

DOCKET: EXAMINER HEARING - WEDNESDAY, JANUARY 25, 1961

OIL CONSERVATION COMMISSION - 9 a.m., CONFERENCE ROOM - STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz Examiner, or Oliver E. Payne, attorney, as alternate examiner:

CASE 2159:

Application of Continental Oil Company for three non-standard gas proration units. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico:

A 320-acre non-standard gas proration unit consisting of the W/2 E/2 and E/2 W/2 of Section 19, Township 25 South, Range 37 East, to be dedicated to the Sholes B-19 Well No. 1, located in the center of the SE/4 SW/4 of said Section 19.

A 320-acre non-standard gas proration unit consisting of the E/2 and NE/4 NW/4 of Section 1, Township 25 South, Range 36 East, to be dedicated to the Wells B-1 Well No. 1, located in the center of the NE/4 NE/4 of said Section 1.

A 360-acre non-standard gas proration unit consisting of the SE/4, E/2 W/2 and SW/4 SW/4 of Section 29, Township 22 South, Range 36 East, to be dedicated to the Meyer A-29 Well No. 3, located in the center of the SE/4 SW/4 of said Section 29.

CASE 2160:

Application of Continental Oil Company for a quadruple completion. Applicant, in the above-styled cause, seeks an order authorizing the quadruple completion of its North-east Haynes-Apache 9 No. 1 Well, located in the NW/4 SW/4 of Section 9, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of hydrocarbons from the Greenhorn formation through a string of 2 7/8-inch casing, the production of hydrocarbons from the Dakota formation through 2 3/8-inch tubing installed within a string of 4 1/2-inch casing, the production of hydrocarbons from the Mesaverde formation through the 2 3/8 x 4 1/2-inch annulus of the latter casing string, and the production of hydrocarbons from the Gallup formation through 2 3/8-inch tubing installed within a second string of 4 1/2-inch casing, the three strings of casing being cemented in a common well bore.

CASE 2161: Application of Texaco, Inc. for a triple completion. Applicant, in the above-styled cause, seeks an order authorizing the triple completion of the C. H. Weir "B" Well No. 4, located in Unit I, Section 11, Township 20 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool, the production of oil from the Skaggs-Glorieta Pool and the production of oil from the Skaggs-Drinkard Pool through the casing-tubing annulus, through 2 3/8-inch tubing, and through 2 3/8-inch tubing respectively.

CASE 2162: Application of The Atlantic Refining Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the commingled Justis Tubb-Drinkard and Justis-Blinebry production from the following-described leases:

Langlie Federal Lease, N/2 SE/4 of Section 14

Langlie Federal "A" Lease, S/2 NE/4 of Section 14

Langlie Federal "B" Lease, N/2 NE/4 of Section 14

all in Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 2163: Application of Yates Drilling Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the Pennsylvanian formation production from all wells presently completed or hereafter drilled on Federal Lease NM 03283, comprising the W/2 of Section 31, Township 8 South, Range 37 East, Roosevelt County, New Mexico.

CASE 2164: Application of Hudson and Hudson for an exception to Rule 506 (A) of the Commission Rules and Regulations and for permission to transfer allowables. Applicant, in the above-styled cause, seeks an exception to Rule 506 (A) by increasing the limiting gas-oil ratio for the West Tonto Yates Seven Rivers Pool, Lea County, New Mexico, from 2,000 to 6,000 cubic feet of gas per barrel of oil. Applicant further seeks permission to shut-in one well in said pool and transfer its allowable to another well.



Case 215-9

CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

December 21, 1960

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

RECEIVED 12/21/60
MAIL ROOM 11:34
MAIL OFFICE 000

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Re: Application of Continental Oil Company for an Exception to Rule 5 (a) of the Special Rules and Regulations for the Prorated Gas Pools of Southeast New Mexico Contained in Order No. R-1670 for the Enlargement of Three Presently Approved Non-Standard Gas Proration Units in the Jalmat Gas Pool, Lea County, New Mexico

Gentlemen:

Please find attached three copies each of Continental Oil Company's applications for exception to Rule 5 (a) of the Special Rules and Regulations for the prorated gas pools of Southeast New Mexico contained in Order No. R-1670 for the enlargement of three presently approved non-standard gas proration units in the Jalmat Gas Pool, Lea County, New Mexico.

