSE	TOTAL	OBSERVED	CORR		NORTH	SOUTH	EAST	WEST	NORTH	SOUTH	EAST	WEST	NORTH	SOUTH	EAST	WEST
11-10-20	59	1922	58.88	1929.81	E 85.1		1 1/2							1.54				7.25	22.16
12-20	58	1986	57.99	1985.80	N 82		1 1/4							1.26				4.21	23.42
14-10	58	2044	57.99	2043.74	E 85.7		1 1/4							1.27				1.21	24.69
12-25-20	58	2102	57.99	2111.72	E 85.7		1							1.01				4.21	25.70
12-25-20	59	2161	57.99	2164.72	N 84		1							1.02				7.19	26.72
29-10	58	2212	57.99	2213.71	S 87		1							1.02					
29-10	57	2224	57.99	2224.75	S 87		1							1.02					
37-20	58	2284	57.99	2283.74	S 82		1							1.00					
37-20	58	2324	57.99	2323.73	S 85		1 1/2							1.76					
40-20	58	2450	58.00	2444.73	S 80		1 1/2							1.50					
42-40	59	2509	58.00	2518.72	S 82		1 1/2							1.07					
45-20	58	2567	58.00	2566.72	S 78		1 1/2							1.11					
47-20	60	2627	58.00	2626.73	S 72		1 1/2							1.16					
49-20	58	2685	57.99	2684.72	S 72		3/4							1.17					
52-00	59	2744	57.00	2743.72	S 81		1 1/4							1.04					
57-20	57	2801	57.00	2800.72	S 82		1 1/2							1.07					
58-20	58	2859	58.00	2858.72	S 78		1 1/2							1.11					
57-40	59	2917	58.00	2916.72	S 80		1 1/2							1.09					
12-29-40	61	2972	61.00	2971.72	S 89		1 1/2							1.51					
1-02-00	59	3038	59.00	3037.72	N 88		1 1/2							1.52					
04-20	60	3093	59.99	3092.71	N 83		3/4							1.51					
07-00	58	3156	57.99	3155.70	N 80		3/4							1.78					
10-00	58	3214	58.00	3213.70	N 82		1/2							1.72					
12-00	59	3275	58.99	3274.68	N 82		3/4							1.50					
17-40	58	3331	57.99	3330.67	N 84		3/4							1.72					
20-20	58	3389	57.99	3388.66	N 83		3/4							1.69					
23-20	57	3446	56.99	3445.65	N 45		1							1.68					
26-20	58	3504	57.99	3503.64	N 53		1							1.70					
29-20	59	3563	58.99	3562.63	N 54		1							1.80					
32-20	58	3621	57.99	3620.62	N 54		1							1.86					
35-20	57	3679	56.99	3678.61	N 47		1 1/4							1.85					
1-32-20	58	3736	57.99	3735.60	N 56		1							1.91					
														1.97					
														3.30					
														48.06					

CALCULATED BY [Signature] CHECKED BY [Signature]
CALCULATED BY [Signature] CHECKED BY [Signature]

