

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
NOVEMBER 28, 1956

TRANSCRIPT OF HEARING

Case No. 1182

DEARNLEY-MEIER AND ASSOCIATES

COURT REPORTERS  
605 SIMMS BUILDING  
TELEPHONE 3-6691  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
NOVEMBER 28, 1956

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IN THE MATTER OF: :

Application of Continental Oil Company for a non-
standard gas proration unit in the Eumont Gas Pool
in exception to Rule 5 (a) of the Special Rules
and Regulations for said pool. Applicant, in the
above-styled cause, seeks an order establishing a
320-acre non-standard gas proration unit in the
Eumont Gas Pool consisting of the S/2 of Section
1, Township 21 South, Range 36 East, Lea County,
New Mexico; said unit to be dedicated to appli-
cant's State F-1 Well No. 1, located 660 feet from
the South and West lines of said Section 1.
Case
No.
1182

BEFORE:

Mr. Daniel S. Nutter

TRANSCRIPT OF HEARING

MR. NUTTER: We will next take Case No. 1182. Appearing for
Continental, V. T. Lyon and C. R. Smith.

(Witness sworn.)

CHARLES R. SMITH

a witness, of lawful age, having first been duly sworn on oath,
testified as follows:

DIRECT EXAMINATION

By MR. LYONS:

Q State your name, please. A Charles R. Smith.

Q How do you spell that?

A S-m-i-t-h. Just plain old Smith.

MR. LYONS: By way of clarification, perhaps I better mention that the description of the proposed unit being sought, half of Section 1, Township 21 South, Range 36 East, refers to the southernmost 320 acres of that section, consisting of the regular quarter sections in the southern part of that section.

MR. NUTTER: Better get this on the record, that this Case No. 1182 is the application of Continental Oil Company for approval of a non-standard unit in the Eumont Gas Pool, said unit to consist of the South 320 acres of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico.

Q Would you state your name, please?

A Charles R. Smith.

Q By whom are you employed, Mr. Smith?

A Continental Oil Company.

Q In what capacity?

A Production Engineer, Eunice, New Mexico.

Q As Production Engineer in Eunice, New Mexico, does the State F-1 which is the subject of this hearing, State F-1 lease, fall under your jurisdiction as an engineer?

A It does.

Q And you are familiar with the application which has been filed in this case?

A Yes, sir, I am.

Q Have you previously testified before the Commission as an expert?

A Yes, sir, I have.

MR. LYONS: Are the witness' qualifications acceptable?

MR. NUTTER: They are.

Q Mr. Smith, would you, please, give briefly the completion data on the State F-1, Well No. 1?

A The State F-1 No. 1 was originally projected to a total depth of 3935 in the Grayburg formation, and was completed at a plug back depth of 3900 feet on May the 2nd, 1938 as a shutin gas well. The well tested 480 MCF's per day flowing through five and a half inches casing, and the well showed no oil, five and a half casing was set at 3608, and a pay was called Grayburg from 3630 to 3800. The well was not produced until January of 1952, and from January of 1952 until July the 1st of 1953 it produced 52,619 MCF's of gas, and as of July the 1st of 1953 it was shutin as non-commercially productive.

On January the 14th of 1954 the well was recompleted as a Eumont Pool gas well; perforations were from 3225 to 3505, and the well is presently opened in those intervals.

Q Mr. Smith, have you prepared a plat showing the area surrounding this particular well?

A Yes, I have.

MR. LYONS: We would like to have that marked as Exhibit 1.

(Marked Continental's Exhibit No. 1,  
for identification.)

Q Would you please describe the information that is presented on this exhibit?

A Exhibit No. 1 is a location contour plat marked in yellow, or cross-hatched in yellow, is Continental's State F-1 lease which is located on Section 1, Township 21 South, Range 36 East. Encircled in red is the Continental State F-1 No. 1 Well, and outlined in red is the proposed 320 acre unit on which this case was based shown in, outlined in green or offset Eumont Gas Pool unit with which the wells to which those units are assigned encircled in green.

Q What are the wiggles on the plat?

