

CASE 2392: Application of CONTINENTAL  
for a 240-acre non-standard gas pro-  
duction unit. (Meyer B-23 Well No. 3)

-asa 110.

2392

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Application, Transcript,  
and Exhibits, Etc.

GOVERNOR  
EDWIN L. MECHAM  
CHAIRMAN

*State of New Mexico*  
**Oil Conservation Commission**



LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER

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

P. O. BOX 871  
SANTA FE

October 16, 1961

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

Re: Case No. 2392 and 2393  
Order No. R-2093 and R-2092  
Applicant:  
Continental Oil Company

Dear Sir:

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

Very truly yours,

A handwritten signature in cursive script, reading "A. L. Porter, Jr.", is written over the typed name.

A. L. PORTER, Jr.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC       X      

Artesia OCC           

Aztec OCC           

OTHER

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. 2392  
Order No. R-2092

APPLICATION OF CONTINENTAL OIL  
COMPANY FOR A 240-ACRE NON-  
STANDARD GAS PRORATION UNIT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 4, 1961, 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.

NOW, on this 13th day of October, 1961, 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, Continental Oil Company, seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the NW/4 and the W/2 NE/4 of Section 23, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to dedicate the above-described 240-acre gas proration unit to the Meyer B-23 Well No. 3, located 1980 feet from the North line and 660 feet from the West line of said Section 23.

(4) That the Meyer B-23 Well No. 1 located in the NE/4 NW/4 of said Section 23 has been assigned to a 160-acre non-standard gas proration unit, 75% of the acreage of which is to be included in the proposed 240-acre non-standard gas proration unit.

(5) That the said Meyer B-23 Well No. 1 should be shut-in upon the establishment of the 240-acre non-standard gas proration unit and 75% of the production status of said well should be charged to the said 240-acre non-standard gas proration unit.

-2-

CASE No. 2392  
Order No. R-2092

(6) That the proposed 240-acre non-standard gas proration unit is presumed to be productive of gas from the Jalmat Gas Pool.

(7) That establishment of the above-described 240-acre non-standard gas proration unit will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the NW/4 and the W/2 NE/4 of Section 23, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established. Said unit is to be dedicated to the Meyer B-23 Well No. 3, located 1980 feet from the North line and 660 feet from the West line of said Section 23.

PROVIDED HOWEVER, That the Meyer B-23 Well No. 1 located in the NE/4 NW/4 of said Section 23 shall be shut-in and 75% of the production status of said Meyer B-23 Well No. 1 shall be charged to the 240-acre non-standard gas proration unit.

(2) That the acreage factor for allowable purposes assigned to the above-described 240-acre non-standard gas proration unit shall bear the same ratio to a standard acreage factor as the acreage in said unit bears to the acreage in a standard gas proration unit in the Jalmat Gas Pool.

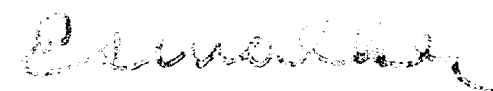
(3) That the effective date of this order shall be November 1, 1961.

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

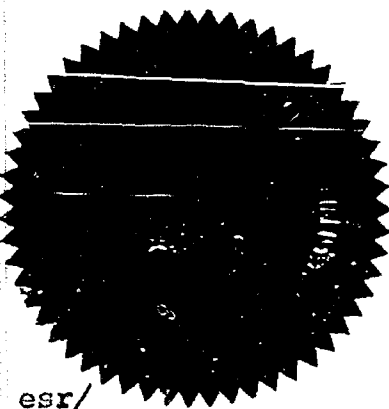
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EDWIN L. MECHEM, Chairman

  
E. S. WALKER, Member

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



esr/

Case 2382

Heard 10-4-61

Rec. 10-5-61

1. Grant Court. request to Expand the unit for the Meyer B-23 #3 Sec. 23-22S-36E from 160 Ac to 240 Ac. Unit now consists of S 1/2 N 1/2 said sec. 23. New Unit to consist of N W 1/4 + W 1/2 NE 1/4 of said sec. 23.

The Meyer B-23 #1 which now has the N 1/2 N 1/2 of said sec. 23 as a unit is to be shut in.

2. ~~The~~ 75% of the status of the #1 well shall be charged to the new unit. Effective date shall be 11-1-61.

Chris A. [Signature]

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 4, 1961

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING ---- SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

CONTINUED CASE

CASE 2367: Application of Skelly Oil Company for an unorthodox gas proration unit in the Jalmat Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, consisting of the NE/4, NW/4 SE/4, N/2 SW/4 and SW/4 SW/4 of Section 17, Township 23 South, Range 37 East, Lea County, New Mexico; said unit is to be dedicated to the E. L. Steeler Well No. 7, located 1980 feet from the South line and 660 feet from the West line of said Section 17.

NEW CASES

CASE 2388: In the matter of the hearing called by the Oil Conservation Commission to permit Juan J. (John J.) Moya and all interested parties to appear and show cause why the Jones Well No. 1, located 1650 feet from the South line and 990 feet from the East line of Section 7, Township 30 North, Range 11 West, San Juan County, New Mexico, should not be plugged.