COMPANY CONTINENTAL OIL COMPANY

FIELD MALAMAX PADDOCK

WELL MITCHELL "A" No. 21

COUNTY OR PARISH LEA COUNTY, NEW MEXICO

SPERRY-SUN

SURVEY TABULATION SHEET

1st RUN

SHEET NO. 202

JOB NO. 05-3064

DATE 11-16-60

CORRECTED TIME	MEASURED DEPTH		VERTICAL DEPTH		DIRECTION OF INCLINATION		ANGLE OF INCLINATION	100' COURSE DISPLACEMENT				MEASURED COURSE DISPLACEMENT				TOTAL DISPLACEMENT			
	COURSE	TOTAL	COURSE	TOTAL	OBSERVED	CORR		NORTH	SOUTH	EAST	WEST	NORTH	SOUTH	EAST	WEST	NORTH	SOUTH	EAST	WEST
1-24-20	57	379.3	58.54	379.257	N	56 E	1 1/4					1.69		1.03				3.61	46.09
36-20	60	38.53	51.77	38.5253	N	53 E	1 1/4					.71		1.04				1.75	44.12
38-20	58	39.11	51.04	39.1057	N	48 E	1 1/4					.85		.94				.97	48.07
46-20	60	39.71	51.44	39.7056	N	60 E	1 1/4					.65		1.13				3.30	44.20
47-04	57	40.28	51.13	40.2754	N	59 E	1 1/4					.77		1.28					50.28
51-20	58	40.86	51.13	40.8551	N	34 E	1 3/4					1.47		.91				1.94	51.47
55-00	58	41.44	51.13	41.4347	N	28 E	2					1.86		.79				2.95	52.26
57-00	58	42.02	51.13	42.0203	N	23 E	2					1.95		.90				5.02	53.16
1-59-00	58	42.61	51.17	42.6040	N	29 E	1 3/4					1.57		.86				4.18	54.02
1-01-00	58	43.19	51.47	43.1837	N	36 E	1 3/4					1.43		1.04				9.61	55.86
03-00	57	43.76	51.37	43.7534	N	35 E	1 3/4					1.43		.91				16.04	56.05
06-40	57	44.33	51.14	44.3232	N	30 E	1 1/2					1.23		.93				11.33	56.80
13-40	57	44.90	51.14	44.8930	N	17 E	1 1/2					.94		.43				14.16	57.53
16-00	57	45.49	51.14	45.4828	N	20 E	1 1/2					1.27		.52				14.21	57.16
18-20	57	46.08	51.14	46.0726	N	19 E	1 1/2					1.46		.51				15.67	58.23
24-00	57	46.65	51.17	46.6423	N	22 E	1 3/4					1.62		.65				17.29	58.91
26-00	57	47.24	51.16	47.2313	N	16 E	2					1.93		.57				18.31	59.48
28-20	57	47.81	51.17	47.8016	N	15 E	2					1.93		.52				21.20	60.00
30-40	60	48.41	51.16	48.4014	N	15 E	2					2.06		.54				23.22	60.52
32-20	60	49.01	51.16	49.0005	N	14 E	2					2.06		.51				25.25	61.05
35-40	57	49.58	51.16	49.5704	N	08 E	2 1/4					2.23		.51				27.47	61.36
37-40	58	50.16	51.16	50.1497	N	07 E	2 3/4					2.76		.51				29.23	61.40
41-40	58	50.74	51.16	50.7373	N	04 E	2 3/4					2.76		.51				33.01	61.77
44-40	57	51.32	51.16	51.3082	N	06 W	3					3.13		.51				36.03	61.57
46-00	57	51.89	51.16	51.8774	N	07 W	3					3.47		.56				38.92	61.21
48-00	58	52.47	51.16	52.4563	N	12 W	3 1/4					3.47		.74				42.45	60.47
2-42-00	57	53.06	51.16	53.0452	N	13 W	3 1/4					3.51		.81				45.83	59.66
3-05-00	57	53.65	51.16	53.6341	N	14 W	3 1/4					3.41		.81				49.45	58.19
3-09-00	63	54.23	51.16	54.2128	N	17 W	3 3/4					3.11		.81				53.33	57.50
2-16-00	70	54.82	51.16	54.8013	N	17 W	3 3/4					4.38		1.34				57.77	56.25
HALL'S THE DISK IN THE WELL								HT NORTH 44' 14" EAST											

FORM SP-42 (REV. 3)

CALCULATED BY SPERRY-SUN CHECKED BY SPERRY-SUN

R-32-E

BEFORE EXAMINER NUTTER.
OIL CONSERVATION COMMISSION
Cont. EXHIBIT NO. 1
CASE NO. 2123

165,000 bbls flow now
45 BOPD

IP 100600
2415

113,290 bbls
26 BOPD
now

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
ARTESIA DISTRICT
LEASE PLAT
MALJAMAR AREA
LEA COUNTY, NEW MEXICO
SCALE: 0' 100' 200'
● PROPOSED WELL
DLB-REC EXHIBIT I 10-19-60

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. 2123
Order No. R-1822

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN UNORTHODOX 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 November 14, 1960, 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 16th day of November, 1960, 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, proposes to locate its William Mitchell "A" Well No. 21 at an unorthodox oil well location in the Maljamar-Paddock Pool at a point 1345 feet from the North line and 2615 feet from the West line of Section 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That due to another Paddock well drilled at an unorthodox location, it is necessary to locate the proposed well at an unorthodox location in order to obtain a uniform drainage pattern.

