

Case Number
4598

Application

Transcripts

Small Exhibits

ETC.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXAMINER HEARING
September 29, 1971

IN THE MATTER OF

Application of Continental Oil
Company for an Exception to
Order No. R-2408 and for a dual
completion, Lea County, New Mexico.

Case No. 4598

BEFORE: ELVIS A. UTZ, EXAMINER

Transcript of Hearing

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date SEPTEMBER 29, 1971TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
<i>St. Christy IV</i>	<i>MKA, et al</i>	<i>Roswell</i>
<i>John Hendrix</i>	<i>John Hendrix</i>	<i>Midland</i>
<i>Roy C. Williamson Jr.</i>	<i>Biley, Sipes, Williamson & Rungyan representing MKA et al</i>	<i>Midland</i>
<i>DAN CURRENS</i>	<i>AMOCO PROD. CO.</i>	<i>HOUSTON</i>
<i>Michael L. Klein</i>	<i>MKA Oil Properties</i>	<i>Midland</i>
<i>Jason Kellakin</i>	<i>Kellakin & Fox</i>	<i>Santa Fe</i>
<i>John Barbe</i>	<i>Humble O.I. & Ref. Co.</i>	<i>Audrius, Tex</i>
<i>DICK FRAZIER</i>	<i>AMERADA HESS CORP.</i>	<i>Seminole, TX.</i>
<i>RL Hocker</i>	<i>"</i>	<i>Tulsa, Okla</i>
<i>James E. Neuhel</i>	<i>Humble O.I. & Ref. Co.</i>	<i>Roswell.</i>
<i>JIM GILLHAM</i>	<i>USGS</i>	<i>ROSWELL</i>
<i>CARL TRAYWICK</i>	<i>USGS</i>	<i>ROSWELL</i>
<i>Jim Kraft</i>	<i>U.S.G.S.</i>	<i>ARTASIA</i>
<i>Richard F. Brown</i>	<i>Montgomery et al</i>	<i>Santa Fe</i>
<i>A. D. Rial</i>	<i>Tenneco Oil Co.</i>	<i>Denver CO</i>
<i>N. B. VENUS</i>	<i>" "</i>	<i>MIDLAND, TX</i>
<i>Ken Bateman</i>	<i>White, Gilbert, Kuch & Kelly</i>	<i>Santa Fe, N.M.</i>
<i>Nina S. Dillman</i>	<i>RW Byrum</i>	<i>Santa Fe</i>

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICOHearing Date SEPTEMBER 29, 1971 TIME: 9 A.M.

NAME	REPRESENTING	LOCATION
Bill Lasker	Gulf Oil Co.	Midland
G.O. Bobo	Gulf oil co	Midland
V.T. Lyon	CONOCO	Hobbs
E.R. Manning	El Paso Natural Gas	El Paso, Texas
J. & Lueders	AR Co	Midland, Texas

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1 MR. UTZ: Case 4598.

2 MR. HATCH: Case 4598. Application of Continental
3 Oil Company for an exception to Order No. R-2408 and for a dual
4 completion, Lea County, New Mexico.

5 MR. KELLAHIN: If the Examiner please, Jason Kellahin,
6 Kellahin and Fox, Santa Fe, appearing for the applicant. We have
7 one witness I would like to have sworn.

8 (Witness sworn)

9 VICTOR T. LYON
10 having been first duly sworn, testified as follows:

11 DIRECT EXAMINATION

12 BY MR. KELLAHIN:

13 Q Would you state your name, please?

14 A Victor T. Lyon, L-y-o-n.

15 Q By whom are you employed and in what position, Mr. Lyon?

16 A I am employed by Continental Oil Company as Conservation
17 Coordinator in the Hobbs Division office.

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

20 A Yes, sir.

21 MR. KELLAHIN: Are the witness' qualifications
22 acceptable?

23 MR. UTZ: Yes, they are.

24 Q (Mr. Kellahin) Mr. Lyon, briefly, what is proposed by the
25 applicants in Case 4598?

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1 A Case 4598 is the application of Continental Oil Company
2 for exception to Order No. R-2408 in order to drill its
3 Meyer B-4 Well No. 28 in the Northwest quarter, Southeast
4 quarter, Section 4, Township 21 South, Range 36 East, and
5 to dually complete the well in the Oil Center-Blinebry and
6 Eunice-Greyburg San Andres Oil Pools in a conventional plan.

7 Q Now, refer to what has been marked as the Applicant's
8 Exhibit Number One, would you identify that exhibit?

9 A Yes, sir. Exhibit Number One is a location and ownership
10 plat showing the Meyer B-4 lease outlined in red and the
11 immediately surrounding area.

