

CASE 4411: Appli. of CONTINENTAL
OIL CO. FOR AN EXCEPTION TO RULE
104 C I, LEA COUNTY, NEW MEXICO.

Case Number

4411

Application
Transcripts.

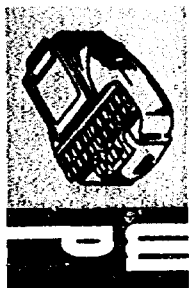
Small Exhibits

ETC.

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

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 19, 1970

EXAMINER HEARING

-----)
IN THE MATTER OF:)

Application of Continental)
Oil Company for an)
exception to Rule 104 C-1,)
Lea County, New Mexico.)
-----)

Case No. 4411

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

AUGUST 19, 1970

TIME: 9:30 a.m.

Hearing Date

NAME	REPRESENTING	LOCATION
Arthur Lopez	Stanley Jones	Santa Fe
Joseel	Reserve Oil & Gas	Albuquerque
Kimball Thomas	Reserve Oil & Gas	Dallas
John H. Dangier	Reserve Oil and Gas Co.	Dallas
EM Johnson	RESERVE OIL & GAS CO	MIDLAND
B. C. SINCLAIR	PENNZOIL UNITED, INC.	MIDLAND
J. M. Summitt Jr	Pennzoil	Albuquerque
Jason Kellie	Kellie & Fox	Santa Fe
PAT HOSFORD	PAN AM	FT. WORTH
Guy Boeck	✓	✓
William J. Remy	Reed & Stevens	Santa Fe
W V Kestler	GULF OIL CORP.	Roswell N.M.
J L Hutchison	✓	✓
J K. Hooper	McDermott, Connolly & Co.	Santa Fe, N.M.
Donald G. Stearns	Atlantic Richfield	Midland
W P Tomlinson	Continental Oil Co.	Hobbs
V. T. LYON	"	"
PAUL THOMPSON	"	"

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date AUGUST 19, 1970 TIME: 9:30 a.m.

NAME	REPRESENTING	LOCATION
C.W. Stumhoffer	Anadarko Production Co.	Fort Worth
C.E. Koch	Major Criebe & Forster	Midland, Tex
James T. Janning	Janning, Criebe & Coppola	Toswell
Ed M. Lee-Kane	Ker Lane & Westlake	"
Nora P. Dardame	W. Egan & Co.	Santa Fe
Boyle W.	White Oil & Gas - N.M.	SF
R.E. Henderson	Anadarko Production Co.	Fort Worth, Texas
W.C. Johnston	Tenneco Oil Co	Denver
C.C. Schaney	Continental Oil Co	Casper, Wyo

MR. NUTTER: Case 4411.

MR. HATCH: 4411, application of Continental Oil Company for an exception to Rule 104 C-1, Lea County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, appearing for the Applicant and we have one witness I would like to have sworn.

VICTOR T. LYON

a witness, being first duly sworn according to law, upon his oath, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name?

A Victor T. Lyon.

Q Where are you employed?

A Employed by Continental as Conservation Coordinator in Hobbs Division Office, Hobbs, New Mexico.

Q Have you testified before the Oil Conservation Commission and made your qualifications a matter of record?

A Yes, I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes.

Q (By Mr. Kellahin) Are you familiar with the application of Continental Oil Company in Case 4411?

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A Yes.

Q What is proposed by the Applicant in this case?

A Case No. 4411 is the application of Continental Oil Company for an exception to state-wide Rule 104 C-1 to permit the recompletion in the Vacuum-Grayburg San Andres Pool of the Applicant's State H-35 Well No. 10 which is situated on the same proration unit and lease, six hundred and sixty feet from Well No. 5 which is completed in the same lease and same pool.

Q Now, is this in fact an expansion of pressure maintenance project?

A No, sir.

MR. KELLAHIN: I have the wrong one.

Q (By MR. Kellahin) Referring to what has been marked Applicant's Exhibit No. 1, would you identify that exhibit?

