

CASE 4461: Appli. of CONTINENTAL
FOR A NON-STANDARD GAS PRORATION
UNIT, LEA COUNTY.

Case. Number.

4461

Application,

Transcripts.

Sm all Exhibts.

ETC.

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

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 18, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil
Company for a non-standard pro-
ration unit, Lea County, New Mexico.)

Case No. 4461

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 4461.

MR. HATCH: Application of Continental Oil Company
for a non-standard gas proration unit, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason
Kellahin appearing for the Applicant. May the record show
that the witness has been sworn and stated his qualifications?

MR. UTZ: So show.

(Whereupon, Applicant's Exhibits 1 through 3 were
marked for identification.)

MR. KELLAHIN: You are the same Mr. Lyon who
testified in the preceding cases?

THE WITNESS: Yes, I am.

MR. UTZ: Let me ask for appearances. There are
none. You may proceed.

VICTOR LYON,

having been first duly sworn upon his oath, testified as
follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Lyon, what's proposed by the Applicant in Case
4461?

A Case 4461 is the application of Continental Oil
Company for approval of a 120-acre, non-standard gas
proration unit in the Blinebry Gas Pool on its Hawk

B-1 Lease to be assigned jointly to Hawk B-1 Wells, Numbers 2 and 6, and for authority to produce the joint allowable in any proportion between the two wells.

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

A Exhibit No. 1 is a location and ownership plat showing the proposed unit. It shows the Hawk B-1 Lease which is shown outlined by the dotted line. The proposed unit is outlined by the red line and consists of the east half of the southwest quarter and the northwest quarter of the southeast quarter of Section 9, Township 21 South, Range 37 East.

It also shows the location and ownership of wells in the nearby area and by a letter symbol, the formations from which they produce. The legend appears in the lower left hand corner of the exhibit.

Now, this applies only to the oil wells. There is also a legend which shows Blinebry Gas Wells by a red circle. Now, this is just the two wells which are the subject of this case. There are other Blinebry Gas Wells which are not shown.

Q Now, the present units are outlined in blue, is that correct?

- A Yes, sir; in blue we have outlined the present unit Number 2 which is located in Unit "J" of Section 9, currently has the northwest quarter of the southeast quarter, a 40-acre unit and Number 6 which is located in Unit "N", currently has the east half of the southwest quarter, an 80-acre unit.
- Q The remaining acreage on the lease, how is it dedicated?
- A As far as the Blinebry Pool is concerned, they are dedicated to Blinebry Oil Wells and, of course, the pool rules provide expressly against pool dedication in the Blinebry Pool.
- Q Now, turning to Exhibit No. 2, would you identify that exhibit?
- A Exhibit No. 2 is a Xerox copy of a minimum contract test conducted by El Paso Natural Gas Company on July 2nd, 1970, on Hawk B-1 Number 2. On that test it produced at a rate of 1,336 MCF per day, at tubing pressure 565.2 PSIA.
- Q And Exhibit No. 3.
- A Exhibit No. 3 is a Xerox copy of the minimum contract test run July 2nd, 1970, on Hawk B No. 16. On that date it produced 82 MCF per day with a casing pressure of 178.2 PSIA.
- Q Now, is that well a dual completion?

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A Yes, it is.

Q How is it being produced insofar as the Blinebry is concerned?

A It's being produced through the casing tubing annulus.

Q Is the No. 2 Well over-produced at the present time?

A Yes, sir. At the present time No. 2, which has a 40-acre proration unit and is the higher deliverability well, is over-produced in the amount of 60,277 MCF.

Well No. 6, which has the 80-acre unit, is a marginal well.

Q Now, the proposed non-standard unit would be less than 160 acres, is that correct?

A Yes, sir. The proposed unit qualifies in all respects for a non-standard unit in that it contains no more than 160 acres, is less than -- is not more than half a mile long or wide and the wells are located so that the entire acreage could be allocated to either well.

Q Well, the difference is, though, it crosses a quarter section line, is that correct?

A Yes, sir.

Q So you are dedicating acreage in two quarter sections?

A That is correct.

Q Is that in conformity with the Blinebry Pool Rules?

A No, sir. The Blinebry Pool Rules require that a standard proration unit or any non-standard proration unit to be approved administratively must be within a single quarter section.

Q Now, will the dedication, as you propose it, protect the correlative rights of the operator and the other interest owners in this well?

A Yes, sir. By approval of the application, Continental will be able to produce the allowable which is attributable to this acreage and, therefore, to protect our correlative rights and, I believe, without impairment to anybody else's correlative rights.

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

A They were.

MR. KELLAHIN: I would like to offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection, Exhibits 1, 2 and 3 will be entered into the record of this case.

