

MAILED  
APR 13 1956



# CONTINENTAL OIL COMPANY

FAIR BUILDING  
FORT WORTH 2, TEXAS

April 13, 1956

HARRY G. DIPPEL  
GENERAL ATTORNEY  
GLENN L. MACE  
FRANK L. MERRILL  
ATTORNEYS

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

Re: Your Docket Nos. DC-86 and NSP-251 -  
Application of Continental Oil Company for  
an order granting it permission to dually  
complete and allocate a non-standard gas  
proration unit to its W.C. Hawk B-10 Well  
No. 1, NW/4 NE/4 Sec. 10, T-21-S, R-37-E,  
N.M.P.M., Lea County, New Mexico

Gentlemen:

The subject application was received in your office at Santa Fe, New Mexico, on March 7, 1956 and placed on your docket as No. DC-86 as to that portion of said application requesting authority to dually complete the subject well and as No. NSP-251 as to that portion of said application requesting authority to allocate a non-standard gas proration unit in the Tubb Gas Pool to the subject well. Authority to dually complete said well had previously been granted by your Honorable Commission under date of March 19, 1954.

Continental Oil Company has obtained a photostatic copy of the letter dated March 30, 1956, and received in your Santa Fe office on April 2, 1956, from Aztec Oil & Gas Company requesting your Honorable Commission to deny this application.

The same quarter-section of land is involved in the subject application bearing your Docket No. NSP-251 as was involved in Case No. 992. Your Honorable Commission is, of course, aware of the fact that the hearing in Case 992 was had on January 19, 1956 and that an order has not yet been entered in said case.

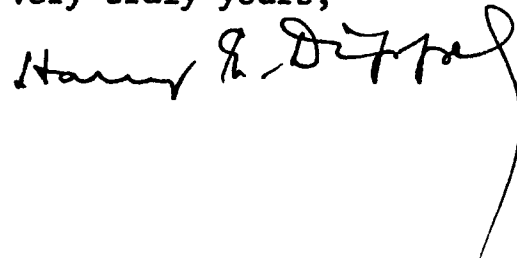
Continental Oil Company will not be in position to prepare and present its case in support of the subject applica-

New Mexico Oil Conservation Commission  
Page 2

tion bearing your Docket No. NSP-251 until an order has been entered in Case 992 and Continental has had an opportunity to study said order.

In view of the above, Continental Oil Company hereby respectfully requests that the subject application, bearing your Docket No. NSP-251, be permitted to remain on your docket without being set for a hearing until after your Honorable Commission has entered its order in Case 992 and Continental Oil Company thereafter requests that its said application be set for hearing.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Harry R. Ditzel", with a long, sweeping vertical line extending downwards from the end of the signature.

HGD-ED

cc to  
Messrs. H.L. Johnston  
Fort Worth, Texas

Mr. R.L. Adams  
Roswell, New Mexico

Mr. Jason W. Kellahin  
Santa Fe, New Mexico

Aztec Oil & Gas Company  
Dallas, Texas

MAIN OFFICE 000

AZTEC OIL & GAS COMPANY  
920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

QUILMAN, B. DAVIS III 9:03  
SECRETARY AND GENERAL ATTORNEY

March 30, 1956

*await  
lessee from  
Conoco  
asking  
for hearing*

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

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

Re: Continental's Application for  
Dual Completion of its W. C.  
Hawk B-10 No. 1 Well, NW<sup>1</sup>/4 NE<sup>1</sup>/4  
of Sec. 10, T-21-S, R-37-E,  
Lea County, New Mexico

*DC-86  
issued 3/19/56*  
Gentlemen:

Aztec Oil & Gas Company hereby objects to the approval of Continental Oil Company's application filed with the Commission on March 7, 1956 requesting permission to dual complete the subject well in the Drinkard Oil Pool and the Tubb Gas Pool and proposing a gas unit of 120 acres.