12 This least consists of the East half and East half of the
13 West half of Section 4, Township 21 South, Range 36 East,
14 which is an unusually large section containing approximately
15 954 acres.

16 The proposed well is shown circled in red at a location
17 2,080 feet from the South line, 1,980 feet from the East
18 line of Section 4.

19 I might point out that this location has not been staked,
20 and it may be necessary to move it a few feet to avoid
21 topographic conditions.

22 The wells on this lease which are numbered from 1 through
23 18 are the Eunice-Monument Wells. Those wells which are
24 numbered 19 through 27 are all Center-Blinebry Wells.

25 You will note that the proposed well is a twin well to well

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1 number seven. Well number seven is still a Eunice-Greyburg
2 San Andres Well, but it has been dually completed in the
3 Eumont Pool under the provision of the Order No. R-290.
4 It appears that in the dual completion process, the lower
5 zone was damaged irreperably and the well has been shut-in
6 for approximately three years.

7 The offsetting wells are producing at a rate of -- an average
8 of about 12 barrels a day, and it would appear that there are
9 additional Eunice-Greyburg San Andres reserves available
10 it we were to drill and complete another well.

11 As far as the Oil Center-Blinebry portion is concerned, this
12 proration unit, which is unit R. is a part of the proration
13 unit assigned to well number 23 which is located in unit W
14 to the South.

15 Well number 23 has always been a poor well. It was completed
16 November 17, 1962 for an IP of 39 barrels oil, 8 barrels
17 water.

18 In 1967, the well was fract. It had been shut-in since
19 October 1st of 1966, but it was fract with 8,000 gallons
20 of oil and 8,000 pounds of sand after which it sanded out
21 and it was retreated with 82,000 gallons of oil and 47,000
22 pounds of sand, and additional pay was open and the well
23 was potentialled in May for 18 barrels of oil, 43 barrels of
24 water.

25 The cumulative production to this well is only 46,509

1 barrels to January 1st, 1971.

2 The average production for the other well on the lease is
3 in excess of 184,000 barrels.

4 Consequently, it is our conclusion that there are additional
5 recoverable reserves in the Oil Center-Blinebry which we
6 can recover by drilling a well at this location in exception
7 to the 80-acre spacing rules.

8 In addition, there is a lower zone in the Blinebry which is
9 not available in number three which we feel confident will
10 be available in the proposed number 28.

11 Q Are you making a water-flood study at the present time?

12 A Yes. There is a water-flood study scheduled to be initiated
13 prior to the end of this year and the drilling and completion
14 of this well will materially aid in study and should give us
15 some very vital information as to whether additional wells
16 will need to be drilled for water-flood purposes.

17 Q And would it also be so located that it would more efficiently
18 drain the 80-acre tract dedicated to this?

19 A Yes, sir. Yes. And it will also give us an idea of how
20 efficiently we have drained the reservoir under 80-acre
21 spacing.

22 Q Now, this is an inside location you are talking about?

23 A Yes. It is located at least 1,980 feet from the nearest
24 lease line.

25 Q And are there any top allowable wells in the pool?

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- 1 A No. There are not even any gas/oil ratio penalized wells.
- 2 Q What is the allowable for the pool at the present time?
- 3 A 164 barrels per day.
- 4 Q Now, referring to what has been marked as Exhibit Number
- 5 Two, would you identify that Exhibit?
- 6 A Yes, sir. Exhibit Number Two is a schematic diagram of the
- 7 proposed completion of the well as a dual.
- 8 We propose to set surface casings at approximately 1,200
- 9 feet and run 7-inch casing to total depth, plus a packer
- 10 between the two intervals at approximately 5,800 feet and
- 11 run 2 and seven-eighths-inch tubing to approximately 5,735
- 12 and switch down to 2 and three-eighths, and we will place
- 13 this plus one and one-quarter-inch interval joint tubing
- 14 in a model -- Baker Model Apparrel Flow Tube so that we
- 15 can vent the gas from the Blinebry through the smaller
- 16 tubing.
- 17 And two and five-sixteenths-inch interval joint tubing will
- 18 be run to produce the Greyburg production.
- 19 Q Now, will this type of completion achieve effective
- 20 separation from the two producing horizens?
- 21 A Yes.
- 22 Q In your opinion, will the drilling of this well increase
- 23 the productivity of the proration unit?
- 24 A Yes, sir. It certainly should.
- 25 Q Would that then result in the recovery of oil that would

1 not otherwise be recovered?

2 A Yes. In my opinion it will very likely recover oil that
3 would not otherwise be recovered, particularly in the
4 Greyburg, and quite possibly in the Blinebry.