A Also shown are contours on top of the Yates formation which have been contoured on 25 foot intervals.

Q Mr. Smith, if this application is granted, do you feel that the State F-1 No. 1 is capable of producing 320 acre allowable?

A I do.

Q On what information do you base that?

A I should like to make reference to the well's production during the past year. As of January the 1st of 1956 this well was

underproduced, 168,060 MCF's as of October the 1st of 1956, the well was overproduced 10,945 MCF's.

Now, tubing was installed in this well early in 1956 which has helped the ability of the well to produce during the months of February through July inclusive. This well has produced in excess of the 320 acre allowable.

Q This well has produced then from the past, for the previous portion of this year, in excess of the regular assigned allowable of 380 acres of gas wells in this pool?

A Over the same period of time.

Q Did you give the location of the well?

A No, I didn't.

Q What is the location of the well?

A The well is located 660 from South and 660 from West of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico.

Q Now, referring to Exhibit 1, does that exhibit show that all of the proposed unit is located within the developmental section?

A Yes, sir, it does.

Q Does it show that the length or width is not in excess of 5,280 feet?

A That's right, it is not in excess of it.

Q In your opinion, is the entire acreage which is to be allocated to this well, or proposed to be allocated to the well,

reasonably presumed to be productive of gas?

A I believe so, because the acreage is surrounded by producing Eumont Gas Pool.

Q Is it structurally located with relation to these wells that you can reasonably presume that it is productive in its entirety?

A Yes, sir.

MR. LYONS: Mr. Commissioner, we have a log of this well which we can offer in evidence if you would like. However, we have checked the Commission's files and they do have a copy, unless you particularly desire one with the record, we will not offer it. If you do desire it, we will offer it in evidence.

MR. NUTTER: I think for the time being we can get along without it. If we need one we will let you know.

Q Mr. Smith, does this well have allocated to it at the present time, any acreage?

A At the present time this well is assigned a 160 acre unit.

Q Consisting of what acreage?

A Of what would be the Southwest most 160 acres.

Q The Southwest quarter of Section 1?

A Of Section 1, yes.

Q And it is sought by this application to enlarge the unit from the presently assigned 160 acres to the 320 acres previously

described?

A That's correct.

MR. LYONS: I believe that's all the evidence we have.

MR. NUTTER: Does anyone have any questions of the witness?

By MR. NUTTER:

Q Mr. Smith, was the 160 acres that is presently assigned to the well, assigned by an NSP order do you know?

A To my knowledge it was not an NSP.

Q It was a result --

MR. LYONS: I believe not. I believe this unit was formed when the standard unit for this pool was 160 acres and before it was enlarged to 440 acres.

Q When was the well first assigned its allowable as a Eumont well?

A I don't have the exact date.

MR. LYONS: When was it recompleted?

A It was recompleted January 14th of 1954.

Q Which was prior to the effective date of Order R-520, wasn't it?

MR. LYONS: Right. I believe it was made effective in August of '54.

Q It is one of the original Eumont wells?

MR. LYONS: Yes.

Q Did I understand you to say that it was originally completed a Grayburg gas well?

A Yes, on original completion in 1938.

Q Now, what is the present plug back depth of the well?

A It is 3505. The present plug back depth of the well is 3505.

Q And it is presently opened from 3225 to 3505?

A Yes, sir, that's correct.

Q Now, what zone is that?

A From 3225 to 3291 is Seven Rivers.

Q Just a minute, let me write those down. 3225 to 3291?

A Yes, sir.

Q There are three sets of perforation?

A All right, 3225 to 3235, 3259 to 3265, 3283 to 3291, which is Seven Rivers, and from 3426 and from 3466 to 3505, which is Queen.

Q So it is open in the lower Seven Rivers and Queen?

A That's correct. Our records reflect that it is producing from the Queen from 3466 to 3505. But from the record which we have, we cannot definitely say that the Seven Rivers is a producing zone.

MR. NUTTER: I think that's about all I can think of.

Does anyone have any statement they wish to make in this case?

Any further questions of the witness? Do you want to offer these as exhibits?