Aztec has offered to communitize and pool its NE<sup>1</sup>/4 NE<sup>1</sup>/4 of Section 10 with the 120 acres of Continental to form a standard gas proration unit of 160 acres, consisting of the NE<sup>1</sup>/4 of said Section 10, for the Tubb gas well and pay its one-fourth of the cost of dual completion.

We have not heard anything from Continental concerning our offer and we, therefore, must request that the application be denied.

Yours very truly,

*Quilman B. Davis*

QBD:NL  
cc - Mr. Prentice R. Watts

AIR MAIL

AZTEC OIL & GAS COMPANY  
920 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

MAIN OFFICE 000

NSP-251

000000 10 AM 3:23

March 7, 1956

Mr. Hugh Johnston  
Continental Oil Company  
Fair Building  
Fort Worth, Texas

Re: Application for Dual Completion  
of the W. C. Hawk B-10 No. 1  
Well, NW $\frac{1}{4}$ NE $\frac{1}{4}$  of Sec. 10, T-21-S,  
R-37-E, Lea County, New Mexico

Dear Hugh:

We have a copy of your application to the New Mexico Oil Conservation Commission requesting permission to dual complete the subject well in the Drinkard oil pool and the Tubb gas pool and proposing a gas unit of 120 acres. Although Mr. W. E. Allen's letter of transmittal enclosing a copy of the application to us was dated February 13, 1956, it was not received by our Hobbs office until March 5.

Aztec would like to communitize and pool its lease embracing the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10 with your 120 acres in order to form a standard gas proration unit of 160 acres, consisting of the NE $\frac{1}{4}$  of Section 10, for the proposed Tubb gas well and pay its one-fourth of the cost of dual completion.

Your prompt reply to the above proposal would be greatly appreciated.

With thanks and best regards, I am

Yours very truly,

*Van Thompson*

VT:NL

bcc - Mr. W. B. Macey ✓  
Mr. Prentice R. Watts

SUBJECT: DUAL COMPLETION (GAS-OIL)

MARCH 19, 1954

THE APPLICATION OF CONTINENTAL OIL  
COMPANY FOR PERMISSION TO EFFECT DUAL  
COMPLETION OF ITS HAWK B-10 NO. 1 WELL,  
NW/4 NE/4 SECTION 10, TOWNSHIP 21 SOUTH,  
RANGE 37 EAST, NMPM, LEA COUNTY, NEW  
MEXICO.

ORDER NO. DC-86

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Order No. R-316, Rule 112-A, Continental Oil Company made application to the New Mexico Oil Conservation Commission on March 8, 1954, for permission to dually complete its Hawk B-10 No. 1 Well, NW/4 NE/4 Section 10, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, and

The Secretary-Director Finds:

- (1) That application has been duly filed under the provisions of Sub-section 10 of Rule 112-A of the Commission's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- (3) That no objections have been received within the waiting period as prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, Continental Oil Company, be and it hereby is authorized to dually complete its Hawk B-10 No. 1 Well, NW/4 NE/4 Section 10, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, in such manner as to permit production of gas from the Tubb zone of the Tubb Gas Pool through the annular space between the casing and the tubing, and oil from the Drinkard zone of the Drinkard Oil Pool through the tubing, by proper perforations and the installation of a suitable packer;

PROVIDED HOWEVER, That subject well shall be completed and thereafter produced in such a manner that there will be no commingling within the well-bore, either within or outside the casing, of gas, oil and gas, or oil produced from either or both of the separate strata,

PROVIDED HOWEVER, That prior to the actual dual completion the operator shall make pressure tests of the casing to prove that no casing leaks have developed since the well was originally completed. In the event a casing leak is apparent the operator shall take appropriate steps to adequately repair the leak. The results of these tests shall be reported to the Commission on Form C-103.

PROVIDED FURTHER, That upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission at Hobbs, New Mexico, copies of Oil Conservation Commission Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on those forms by existing Rules and Regulations and two copies of the electric log of the well, if available.

