

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1913: Application of Continental Oil Company for
a non-standard oil well location. Applicant,
in the above-styled cause, seeks a non-
standard oil well location for its Wm. Mitchell
"A" Well No. 20, to be located 1320 feet from
the North line and 1520 feet from the West
line of Section 20, Township 17 South, Range
32 East, Maljamar Paddock Pool, Lea County,
New Mexico.

State Conservation Commission
Hearing Room
Capitol Building
Santa Fe, New Mexico
February 25, 1960

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 1913.

MR. FLINT: Case 1913. Application of Continental Oil
Company for a non-standard oil well location.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe,
New Mexico, representing the applicant. We will have one witness.

(Witness sworn.)

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MR. UTZ: Any other appearances to be made in this case?

E. D. COLTHARP

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A E. D. Coltharp.

Q By whom are you employed and in what position, Mr. Coltharp? Could we have that spelled for the record?

A C-O-L-T-H-A-R-P. I'm employed by the Continental Oil Company as District Engineer in the Artesia District, Artesia, New Mexico.

Q Have you previously testified before this Commission as a petroleum engineer and had your qualifications accepted?

A Yes, sir.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir, they are.

Q (By Mr. Kellahin) Mr. Coltharp, are you familiar with the application in Case 1913?

A Yes, sir, I am.

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

A Case No. 1913 is the application of Continental Oil Company for drilling its William Mitchell "A" No. 20 well on a

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non-standard location being 1320 from the north line and 1520 from the west line Section 20, Township 17 South, Range 32 East, in the Maljamar Pool, Lea County, New Mexico.

Q Would you give me those locations again?

A It will be--the location will be 1320 from the north and 1520 from the west line, Section 20.

Q Now, would you discuss briefly the history of the Paddock production in this area?

A Presently there are two wells, namely, the William Mitchell "B" No. 19-P, and William Mitchell No. 222-P presently producing from the Maljamar-Paddock Pool. These two wells are surrounded by several, and I have those indicated on the Exhibit No. 1, several wells which have produced some or no oil from the Paddock formation. These wells are now plugged and abandoned.

Q Now, what was the producing history of the William Mitchell "B" 19-P and the No. 22-P?

A The William Mitchell "B" No. 19-P has produced to February the 1st, 1960, approximately one hundred fifty-four thousand eight hundred forty barrels of oil. William Mitchell "B" No. 22 well has produced approximately one hundred five thousand nine hundred nineteen barrels. Their present production on William Mitchell "B" No. 19 is forty-seven barrels of oil per day and zero water with a gas-oil ratio of approximately eleven hundred.

Q When were these wells completed?



A William Mitchell "B" No. 19-P was completed in, I believe it was, September, 1950, they were all in the latter part of 1950. No. 22 was also in November, 1950. The exact date I do not have here.

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

A Exhibit 1 is a lease plat showing the ownership and the location of the subject well, William Mitchell "A" No. 20, and also showing the six surrounding wells and twenty producers. William Mitchell No. "B" No. 22-P, No. 20-P, excuse me, No. 20-P which is in the Northeast of the Southwest of Section 19, Northeast of the Southwest of the Section 19, that well has produced forty-seven thousand barrels, and was plugged in January 29 of 1957.

Q Now, was there any production from the other wells which indicate or are indicated on the Exhibit as dry holes?

A No, sir. All the rest of the wells were either water or just dry holes, non-commercial production.

Q Now, the proposed location for the William Mitchell "A" No. 20 and the William Mitchell "A" lease are circled in red; is that correct?

A Yes, sir. The proposed location is circled in red and the lease is circled in red also.

Q Does Continental Oil Company own and operate all of the acreage within six hundred sixty feet of the proposed location?



A Yes, sir. Operated in excess of six hundred sixty which is required by the law. In fact, everything in yellow on these plats are Continental acreage.

Q Now, the plat indicates other wells. What are they?

A The little wells are all the Maljamar pay wells which are producing from the Grayburg-San Andres formation.

Q They are on standard locations?

A They are on standard locations, and they are in the M.C.R.A. which is the Maljamar Repressuring-- Cooperative repressuring agreement area.

Q Referring to what has been marked as Exhibit No. 2, will you discuss that Exhibit, please?