A It is a location and ownership plat showing approximately centered and outlined in red Applicant's State H-35 lease which consists of the northeast quarter and east half, northwest quarter of Section 35, Township 17 South, Range 34 East. The location of the wells on the lease and offsetting leases is shown and the formation in which they are completed are shown by a letter coded which is explained at lower lefthand corner of the exhibit. Well

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No. 10 which is the subject of this hearing is shown circled in red and is located two thousand and thirty feet from the line and seventeen eighty feet from the east line of Section 35. Well No. 5 is shown slightly west and slightly north of Well No. 10 and nineteen eighty feet from the north line and nineteen eighty feet from the east line of the same section. Well No. 10 was originally drilled as a dual completion in the Blineberry and Glorieta formations. The Blineberry was never commercially productive and this casing, two and seven-eighths inch casing, was left unused. We would like to use this well bore to test a lower San Andres interval which has recently been found productive in the area approximately one half mile east of the well.

Q Referring to what is marked Exhibit No. 2, would you identify that exhibit?

A Exhibit No. 2 is a copy of a portion of the radio activity log on Well No. 10. I have indicated on the log the perforations in Well No. 10 and I have superimposed on the log the relative depth in which Well No. 5 is open. On the lefthand side of the center strip of the log, we show the casing set in No. 5 at approximately 4149 and the open hole extends down to 4695, so I am not certain that these are the exact intervals because there

may be some difference in the zero point in measuring the logs and drilling depths, but as to absolute recorded depths, they are represented at those depths. There could be a slight variation due to a slight structural difference also.

Q Now, is this the reason then for your application for an exception is based on the fact that an existing well bore is there and could be used?

A Yes, sir, it was a very economical method of evaluating this lower zone. This work has been done. The well has been tested successfully in this lower interval and we believe that due to the fact we have opened up additional zones and are producing oil from additional zones we will be recovering oil that otherwise would not be recovered.

Q Would the correlative rights of any operator or owner be impaired in any way by approval of this application?

A I do not believe so. We recommend Well No. 5 and 10 be assigned the normal unit allowable jointly so that the wells producing together would not exceed the normal allowable.

Q You would have that provision so the allowable could be produced from either one or both of the wells from either proportion?

A Yes.

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Q Were Exhibits 1 and 2 prepared by you and under your supervision?

A Yes, they were.

MR. KELLAHIN: I offer exhibits 1 and 2.

MR. NUTTER: Applicant's Exhibits 1 and 2 will be admitted in evidence.

MR. KELLAHIN: That is all we have on that one, Mr. Nutter.

MR. NUTTER: Mr. Lyon, this lease is in the area of a waterflood hearing some weeks ago?

A Yes, sir.

MR. NUTTER: There was just some discussion of other zones in the San Andres being productive and not perforated in these wells and part of this program you mentioned at the time?

A This was the project we mentioned at that time.

MR. NUTTER: Are there any further questions of Mr. Lyon? You may be excused. Do you have anything further Mr. Kellahin?

MR. KELLAHIN: That's all I have.

MR. NUTTER: Is there anything anyone cares to offer in Case 4411? The case will be taken under advisement.

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PAGE

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I N D E X

WITNESS

PAGE

VICTOR T. LYON

Direct examination by Mr. Kellahin

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E X H I B I T S

OFFERED
AND
ADMITTED

Applicant's Exhibits Nos. 1 and 2

6

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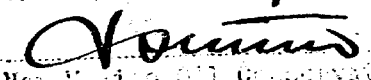
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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, SOVEIDA GONZALES, 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.


COURT REPORTER

I do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the files of the Commission.
8/19 4411 70

New Mexico Oil Conservation Commission

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. 4411
Order No. R-4025

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN EXCEPTION TO RULE 104 C I, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on August 19, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of August, 1970, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Continental Oil Company, is the
owner and operator of the following-described wells in Township
17 South, Range 34 East, NMPM, Vacuum Field, Lea County, New
Mexico:

State "H" 35 Well No. 5, located 1980 feet
from the North line and 1980 feet from the
East line of Section 35;

State "H" 35 Well No. 10, located 2030 feet
from the North line and 1780 feet from the
East line of Section 35.

