

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1775

TRANSCRIPT OF HEARING

SEPTEMBER 30, 1959

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OIL CONSERVATION COMMISSION  
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IN THE MATTER OF: :

CASE 1775 Application of Continental Oil Company for a :  
non-standard gas unit. Applicant, in the :  
above-styled cause, seeks the establishment :  
of a 160-acre non-standard gas unit in an un- :  
designated Tubb gas pool consisting of the :  
E/2 SE/4 of Section 15 and the W/2 SW/4 of :  
Section 14, all in Township 20 South, Range :  
37 East, Lea County, New Mexico, said unit to :  
be dedicated to the applicant's SEMU Well No. :  
70, located in the NW/4 SW/4 of said Section :  
15. :

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BEFORE:

Daniel S. Nutter, Examiner.

T R A N S C R I P T    O F    P R O C E E D I N G S

MR. NUTTER: We will take next Case 1775.

MR. PAYNE: Case 1775. Application of Continental Oil  
Company for a non-standard gas unit.

MR. KELLAHIN: If the Commission, please, let the  
record show the same appearance as in Case 1774.

MR. PAYNE: Let the record also show that the witness  
was sworn on the previous case.

JOHN A. QUEEN,

called as a witness, having been previously sworn on oath, testi-

fied as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Queen, are you the same Mr. Queen who testified in Case 1774?

A I am.

Q Are you familiar with the application in Case 1775?

A I am.

Q Would you state briefly what is proposed in that case?

A The Commission has just heard our testimony in Case 1774, and this is also a proposed development well for the Weir Drinkard Oil Pool in the Weir Tubb Gas Pool. As previously stated, an Order has been issued on our Britt B-15 No. 9, giving a non-standard proration unit for the Tubb formation for that well. A DC Order has also been issued authorizing the dual completion of our proposed SEMU Drinkard Tubb No. 70 Well. In order to continue with our plans of development for the Weir Tubb Gas Pool, we would like the Commission's approval to assign an NSP of this well also, which would consist of the E/2 of the SE/4 of Section 15, 37 South -- pardon me -- 20 South, 37 East, and the W/2 of the SW/4 of Section 14 of the same Township and Range.

Q The reason, that you do not wish to communitize or it is practical to communitize the acreage in Section 15, the same as those stated in the previous case?

A Yes, sir, they are. I have what I would like to sub-

mit as Exhibit No. 1, and explain this, if I may. Exhibit No. 1 sets forth the previously mentioned approved Tubb Gas Unit assigned to the Britt B-15 No. 9 as outlined in green on what I have called Exhibit 1. The Britt B-15 No. 9 Well is circled in green. The proposed gas proration unit for the Tubb, the Weir Tubb Pool is outlined in red, and in the proposed location for the SEMU No. 70, which would be the well assigned to this acreage as outlined in red -- as encircled in red -- pardon me.

Q In your opinion, would approval of this application result in any impairment of correlative rights?

A No, sir, it would not.

Q Would any waste occur as a result of this proposed unit?

A No, sir, it would not.

Q Was Exhibit No. 1 prepared by you or under your direction and supervision?

A It was.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibit No. 1 in Case 1775.

MR. NUTTER: Continental's Exhibit No. 1 in 1775 will be admitted.

MR. KELLAHIN: That's all the questions we have, Mr. Nutter.

MR. NUTTER: Anyone have any questions of Mr. Queen?

CROSS EXAMINATION

BY MR. PAYNE:

Q Is the Southeast Monument unit unitized at all depths?

A Yes, sir.

QUESTIONS BY MR. NUTTER:

Q What is this No. 66 Well completed as?

A That is a gas pool -- well, which is completed in the Pennsylvanian. I, as you know, am fairly new down here. I believe that is a Pennsylvanian well. It is making considerable amount of water. We contemplate using it as a development. However, through installation of larger pumping units, we are now able to bring the production up to almost its allowable rate.

Q Is it a gas well?

A No, sir, it is producing average quantities of water, and some oil, I believe, from the Pennsylvanian formation.

Q Isn't this symbol on this Exhibit a gas well symbol for No. 66?

A I beg your pardon, I was looking at 61. No. 66 is a gas well producing from the Eumont.

Q Eumont Gas Well?

A Yes. I was prepared to answer the questions on 61, but not 66, the reason I was mistaken. There are several gas wells there. In fact, the SEMU is almost completely developed in the Eumont.

Q What is the main reason, Mr. Queen, for dedicating a portion of 15 and a portion of Section 14 to this well when you

could stay in Section 15 and dedicate the E/2 of the E/2?

A Well, of course, the SEMU covers both the E/2, E/2 of Section 15 and Section 14, so from the lease standpoint, there is no --

Q Problem?

A No, sir. We also anticipate, upon proving this acreage to be of this structure, to be productive. We propose, of course, to come back at some future date with a well to be drilled as a north set to the proposed SEMU No. 70. This could be handled in more than one way, and, as I mentioned in the previous case, if we can determine the size of the structure and draw a productive limit to the structure, then it may be more equitable to change if two of the first proration units assume an elongated figure, such as the E/2 of the E/2 of Section 15 and the W/2 W/2 of Section 15, and then from there on go on with it. The field is entirely controlled by this and further complicated because the Drinkard is an oil producing horizon which could be developed on 40-acre spacing and at the present time, in our opinion, could not be drilled as a single completion well because of the limits of reserves.

Q In effect, if you drilled another well which would be an offset to the -- your 70, you would have 40 -- offset in 40-acre pattern, but each with 160 acres dedicated --

A That is possible. However, upon proving the Blinebry productive of gas, which we have had a previous drill stem test at the area and indicates it to be productive, the entire pattern

would be changed. We are not prepared at this time to testify to the Commission that the Blinebry is productive.

Q Are you prepared to testify that the entire 160 acres that you are proposing to dedicate to this well is productive from the Tubb?

A Yes, sir. Upon the drilling of the well. Of course, since this is a discovery well, the Britt B-15 No. 9, we have prepared a structure map which is a very tentative structure based on reasonable control, and indicates this to be productive at the present time. Of course, the structural location of the well at the time it penetrates the Tubb will be controlling. We are operating --

Q The nearest Tubb well to the present Tubb well that you have completed, which is your No. 9, is an oil well, but is a mile away and down structure?

A Yes, sir. We anticipate that this structure will open to the northwest.

MR. NUTTER: Any further questions of Mr. Queen? He may be excused.

(Witness excused)

MR. NUTTER: Does anyone have anything further for Case 1775? We will take that case under advisement and take Case 1776.

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 12<sup>th</sup> day of October, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Joseph A. Trujillo*  
NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1775, heard by me on 9-30, 1959.

*[Signature]*, Examiner  
New Mexico Oil Conservation Commission