(4) That a directional survey should be taken upon completion of the well as a producer.

(5) That in the event the said directional survey establishes that the subject well is bottomed on either the NE/4 NW/4 or on the W/2 NE/4 of said Section 20, the Commission may deem it necessary to adjust the allowable assigned to said well.

-2-

CASE No. 2123
Order No. R-1822

(6) That inasmuch as the applicant is the owner and operator of all acreage offsetting the proposed unorthodox location, approval of the subject application will neither cause waste nor impair correlative rights.

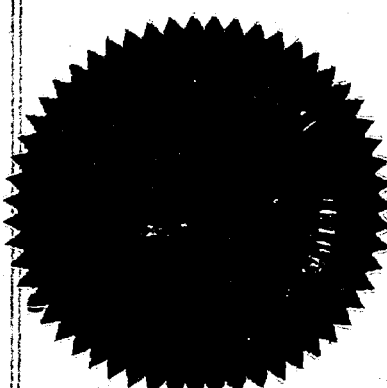
IT IS THEREFORE ORDERED:

That the applicant, Continental Oil Company, be and the same is hereby authorized to locate its William Mitchell "A" Well No. 21 at an unorthodox oil well location in the Maljamar-Paddock Pool at a point 1345 feet from the North line and 2615 feet from the West line of Section 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That a directional survey shall be taken upon completion of said well as a producer and the results of such survey shall be filed with the Commission within 30 days thereafter.

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

esr/

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
NOVEMBER 14, 1960

IN THE MATTER OF:

CASE 2123: Application of Continental Oil Company for an :
unorthodox oil well location. Applicant, in :
the above-styled cause, seeks approval of an :
unorthodox oil well location for its William :
Mitchell "A" Well No. 21 in the Maljamar-Pad- :
dock Pool, Lea County, New Mexico, at a point :
1345 feet from the North line and 2615 feet :
from the West line of Section 20, Township 17 :
South, Range 32 East. :

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: We will take next Case 2123.

MR. MORRIS: Application of Continental Oil Company for
an unorthodox oil well location.

MR. KELLAHIN: If the Examiner please, Jason Kellahin of
Kellahin & Fox, Santa Fe, representing the applicant. We will have
one witness.

(Witness sworn)

E. D. COLTHARP,
called as a witness, having been first duly sworn, testified as
follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Q Will you state your name, please?

A E. D. Coltharp.

Q By whom are you employed and in what position?

A Continental Oil Company as district engineer, Artesia district, New Mexico.

Q Are you familiar with the application filed in Case 2123?

A Yes, sir.

Q Would you state briefly what's proposed in this application?

A Case No. 2123 is the application of Continental Oil Company for drilling its William Mitchell "A" No. 21 Well on a non-standard location 1345 feet from the North line and 2615 feet from the West line of Section 20, Township 17 South, Range 32 East, Maljamar-Paddock Pool, Lea County, New Mexico.

Q Now, there's presently production from the Maljamar-Paddock Pool, is there not?

A Yes, sir.

Q Would you outline briefly the production history of the Paddock formation in this area?

A Well, there are three presently producing wells from the Paddock formation: The William Mitchell "A" No. 20 Well, the William Mitchell "B" No. 19-P, and the William Mitchell "B" No. 22 Well. These three wells are surrounded by several wells which have produced either a little bit or no oil at all from the Paddock formation. One well, the William Mitchell "B" No. 20 Well, has pro-



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ALBUQUERQUE, NEW MEXICO

duced approximately 47,000 barrels. The William Mitchell "B" No. 19-P has produced 165,409 barrels as of November 1st, 1960, and still capable of producing 45 barrels of oil per day flowing. The William Mitchell "B" No. 22-P has produced 113,290 barrels, and it is presently pumping approximately 26 barrels of oil per day. The William Mitchell "A" No. 20 was just recently completed, and on its IP it is potentialled for approximately 100 barrels per day flowing.