(3) That the applicant seeks an exception to Rule 104 C I
of the Commission Rules and Regulations to permit the recompletion

CASE No. 4411
Order No. R-4025

of said Well No. 10 in the Vacuum Grayburg-San Andres Pool closer than 660 feet to said Well No. 5 which also produces from the Vacuum Grayburg-San Andres Pool.

(4) That said Well No. 10 was drilled at a standard location and by Administrative Order MC-1422 authorized to produce as a dual completion from the Vacuum-Glorieta and Vacuum-Blinbry Pools.

(5) That the applicant proposes to recompleate the subject well as a single completion to produce from the Vacuum Grayburg-San Andres Pool.

(6) That the applicant proposes to simultaneously dedicate the SW/4 NE/4 of said Section 35 to the subject Wells Nos. 5 and 10 with assignment of a single 40-acre Vacuum Grayburg-San Andres allowable to the unit to be produced from either of said wells in any proportion.

(7) That the recompleation of said Well No. 10 as proposed by the applicant will permit zones in the Vacuum Grayburg-San Andres Pool to be opened to production that are not so opened in said Well No. 5.

(8) That approval of the subject application will prevent the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, will prevent reduced recovery which might result from the drilling of too few wells, will afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the Vacuum Grayburg-San Andres Pool, and will otherwise prevent waste and protect correlative rights.

(9) That Administrative Order MC-1422 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby granted an exception to Rule 104 C I of the Commission Rules and Regulations to recompleate its State "H" 35 Well No. 10 at an unorthodox location in the Vacuum Grayburg-San Andres Pool 2030 feet from the North line and 1780 feet from the East line of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) That the SW/4 NE/4 of said Section 35 shall be simultaneously dedicated to said Well No. 10 and to applicant's State "H".

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CASE No. 4411
Order No. R-4025

35 Well No. 5, located 1980 feet from the North line and 1980 feet from the East line of said Section 35; that a single 40-acre Vacuum Grayburg-San Andres allowable shall be assigned to said 40-acre unit; and that the applicant is hereby authorized to produce any or all of the said allowable from either of said wells.

(3) That Administrative Order MC-1422 is hereby superseded.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

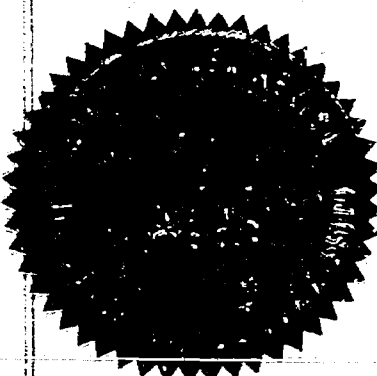
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


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



esr/

Docket No. 19-70

DOCKET: REGULAR HEARING - WEDNESDAY - AUGUST 19, 1970

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

- ALLOWABLE:
- (1) Consideration of the oil allowable for September and October, 1970;
 - (2) Consideration of the allowable production of gas for September, 1970 from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, September, 1970.

THE FOLLOWING CASES WILL BE HEARD BEFORE DANIEL S. NUTTER, EXAMINER, OR ELVIS A. UTZ, ALTERNATE EXAMINER, IN THE OIL CONSERVATION COMMISSION CONFERENCE ROOM ON THE SECOND FLOOR OF SAID BUILDING AT 9:30 a.m.