CASE 2389: Application of Shell Oil Company for approval of the Cabezon Unit Agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cabezon Unit Agreement embracing lands in Townships 16 and 17 North, Ranges 2, 3 and 4 West, Rio Arriba County, New Mexico.

CASE 2390: Application of Continental Oil Company for a 320-acre non-Standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the S/2 of Section 7, Township 23 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the Stevens B-7 Well No. 1, located 990 feet from the South and West lines of said Section 7.

CASE 2391: Application of Continental Oil Company for a 320-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the S/2 of Section 25, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Lynn B-25 Well No. 2, located 990 feet from the South and West lines of said Section 25.

CASE 2392: Application of Continental Oil Company for a 240-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the NW/4 and W/2 NE/4 of Section 23, Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Meyer B-23 Well No. 3, located 1980 feet from the North line and 660 feet from the West line of said Section 23.

CASE 2393: Application of Continental Oil Company for a 240-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool, comprising the SE/4 and E/2 NE/4 of Section 23, Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the Meyer B-23 Well No. 2, located 990 feet from the South line and 1650 feet from the East line of said Section 23.

CASE 2394: Application of Hondo Oil & Gas Company for permission to directionally drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to directionally drill a well to be located 2310 feet from the North line and 1980 feet from the East line of Section 26, Township 17 South, Range 28 East, Eddy County, New Mexico.

CASE 2395: Application of Nash, Windfohr & Brown for the establishment of a limiting gas-oil ratio in the Jackson-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a limiting gas-oil ratio of 4000: 1 in the Jackson-Abo Pool in Township 17 South, Range 30 East, Eddy County, New Mexico.



CASE 2396: Application of C. W. Trainer for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate his Hobbs Well No. 1 at an unorthodox oil well location in the Hobbs Pool, 2545 feet from the North line and 1184 feet from the East line of Section 34, Township 18 South, Range 38 East, Lea County, New Mexico.

CASE 2397: Application of Reading and Bates, Inc. for a temporary exception to Rule 107 (d), Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a temporary exception to Rule 107 (d) to permit the production of oil from its Simms Federal Well No. 1 located in Section 34, Township 18 South, Range 30 East, North Benson Queen Pool, Eddy County, New Mexico, without installing tubing.

CASE 2398: Application of Ford Chapman for a 42.35-acre non-standard oil proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 42.35-acre non-standard oil proration unit in an undesignated Delaware pool comprising Lot 12, Section 34 and Lot 9, Section 35, all in Township 26 South, Range 29 East, Eddy County, New Mexico, said unit to be dedicated to the Curtis Hankamer Gulf-Federal Pipkin No. 1 Well, located 330 feet from the South line and 605 feet from the East line of said Section 34.

CASE 2399: Application of Texaco Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Paduca-Delaware Pool for its Cotton Draw Unit Well No. 54, located 1980 feet from the North line and 2339 feet from the East line of Section 28, Township 25 South, Range 32 East, Lea County, New Mexico.

CASE 2400: Application of Texaco Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its C. H. Weir "A" Well No. 7, located in Unit L, Section 12, Township 20 South, Range 37 East, Lea County, New Mexico, as a triple completion in the Eumont Gas, Skaggs-Glorieta, and Skaggs-Drinkard Pools, with production of oil from the Drinkard and Glorieta zones to be through parallel strings of 2 3/8 inch tubing and the production of gas from the Eumont Gas Pool through the tubing-casing annulus.

SEP 11 1961  
Roswell, New Mexico

SEP 11 1961

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

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

Subject: Application of Continental Oil Company  
for Enlargement of a 160-acre to a 240-  
acre Non-standard Gas Proration Unit for  
its Meyer B-23 No. 3 in Section 23,  
T-22S, R-36E, NMPM, Jalmat Gas Pool,  
Lea County, New Mexico

Gentlemen:

Continental Oil Company respectfully requests administrative approval under the provisions of Rule 5(c) of the General Rules and Regulations for Prorated Gas Pools of Southeast New Mexico of Order No. A-1670 for the enlargement of the presently approved 160-acre unit to a 240-acre non-standard gas proration unit consisting of the NW/4 and W/2 NE/4 of Section 23, Township 22 South, Range 36 East, for its Meyer B-23 No. 3 well located 1980 feet from the North and 660 feet from the West lines of Section 23, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, in the Jalmat Gas Pool.

In support of this request we should like to point out that the proposed unit conforms with the requirements of said Rule 5(c) in all respects as follows:

1. Said proposed unit consists of less than 640 acres.
2. Said proposed non-standard gas proration unit consists of contiguous quarter-quarter sections.
3. Said proposed non-standard gas proration unit lies wholly within a single governmental section.
4. The entire proposed non-standard gas proration unit may be reasonably presumed to be productive of gas from the Jalmat Pool.
5. The length or width of said unit does not exceed 5,280 feet.
6. Copies of this application have been furnished this date by registered mail to all offset operators and all operators within 1,500 feet of said well, as required by the provisions of said Rule 5(c).

A plot is attached hereto showing to the best of our knowledge and belief the proposed unit, the location of the No. 3 well and other wells on the lease, offset wells and ownership thereof.

The granting of this application is in the interest of preventing waste and the protection of correlative rights.