These applications are listed below:

1. Sholes B-19 No.1, presently approved 160-acre gas proration unit to be enlarged to 320-acres, consisting

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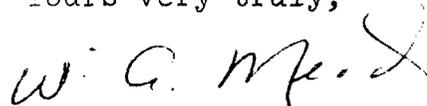
of the W/2 E/2 and the E/2 W/2 of Section 19, T.25-S, R.37-E,
NMPM, Lea County, New Mexico

2. Wells B-1 No. 1, presently approved 160-acre non-
standard gas proration unit to be enlarged to 360-acres
consisting of E/2 and NE/4 NW/4 of Section 1, T.25-S, R.36-E,
NMPM, Lea County, New Mexico.

3. Meyer A-29 No. 3, presently approved 200-acre non-
standard gas proration unit to be enlarged to 360-acres
consisting of SE/4, E/2 W/2 and SW/4 SW/4 of Section 29, T.22-S,
R.36-E, NMPM, Lea County, New Mexico.

We respectfully request that these applications be set
for hearing on the same date in consecutive order at the
earliest convenient date.

Yours very truly,



WAM-sk

Enc.

cc: RGP
HGD
JRP
JWK

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN
EXCEPTION TO RULE 5 (a) OF THE
SPECIAL RULES AND REGULATIONS FOR
THE PRORATED GAS POOLS OF SOUTHEAST
NEW MEXICO CONTAINED IN ORDER NO.
R-1670 FOR THE ENLARGEMENT OF THE
PRESENTLY APPROVED 160-ACRE UNIT TO
A NON-STANDARD GAS PRORATION UNIT OF
360-ACRES CONSISTING OF E/2 AND NE/4
NW/4 SECTION 1, T-25S, R-36E, NMPM,
LEA COUNTY, NEW MEXICO, TO BE ALLOCATED
TO ITS WELLS B-1 WELL NO. 1, JALMAT GAS
POOL

A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and petitions the Commission for an order enlarging the present 160-acre gas proration unit to one of 360 acres consisting of E/2 and NE/4 NW/4 of Section 1, T-25S, R-36E, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to be allocated to its Wells B-1 No. 1 well located 660 feet from the north line and 660 feet from the east line of said Section 1 and in support thereof would show:

1. That applicant is owner and operator of a lease designated as the Wells B-1 Lease consisting of E/2 and the NE/4 NW/4 Section 1, T-25S, R-36E, NMPM, Lea County, New Mexico.
2. That applicant drilled and completed in March, 1950, its Wells B-1 Well No. 1 at a location 660 feet from the north line and 660 feet from the east line of said Section 1.
3. That the NW/4 of the said Section 1 is presently assigned the said Well No. 1, but that the SE/4 and the NE/4 NW/4 is not assigned to any gas well and that all of said acreage may reasonably be presumed to be productive of gas from the Jalmat Pool and should be allocated to a gas well in the interests of the prevention of waste and the protection of correlative rights.
4. That the most practical and economical method of allocating said acreage for Jalmat Pool gas production is to enlarge the existing 160-acre unit to a 360-acre non-standard gas proration unit for assignment to the Wells B-1 Well No. 1.

Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, in Hobbs, New Mexico, that appropriate notice thereof be given, and that upon hearing, an order be entered granting applicant an exception to Rule 5 (a) of the special rules and regulations for the prorated gas pools of southeast New Mexico, contained in Order No. R-1670 for the non-standard gas proration unit described above.

Respectfully submitted,
CONTINENTAL OIL COMPANY


W. A. Mead
Division Superintendent
of Production
New Mexico Division