MR. KELLAHIN: That completes the case, Mr. Utz.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Lyon, since your No. 2 well is 60,000 over-produced

and No. 6 Well is 80 acres and has a zero status, this unit will immediately be over-produced 60,000, is that correct?

A That's correct.

Q Will become an unmarginal unit?

A Yes.

Q I would like to inquire just a little bit into these contract tests. Under what conditions are they run? In other words, what does the 1336 mean insofar as line pressure is concerned or shut-in pressure?

A You mean the volume of gas, the 1336?

Q Yes, what's the base of the 1336? Is it eighty percent of shut-in pressure, five hundred pounds or what?

A No, that is the actual volume of gas that was produced during that test and the flow pressures are shown up here in the second row of data.

The figure that's marked with a circle, 565.2 is the actual flowing tubing pressure. The purpose of this test is to determine or to calculate the ability to produce against one hundred pounds. Now, this calculation or the results of the calculation is shown on the bottom line of the exhibit there in line 12, D sub T, which is 2,360 MCF.

Q So it's 2,360 against the back pressure of one hundred pounds?

A Yes, sir.

Q Is there anything on this test that would show what the line pressure actually is under the test conditions?

A No. Mr. Examiner, I think that this data is not consistent. It has just come home to me that this well is supposed to be a gas-oil dual and I'm not certain -- the data would indicate that there's two strings of tubing in here; I'm not sure that this is true, but the 5665 pounds would -- well, if you look over here at the static pressure on the flow data, the second row of data here, flow data, static pressure PSIG is 535 pounds, so this is the pressure at the meter.

Q That represents the line pressure?

A Yes, sir.

Q So the well will flow 1336 at 535 pounds back pressure?

A Yes, sir.

Q But your contract base is one hundred pounds?

A Right.

Q Where does it say anything about one hundred pounds on this test?

A I'm not sure that it does.

Q You just have to know that when you look at that figure?

A Yes, sir. They have changed this form in recent years and I knew what that figure was supposed to represent and I really had never looked for an explanation of it.

MR. UTZ: Are there other questions of the witness?

The witness may be excused.

(Witness excused.)

MR. UTZ: Statements in the case? The case will be taken under advisement.

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STATE OF NEW MEXICO)
) SS
COUNTY OF BERNALILLO)

I, GLENDA BURKS, 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.

Glenda Burks
Court Reporter

I do hereby certify that the foregoing is a true and correct record of the hearing of the New Mexico Oil Conservation Commission of Case No. 4466, held by me on *March 6, 1970*.
Glenda Burks, Reporter
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. 4461
Order No. R-4065

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on November 18, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 23rd day of November, 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 co-owner and operator of the Hawk B-1 Lease which, in addition to other lands, comprises the S/2 and E/2 NW/4 of Section 9, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That by Administrative Order NSP-718, the Commission approved a 120-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the S/2 SW/4 and NE/4 SW/4 of said Section 9 to be dedicated to the applicant's Hawk B-1 Well No. 6 located in Unit N of said Section 9 and authorized reduction to an 80-acre unit consisting of the E/2 SW/4 of said Section 9 upon the completion of an oil well in the SW/4 SW/4 of the section; and that by Administrative Order NSP-787, the

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CASE No. 4461

Order No. R-4065

Commission approved a 40-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the NW/4 SE/4 of said Section 9 to be dedicated to the applicant's Hawk B-1 Well No. 2 located in Unit J of said Section 9.

(4) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the E/2 SW/4 and NW/4 SE/4 of said Section 9, to be simultaneously dedicated to the aforesaid Hawk B-1 Wells Nos. 2 and 6.

(5) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the aforesaid wells in any proportion.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Hawk B-1 Wells Nos. 2 and 6.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blinebry Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(8) That Administrative Orders NSP-718 and NSP-787 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective November 1, 1970, a 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the E/2 SW/4 and NW/4 SE/4 of Section 9, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Hawk B-1 Wells Nos. 2 and 6, located in Units J and N, respectively, of said Section 9.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 120 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion; and that

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CASE No. 4461

Order No. R-4065

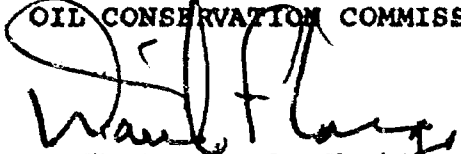
the status of said consolidated unit shall be the combined status as of October 31, 1970, of the two units being consolidated.