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and

PROVIDED FURTHER, That the operator-applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten days after completion of such test, and

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas-oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED, That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

APPROVED at Santa Fe, New Mexico, on this 19th day of March, 1954.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

R. R. SPURRIER, Secretary-Director

S E A L

*copy - acc - Hobbs*  
*3/7/56*  
MAIN OFFICE OCC

CONTINENTAL OIL COMPANY

1956 MAR 7 AM 8:17

*NSP-251*  
*Due 4/6/56*  
Eunice, New Mexico  
February 13, 1956  
7:21

Humble Oil and Refining Company  
Box 2347  
Hobbs, New Mexico

Tidewater Associated Oil Company  
Box 547  
Hobbs, New Mexico

Aztec Oil and Gas Company  
Box 847  
Hobbs, New Mexico

Shell Oil Company  
Box 1957  
Hobbs, New Mexico

The Texas Company  
Box 1270  
Midland, Texas

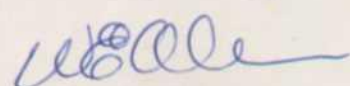
*DC already  
granted on  
3/17/54  
on DC-86  
for some  
well  
& zone*

Gentlemen:

Attached is Continental Oil Company's application to the Oil Conservation Commission of New Mexico for permission to dual complete and form a non-standard proration unit for its W. C. Hawk B-10 No. 1 well which is self explanatory.

This application is submitted to you as offset operators in compliance with Commission rules and regulations.

Yours very truly,

  
W. E. Allen  
District Superintendent  
of Production  
Eunice District

WEA-RC  
Enc

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE  
STATE OF NEW MEXICO

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IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR ORDERS  
GRANTING IT PERMISSION TO DUAL COMPLETE  
AND ALLOCATE A NON-STANDARD PRODUCTION UNIT  
FOR ITS W. C. HAWK B-10 NO. 1 NW/4 NE/4  
SECTION 10, T21S, R37E, N.M.P.M. LEA  
COUNTY, NEW MEXICO

APPLICATION

Comes now CONTINENTAL OIL COMPANY, a Delaware Corporation, hereinafter called "Applicant" and respectfully requests the Oil Conservation Commission of the State of New Mexico to issue orders authorizing Applicant to dual complete its W. C. Hawk B-10 No. 1 well and allocate a non-standard production unit to the well, located 660 feet from the north line and 1980 feet from the east line of Section 10, T. 21S, R. 37E, N.M.P.M., Lea County, New Mexico, in the Brinkard Oil Pool and the Tubb Gas Pool, and in support thereof would show the following:

A non-standard production unit of 120 acres consisting of contiguous quarter quarter sections, W/2 and the SE/4 of the NE/4, Section 10, T. 21S, R. 37E, is requested.

In support of this request we should like to point out that the proposed unit conforms with Commission requirements in all respects as follows:

1. Said unit consists of contiguous quarter quarter sections (and/or lots).
2. Said unit lies wholly within a single governmental section.
3. The entire proposed unit may be reasonably presumed to be productive of gas.
4. The length or width of said unit does not exceed 2640 feet.
5. Copies of this application have been furnished by registered mail to all offset operators and all operators within 1500' of said well.

The dual completion of said well in the Brinkard for oil and the Tubb for gas is in the interest of conservation and the protection of correlative rights.

Segregation of the producing intervals will be made by appropriate packer installation and said well will be equipped so there can be no comingling of well fluids in producing the gas through the annulus between the tubing and casing, and the oil through the tubing. Said well will be equipped in such a manner that reservoir pressure may be determined separately for each of the two specified pools and the well head equipment to be equipped with all necessary connections to permit accurate measurement



of any natural gas, oil, or oil and gas produced from each separate pool as may be required by the Commission.

Attached to this application is a plat showing the location of said well and surrounding wells and leaseholds with the acreage to be assigned the proposed gas unit outlined in red, a plat showing the mechanical condition of said well at present and after the proposed dual completion.

All offset operators have been duly notified by copy of this application.

WHEREFORE, Applicant respectfully requests the Oil Conservation Commission of the State of New Mexico enter its order authorizing Applicant to dual complete said well and permit the assignment of a non-standard proration unit in accordance with the foregoing application and rules and regulations of the Commission.