CASE 4414: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Lea, Chaves, and Eddy Counties, New Mexico:

- (a) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Townsend-Morrow Gas Pool. The discovery well is the Avance Oil & Gas Company State ETA No. 2 located in Unit I of Section 8, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
SECTION 8: SE/4

- (b) Extend the Allison-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
SECTION 12: S/2

- (c) Extend the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
SECTION 36: NW/4

August 19, 1970 - Regular Hearing
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Docket No. 19-70

(d) Extend the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SECTION 24: E/2 NE/4

(e) Extend the EK Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
SECTION 19: SE/4
SECTION 20: SW/4

(f) Extend the Hobbs-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
SECTION 19: S/2

(g) Extend the Indian Basin-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM
SECTION 21: N/2 and N/2 N/2 N/2 S/2

(h) Extend the Paduca-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM
SECTION 1: W/2
SECTION 12: W/2

(i) Extend the Springs-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
SECTION 3: Lots 1, 2, 7, 8, 9, 10,
15 and 16

(j) Extend the Sulimar-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
SECTION 26: SW/4 NE/4

(k) Extend the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
SECTION 33: NW/4

(l) Extend the Northwest Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 5: SW/4

CASE 4413: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to permit Stanley Leonard Jones dba Francisca Corporation and all other interested parties to appear and show cause why the Francisca Corporation Beeman Well No. 1 located 1980 feet from the South and West lines of Section 2, Township 24 South, Range 28 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4172: (Reopened)

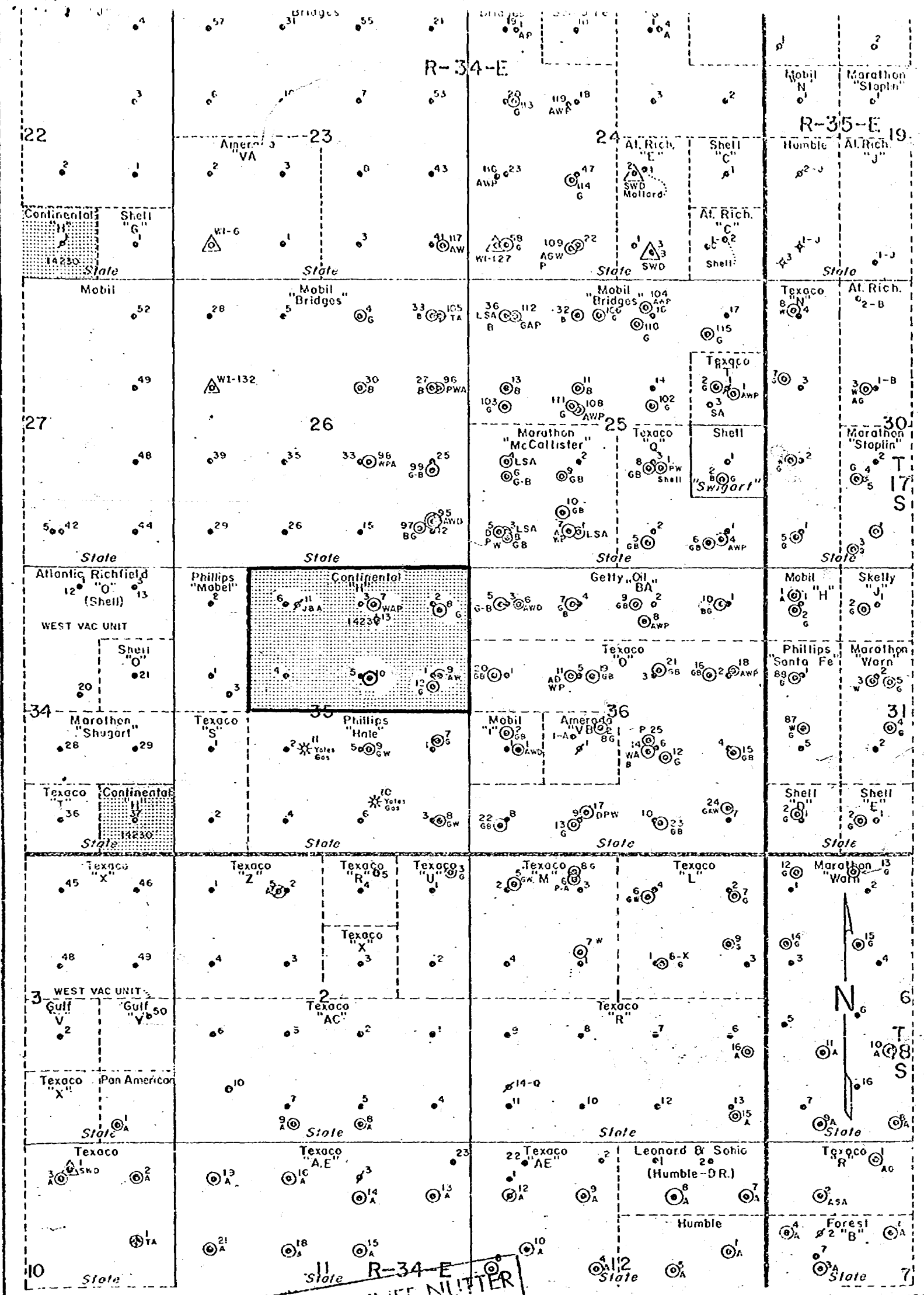
In the matter of Case No. 4172 being reopened pursuant to the provisions of Order No. R-3816, which order established 80-acre spacing units for the Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico. All interested parties may appear and show cause why the said pool should not be developed on 40-acre spacing units.