In view of the facts set out herein it is respectfully requested that the Commission enter an order approving the non-st. land gas production unit for Continental Oil Company's Meyer B-23 No. 3 well as described above.

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

STATE OF NEW MEXICO )  
                              ) SS.  
COUNTY OF CHAVES )

W. 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 therein are true, as he is credibly informed and believes.

*W. A. Mead*  
(Signature)

Subscribed and sworn to before me this 11<sup>th</sup> day of

September, 1961.

*Louis B. Houston*

My Commission Expires:

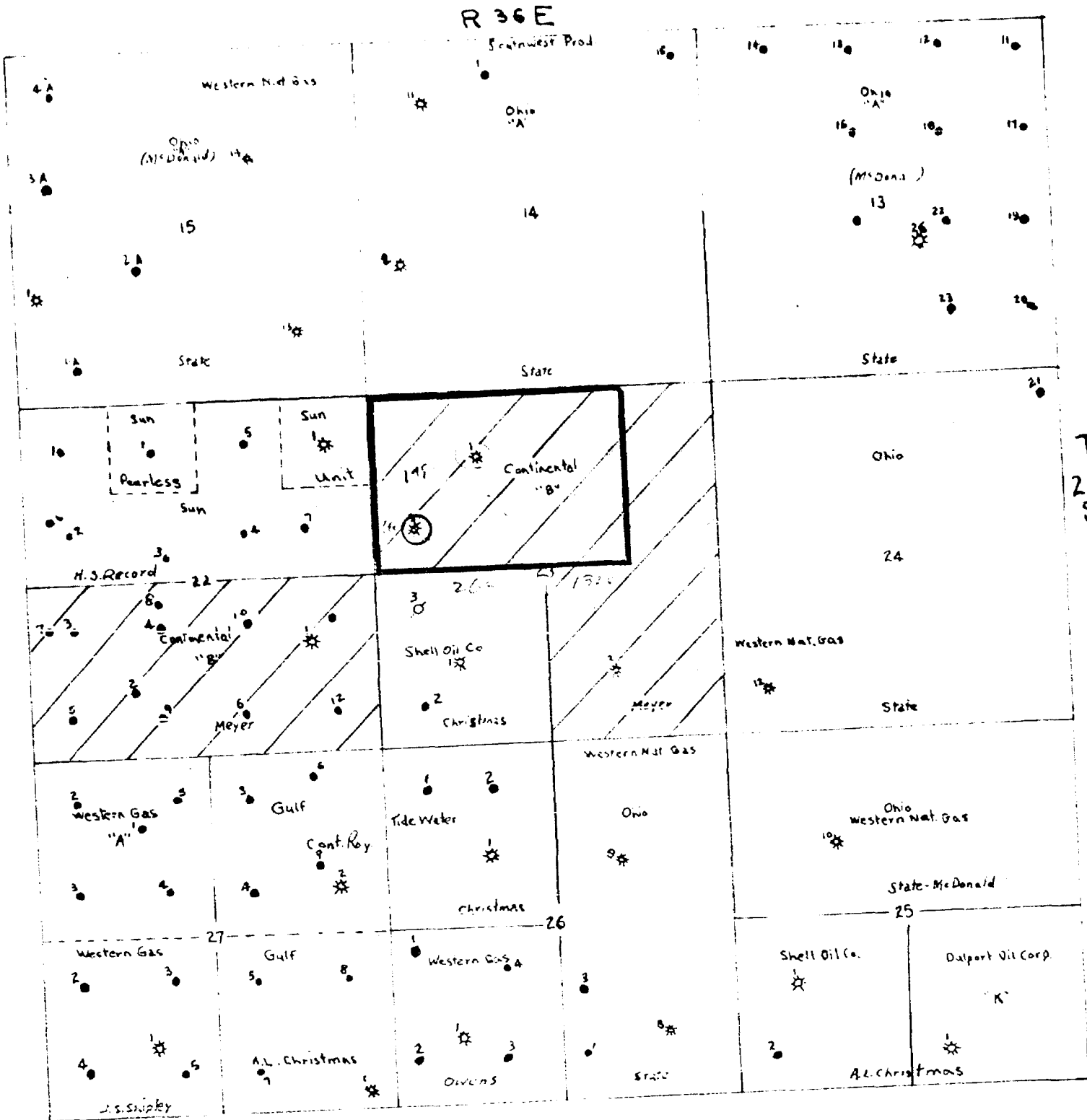
5-25-64

Copies to: NMOCG-3  
RGP-1  
EGD-1  
JRP-1  
File-1

Copies by registered mail to:

Shell Oil Company  
P. O. Box 1957  
Hobbs, New Mexico

Sun Oil Company  
P. O. Box 2792  
Odessa, Texas



CONTINENTAL OIL COMPANY  
LOCATION AND OWNERSHIP PLAT

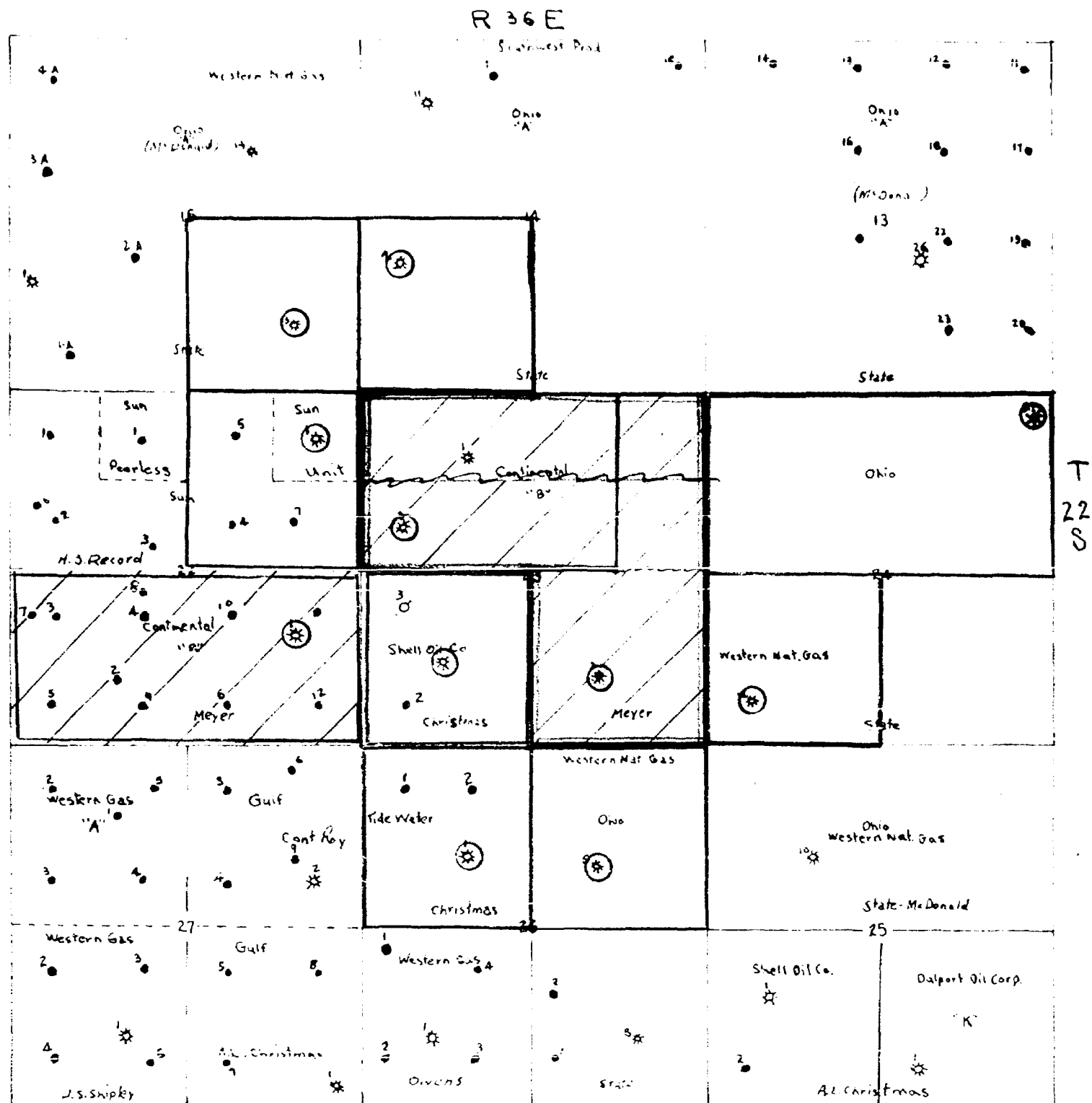
Scale: 1" = 2,000'