(3) That Administrative Orders NSP-718 and NSP-787 are 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



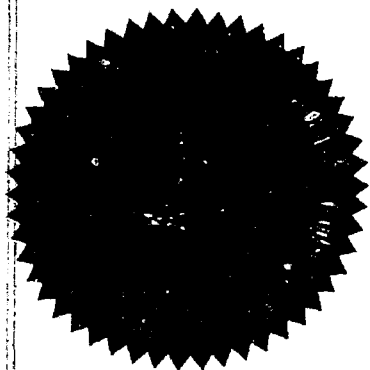
DAVID F. CARGO, Chairman



ALEX J. ARMIJO, Member



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



ear/

Case 4461

Heard 11-18-70

Rec. 11-19-70

Grant Cont. permission to form
a U.S.P. in the Blenby Gas Pool
to be dedicated to 2 wells.

The unit to consist of the E/2 SW/4
and the NW/4 SE/4 sec 9T 21S-37E.

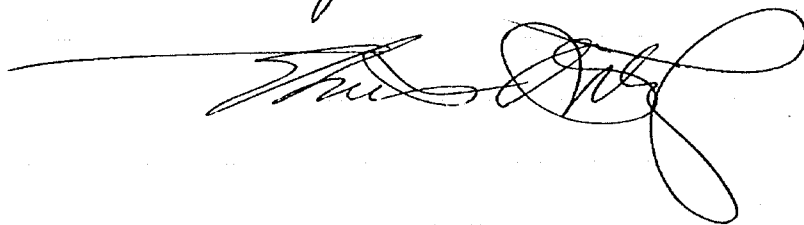
The wells to be dedicated to the unit
are:

Cont - Hawk B-1 #2 unit J9-21-37

 " " B-1 #6 " N-9-21-37.

The unit is now two units granted
by N&P-787 - NW/4 SE/4 and WSP-718
for E/2 SW/4. This should be
invalidated.

The combined production status
for the two units shall be the
production status for the new 120 A
unit.



DOCKET: REGULAR HEARING - WEDNESDAY - NOVEMBER 18, 1970

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

ALLOWABLE: Consideration of the allowable production of gas for December, 1970, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico, and also presentation of purchaser's nominations for said pools for the six-month period beginning January 1, 1971. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for December, 1970.

CASE 4453: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the promulgation of an order prohibiting the flaring or venting of casinghead gas in the State of New Mexico on or after December 31, 1970, when certain conditions exist. Copies of the proposed order will be circulated by way of the Commission's general mailing list and will be available upon request made to the Commission at its Santa Fe office.

* * * * *

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 4454: Southeastern New Mexico nomenclature case calling for the extension of certain pools in Lea, Chaves and Roosevelt Counties, New Mexico.

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

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
SECTION 11: N/2 and SW/4

(b) Extend the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
SECTION 31: SE/4

(c) Extend the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
SECTION 27: SE/4

(d) Extend the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 14: NW/4
SECTION 27: NE/4

(e) Extend the Vada-Pennsylvanian Pool in Roosevelt County,

(Case 4454 continued)

New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM
SECTION 33: NE/4

- CASE 4455: In the matter of the hearing called by the Oil Conservation Commission for the creation of a new oil pool and for the assignment of a discovery allowable, Sandoval County, New Mexico. The Commission, at the request of Refiners Petroleum Corporation, will consider the creation of a new oil pool for the production of oil from the Dakota formation comprising the NE/4 of Section 25, Township 22 North, Range 3 West, Sandoval County, New Mexico, said pool having been discovered by said corporation's Cuba Union Well No. 1 located in Unit A of said Section 25. Also to be considered will be the assignment of approximately 34,390 barrels of discovery allowable to said well.
- CASE 4456: Application of Pan American Petroleum Corporation for expansion of pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Cato Baskett Pressure Maintenance Project, Cato-San Andres Pool, by the conversion to water injection of its Baskett "D" Wells Nos. 1 and 2, located respectively, in Units G and A of Section 11, Township 8 South, Range 30 East, Chaves County, New Mexico.
- CASE 4457: Application of Tenneco Oil Company for the creation of a new pool, assignment of discovery allowable, and promulgation of special pool rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the "D" zone of the Dakota formation for its Don Ne Pah Well No. 1 located in Unit D of Section 18, Township 17 North, Range 8 West, McKinley County, New Mexico, and for the assignment of an oil discovery allowable to said well. Applicant further seeks the promulgation of special rules for said pool, including provisions for 80-acre spacing units with wells to be drilled in either the northwest or southeast quarter-quarter sections.
- CASE 4458: Application of Continental Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the South Eunice Unit Area comprising 2720 acres, more or less, of Federal and Fee lands in Sections 20, 21, 22, 28, 29, and 33, Township 22 South, Range 36 East, South Eunice Pool, Lea County, New Mexico.
- CASE 4459: 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 South Eunice Unit Area by the injection of water into the Seven Rivers and Queen formations through 30 wells located in Sections 20, 21, 22, 28, 29, and 33, Township 22 South, Range 36 East, South Eunice Pool, Lea County, New Mexico.
- CASE 4460: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause,

(Case 4460 continued)

seeks the consolidation of two existing non-standard gas proration units into one 480-acre non-standard unit comprising the N/2 and SE/4 of Section 23, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to be dedicated to its Meyer B-23 Wells Nos. 1, 2, and 3, located in Units C, O, and E, respectively, of said Section 23. Applicant further seeks authority to produce the allowable from any of said wells in any proportion.