A Exhibit No. 2 is a structure map which is drawn on top of the Paddock producing pay. This structure is a small anticline, and the pay is actually a stratographic trap on the side, on the southeast flank of the anticline. Lines AA, and DD, BB, CC, and DD, I will discuss those in general. Those lines are also on Exhibit No. 3 which is an isopach map showing the net pay of the Paddock formation. The west area, or the line AA, this area is high structurally, but it is also indicated on the isopach that we are getting a pinchout, or the pay is thinning, therefore, anything to the west of that line would be non-commercial, or, in my opinion, it would be non-commercial based upon the drill stem test of the dry holes No. 24-B, Mitchell "B" No. 24 which is in Section 17, and William Mitchell "A", No. 19 which



is in Section number 19. Also William Mitchell "B" No. 20 in Section 19 was the one that did not make really a commercial producer.

Q What about the area which would lie southeast of the line BB indicated on the plat?

A That is structurally lower and it is also approximately the water table in there as such. It is not exactly a water table. Every well that has produced in there-- This does not have a flat water table, the best we can determine, for the simple reason that William Mitchell No. 23 is structurally higher than "B" 19 up in 17, if you will notice number "B" 23 in Section 20, and then 19 well, structurally it is higher. However, on test it was one hundred percent water and 19-B is a water free producer; so, actually, there is no flat water table. However, to the east of that line, we consider it water productive.

Q Now what wells would indicate that?

A No. 23, William Mitchell B-23; William Mitchell "B" No. 28-A; No. 25, and our Queen "B" No. 36 well located down in Section 28.

Q Now, with reference to the area which would lie south of the line CC, would that be productive?

A It is indicated to be structurally too low, and, because of the completion of 22. You'll notice the latest production from William Mitchell "B" No. 22 current production is that that well is making fifteen barrels of oil a day and thirty-



five barrels of water a day, and we feel anything further lower structurally than that well would be probably more water.

Q What would be the situation north of the line DD?

A The King "B" No. 1 well, on attempt to complete that well, also produced all water and was very tight, very little and, but produced one hundred percent water and was very tight, so we feel that gives another facing off to make the outer limit of this stratographic trap.

Q Now, on the basis of this information, in your opinion, would a well drilled at an orthodox location on this lease recover the oil underlying?

A No, sir, in my opinion our most advantageous location is the said location No. 20 and that one would recover and give a full forty acre spacing around it. However, it would not be an orthodox forty acre spacing.

Q Would a well located as proposed in this application better recover the reserves underlying this area?

A Yes, sir, it would.

Q In your opinion, is the stratographic trap relatively small?

A Yes, sir, it is.

Q And unless this is approved, in your opinion, would Continental Oil Company be able to recover the oil underlying its lease?

A No, sir.

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Q Would the correlative rights of any operators other than Continental be affected by this location?

A No, sir.

Q Were Exhibits 1, 2 and 3 prepared by you or under your direction and supervision?

A Yes, sir.

MR. KELLAHIN: At this time, we would like to offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection, they will be accepted.

MR. Kellahin; That's all the questions we have.

Q (By Mr. Kellahin) In the event this is a producer, which forty acres do you propose to dedicate?

A This being any forty acres, we would like to dedicate unit number C up there.

Q It would be right on the forty acre line, then?

A Yes, sir, right on the forty acre line.

Q Would there be any objection to moving it off fifty feet?

A No, sir.

Q You don't think your contour--

A I might add one thing: If you will notice we are almost in a straight line half-way between two producers, and that is primarily the geology.

MR. FLINT; Mr. Coltharp, is the royalty interest common in the acreage in the forty acre units which would be surrounding



this; is that true?

A Yes, sir. The William Mitchell "A" is all common, all override, and all interest.

MR. FLINT: And you've mentioned that the working interest is common in that whole area, this whole section?

A Yes, sir.

MR. FLINT: So that the only acreage you would be crowding would be your own?

A Yes, sir.

MR. UTZ: The entire reason for this non-standard unit is structure; that is right?

A That's right.

MR. UTZ: Stratographic trap?

A Yes, sir. Yes, sir.

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

(Witness excused.)

MR. UTZ: Do you have anything further?

MR. KELLAHIN: That's all, sir.

MR. UTZ: Any other statement in this case?

The case will be taken under advisement.

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