Meyer B-23 Lease —

Meyer B-23 Gas Well ○

Approved Gas Proration Unit

2392

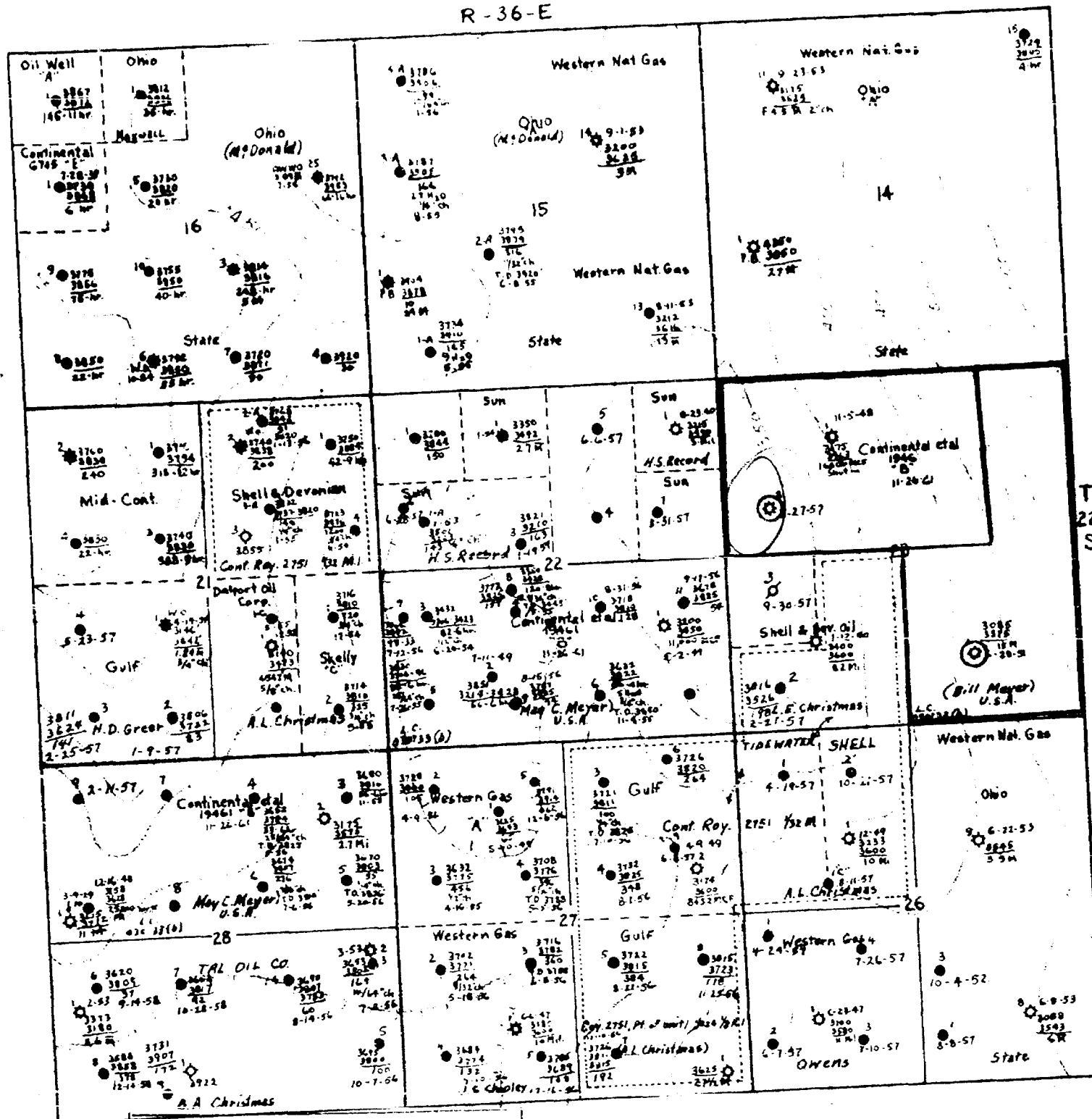


BEFORE EXAMINER UTZ  
CONTINENTAL OIL COMPANY  
OIL CONSERVATION COMMISSION LOCATION AND OWNERSHIP PLAT  
EXHIBIT NO. 1  
CASE NO. 2292/22923  
Scale: 1" = 2,000'

Proposed Gas Proration Unit  
Proposed Gas Unit Well ○

Approved Gas Proration Unit  
Approved Gas Unit Well ○

R-36-E



T  
22  
S

BEFORE EXAMINER UTZ  
CONTINENTAL OIL COMPANY  
OIL CONSERVATION COMMISSION STRUCTURE PLAT  
EXHIBIT NO. 2  
CASE NO. 2392/2393  
CONTOURED ON YATES MARKER

Scale: 1" = 2,000'

Contour Interval: 25'

Proposed Gas Unit Well ○

Proposed Gas Proration Unit ———

**NEW MEXICO OIL CONSERVATION COMMISSION**  
One-point Back Pressure Test for Gas Wells  
(Deliverability)

Form C-122-C  
4-1-54

Pool Jalisco Formation Tatum County Lee  
Initial Annual X Special \_\_\_\_\_ Date of test 2-10-2-17-61  
Company Continental Oil Company Lease Major B-23 Well No. 2  
Unit 0 Sec. 23 Twp. 22 Rge. 36 Purchaser El Paso Natural Gas Company  
Casing 5-1/2" I.D. 4.75 Set at 3079 Perf. 4-3/40 ft. 3079 To 3378  
Tubing 2-3/8" I.D. 1.995 Set at 3310 Perf. \_\_\_\_\_ To \_\_\_\_\_  
Gas Day: From 3079 To 3378 I 3310 x G .675 = GI 2234 Bar. Press. 13.2  
Producing Thru: Casing \_\_\_\_\_ Tubing X Type Well Single  
Single- Bradenhead-O.C. or S.C. Dual

**FLOW DATA**

Started Date	Time	Taken Date	Time	Duration Hours	Type Taps	Line Size	Orifice Size	Static Press.	Differ- ential	Flow Temp.
2-13-61	10:30 AM	2-14-61	10:30 AM	24	Flg.	4"	2,000	344	54.02	66°
	PM		PM							

**FLOW CALCULATIONS**

Static Pressure P <sub>f</sub>	Differ- ential h <sub>w</sub>	Meter Extension $\sqrt{P_f h_w}$	24-Hour Coeff- icient	Gravity Factor F <sub>g</sub>	Temp. Factor F <sub>t</sub>	Compress- ability F <sub>pv</sub>	Rate of Flow MCF/Da. @ 15.025 psia
357.2	54.02	136.92	25.58	.9427	.9943	1.037	3454

**SHUT-IN DATA**

Shut-in		Press. Taken		Duration Hours	Wellhead Pressure (P <sub>c</sub> ) psia		W.H. Working Pressure (P <sub>w</sub> ) and (P <sub>t</sub> ) psia	
Date	Time	Date	Time		Tubing	Casing	Tubing	Casing
2-14-61	10:30 AM	2-15-61	10:30 AM	24	635.2	635.2	382.2	550.2
		2-16-61		48	639.2	639.2		
	PM	2-17-61	PM	72	642.2	642.2		

**FRICTION CALCULATIONS (if necessary)**

P<sub>f</sub> Measured

**SUMMARY**

P<sub>c</sub> = 642.2 psia  
Q = 3454 MCF/Da.