CASE 4461: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the consolidation of two existing non-standard gas proration units into one 120-acre non-standard unit comprising the E/2 SW/4 and NW/4 SE/4 of Section 9, Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to be dedicated to its Hawk B-1 Wells Nos. 2 and 6, located in Units J and N, respectively, of said Section 9. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.

CASE 4462: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from an undesignated Gallup oil pool and undesignated Dakota oil pool in the wellbores of four wells to be drilled in Township 25 North, Range 4 West, West Lindrith Field, Rio Arriba County, New Mexico, as follows:

Jicarilla 22 Well No. 5 - Unit L - Section 22
Jicarilla 28 Well No. 9 - Unit A - Section 28
Jicarilla 28 Well No. 10 - Unit L - Section 28
Jicarilla 28 Well No. 11 - Unit B - Section 33

CASE 4463: Application of Roger C. Hanks for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the NE/4 of Section 18, Township 9 South, Range 36 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, said acreage to be dedicated to applicant's Ford Federal Well No. 1 located in the NW/4 NE/4 of said Section 18. 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.

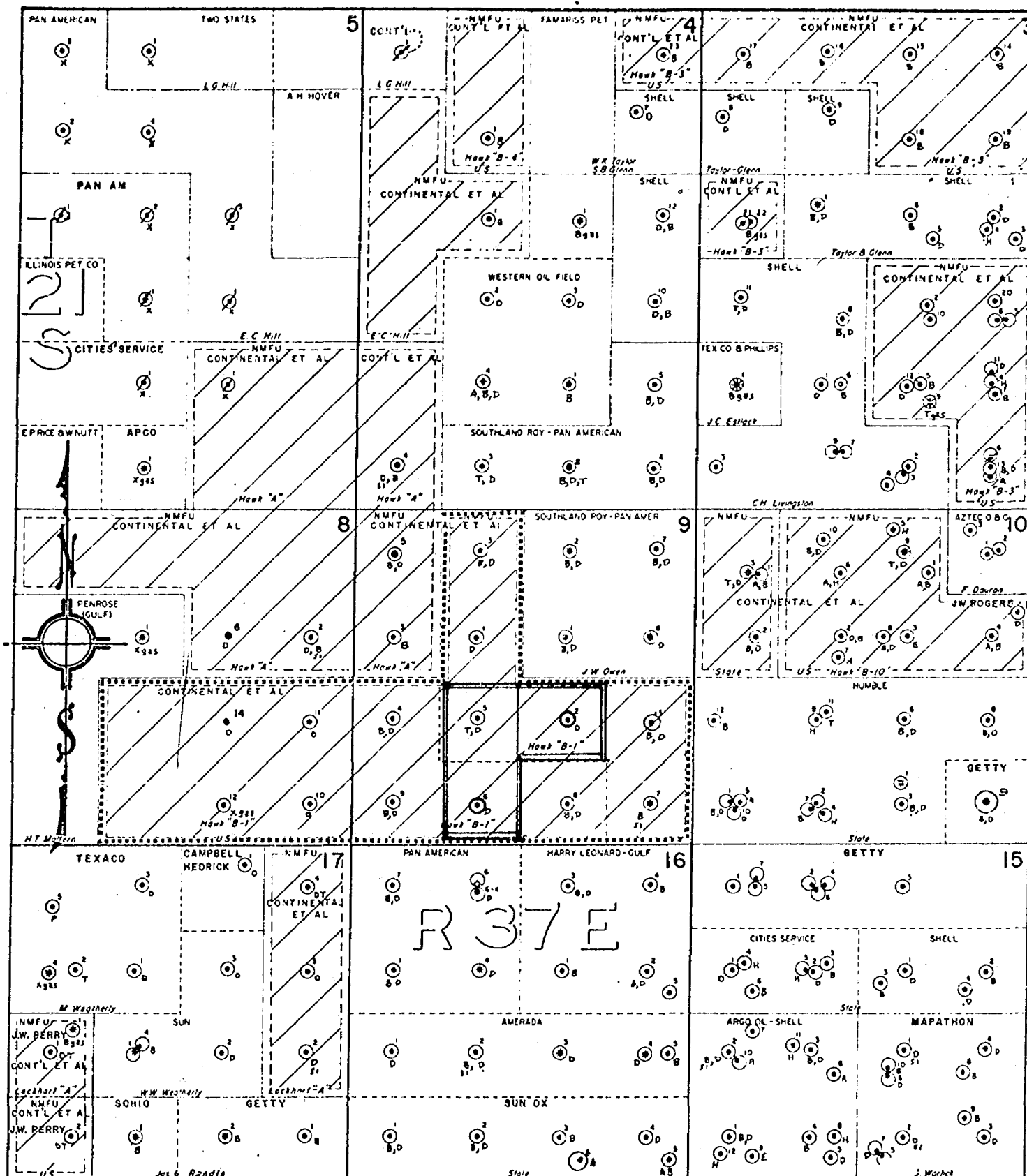
CASE 4451: (Readvertised)