Q Now, there are a number of other wells drilled to that formation, which were nonproductive, is that correct?

A Yes. They were either tight or on drill stem test, indicated that they weren't commercially productive.

(Whereupon, Applicant's Exhibit No. 1 marked for identification.)

Q Now, referring to what has been marked as Exhibit No. 1, would you discuss the information shown on that Exhibit?

A Exhibit No. 1 is the location and ownership plat. As shown on the plat, six wells surrounding the three producers are now plugged and abandoned. There are five wells around here, as I indicated before, the Mitchell "B" No. 20, which is the well in Section 19, and it's in the northeast of the southeast corner. That well produced 47,000 barrels. The William Mitchell "A" 19 which is located in the southwest of the northeast of Section 19, was a dry hole on initial completion.

MR. NUTTER: I think you stated, Mr. Coltharp, that it was the 19 that had produced 47,000 barrels. That's the No. 20,



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is it not?

A William Mitchell "B" 19 located in Section 17, up in 17, it's in the southwest of the southeast.

MR. NUTTER: That's the one that has produced 47,000?

A Maybe I got mixed up. I thought I said 146,400 on that.

MR. NUTTER: Okay. Then, the 20 in Section 19 has produced how much?

A That has produced 47,000 barrels. The new well, Section 20, the William Mitchell "A" No. 20 located in Section 20, which is in the center of the northwest, is just the new well; just recently completed for 100 barrels a day. The Well No. -- William Mitchell "B" No. 22, located in the northwest of the southwest, that one has produced approximately 113,000. I hope I kept those straight. We have two more down here, William Mitchell "B" No. 23 and William Mitchell "B" No. 28, located in the northwest of the southeast. Those were dry holes, both of them. Now, actually, this William Mitchell "B" 28 was carried on down to the Devonian, so it was just a plugged back, and tried to make a completion out of the Paddock, but we couldn't do it.

Q The location of the William Mitchell "A" 20 Well was approved by this Commission, was it not?

A Yes, sir.

Q Are all of the ownerships common throughout on the William Mitchell "A" lease?

A Yes, on the William Mitchell "A". The William Mitchell



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"A" is outlined in red. It's the north half of Section 19, and the north half of Section 20.

Q Is all the royalty ownership common?

A Yes, sir.

Q Is that a Federal lease?

A Yes, sir.

(Whereupon, Applicant's Exhibit 2 marked for identification.)

Q Now, referring to what has been marked as Exhibit No. 2, will you discuss the information shown on that Exhibit?

A Exhibit No. 2 is a structure map, well, 2 and 3 are structure maps and isopach maps. Exhibit 2 is a structure map contoured on the top of the Paddock formation, and indicating a high off to the, actually a high location of, in about the, approximately in the center of Section 19 on the Paddock formation, and another locally, just a small high located in the center of Section 21. However, the high in Section 21 is too low to actually have any effect on the productive horizon.

Q Now, there are two lines shown on these Exhibits, AA and BB. What is the significance of those?

A Generally speaking, from the information that we have at the present time, everything to the west of this Exhibit -- I mean of the line AA is in essence tight, very tight, and they had to treat this William Mitchell "B" No. 20 down here, they had to treat it several times to get 47,000 barrels of oil out of it, and finally,



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they just treated it into water, trying to make a commercially productive well out of it. Therefore, it's indicated that everything is tight to the west of that. Generally speaking, it's either tight or watered out, everything to the east of the line BB. That's just based on our present information obtained from the wells that are already drilled out there.

Q Do you consider the area southeast of the line BB to be commercially productive?

A No, sir. To the south and east of that, we considered that to be water.

(Whereupon, Applicant's Exhibit 3 marked for identification.)

Q Now, on the Exhibit No. 3, there are also two lines shown there. Would you discuss those? No, there are four lines.