CASE 4399: Application of Pan American Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle in the wellbore production from the Blinebry, Tubb, and Drinkard Oil Pools in its Southland Royalty "A" Well No. 8 located in Unit O of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 4400: Application of David C. Collier for an exception to Order No. R-3221, as amended, Eddy 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 Southern Federal Lease in Units A, C, E, G, I, K, and M of Section 30, Township 19 South, Range 31 East, North Hackberry Yates-Seven Rivers Pool, Eddy County, New Mexico.

- CASE 4401: Application of Read and Stevens, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen, San Andres, Glorieta, and Delaware formations in the open-hole interval between the 8 5/8 inch casing shoe at 3998 feet and the top of the cement at 6109 feet in its Getty State "B.G." Well No. 1 located in Unit K of Section 12, Township 19 South, Range 34 East, Quail-Queen Pool, Lea County, New Mexico.
- CASE 4402: Application of Reserve Oil and Gas Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Cooper-Jal Unit Area comprising 2581 acres, more or less, of Federal and fee lands in Township 24 South, Ranges 36 and 37 East, Lea County, New Mexico.
- CASE 4403: Application of Reserve Oil and Gas Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by water injection through 26 wells into the Lower Seven-Rivers and Queen formations underlying its Cooper-Jal Unit Area, Langlie-Mattix Pool, Lea County, New Mexico.
- CASE 4404: Application of Reserve Oil and Gas Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by water injection through 23 wells into the Tansill, Yates, and Upper and Middle Seven-Rivers formations underlying its Cooper-Jal Unit Area, Jalmat Pool, Lea County, New Mexico.
- CASE 4405: Application of Reserve Oil and Gas Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Langlie-Jal Unit Area comprising 1080 acres, more or less, of fee lands in Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 4406: Application of Reserve Oil and Gas Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by water injection through 13 wells into the Seven Rivers and Queen formations underlying its South Langlie-Jal Unit Area, Langlie-Mattix Oil Pool, Lea County, New Mexico.
- CASE 4407: Application of Tenneco Oil Company for an unorthodox oil well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Dakota oil well location 1980 feet from the South and East lines of Section 13, Township 17 North, Range 9 West, Hospah Field, McKinley County, New Mexico, said location being closer than 330 feet to an inner boundary line.