Application of Union Oil Company of California for a non-standard oil proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit comprising the SW/4 SE/4 of Section 17 and the NW/4 NE/4 of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico, to be dedicated to a well to be drilled at a standard location in the NW/4 NE/4 of said Section 20.

Examiner Hearing
November 18, 1970
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Docket No. 25-70

CASE 4464: Application of Pan American Petroleum Corporation for authority to over-produce a gas well's allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to over-produce the allowable of its Gallegos Canyon Unit Well No. 185, located in Unit D of Section 33, Township 28 North, Range 12 West, Basin-Dakota Pool, San Juan County, New Mexico, in the amount of 19,311 MCF. According to applicant, this amount of gas, produced by other wells in the Gallegos Canyon Unit and with royalty and taxes already paid, was injected into the subject well to create a reservoir back-pressure prior to fracturing on work-over. Applicant seeks authority to produce, without being subject to allowable, royalty, or taxes, the volume of gas injected into the well.



- Blinebry-Terry Blinebry Completion
- Drinkard Oil Completion
- Tubb Oil Completion
- Hare Oil Completion
- Wantz Abo Oil Completion
- Brunson Ellenburger Oil Completion
- Penrose Skelly Oil Completion
- Eumont Queen Oil Completion

..... Hawk B-1 Lease

BEFORE EXAMINER

EXHIBIT NO. 4461

- PROPOSED GAS UNIT
- BLINEBRY GAS WELL
- PRESENT GAS UNIT

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DIVISION
HAWK B-1 LEASE
LOCATION PLAT
LEA COUNTY, NEW MEXICO
Scale: 1" = 2000'

EXHIBIT

El Paso Natural Gas Company
MINIMUM CONTRACT TEST
 Form 15-30 (10-57)

Company Continental Oil Company					Lease Hawk B-1 No. 2 Blinebry		
Unit J	Sec. 9	Twp. 21	Rge. 37	County Ica	Pool Blinebry		
Type Well G. O. Dual		Producing Thru X		Casing X	Top of Pay 5652	Bar. Pressure 13.2	Compressor None
Date of Previous Minimum Contract Test 1-15-70		n ₁ of Previous Back Pressure Test 1.000		Gravity .687	Meter Sta. No. 60-623	Acre Factor .25	

FLOW DATA					FLOWING PRESSURES, PSIA		DURATION OF FLOW HOURS
Prover Line Size	X	Choke Orifice Size	Static Pressure Psig.	Diff. h _w	Temp. °F	Tubing	Casing
			535			565.2	695.2
							24

VOLUME CALCULATIONS

Coefficient (24 - Hour)	$-\sqrt{h_w P_m}$	Pressure P _{sig}	Flow Temp. Factor F _t	Gravity Factor F _g	Super Compress. Factor F _{sp}	Rate of Flow Q-MCF/D @ 15.025 P _{sig}
						1336

VOLUME INTERPOLATED BY MAIN OFFICE

$$D_1 = Q \left[\frac{P_c^2 - P_d^2}{P_c^2 - P_f^2} \right]^{n_1}$$

P _r	Temp. R	T _r	Z

SHUT-IN DATA, PSIA

DURATION	TUBING	CASING
24 Hour		
48 Hour		
72 Hour	420.2	818.2

LINE	ITEM	SOURCE	113.2	263.2	613.2	863.2
1	P _c ²					
2	P _d ²					
3	P _f ²					
4	P _c ² - P _d ²	1 - 2				
5	P _c ² - P _f ²	1 - 3				
6	B	4 ÷ 5				
7	Log B					
8	n ₁					
9		7 x 8				
10	B ^{n₁}	Antilog 9				
11	Q-MCF/D					
12	D ₁	10 x 11	2,360*			

BEFORE EXAMINATION
 OIL COMPANY
 app
 CASE NO. 4461

- n₁ = Slope of Wellhead Deliverability Curve (P_c² - P_f² vs Q)
- Q = Actual flow @ end of Flow Period at Wellhead Press., P_f
- P_c = Maximum Shut-in Pressure, Psia Observed in a 72 Hour Period
- P_f = Flowing Wellhead Pressure (tubing if flowing thru tubing and vice versa), Psia
- P_d = Deliverability Pressure, Psia
- D₁ = Wellhead Deliverability @ Deliverability Pressure (P_d), MCF/Day

* DELIVERABILITY CALCULATED BY ELECTRONIC CALCULATOR.