A Yes, sir, there are four lines on it. Those are approximately the same four lines that were on the structure map, and this is just the isopach of the sand thickness and showing that everything, although we do have some sand development to the west and north of the line AA, it is still tight. It is just a tight sand there. Likewise, everything to the south and east of line BB is below what we consider the water table, and it is either tight or goes into the water; when the sand starts development again, it's completely down in the water section. Likewise, to the north -- wait a minute, to the south of line CC, that is into the water again because of structure and also to the north of DD, that goes into water.



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ALBUQUERQUE, NEW MEXICO PHONE CH 3-6691

So, we're either surrounded by light or going into the water of the structure.

Q It's your conclusion that in this area you have a relatively small productive area, is that correct?

A Yes, sir.

Q And the proposed location of your "A" 21 Well is within the area you consider to be productive?

A Yes, sir.

Q Now, what acreage do you have dedicated to your William Mitchell "A" No. 20?

A That is the proration unit No. C.

Q What acreage do you propose to dedicate to your No. 21 Well?

A F.

Q Would that be standard 40-acre dedication?

A Yes, sir.

Q The only difference being the well location, is that correct?

A Yes, sir.

Q How close would you be to the line?

A Twenty-five feet from both lines.

Q At what depth are you drilling this well?

A Fifty-five hundred feet.

Q Do you believe that the well would be bottomed on the acreage dedicated to the well?



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A Based upon our information, it should creep, if the bottom creeps off, it should try to creep off up structure, and, therefore, according to our information as to the structure, it would creep kind of in a southwest direction, which would bring probably the bottom hole closer to this 40-acre, closer to the center of the 40-acre. That's just the normal direction. However, if our information is wrong, we could be a little bit off on that, but generally speaking, it would creep in that direction.

Q The fact that you are right at the unit line, you are not offset by any other ownership, are you?

A No, sir.

Q How far is the well located from your No. 20 Well?

A It's approximately one thousand feet. It's in the east-west direction. It's 995 feet, and in the north-south direction, it's 50 feet. Therefore, it's approximately 1000 feet.

Q Based on the information that you have as to the structure and the productive area of the Maljamar-Paddock Pool, would a well drilled as you propose to drill it recover oil that would otherwise not be recovered?

A Yes, sir.

Q Would a well drilled at a standard location on this unit, in your opinion, recover the oil under the acreage proposed to be dedicated?

A Yes, it would recover.



Q No, I say a well located at a standard location?

A That's right, it would not because it would be too close to the present producing Mitchell "A" No. 20 Well.

Q It is your desire to move away from that well?

A Yes, sir.

Q Were Exhibits 1, 2 and 3 prepared by you or under your supervision?

A Yes, sir.

MR. KELLAHIN: I would like to offer in evidence Exhibits 1, 2 and 3.

MR. NUTTER: Continental's Exhibits 1 through 3 will be entered.

(Whereupon, Continental's Exhibits 1, 2 and 3 were received in evidence.)

MR. KELLAHIN: That's all I have.

MR. NUTTER: Does anyone have any questions of Mr. Coltharp?

MR. MORRIS: Yes.

MR. PORTER: Go ahead, Dick.

CROSS-EXAMINATION

BY MR. MORRIS:

Q Does Continental have any plans for developing either units B or G in the future? Those would be the immediate east offsetting units?

A See, we have a well, William Mitchell "B" 19-P in Section



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PHONE CH 3-6691

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17 --

Q Yes.

A -- which would be just north of your unit B.

Q Right.

A We feel that will be drained. That well has already produced 160,000 barrels, and it's so close to a tight zone that we feel it will be draining down in there, and that we right at the present time, our present plans do not call for any development in that area.

Q Your structure would preclude you from developing unit C, is that correct?

A That's correct.

Q Do you feel that your unorthodox location here would have anything to do with your decision of whether to develop or not to develop here your unit B?

A Unit B.

Q In other words, if, moving the well closer to the outline of unit B would, therefore, give that well a better chance to drain unit B?

A Yes.

Q Do you feel that that would be one reason why you wouldn't drill a well up there in B if this were approved?

A I think our present plans would not even call for one in B. Now, I'm just -- this right here, based upon our information at the present time, we would not develop B. That's the best



answer I can give there.

MR. MORRIS: That's all I have.

MR. PORTER: I have one question.