CONTINENTAL OIL COMPANY

By \_\_\_\_\_

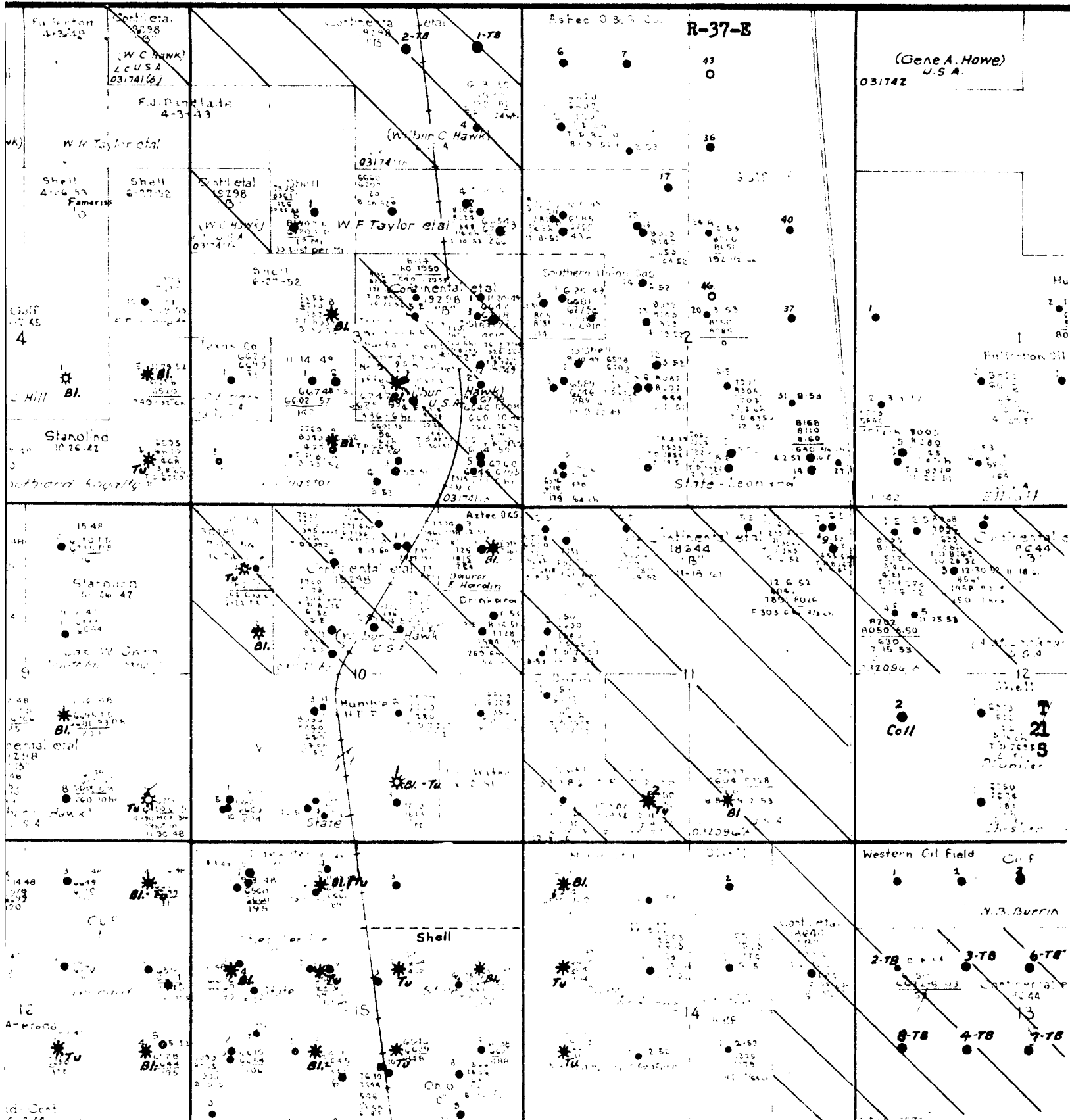
Subscribed and sworn to before me

this 2nd day of March 1956

Thomas E. Fay Notary Public

in and for Lea County, New Mexico

My Commission Expires July 29, 1959



Scale: 1" = 2,000'