Witnessed By: (Name)	
Company:	
Tested By:	S. M. Lenamon
Calculated By:	S. M. Lenamon

EXHIBIT 2

MINIMUM CONTRACT TEST

Form 15-39 (10-67)

Company Continental Oil Company					Lease Hawk B-1 No. 6		
Unit N	Sec. 9	Twp. 21	Range 37	County Lea	Pool Blinebry		
Type Well G. O. Dual		Producing Thru		Tubing	Casing	Top of Pay 5600	Bar. Pressure 13.2
Date of Previous Minimum Contract Test 1-15-70		n ₁ of Previous Back Pressure Test 1.000		Gravity .692		Meter Sta. No. 60-631	Compressor On

FLOW DATA					FLOWING PRESSURES, PSIA		DURATION OF FLOW HOURS
Prover Line Size	Choke X Orifice Size	Static Pressure P _{st}	Diff. h _w	Temp. °F	Tubing	Casing	
		160			G. O. Dual	178.2	24

VOLUME CALCULATIONS

Coefficient (24 - Hour)	$\sqrt{h_w P_m}$	Pressure P _{st}	Flow Temp. Factor F _t	Gravity Factor F _g	Super. Compress. Factor F _{pv}	Rate of Flow Q-MCFPD @ 15.025 Psia.
						82

VOLUME INTEGRATED BY MAIN OFFICE

$$D_1 = Q \left[\frac{P_c^2 - P_d^2}{P_c^2 - P_1^2} \right]^{n_1}$$

P _r	Temp. R	T _r	Z

SHUT-IN DATA, PSIA

DURATION	TUBING	CASING
24 Hour		
48 Hour		
72 Hour		663.2

LINE	ITEM	SOURCE	113.2	263.2	613.2	863.2
1	P _c ²					
2	P _d ²					
3	P ₁ ²					
4	P _c ² - P _d ²	1 - 2				
5	P _c ² - P ₁ ²	1 - 3				
6	B	4 ÷ 5				
7	Log 6					
8	n ₁					
9		7 x 8				
10	B ^{n₁}	Antilog 9				
11	Q-MCF/D					
12	D ₁	10 x 11	86*			

DELIVERABILITY CALCULATED BY ELECTRONIC CALCULATOR.

- n₁ = Slope of Wellhead Deliverability Curve (P_c² - P₁² vs Q)
 Q = Actual flow @ end of Flow Period at Wellhead Press., P₁
 P_c = Maximum Shut-in Pressure, Psia Observed in a 72 Hour Period
 P₁ = Flowing Wellhead Pressure (tubing if flowing thru tubing and vice versa), Psia
 P_d = Deliverability Pressure, Psia
 D₁ = Wellhead Deliverability @ Deliverability Pressure (P_d), MCF/Day

Witnessed By: (Name)
Company:
Tested By: S. M. Lenahan
Calculated By: S. M. Lenahan

3



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

October 21, 1970

1001 NORTH TURNER
TELEPHONE 393-4141

Case 4461

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 NSP Unit, Blinebry Pool, Hawk B-1
Lease, Lea County, New Mexico

Enclosed in triplicate is our application for approval of a 120 acre non-standard gas proration unit in the Blinebry Gas Pool for our Hawk B-1 Lease in Section 9, Township 21S, Range 37E, Lea County, New Mexico. The unit includes parts of both the Southeast quarter and the Southwest quarter of Section 9 and is proposed to be allocated jointly to two wells on the lease.

Please place this matter for hearing on your earliest examiner docket.