MR. NUTTER: Mr. Porter.

MR. PORTER:

Q Does Continental own all of the production in the Maljamar-Paddock?

A Yes, sir.

Q Has anybody else except Buffalo or Continental drilled Paddock wells in there?

A Yes, sir. Kewanee. Which map are you on?

Q I'm on Exhibit 3.

A All right, Exhibit 3. In looking at that, look at the right D up there. You'll notice the King "B" No. 1 Well.

Q Yes.

A That's drilled by Kewanee. That was their acreage before we purchased that from them. They drilled a Paddock well there which was a dry hole. Two more Paddock wells, which are not indicated, approximately a half mile west of the County line drilled by Hudson and Hudson. Puckett, I do not remember exactly the number, they were dry holes.

Q Nobody else has had any production?

A No other production. Nobody else has had any production. Several drilled wells, but no other production.

MR. PORTER: That's all I have.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6671

ALBUQUERQUE, NEW MEXICO



PHONE CH 3-6651

Inc.

DEARNLEY-MEIER REPORTING SERVICE,

ALBUQUERQUE, NEW MEXICO

BY MR. NUTTER:

Q What pay are these other wells on the lease producing from?

A All of these on the William Mitchell "A" and the William Mitchell "B" leases are producing from the Maljamar pay, Grayburg-San Andres pay.

Q Is there any secondary recovery project under way in that pay?

A Well, there is off to the extreme right, Kewanee started a water flood back in 1957, I believe, if I'm not mistaken. They started a water flood in that, and also the Maljamar cooperative agreement asked for a pilot to be located down in Sections 21 and 28, for a pilot to be located down in there.

Q The No. 20 that you have already drilled, and the No. 21 that you are proposing today are ideally located, almost in the direct center of five-spot locations. I wonder if Continental had any plans for somewhere down the road converting those to injection wells for secondary recovery in the Grayburg-San Andres pay after depletion in the Paddock. Have you all given any thought to that?

A I'll have to admit we have given some thought to that. If these were dry holes, what would you use them for then?

Q Is there any difference structurally or, as far as the thickness of the pay is concerned, from the location which you propose for the No. 21 Well and a standard location in that 40-acre



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tract, being 330 out of the North and East lines of that 40?

A We were just trying to stay as far away from this other well. We would be closer to the other well if we came down 330 out of the North and East line of that quarter acre. We will be much closer to the No. 20 Well, and we're trying to stay away from it as much as possible.

Q How far out of the southwest quarter of unit C is that well drilled?

A Well, there's a tank battery, and we had to move over 200 feet to get away from the tank battery, so we drilled out of the -- I mean I'm thinking the same thing, 200 feet out of the west and 25 out of the south, is the location of that well.

Q I see. Have you made any computation as to difference in the distance between the two wells if you drilled on a 25-foot location as you propose and a 330 foot location which would be standard?

A No, sir, I haven't.

Q What assurance can Continental give the Commission that the well will be bottomed on the 40-acre tract to which it's dedicated?

A Oh, we would have to run a survey for that.

Q Continental would be willing to run a survey on the completion of the drilling to establish the exact location of the bottom of the hole?

A I imagine they would, yes.



MR. NUTTER: Any further questions?

BY MR. PORTER:

Q Is this, the No. 20, the best potential you have had in the Paddock formation?

A Yes, sir.

Q 100 barrels a day?

A Yes, and on an 8/64ths choke.

Q Which well did you say had a producing capacity of 45 barrels a day?

A 19-P located up in Section 17.

Q How old is that well?

A I'll have to look back.

Q This doesn't have any bearing on the case, I was just checking.

A Approximately, I would say it was, roughly, in 1954, approximately that age.

MR. PORTER: That's all.

MR. NUTTER: Any further questions of Mr. Coltharp? He may be excused.

(Witness excused)

MR. NUTTER: Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That's all I have, Mr. Nutter.

MR. NUTTER: Does anyone have anything further for Case 2123? We will take the case under advisement, and the hearing is adjourned.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, 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 machine shorthand 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, the 18th day of November, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
 NOTARY PUBLIC

My Commission expires:

June 19, 1963

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2123 heard by me on 11/14, 1960.