# LEGEND

Proposed Gas Well

Offset Gas Well

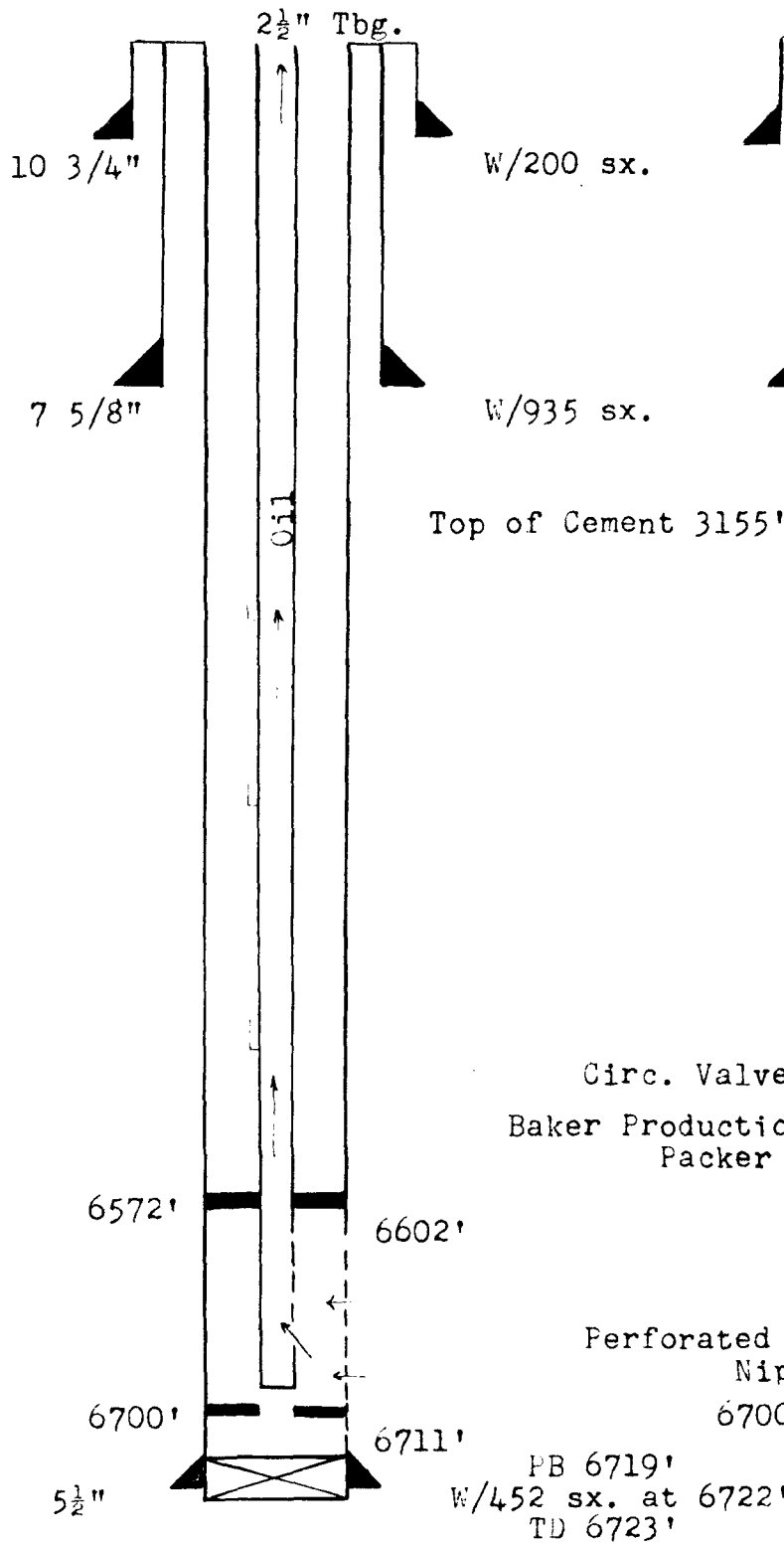
Proposed Gas Unit

Offset Gas Unit

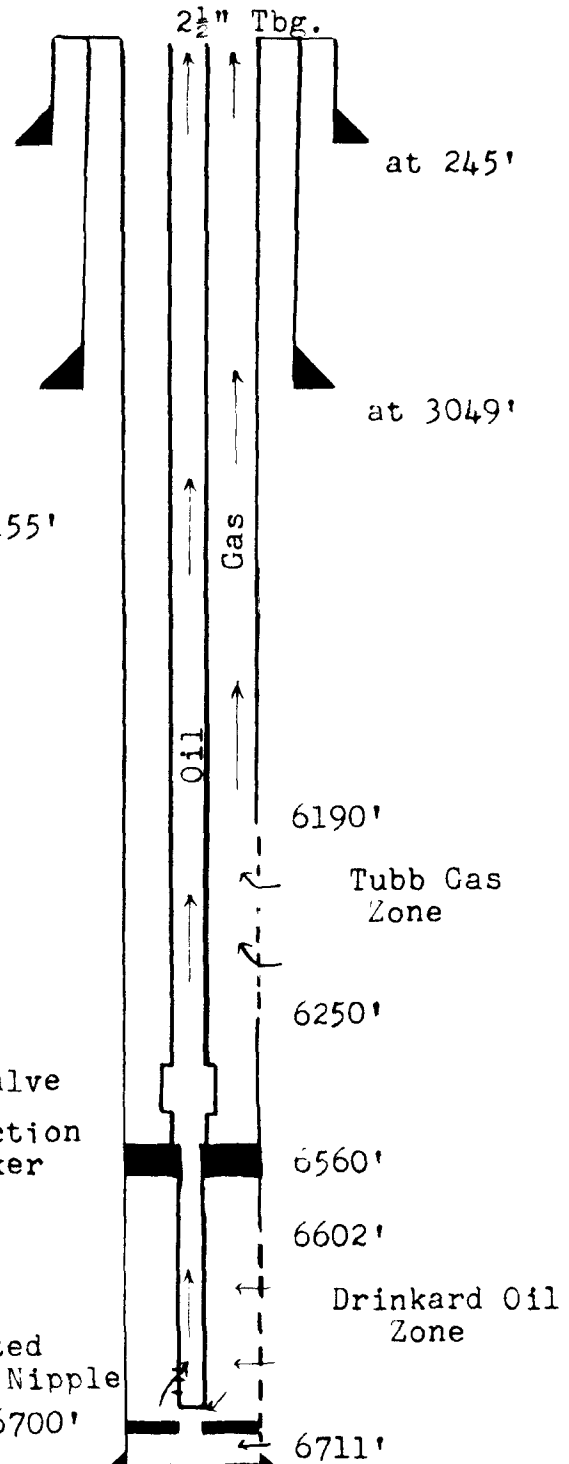
# CONTINENTAL OIL COMPANY

HAWK B-10 NO. 1

## PRESENT CONDITION



## PROPOSED DUAL COMPLETION



MAIN OFFICE OCC

OIL CONSERVATION COMMISSION

1956 MAR 19 AM 8:55 BOX 2045

HOBBS, NEW MEXICO

DATE March 16, 1956

*due 4/6/56*

MR. W. P. MACEY  
OIL CONSERVATION COMMISSION  
BOX 871  
SANTA FE, NEW MEXICO

RE: "

PROPOSED NSP

253 251

PROPOSED NSL

Dear Mr. Macey:

I have examined the application dated

for the Continental Hawk B-10 #1-E 10-21-37  
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

OK CR AND RFM Subject to possible Aztec objection-CR

Yours very truly,

OIL CONSERVATION COMMISSION

*C. M. Rieder*

Stanley J. Stanley C. M. Rieder  
Engineer