Yours very truly,

GCJ-RW
CC: RLA, JJB, JWK,
Atlantic Richfield Co., Roswell
Chevron Oil Co., Midland
Pan American Pet. Corp., Fort Worth
Pan American Pet. Corp., Hobbs

DOCKET MAILED

Date 11-5-70

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
OF A 120-ACRE NON-STANDARD GAS PRORATION
UNIT IN THE BLINEBRY GAS POOL CONSISTING
OF E/2 SW/4 and NW/4 SE/4 SECTION 9, T-21S,
R37E, LEA COUNTY, NEW MEXICO, TO BE ASSIGNED
JOINTLY TO APPLICANT'S HAWK B-1 WELLS NOS.
2 AND 6: AND FOR PERMISSION TO PRODUCE THE
JOINT ALLOWABLE IN ANY PROPORTION:

Case 4961

A P P L I C A T I O N

COMES NOW Applicant, Continental Oil Company, and respectfully
requests approval of a 120-acre non-standard gas proration unit in the
Blinebry Gas Pool Consisting of E/2 SW/4 and NW/4 SE/4 Section 9, T21S,
R37E, Lea County, New Mexico, to be assigned jointly to applicant's Hawk
B-1 Wells Nos. 2 and 6; and for permission to produce the joint allowable in
any proportion between the two wells and in support thereof would show:

1. Applicant is operator and co-owner of the Hawk B-1 Lease
which, in addition to other lands, consists of S/2 and E/2
NW/4 Section 9, T21S, R37E, Lea County, New Mexico.
2. Applicant has heretofor drilled and completed as Blinebry
gas wells its Hawk B-1 Well No. 2, located 1980' from the
south line and 1980' from the east line; and its Well No.
6, located 660' from the south line and 1980' from the west
line of said Section 9.
3. Administrative Order NSP - 787 approved a 40-acre proration
unit consisting of NW/4 SE/4 Section 9 for Well No. 2; HSP - 718
approved a 120-acre unit consisting of S/2 SW/4 and NE/4 SW/4
of said Section 9 for Well No. 6; and authorized reduction to
an 80-acre unit consisting of E/2 SW/4 of said Section upon
completion of an oil well in SW/4 SW/4 of the section.
4. Producing capacity of well No. 6 has declined to the extent
that it can no longer produce the allowable for the unit
assigned by NSP 718.

5. In the interest of protecting its correlative rights, applicant proposes to form a 120-acre non-standard unit and allocate said unit jointly to the two said wells; and to produce the joint allowable in any proportion between the two wells.
6. That the granting of this application is in the interest of preventing waste and protecting correlative rights.

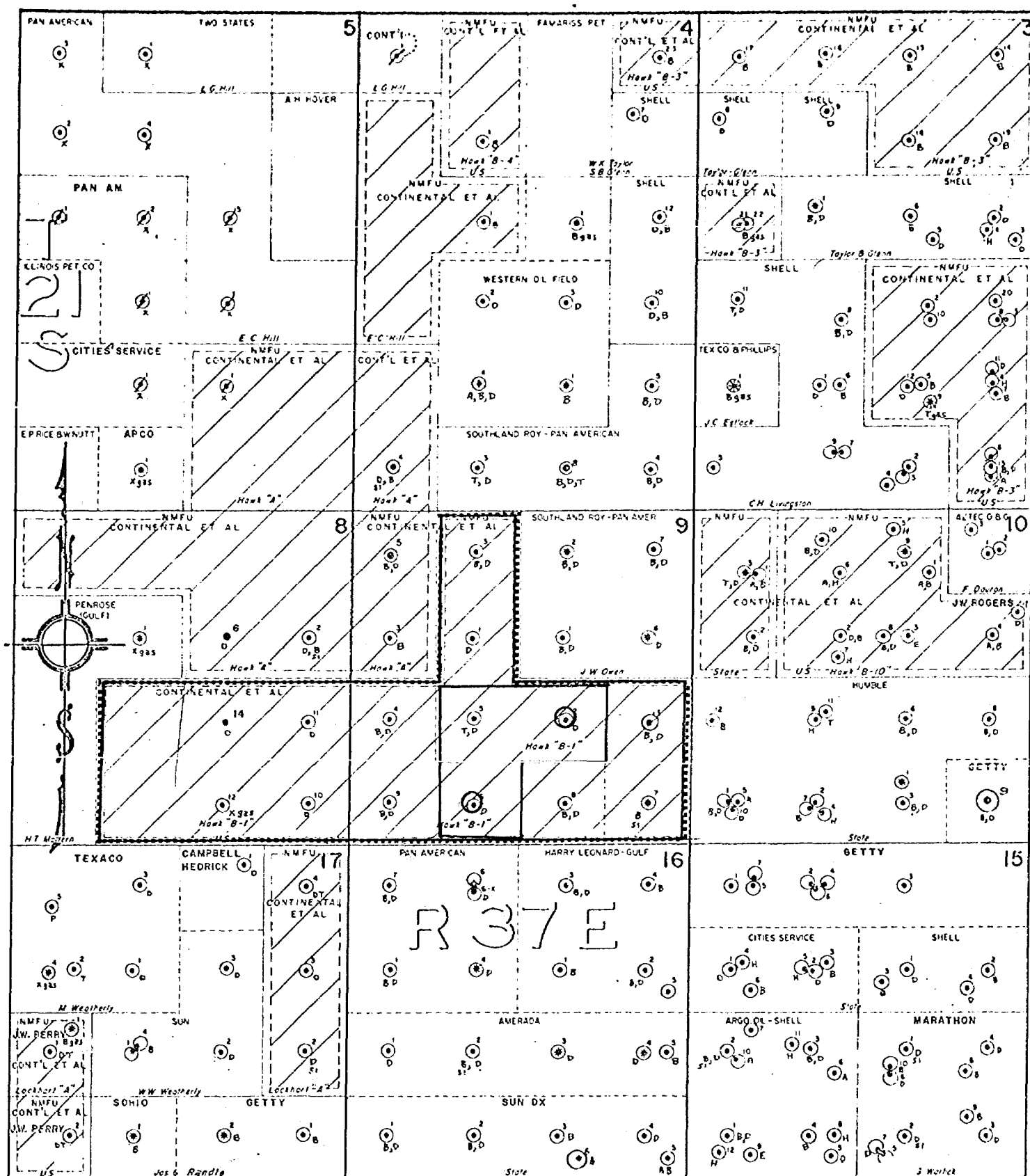
WHEREFORE Applicant respectfully requests that this matter be set for hearing before the Commission's duly appointed examiner and upon hearing, an order be entered approving the non-standard gas proration unit described above.

