

Case Number

4237

Application

Transcripts

Small Exhibits

ETC.

CASE 4237: APPLI. OF CONTINENTAL
OIL COMPANY FOR DOWNHOLE COM-
MINGLING, LEA COUNTY.

dearniey-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6591 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 22, 1969

EXAMINER HEARING

IN THE MATTER OF:)

Application of Continental Oil)
Company for downhole comingling,)
Lea County, New Mexico.)

CASE NO. 4237

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We'll call Case Number 4237.

MR. HATCH: Case 4237. Application of Continental Oil Company for downhole comingling, Lea County, New Mexico.

If the Examiner please, we have submitted the application for administrative approval and ask that this application be dismissed.

MR. NUTTER: I believe since this application was filed, Commission Order Number 3845 has ~~been~~ established and administrative procedure for the approval of downhole comingling. We will dismiss Case Number 4237, therefore.

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, DAVID BINGHAM, a Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill, and ability.

David Bingham
 COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4237, heard by me on 10/22, 1969.

[Signature], Examiner
 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 3088 - SANTA FE

02001

**GOVERNOR
DAVID F. CARGO
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMJO
MR. JER**

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

December 17, 1969

**Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico**

Re: Case No. 4237
Order No. R-3894
Applicant:
Continental Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

G. L. Parker, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/12

Copy of order also sent to:

Hobbs OCC X

Artesia OCC

Aztec OCC

Other _____

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4237
Order No. R-3894

APPLICATION OF CONTINENTAL OIL COMPANY
FOR DOWNHOLE COMINGLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 22, 1969,
at Santa Fe, New Mexico, before Examiner Daniel S. Mutter.

NOW, on this 17th day of December, 1969, the Commission, a
quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:


That Case No. 4237 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


A. L. PORTER, Jr., Member & Secretary


esx/

DOCKET NO. 29-69

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 22, 1969

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

The following cases will be heard before Daniel S. Natter, Examiner, or
Elvis A. Utz, Alternate Examiner:

CASE 4213: (Continued from the September 10, 1969, Examiner Hearing)

Application of Texo Oil Company for pool redelineation, creation of a new gas pool, an unorthodox gas well location, and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of the vertical limits of the South Corbin-Queen Pool to permit the creation of a new basal Penrose gas pool for its Buffalo Unit Well No. 11 located at an unorthodox gas well location 2310 feet from the South line and 330 feet from the West line of Section 35, Township 18 South, Range 33 East, Lea County, New Mexico. Applicant further seeks approval of an 80-acre non-standard gas proration unit comprising the N/2 SW/4 of said Section 35, to be dedicated to the above-described well.

CASE 4230: Application of Dalport Oil Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's AMCO Federal Well No. 2 located in the SW/4 NW/4 of Section 31, Township 14 South, Range 30 East, Double L Field, Chaves County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit located in the vicinity of said well.

CASE 4231: Application of Western States Producing Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 4174 feet to 4388 feet in its State "30" Well No. 3, located in Unit 1 of Section 30, Township 7 South, Range 33 East, Chavero-San Andres Pool, Roosevelt County, New Mexico.

- CASE 4232: Application of Pan American Petroleum Corporation for a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Baskett "D" Lease by the injection of water into the San Andres formation through its Baskett "D" Well No. 4 located in Unit I of Section 11, Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico.
- CASE 4233: Application of Aztec Oil & Gas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates-Seven Rivers formations in the open-hole interval from 3929 feet to 3990 feet in its State SR Well No. 1 located in Unit G of Section 16, Township 24 South, Range 36 East, Jalmat Field, Lea County, New Mexico.
- CASE 4234: Application of Gulf Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the upper Morrow and lower Morrow formations underlying Section 12, Township 23 South, Range 24 East, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled at a standard location 1650 feet from the North and East lines of said Section 12, and within one mile of the Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.
- CASE 4235: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Jack A-29 lease by the injection of water into the Seven Rivers-Queen formations through its Jack A-29 Wells Nos. 2 and 4 located, respectively, in Units 1 and 0 of Section 29, Township 24 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4236: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Anderson Ranch Unit Area by the injection of water into the Wolfcamp formation through its Anderson Ranch Unit Wells Nos. 4 and 5, located, respectively, in Units B and J of Section 11, Township 16 South, Range 32 East, Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico.

CASE 4237: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Monument-Tubb and Weir-Blaine Pools in the well-bores of the following four wells located in Township 20 South, Range 37 East, Lea County, New Mexico:

Britt "B" Well No. 18 - Unit N - Section 10
Britt "B" Well No. 19 - Unit B - Section 15
Britt "B" Well No. 20 - Unit L - Section 10
Britt "B" Well No. 21 - Unit J - Section 10

CASE 4238: Application of McCasland Disposal System for the amendment of Order No. R-3781, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R 3781, to permit the disposal of produced salt water in the Yates formation, in addition to the previously authorized Seven Rivers formation, in its Getty Oil Company J. H. Day Well No. 2 located in Unit D of Section 6, Township 22 South, Range 36 East, Jalmat Pool, Lea County, New Mexico. Overall disposal interval would be from 3543 feet to 3939 feet.

CASE 4239: Application of Amini Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Upper Pennsylvanian formation underlying the SE/4 of Section 8, Township 14 South, Range 34 East, Lea County, New Mexico. Said acreage to be dedicated to a well to be drilled at a standard location in said quarter section and within one mile of the Cerca-Upper Pennsylvanian Pool. Also to be considered will be the costs of drilling said

Case 4239 - Continued from Page 3 -

well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4240: Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exceptions would be for applicant's Smernoff Federal Well No. 1 located in Unit B of Section 24 and LaRue Federal Well No. 1 located in Unit D of Section 25, both in Township 15 South, Range 29 East, Sulimar-Queen Pool, Chaves County, New Mexico. Applicant seeks authority to dispose of water produced by said wells in two unlined surface pits located in said Units B and D.

