EXAMINER HEARING
OIL CONSERVATION COMMISSION
May 6, 1959

IN THE MATTER OF: Case 1658

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

EXAMINER HEARING
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 6, 1959

IN THE MATTER OF:	
Application of Continental Oil Company for a non-standard gas proration unit. 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 of Section 28 and the NW/4 of Section 27, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to applicant's Lynn A-28 Well No. 5 located 660 feet from the North and East lines of said Section 28.	Case 1653

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The next case will be 1653.

MR. PAYNE: Case 1653: Application of Continental Oil Company for a non-standard gas proration unit.

MR. KELLAHIN: May the record show the same appearances as in the two preceding cases. We will have Mr. Queen as a witness.

JOHN A. QUEEN

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A John A. Queen.

Q Are you the same Mr. Queen who testified in Cases 1651 and 1652?

A I am.

Q Are you familiar with the application in Case 1653?

A I am.

Q Will you state briefly what is proposed in this application?

A Yes, sir, but I would like to pass out the exhibits before we do that. They are in order as will be presented.

(Continental Oil Company's Exhibits Nos. 1, 2, 3 and 4 marked for identification.)

This is the application of Continental Oil Company for approval of 320-acre non-standard gas proration unit consisting of the Northwest Quarter of Section 27 and the Northeast Quarter of Section 28, Township 23 South, Range 36 East, in the Jalmat Pool, in lieu of the present 160-acre unit consisting of the Northwest Quarter of Section 28, for its Lynn A-28 Well No. 5 located 660 feet from the North and East lines of Section 28, Township 23 South, Range 36 East.

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

A Exhibit No. 1 is a location and ownership plat of the proposed unit and the immediately surrounding area. The proposed unit, consisting of the Northwest Quarter of Section 27 and the Northeast Quarter of Section 28, is shown outlined in red. The Lynn A-28 No. 5 is circled in red. The present unit assigned to this well, consisting of the Northeast Quarter of Section 28, is outlined in green, as are other approved Jalmat gas units for the immediate surrounding areas. Jalmat gas wells to which these surrounding units are allocated are circled in brown, as are the areas to be completely enclosed by Jalmat gas units.

Q Explain Exhibit No. 2, will you, Mr. Queen?

A Exhibit No. 2 is a structure plat of the same area shown on Exhibit 1, showing the configuration of the top of the Yates formation, the lines representing fifty foot intervals of structural relief. The proposed unit is outlined in red, and the Lynn A-28 No. 5 is circled in red. Other Jalmat gas wells are shown in green, and based on the information shown in this plat, the Northwest Quarter of Section 27 is undoubtedly gas productive.

Q Are there any other Jalmat oil wells in this area?

A Yes, the J. T. Lynn A-27 No. 1 located in the Northwest Quarter of the Northwest Quarter of Section 27 was reclassified as a Jalmat oil well from a Jalmat gas well on January the 29th, 1958.

Q Do you have any information on the production of

that well?

A The J. T. Lynn No. 1 has produced approximately 500 barrels of oil per month, 29 gravity oil for the past two months.

Q Now have you examined the Commission records, Mr. Queen, in regard to dual dedication of acreage to gas and oil in the Jalmat Pool?

A We have, and we found one hundred twenty-one instances in the Jalmat Pool where there is dual dedication of oil and gas to the same acreage.

Q Referring to what has been marked as Exhibit 3, would you state what that is?

A Exhibit No. 3 is a copy of the radioactive log of the Lynn A-28 No. 5 showing the top of the Yates and the top of the Seven Rivers formations, the perforated intervals and the location of the production packer and completion information on the well. This is a dually completed well.

Q Now referring to what has been marked as Exhibit No. 4, will you state what that is?

A Exhibit No. 4 is Form C-122-C showing the deliverability of the Lynn A-28 No. 5 at eighty percent shutin pressure. This was the test conducted in March of 1958. There has been a later test conducted, however it has not been calculated and submitted, and therefore we are submitting the 1958 test.

Q In your opinion is the well to which this acreage

that will.

[illegible]

[illegible] planning [illegible]

[illegible]

[illegible] have you [illegible]

[illegible] to report to [illegible] [illegible]

the [illegible] level.

[illegible] So now, [illegible]

[illegible] defect [illegible]

[illegible] from [illegible].

[illegible] [illegible]

[illegible] you [illegible] what [illegible]

[illegible] Actually [illegible] of the [illegible]

[illegible] A-28 [illegible] [illegible]

[illegible] diverse [illegible].

[illegible] of [illegible] [illegible]

[illegible] [illegible] [illegible].

[illegible] [illegible]

[illegible] what [illegible]

[illegible] [illegible]

[illegible] A-[illegible] [illegible]

[illegible] [illegible] [illegible]

[illegible] [illegible], [illegible]

[illegible] [illegible] [illegible]

[illegible] [illegible]

is proposed to be dedicated capable of producing the allowable?

A Very definitely.

Q Is the acreage proposed to be dedicated to the well in your opinion productive of gas from the Jalmat Gas Pool?

A Yes, sir.

Q Were Exhibits 1 through 4, inclusive, prepared by you or under your direction and supervision?

A They were.

MR. KELLAHIN: We would like to offer at this time the Exhibits 1 through 4, inclusive.

MR. UTZ: Without objection Exhibits 1 through 4 will be accepted.

MR. KELLAHIN: That's all the questions I have.

MR. UTZ: Are there questions of the witness?

MR. PAYNE: Yes, sir.

MR. UTZ: Mr. Payne.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Queen, is the South Half of Section 27 dedicated to a Jalmat well?

A Yes, it is. It is dedicated to the Gaekel Combest No. 1 located in the East Half of the Southeast Quarter of Section 27.

Q To the best of your knowledge, is that well capable of producing a 320-acre allowable in the Jalmat?

A I'm not capable of saying that, I do not know.

Q Now this location of the well that you propose to dedicate would actually be 660 from the North and 1980 from the West, would it not, assuming you look at your proposed unit and not at the section line?

A I believe it would be more than 1980 from the West if it was looked at in that sense.

Q What I'm getting at is Order R-520 provides that you can dedicate administratively 320 acres to a well if located 1980 and 660, so that this well should not be looked at as being 660, 660?

A That is correct.

Q Now are these two 160-acre tracts that you propose to dedicate to this well, are they all part of the same lease?

A They are part of the same basic lease, yes, sir.

Q Then the ownership is all common in the 320 acres?

A That is correct.

MR. PAYNE: I believe that's all.

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

(Witness excused.)

MR. KELLAHIN: If the Commission please, I would like to make a brief statement in regard to the question that has been raised as to the dedication of the acreage in view of the well location in the two cases involved here. I call the

Commission's attention to the fact that in the application the well location is clearly stated, and the application is for dedication of the additional acreage to the well as it is located, and in my opinion, I think the application is certainly sufficient and broad to include within its framework approval of the well location. I don't believe it would be expanding the scope of the hearing in any sense of the word if such approval automatically followed by approval of the unit as proposed.

MR. PAYNE: I agree with you, Mr. Kellahin, in view ofthe fact that the well to be dedicated, the location of that well is shown in the advertisement.

MR. KELLAHIN: Yes, sir.

MR. UTZ: Any other statements to be made in this case? If not, the case will be taken under advisement.

We'll take a ten minute recess.

(Recess).

C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings 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 8th day of May, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1959.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1653, heard by me on May 6, 1959.

_____, Examiner
New Mexico Oil Conservation Commission