Respectfully submitted
CONTINENTAL OIL COMPANY



G. C. Jamieson

GCJ:rw



- Blinbry-Terry Blinbry Completion
- Drinkard Oil Completion
- Tubb Oil Completion
- Hare Oil Completion
- Wantz Abo Oil Completion
- Brunson Ellenburger Oil Completion
- Penrose Skelly Oil Completion
- Eumont Queen Oil Completion

Hawk B-1 Lease

PROPOSED GAS UNIT
BLINEBRY GAS WELL

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DIVISION
HAWK B-1 LEASE
LOCATION PLAT
LEA COUNTY, NEW MEXICO
Scale: 1" = 2000'

Case 11401

DRAFT

GMH/esr

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. 4461

Order No. R- 4065

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

9:30

This cause came on for hearing at 9 a.m. on November 18, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of November, 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
co-owner and operator of the Hawk B-1 Lease which, in addition
to other lands, comprises the S/2 and E/2 NW/4 of Section 9,
Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That by Administrative Order NSP-718, the Commission
approved a 120-acre non-standard gas proration unit in the Blinebry
Gas Pool consisting of the S/2 SW/4 and NE/4 ^{SW/4} ~~NW/4~~ of said Sec-
tion 9 to be dedicated to the applicant's Hawk B-1 Well No. 6
located in Unit N of said Section 9 ^{and authorized reduction to} ~~and authorized reduction to~~
~~an 80-acre unit consisting of the E/2 SW/4 of said Section 9~~
~~an 80-acre unit consisting of the E/2 SW/4 of said Section 9~~

upon the completion of an oil well in the SW/4 SW/4 of the section; and that by Administrative Order NSP-787, the Commission approved a 40-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the NW/4 SE/4 of said Section 9 to be dedicated to the applicant's Hawk B-1 Well No. 2 located in Unit J of said Section 9.

(4) That the applicant now seeks the consolidation of the two existing non-standard gas proration units to form one 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the E/2 SW/4 and NW/4 SE/4 of said Section 9, to be simultaneously dedicated to the aforesaid Hawk B-1 Wells Nos. 2 and 6.

(5) That the applicant further seeks authority to produce the allowable assigned to the unit from either of the aforesaid wells in any proportion.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Hawk B-1 Wells Nos. 2 and 6.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Blinebry Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(8) That Administrative Orders NSP-718 and NSP-787 should be superseded.

IT IS THEREFORE ORDERED:

(1) That, effective Nov. 1, 1970, a 120-acre non-standard gas proration unit in the Blinebry Gas Pool comprising

the E/2 SW/4 and NW/4 SE/4 of Section 9, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Hawk B-1 Wells Nos. 2 and 6, located in Units J and N, respectively, of said Section 9.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of 120 acres; that the operator may produce the allowable assigned to the unit from the subject wells in any proportion; and that the status of said consolidated unit shall be the combined status, as of Oct 31, 1970, of the two units being consolidated.

(3) That Administrative Orders Nos. NSP-718 and NSP-787 are 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.

CASE 4462: Appli. of CONTINENTAL
FOR DOWNHOLE COMMINGLING, RIO
ARRIBA COUNTY, NEW MEXICO