**DELIVERABILITY CALCULATIONS**

P<sub>w</sub> 550.2 P<sub>c</sub> 642.2 P<sub>w</sub> + P<sub>c</sub> 8567  
 $1 - \frac{P_w}{P_c} = 1.333$   $1 + \frac{P_w}{P_c} = 1.8547$   $\left(1 - \frac{P_w}{P_c}\right) \left(1 + \frac{P_w}{P_c}\right) = M$  .2661  
.36 + M 1.359 Log 0.131298 x (n) 1.000 .927 = 0.338596

P<sub>w</sub> = 550.2 psia  
P<sub>d</sub> = 513.4 psia  
D = 4571 MCF/Da.

COMPANY Continental Oil Company  
ADDRESS Box 68, Dallas, Texas  
AGENT and TITLE W. B. Smith Dist. Mgr.  
WITNESSED \_\_\_\_\_  
COMPANY \_\_\_\_\_

Log Q = 3.538922  
Log D = 3.660035  
Antilog = 4571.3 = D

**REMARKS**

NOOCC-3 JPM NAM FILE-2

NEW MEXICO OIL CONSERVATION COMMISSION  
 Two-point Back Pressure Test for Gas Wells (MOC-3) Form O-122-0  
 (Deliverability) 4-1-59

RECEIVED  
 EUNICE DIST. OFFICE

Well No. 3 Formation Yates & Seven Rivers County Lea  
 Annual ☒ Special ☐ Date of test 4-21/4-28-61  
 Company Continental Oil Company Lease Mayer B-23  
 Sec. 23 Twp. 22 Rge. 36 Purchaser El Paso Natural Gas Company  
 -1/2" 14 I.D. 5.012 Set at 3884 Perf. 3312 To 3468  
 -3/8" 14.7 I.D. 4.995 Set at 3309 Perf. 3312 To 3468  
 Perforated 3312 To 3468 I.D. 3309 x G. 675 = GL 2234 Bar. Press. 23.2  
 Tubing Single Type Well Single  
 Single-Bradenhead-3.3. or 3.0. Test

Started	Time	Taken	Time	Duration	Type	Line	Orifice	Static	Differ-	Flow
Date		Date		Hours	Taps	Size	Size	Press.	ential	Temp.
4-21-61	10:15 AM	4-21-61	10:15 AM	24	Flg	4"	1.750	345	56.25	69°
	PM		PM							

FLOW CALCULATIONS

Static Pressure	Differ- ential	Meter Extension	24-Hour Coeff- icient	Gravity Factor $F_g$	Temp. Factor $F_t$	Compress- ibility $F_{pv}$	Rate of Flow MCF/Da. @ 15.025 psia $Q$
358.7	56.25	141.95	19.27	.9427	.9915	1.037	2651

SHUT-IN DATA

Shut-in	Press. Taken	Duration	Wellhead Pressure	W.H. Working Pressure
Date	Time	Hours	( $P_c$ ) psia	( $P_w$ ) and ( $P_t$ ) psia
			Tubing	Casing
4-25-61	10:15 AM	24	598.2	505.2
		48	603.2	608.2
		72	605.2	610.2
	PM			

FLOW DATA

FRICTION CALCULATIONS (if necessary)

$P_w$  Measured

SUMMARY

$P_c = 610.2$  psia  
 $Q = 2651$  MCF/Da.

DELIVERABILITY CALCULATIONS

$P_w = 551.2$   $P_c = 610.2$   $P_w + P_c = 0.9033$   
 $1 - \frac{P_w}{P_c} = 0.0967$   $1 + \frac{P_w}{P_c} = 1.9033$   $\left| 1 - \frac{P_w}{P_c} \right| \left| 1 + \frac{P_w}{P_c} \right| = M$   $.1840$   
 $.36 + M = 1.956$   $\log 0.291369$   $x (n) = 0.786$   $= 0.229016$

$P_w = 551.2$  psia  
 $P_d = 488.2$  psia  
 $D = 4492$  MCF/Da.

COMPANY Continental Oil Company  
 ADDRESS Box 68, Eunice, New Mexico  
 AGENT and TITLE J. M. L. Dist. Supt.  
 WITNESSED \_\_\_\_\_  
 COMPANY \_\_\_\_\_

$\log Q = 3.423410$   
 $\log D = 3.652426$   
 Antilog = 4492  $\bullet D$

REMARKS

MOC-3 JPM HAM FILE



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

CASE NO. 2392 and  
2393

IN THE MATTER OF:      Application of Continental Oil  
Company for a 240 acre non-standard  
gas proration unit, Lea County,  
New Mexico.