- CASE 4408: Application of Keohane and Westall for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicants, in the above-styled cause, seek 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 applicants' State Well No. 1, located in Unit D of Section 2, Township 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.
- CASE 4409: Application of Anadarko Production Company for two waterflood expansions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of its Federal Q Waterflood Project by the conversion to water injection of three additional wells in Units J, L, and P of Section 3, Township 17 South, Range 30 East, Square Lake Pool, Eddy County, New Mexico. Applicant further seeks the expansion of the Stallworth Oil and Gas Company Parke Waterflood Project by the conversion to water injection of one additional well in Unit H of said Section 3.
- CASE 4410: Application of Major, Giebel & Forster for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 of Section 28, Township 25 South, Range 37 East, Crosby-Devonian Pool, Lea County, New Mexico, said acreage to be dedicated to a well to be drilled in said quarter section. Also, to be considered will be the cost 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 4411: Application of Continental Oil Company for an exception to Rule 104 C I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C I of the Commission Rules and Regulations to permit the completion within 660 feet of another producing well in the same formation of its State H-35 Well No. 10 located 2030 feet from the North line and 1780 feet from the East line of Section 35, Township 17 South, Range 34 East, Vacuum Pool, Lea County, New Mexico.
- CASE 4412: Application of Continental Oil Company for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the Yates and Seven Rivers formations through two wells on its McCallister "A" lease in Section 24, Township 26 South, Range 36 East, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico.



BEFORE EXAMINATION
 OIL CONSERVATION
 EXHIBIT NO. 1
 CASE NO. 4411

CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT
 HOBBS DISTRICT
 VACUUM FIELD-LEA CO., NEW MEXICO
 STATE H-35 LEASE

YATES
 DEVONIAN
 PENN.
 BLINEBRY
 GLORIETA
 ABO
 WOLFCAMP
 LOWER SAN ANDRES
 UPPER SAN ANDRES

SCALE
 0 1000 2000



CONTINENTAL OIL COMPANY

P. O. Box 460
HOBBS, NEW MEXICO 88240

PRODUCTION DEPARTMENT
HOBBS DIVISION
L. P. THOMPSON
Division Manager
G. C. JAMIESON
Assistant Division Manager

July 28, 1970

1001 NORTH TURNER
TELEPHONE 393-4141

Case 4411

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

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

Gentlemen:

Subject: Application for Exception to Rule 104 C 1 - State H-35 Well No. 10

Forwarded herewith in triplicate is our Application for exception to Statewide Rule 104 C 1 to permit the recompletion of our State H-35 No. 10 well in the same proration unit as is the No. 5 well. We should appreciate your placing this matter for hearing on the August 19th docket. Since this well has already been completed and is capable of production, we should like the allowable assigned at the earliest possible date.

Yours very truly,

L. P. Thompson

LPT:JM
CC: NMOCC - Hobbs
RLA JJB JWK

DOCKET MAILED

Date 8-6-70

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR EXCEPTION
TO STATEWIDE RULE 104 C 1 FOR THE
RECOMPLETION IN THE VACUUM (G-SA) POOL
OF APPLICANT'S STATE H-35 WELL NO. 10,
LOCATED 2030' FROM THE NORTH LINE AND
1780' FROM THE EAST LINE, SECTION 35,
TOWNSHIP 17 SOUTH, RANGE 34 EAST,
LEA COUNTY, NEW MEXICO

Case 4411

A P P L I C A T I O N

Applicant, Continental Oil Company, respectfully requests
an exception to Rule 104 C 1 to permit the recompletion in the Vacuum
(G-SA) Pool of its State H-35 Well No. 10, located 2030' from the north
line and 1780' from the east line, Section 35, T-17S, R-34E, Lea County,
New Mexico and in support thereof would show:

1. Applicant is the owner of the State H-35 Lease which consists of the NE/4 and E/2 NW/4, Section 35, T-17S, R-34E, Lea County, New Mexico.
2. Applicant has heretofore drilled wells on said lease to develop the Vacuum (G-SA), Glorieta, Blinebry, Abo, and Wolfcamp Pools on said lease.
3. Applicant's State H-35 Well No. 5 located 1980' from north line and 1980' from east line of Section 35 has for several years produced from the Vacuum (G-SA) Pool in Unit G of said Section 35.
4. Well No. 10, located on the same proration unit as is Well No. 5, was drilled to the Blinebry and Glorieta formations, but was found non-commercial in the Blinebry.
5. Operator desires, in exception to Rule 104 C 1, to recomplete Well No. 10 as a producer in Vacuum (G-SA) Pool and to have the unit allowable assigned jointly to wells No. 5 and 10.
6. The granting of this application will prevent 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 granting an exception to Rule 104 C 1 for applicant's State H-35 Well No. 10 as described above.

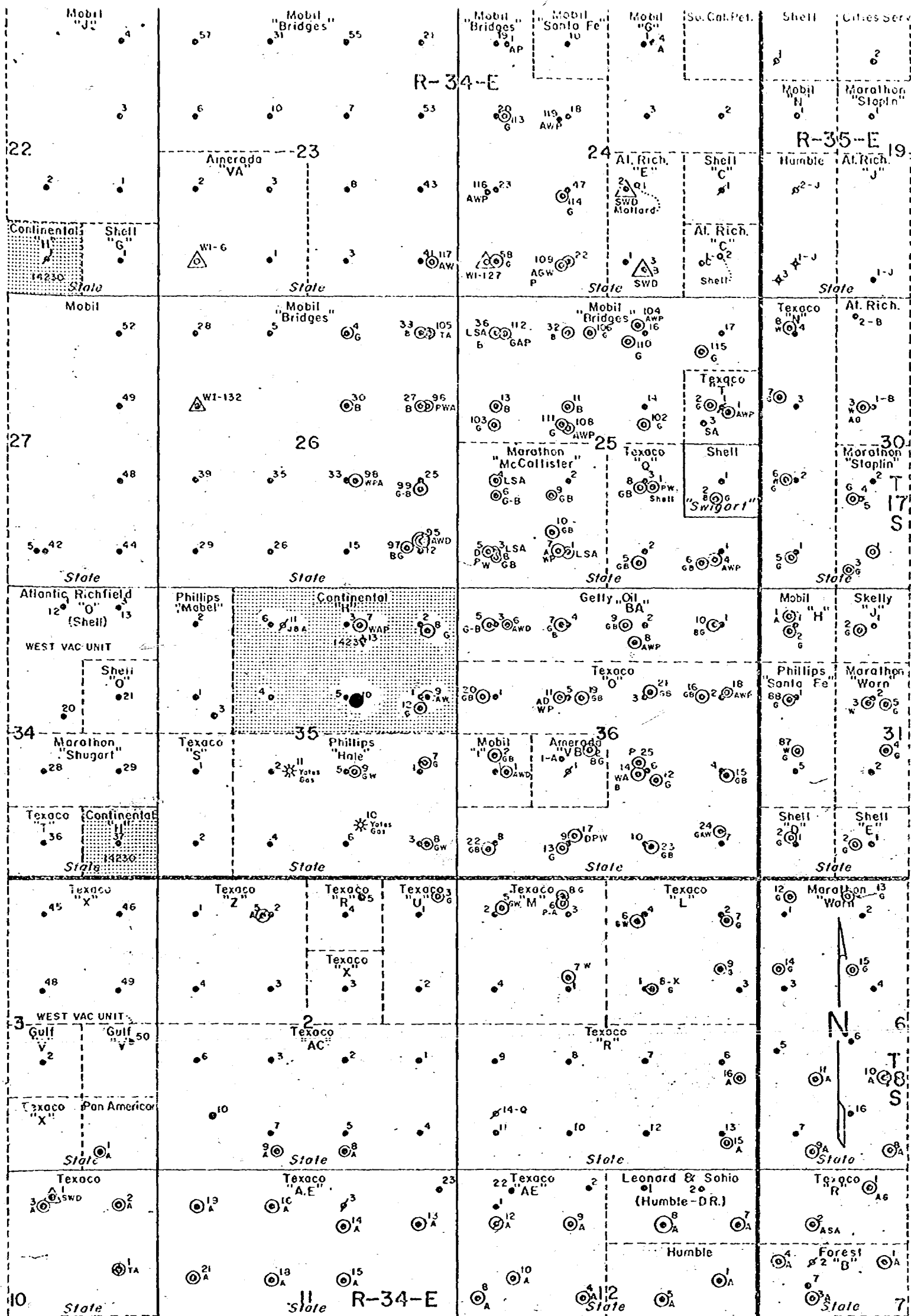
Respectfully Submitted

CONTINENTAL OIL COMPANY


L. P. Thompson

Division Manager of Production

LPT:JM



LEGEND

*Y YATES
 96 DEVONIAN 98 PENN. 97 BLINBRY 12 GLORIETA 2 ABO
 95 WOLF CAMP 36 LOWER SAN ANDRES 1 UPPER SAN ANDRES

CONTINENTAL OIL COMPANY
 PRODUCTION DEPARTMENT
 HOBBS DISTRICT
 VACUUM FIELD-LEA CO., NEW MEXICO

STATE H-35 LEASE

Case 4411

SCALE

DRAFT

GMH/esr
August 21, 1970

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. 4411

Order No. R- 4025

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN EXCEPTION TO RULE 104 C I, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on August 19, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this August day of August, 1970, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Continental Oil Company, is the owner and
operator of the following-described wells in Township 17 South, Range
34 East, NMPM, Vacuum Field, Lea County, New Mexico:

State "H" 35 Well No. 5, located 1980 feet from the
North line and 1980 feet from the East line of Sec-
tion 35;

State "H" 35 Well No. 10, located 2030 feet from the
North line and 1780 feet from the East line of Sec-
tion 35.

(3) That the applicant seeks an exception to Rule 104 C I of the
Commission Rules and Regulations to permit the recompletion of said
