

EXAMINER HEARING  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
April 9, 1958

IN THE MATTER OF: Case No. 1406

TRANSCRIPT OF PROCEEDINGS

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IN THE MATTER OF:

Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the S/2 S/2 and the NW/4 SW/4 of Section 13, Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's SEMU Permian Well No. 41 located 660 feet from the South and East lines of said Section 13.

Case 1406

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BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The next case will be 1406.

MR. PAYNE: Case 1406: Application of Continental Oil Company for a non-standard gas proration unit.

MR. KELLAHIN: We have one witness in this case, Mr. E. V. Boynton.

MR. UTZ: Are there any other appearances in this case? You may proceed.

(Witness sworn.)

E. V. BOYNTON

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

DIRECT EXAMINATION

By MR. KELLAHIN:

Q Would you state your name, please?

A My name is E. V. Boynton.

Q By whom are you employed, Mr. Boynton?

A Continental Oil Company.

Q In what position?

A District engineer in the Hobbs District at Hobbs, New Mexico.

Q Have you previously testified before this Commission and had your qualifications accepted?

A I have.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. UTZ: They are.

Q Are you familiar with Case 1406?

A I am.

Q Would you state briefly what is proposed under that application?

A Case 1406 is an application of Continental Oil Company for a non-standard gas proration unit consisting of the South Half of the South Half and the Northwest Quarter of the Southwest Quarter of Section 13, Township 20 South, Range 37 East.

(Continental's Exhibit No. 1  
marked for identification.)

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

A Exhibit 1 is a plat showing the area surrounding the proposed non-standard unit. It has the proposed unit outlined in red and the subject well circled in red. It shows the offset proration units outlined in green, and the offset gas wells circled in green. It also shows the structure of the area contoured on top of the Queen formation.

Q You state that the proposed unit is outlined in red. Is that lease ownership all common ownership, Mr. Boynton?

A It is, yes.

Q Is there any reason for not including other portions of the Section 13 within the proposed unit?

A Well, yes, the area outlined in red is within the Southeast Monument Unit, and it would take rather complicated communitization proceedings to include any of the rest of the acreage in Section 13 in the gas proration unit. However, we do have plans for additional development in the area.

(Continental's Exhibit No. 2  
marked for identification.)

Q Now, referring to what has been marked as Exhibit No. 2, will you state what that shows?

A Exhibit No. 2 is a radioactive log of the well that shows the present plug-back depth and the proposed plug-back depth. It shows the top of the Queen formation and the top of the Penrose formation and the top of the Grayburg formation, and it shows the proposed intervals for perforation to complete as a gas well.

Q What is the present completion of that well, Mr. Boynton?

A It is presently shut-in.

Q How is it presently completed? Was it originally completed as an oil well?

A It was originally completed as an oil well in the Skaggs Pool.

Q Just what is proposed to be done with the well if this application is approved?

A We propose to plug it back to the casing seat and perforate in the Queen formation for gas.

Q Referring back to Exhibit No. 1, Mr. Boynton, would it be practical to include the acreage involved in this application with other acreage other than that in Section 13 to which you testified?

A No, sir, I believe it would not.

Q Now, on the basis of the structure location, the information obtained on the log, and in your opinion, would a well located as is the SEMU Permian No. 41 Well, would a well so located, if it produces gas from this formation, be presumed to drain the entire acreage dedicated to this well?

A Yes, I believe so.

Q On what do you base that, Mr. Boynton?

A Well, the structural location of this well, if it is gas productive, the entire acreage will certainly be productive of gas.

Q Now, as shown by your Exhibit No. 1, the well No. 46 lying to the west is productive from the pool, is it not?

A It is from this same interval, yes, sir.

Q And to the south, is there a well located there?

A Our SEMU Monument No. 67 is productive from this same pool.

Q In your opinion would approval of this application be in the interest of conservation and the prevention of waste?

A Yes.

Q Would correlative rights be protected?