TRANSCRIPT OF HEARING

OCTOBER 4, 1961



BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

October 4, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company  
for a 240-acre non-standard gas proration  
unit, Lea County, New Mexico. Applicant,  
in the above-styled cause, seeks the estab-  
lishment of a 240-acre non-standard gas pro-  
ration unit in the Jalmat Gas Pool, comprising  
the NW $\frac{1}{4}$  and W $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 23, Township 22  
South, Range 36 East, Lea County, New Mexico,  
said unit to be dedicated to the Meyer B-23 W 11  
No. 3, located 1980 feet from the North line and  
660 feet from the West line of said Section 23.

CASE NO.  
2392

Application of Continental Oil Company for  
a 240-acre non-standard gas proration unit,  
Lea County, New Mexico. Applicant, in the  
above-styled cause, seeks the establishment  
of a 240-acre non-standard gas proration unit  
in the Jalmat Gas Pool, comprising the SE $\frac{1}{4}$  and  
E $\frac{1}{2}$ NE $\frac{1}{4}$  of Section 23, Township 22 South, Range  
36 East, Lea County, New Mexico, said unit to  
be dedicated to the Meyer B-23 Well No. 2,  
located 990 feet from the South line and 1650  
feet from the East line of said Section 23.

CASE NO.  
2393

BEFORE: Mr. Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case No. 2392.

MR. MORRIS: Application of Continental Oil Company  
for a 240-acre non-standard gas proration unit, Lea County,  
New Mexico

MR. KELLAHIN: Could we have that consolidated with

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON N. M.  
PHONE 325.1182

ALBUQUERQUE N. M.  
PHONE 243.665



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6601

Case No. 2393?

EXAMINER UTZ: As to the testimony?

MR. KELLAHIN: Yes, it involves the same basic lease and the same information.

EXAMINER UTZ: Cases Nos. 2392 and 2393 will be consolidated for the purposes of testimony.

MR. KELLAHIN: May the record show the same appearances as in the previous cases and the witness has been sworn in the preceding case.

EXAMINER UTZ: The record will show that.

VICTOR T. LYON,

called as a witness, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Lyon, you are the same Mr. Lyon that testified in the preceding case?

A I am.

Q Are you familiar with the Application of Continental Oil Company in Cases Nos. 2392 and 2393?

A Yes, sir.

Q Would you state what is proposed in these applications?

A In Case 2392 and 93 it is proposed to enlarge to 240 acres the presently approved proration unit for the Meyer B-23 No. 2 and No. 3 Wells located in Section 23, Township 22



South, Range 36 East.

Q Well, have you an exhibit prepared showing the location of these units?

A Yes, sir. Exhibit 1 is an ownership plat showing the Meyer B-23 lease and the immediate surrounding areas showing the wells that are drilled on the Meyer B-23 lease and the wells drilled on the offsetting leases. The Meyer B-23 lease consists of 480 acres described as the  $N\frac{1}{2}$  and  $SE\frac{1}{4}$  of Section 23, Township 22 South, Range 36 East. As shown on Exhibit 1, we propose to divide this acreage equally between wells No. 3 and No. 2. The unit for No. 3 will consist of the  $NW\frac{1}{4}$  and  $W\frac{1}{2}NE\frac{1}{4}$  of Section 23; and the unit for No. 2 will consist of the  $SE\frac{1}{4}$   $E\frac{1}{2}NE\frac{1}{4}$  of that section. Wells No. 2 and No. 3 are shown circled in red. The proposed units are shown outlined in red. Also shown circled in green are the Jalmat Wells producing in this area and the acreage allocated to those wells outlined in green.

Q What is the present acreage allocated to the Meyer No. 2 well?

A The Meyer B-23 No. 2 presently has assigned to it the  $SE\frac{1}{4}$ , Section 23, which is 160 acres.

Q You would then be adding 80 acres to that?

A Yes.

Q What does the allocation presently assigned to the Meyer B-23 No. 3 well?

A No. 3 presently has 160 acres consisting of the  $S\frac{1}{2}N\frac{1}{2}$

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of Section 23.

Q Where is the balance of the acreage in the section allocated at the present time?

A The balance of the acreage, 160 acres, is assigned to Well No. 1 and it consists of the  $N\frac{1}{2}N\frac{1}{2}$  of Section 23. We propose to shut-in Well No. 1 when this acreage is re-allocated.

Q Referring to what has been marked Exhibit No. 2, would you discuss the information shown on that exhibit?

A Exhibit No. 2 is a structure map contoured on top of the Yates showing the structural configurations in this area. The units which are proposed to be allocated to Well No. 2 and 3 are shown outlined in red and those two wells are shown circled in red.

Q Does the exhibit indicate that the Yates formation is present throughout the proposed unit?

A Yes, I believe it does.

Q In your opinion, is all of the acreage you propose to dedicate to each of these wells productive of gas?

A Yes, sir. All of this acreage as previously described to the three gas wells located on the lease. This is merely a reallocation of this acreage.

Q Your proposed units are substantially surrounded by production in the same formation, is that correct?

A Yes, sir.

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Q Have you any exhibits showing the deliverability tests on the Meyer B-23 No. 2 well?