[Signature], Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CR 3-6691



DRAFT

RSM/esr
November 14

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

RSM
11/14
REP
11/14
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2123

Order No. R- 1827

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN UNORTHODOX 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
November 14, 1960, 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 _____ day of November, 1960, 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, proposes
to locate its William Mitchell "A" Well No. 21 at an unorthodox
oil well location in the Maljamar-Paddock Pool at a point 1345
feet from the North line and 2615 feet from the West line of
Section 20, Township 17 South, Range 32 East, NMPM, Lea County,
New Mexico.

(4) That a directional survey should be taken upon comple-
tion of the well as a producer.

(5) That in the event the said directional survey establishes
that the subject well is bottomed on either the NE/4 NW/4 or on the
W/2 NE/4 of said Section 20, the Commission may deem it necessary to
adjust the allowable assigned to said well.

(3) That due to another Paddock well drilled at an
unorthodox location, it is necessary to locate the proposed well
at an unorthodox location in order to obtain a uniform
drainage pattern.

(6) That inasmuch as the applicant is the owner and operator of all acreage offsetting the proposed unorthodox location, approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Continental Oil Company, be and the same is hereby authorized to locate its William Mitchell "A" Well No. 21 at an unorthodox oil well location in the Maljamar-Paddock Pool at a point 1345 feet from the North line and 2615 feet from the West line of Section 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That a directional survey shall be taken upon completion of said well as a producer and the results of such survey shall be filed with the Commission within 30 days thereafter.

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

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 31, 1960

**Continental Oil Company
825 Petroleum Building
Roswell, New Mexico**

Attention: Mr. W. A. Mead

**Re: Continental
Wm. Mitchell A-21
Sec. 20, Twp. 17 S, Rge 32E,
Lea County, New Mexico**

Gentlemen:

Reference is made to your letter of December 1, 1960, regarding the above-captioned well, wherein you stated that although staked and spudded as a non-standard location in the SE/4 NW/4 of Section 20, Township 17 South, Range 32 East, in accordance with Commission Order No. R-1822, the deviation from the vertical was of such magnitude and direction as to cause the well to be bottomed in the Paddock formation in the NW/4 NE/4 of Section 20.

Inasmuch as the NW/4 NE/4 of Section 20 is the only 40-acre tract actually proven productive by the subject well, it is the opinion of the Commission that this is the tract which should be dedicated to the well.

We are, therefore, by carbon copy of this letter requesting the Hobbs office of the Commission to make whatever amendments may be necessary to the well file and the proration schedule to properly reflect that the NW/4 NE/4 of Section 20 is dedicated to the well.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

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Continental Oil Company is hereby directed to make application for a hearing and to obtain approval for same prior to commencing or recompleting any well in the Paddock formation in the SE/4 NW/4 of Section 20.

Inasmuch as this is Federal land, it is also suggested that the United States Geological Survey be notified of this matter.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSR/ir

cc: Mr. Joe Ramey
New Mexico Oil Conservation Commission
Albuquerque, New Mexico

Well File
Case File 2123



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO
December 1, 1960

W.M. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

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

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

Re: APPLICATION of CONTINENTAL
OIL COMPANY for an UN-
ORTHODOX OIL WELL LOCATION
in the MALJAMAR PADDOCK POOL
LEA COUNTY, NEW MEXICO

Gentlemen:

In accordance with Case No. 2123 and subsequent Order No. R-1822, we are hereby forwarding copies of a directional survey conducted on the William Mitchell A No. 21 in accordance with Order No. R-1822. As you will note, the surface location of the subject well is located 1345' FNL and 2615' FWL Sec. 20, Township 17, Range 32 and the survey indicates the top of the Paddock formation was penetrated at 5290' at a location 1300' FNL and 2605' FEL of Sec. 20 which is in proration unit B. It is proposed based on the above information, that the Commission rededicate the proration unit of the William Mitchell A No. 21 from proration unit F to proration unit B.

Yours truly,

W. A. Mead

WAM-SK

cc: RGP HGD JWK

PIONEERING IN PETROLEUM PROGRESS SINCE 1875