A It would.

Q Is the proposed unit in excess of 5,280 feet?

A No, it is not.

Q Is it composed of contiguous quarter-quarter sections or lots?

A It is.

Q Then it all lies within one section?

A It does.

MR. KELLAHIN: That's all the questions we have. At this time we offer in evidence Exhibits No. 1 and 2.

MR. UTZ: Is there objection to the entrance of Exhibits 1 and 2 in this case? If not, they will be accepted.

Any questions of the witness? Mr. Nutter.

CROSS EXAMINATION

By MR. NUTTER:

Q Mr. Boynton, what is the number of the well directly west of your No. 41 well?

A That's Hawk No. 2.

Q No, directly west on the same lease?

A I beg your pardon. 45.

Q 45. What interval is that well completed in?

A It's in the Grayburg formation primarily.

Q What is the well's number directly to the west of it?

A No. 42, 44, and 43, I believe to the north of No. 44.

Q What interval are those wells completed in?

A They are all in the Skaggs Pool.

Q All Skaggs wells?

A Yes.

MR. UTZ: Any other questions?

By MR. UTZ:

Q Mr. Boynton, is there a Eumont gas well to the north and east of this unit?

A Not that I'm aware of, no.

Q This is the only Eumont gas well in Section 13?

A Yes, sir.

MR. UTZ: Do you have anything further?

MR. KELLAHIN: No.

MR. UTZ: Any other questions of the witness? Mr. Cooley.

By MR. COOLEY:

Q Are there any Eumont oil wells in Section 13 or 18? Any Eumont completions of any sort?

A Those wells are all in the Skaggs Pool. They're classified as being in the Skaggs Pool.

Q How is this Well No. 41 located with respect to the horizontal limits of the Eumont Gas Pool? Is it near the edge?

A I'm not sure, but it's probably included in the horizontal limits because the entire Section 24 is in the Eumont Gas Pool.

Q How far, sir, is it from the subject well, the No. 41 well, to the further-most point of the proposed non-standard unit, approximately?

A Well, it's approximately one mile, a little over one; yes, approximately one mile.

Q What is the prescribed spacing for a standard unit in the Eumont Gas Pool?

A For a standard unit?

Q Yes.

A I believe the standard unit is 1980, 1980 from the lines.

Q Then the proposed well would have to drain considerably farther, would it not, than a well located on a standard unit draining 640 acres?

A Yes, it would.

Q Approximately how many acres would it drain, assuming a radial drainage pattern to include the entire unit?

A Well, I don't know.

Q Well, assume a radius of approximately one mile and radial drainage pattern, what would be the area of a circle?

A Well, I would have to figure the area out. I don't know exactly.

Q It would be considerably in excess of 640, wouldn't it?

A Oh, yes.

MR. COOLEY: That's all the questions I have. Thank you.

MR. UTZ: Mr. Stamets.

By MR. STAMETS:

Q Has there been a drill stem test in the Queen zone there?

A I don't think so.

Q Has there been a drill stem test in any of the other wells in the proposed non-standard unit in the Queen?

A Not that I'm aware of, no.

MR. STAMETS: Thank you. That's all.

By MR. UTZ:

Q This well is not completed in the Queen as yet, is it?

A No, sir.

Q What reason do you have to believe that the Queen is productive in this unit?

A Well, the Queen is shown to be well developed on the radioactive log and that is the only reason for assuming that it is productive. It's comparable to the Queen formation in other areas where it is productive.

Q If the Queen does not prove to be productive, what would you do with this well?

A That would be up to management, sir, I couldn't say exactly what we would do.

Q If it isn't productive, you will not want this unit, will you?

A No, sir, we couldn't use the unit.

Q If the well is not productive, would you assume that there is a part of this unit that is productive?

A I think we would have to do that, yes.

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

(Witness excused.)

MR. UTZ: Are there any statements in this case? If no statements, the case will be taken under advisement.

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