A Yes, sir. Exhibit No. 3 is a photostatic copy of the Form C-122C showing the deliverability test conducted in February of this year on the Meyer B-23 No. 2, the well demonstrated a deliverability of 80%, 4,571 MCF per day.

Q Do you have the same information on the Meyer B-23 No. 3 well?

A Yes, sir. Exhibit No. 4 is a photostatic copy of form C-122-C showing the results of the deliverability test conducted on the Meyer B-23 No. 3 on April 1 to April 28 of this year. This exhibit shows that the well demonstrated a deliverability of 80% of shut-in pressure or 4,492 MCF per day.

Q On the basis of that information, would each of these wells be capable of making the production allocated to the 240 acre unit?

A Yes, I am sure they would.

Q Do you know the results of the deliverability test from the Meyer B-No. 2, the No. 1 well?

A Yes. The result of the test conducted this year showed a deliverability of 1197 MCF per day.

Q Do you know the current status of the well involved here?

A I am sorry, I do not.



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Q Mr. Lyon, these applications are being heard here today on account of well locations?

A Yes, sir.

Q Would the wells, so located as they are in this instance with the allocation of 240 acres to each, in your opinion impair the correlative rights of the offset operators?

A I do not believe that correlative rights would be impaired by this reallocation.

Q The reallocation of these units would serve to protect the rights of the owners under the leases involved?

A Yes, I believe so.

Q Is the ownership common throughout on the Meyer B-23 lease?

A Yes, it is.

Q Including the royalty ownership?

A Correct.

Q Were Exhibits 1 thru 4 prepared by you or under your supervision?

A Yes, sir, they were.

MR. KELLAHIN: We offer in evidence applicant's Exhibits 1 thru 4 in Cases Nos. 2392 and 2393.

EXAMINER UTZ: Without objection, Exhibits 1 thru 4 in Cases Nos. 2392 and 2393 will be entered into the record of this case.

MR. KELLAHIN: That's all I have.



CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Lyon, the underproducing status of the No. 3 and No. 2 wells you think is caused from El Paso?

A I am certain that's true.

Q And again, in No. 1 well which is something like 26,000,000 overproduced because of low deliverability?

A Yes, sir.

EXAMINER UTZ: Are there any other questions of the witness?

RECROSS EXAMINATION

BY MR. MORRIS:

Q Mr. Lyon, did you state that you believed all of the acreage being dedicated is productive of gas?

A I believe it is.

Q I see an absence of wells in the SE $\frac{1}{4}$  of Section 14 or in the NW $\frac{1}{4}$  of Section 24, which would lead me to wonder whether the NE $\frac{1}{4}$  of Section 23 we have under discussion might be very productive.

A Until wells are drilled, the degree of productivity is still in question. Structurally, there is no reason why it should not be productive. The Ohio, I believe that's McDonald's No. 21 in Section 24, appears to have the N $\frac{1}{2}$  of that section allocated to it and there is no reason to believe that the intervening acreage is not productive.





Q As you say, this is a reallocation of acreage that has been dedicated?

A That is correct.

MR. MORRIS: Thank you.

EXAMINER UTZ: Are there any other questions of the witness?

The witness may be excused and the case will be taken under advisement.

The Hearing is adjourned.

(Testimony concluded at 4:00 p.m.)

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STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF SAN JUAN )

I, THOMAS F. HORNE, Notary Public in and for the County of San Juan, State of New Mexico, do hereby certify that the foregoing and attached transcript of hearing was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 29th day of October, 1961, in the City of Farmington, County of San Juan, State of New Mexico.

*Thomas F. Horne*  
NOTARY PUBLIC

My Commission Expires:

12-2-65

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2392493 heard by me on Oct. 4, 1961.

*Thos. A. [Signature]* Examiner  
New Mexico Oil Conservation Commission



## NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing - Elvis A. UteSanta Fe, NEW MEXICOREGISTER

HEARING DATE

October 4, 1961

TIME:

9 A.M.

NAME:	REPRESENTING:	LOCATION:
Neil B. Watson att'y	Nash, Windfader & Brown	Antonia, N.M.
R.F. Windfader	Nash, Windfader & Brown	Fort Worth Texas
<del>Files &amp; Hudson</del>		<del>Albany</del>
R.C. Litch	Peaking & Bates	Tulsa, Okla.
D.L. Potter	Kearney & Estes Inc	Tulsa, Okla.
P.W. Huber	Shell Oil Co	Lawrence, N.M.
W. Smith	Shell Oil Co	
O. Seth	Shell	S.F.
Guy Buehl	Pan Am	FORT WORTH
G.W. King	" "	" "
B.M. Anderson	Simclair	Midland
Jason Kellah	Kellah & Fox	Santa Fe
V.T. Lyon	Continental Oil Co	Lawrence, N.M.
A.J. Inderrieden	Pan Am	Hubbuck
C.R. Black	Texas Tech	Midland, Texas

## NEW MEXICO OIL CONSERVATION COMMISSION

Examining hearing - Elvis A. UteSanta Fe, NEW MEXICOREGISTERHEARING DATE October 4, 1961 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
<i>Booker Kelly</i> S.H. Cavin J.R. M. Minn	<i>Tanager</i> <i>Gelbert - rubber roller</i> Hondo C & B Co.	S.F. Roswell, N.M.