CASE 4241: Application of Pennzoil United, Inc., for a non-standard gas proration unit or the creation of a new gas pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the E/2 of Section 21, Township 24 South, Range 26 East, White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, said unit to be dedicated to applicant's Allied Federal 21 Well No. 1 located at a standard location in Unit J of said Section 21. In the alternative, applicant seeks the deletion of said Section 21 from the White City-Pennsylvanian Gas Pool and the creation of a new Morrow gas pool for said Allied Federal 21 Well No. 1.

CASE 4242: Application of Pennzoil United, Inc., for a non-standard gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C II, to permit the recompletion of its Mescalero Ridge Well No. 1 at a non-standard location 660 feet from the South and West lines of Section 20, Township 19 South, Range 34 East, and within one mile of the Quail Ridge-Morrow Gas Pool, Lea County, New Mexico.

October 22, 1969 - Examiner Hearing

Docket No. 29--69

-5-

(Continued from the October 8, 1969, Examiner Hearing)

CASE 4223: Application of Resler and Sheldon for two waterflood projects, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to institute two waterflood projects by the injection of water into the Grayburg, and possibly other formations in the perforated interval from approximately 3555 feet to 3617 feet in their Kelly Well No. 3 and into the Queen, and possibly other formations in the perforated interval from approximately 3439 feet to 3689 feet in their Steeler Well No. 1, said wells being located, respectively, in Unit M of Section 16, and Unit I of Section 20, Township 23 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico. In the alternative, applicants seek authority to dispose of produced salt water in said wells in the intervals as described above.



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CONTINENTAL OIL COMPANY

P. O. Box 460
Hobbs, New Mexico 88240
September 26, 1969

Case 4237

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New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico

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

Re: Application for Downhole Commingling
Monument Tubb and Weir Blinebry Pools
Lea County, New Mexico

Gentlemen:

Forwarded herewith in triplicate is our application to commingle
in the well bore production from the Monument Tubb and Weir Blinebry Pools
in four wells on our Britt "B" Lease. We should appreciate your setting
these matters for hearing on the October 22, 1969, examiner docket.

Yours very truly,

VTL-JS

RLA JJB JWK
Attach

DOCKET MADE

Date 10-8-69

BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AUTHORITY
TO COMMINGLE IN THE WELL BORE PRODUCTION
FROM THE MONUMENT TUBB AND WEIR BLINEBRY
POOLS IN ITS BRITT "B" NOS. 18, 19, 20,
AND 21, IN SECTIONS 10 AND 15, TOWNSHIP
20 SOUTH, RANGE 37 EAST, LEA COUNTY,
NEW MEXICO

Case 4237

A P P L I C A T I O N

Comes now Applicant, Continental Oil Company and respectfully requests authority to commingle in the well bore production from the Monument Tubb and Weir Blinebry Oil Pools in its Britt "B" Wells Nos. 18, 19, 20, and 21, located in Sections 10 and 15, T20S, R37E, Lea County, New Mexico, and in support thereof would show:

1. Applicant is operator and co-owner of the Britt "B" Lease consisting of S/2 and SW/4 NW/4 Section 10, W/2 SW/4 Section 11, W/2 and W/2 E/2 Section 15, T20S, R37E, Lea County, New Mexico, as shown on the attached plat.
2. Applicant has heretofore drilled and completed several wells on said lease for production from the Monument Tubb and Weir Blinebry Pools, some of which are dually completed in the two reservoirs.
3. That several of said dual completions have declined in productivity to the point that continued operation on a segregated basis is of doubtful economic feasibility.
4. That applicant desires to commingle in the well bore production from the Monument Tubb and Weir Blinebry Pools in the following wells:

Britt "B" No. 18	Unit N, Section 10-20-37
Britt "B" No. 19	Unit B, Section 15-20-37
Britt "B" No. 20	Unit L, Section 10-20-37
Britt "B" No. 21	Unit J, Section 10-20-37

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Application
Britt "B"
Page 2

5. That the granting of this application will result in the prevention of waste and will not impair correlative rights.

WHEREFORE, Applicant respectfully prays that this matter be set for hearing before the Commission's duly appointed examiner and that upon hearing an order be entered authorizing commingling in the well bore production from the Monument Tubb and Weir Blinebry Pools in the wells described above.

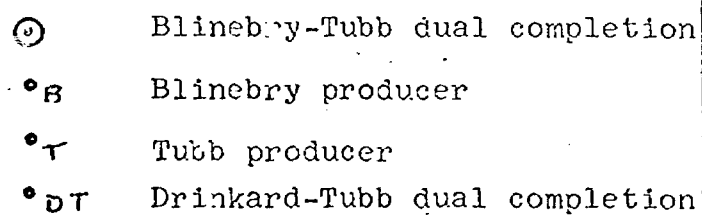
Respectfully submitted,

CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

VTL-JS



Case 4237

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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OK
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4237

Order No. R- 3894

APPLICATION OF CONTINENTAL OIL COMPANY
FOR DOWNHOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

del
ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 ~~o'clock~~ a.m. on
October 22, 1969, at Santa Fe, New Mexico, before Examiner
Daniel S. Nutter.

NOW, on this _____ day of December, 1969, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 4237 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.