Well No. 10 in the Vacuum Grayburg-San Andres Pool closer than 660
feet to said Well No. 5 which also produces from the Vacuum Grayburg-
San Andres Pool.

(4) That said Well No. 10 was drilled at a standard location and by Administrative Order MC-1422 authorized to produce as a dual completion from the Vacuum-Glorieta and Vacuum-Blinebry Pools.

(5) That the applicant proposes to recomplete the subject well as a single completion to produce from the Vacuum Grayburg-San Andres Pool.

(6) That the applicant proposes to simultaneously dedicate the SW/4 NE/4 of said Section 35 to the subject Wells Nos. 5 and 10 with assignment of a single 40-acre Vacuum Grayburg-San Andres allowable to the unit to be produced from either of said wells in any proportion.

(7) That the recompletion of said Well No. 10 as proposed by the applicant will permit zones in the Vacuum Grayburg-San Andres Pool to be opened to production that are not so opened in said Well No. 5.

(8) That approval of the subject application will prevent the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, will prevent reduced recovery which might result from the drilling of too few wells, will afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the Vacuum Grayburg-San Andres Pool, and will otherwise prevent waste and protect correlative rights.

(9) That Administrative Order MC-1422 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby granted an exception to Rule 104 C I of the Commission Rules and Regulations to recomplete its State "H" 35 Well No. 10 at an unorthodox location in the Vacuum Grayburg-San Andres Pool 2030 feet from the North line and 1780 feet from the East line of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) That the SW/4 NE/4 of said Section 35 shall be simultaneously dedicated to said Well No. 10 and to applicant's State "H" 35 Well No. 5, located 1980 feet from the North line and 1980 feet from the East line of said Section 35; that a single 40-acre Vacuum Grayburg-San Andres allowable shall be assigned to said 40-acre unit; and that the applicant is hereby authorized to produce any or all of the said allowable from either of said wells.

(3) That Administrative Order MC-1422 is hereby superseded.

(4) (3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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