5 Q But in that sense, it would prevent waste?

6 A Yes, it would.

7 Q And would the correlative rights of any other operators
8 be impaired in any way?

9 A I don't believe so. We would propose that this well
10 share the allowable with well number 23 so that the proration
11 unit would not receive more than its top allowable.

12 Q And actually by doing that you would be moving your
13 production farther away from the lease line, would you not --

14 A Yes, sir.

15 Q --rather than closer?

16 A That is true.

17 Q Were Exhibits One and Two prepared by you or under your
18 supervision?

19 A Yes, they were.

20 MR. KELLAHIN: At this time I would like to offer
21 in evidence, Exhibits One and Two.

22 MR. UTZ: Without objection, Exhibits One and Two
23 will be entered into the record of this case.

24 MR. KELLAHIN: That's all we have on the case.

25 MR. UTZ: Other questions?

CROSS EXAMINATION

1
2 BY MR. UTZ:

3 Q Mr. Lyon, this is an exception to R-2408?

4 A Yes, sir.

5 Q Which is the rule for the Oil Center-Blinebry Pool?

6 A Yes, sir.

7 Q So this will be a dual Oil Center-Blinebry 80-acre unit?

8 A I'm not sure I understood what you meant.

9 Q Well, your exception here is for two wells on an 80-acre
10 unit?

11 A On an 80-acre Oil Center-Blinebry, Yes, sir.

12 Q So the other formations don't have any effect on your
13 application here as far as dedicated acreage is concerned?

14 A Right. The Eunice completion in number seven is abandoned.
15 At least it is shut-in. We do not anticipate that it will be
16 placed back on production so that this will not be any
17 sharing of allowable as to the two wells on that proration
18 unit.

19 Q Now, is this considered a -- is your application, say a dual
20 -- I have made a note that this is an application for a
21 dual also.

22 A Yes, sir. This is part of our application.

23 Q Isn't this a triple?

24 A No, sir.

25 MR. KELLAHIN: No, sir. That is to vent the gas, Mr.

1 Examiner.

2 A That is just that third string of tubing is the vent.

3 Q Oh, I see. Okay.

4 A Gas vent.

5 MR. UTZ: Other questions of the witness?

6 You may be excused. Take the case under advisement.

7 (Witness excused)

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1 STATE OF NEW MEXICO)
2)
3 COUNTY OF BERNALILLO)

4 I, LINDA MALONE, Court Reporter, do hereby certify that
5 the foregoing and attached Transcript of Hearing before the
6 New Mexico Oil Conservation Commission was reported by me; and
7 that the same is a true and correct record of the said
8 proceedings, to the best of my knowledge, skill and ability.
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Linda Malone
Court Reporter

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Bernalillo hearing of Case No. 4598
heard by me on Sept. 29, 1971.
[Signature], Examiner
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. 4598
Order No. R-4210

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN EXCEPTION TO ORDER
NO. R-2408, AND FOR A DUAL COMPLE-
TION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 18th day of October, 1971, 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 operator of an 80-acre oil proration unit in the Oil Center-Blinebry Pool comprising the W/2 SE/4 of Section 4, Township 21 South, Range 36 East, Lea County, New Mexico, dedicated to its Meyer B-4 Well No. 23, located 660 feet from the South line and 1980 feet from the East line of said Section 4.

(3) That the applicant seeks an exception to Order No. R-2408, which order established special rules and regulations for the Oil Center-Blinebry Pool, to permit the drilling of its Meyer B-4 Well No. 28 as a second well on the above-described proration unit at an unorthodox location 2230 feet from the South line and 1980 feet from the East line of said Section 4.

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CASE NO. 4598
Order No. R-4210

(4) That the applicant seeks to simultaneously dedicate the above-described Oil Center-Blinebry Pool proration unit to its Meyer B-4 Wells Nos. 23 and 28 with the assignment of a single 80-acre Oil Center-Blinebry Pool allowable to the unit and authority to produce any or all of the allowable from either well.

(5) That the applicant further seeks authority to complete the above-described Well No. 28 as a dual completion (conventional) to produce oil from the Oil Center-Blinebry Pool and the Eunice Grayburg-San Andres Pool through parallel strings of tubing with separation of zones by a packer set at approximately 5,800 feet.

(6) That approval of the subject application will prevent the drilling of unnecessary wells, will avoid the augmentation of risk arising 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 subject pools, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby granted an exception to the Special Rules and Regulations for the Oil Center-Blinebry Pool, promulgated by Order No. R-2408, to drill its Meyer B-4 Well No. 28 at an unorthodox location 2230 feet from the South line and 1980 feet from the East line of Section 4, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, as a second well on its proration unit comprising the W/2 SE/4 of said Section 4.

(2) That the applicant is hereby authorized to simultaneously dedicate the W/2 SE/4 of Section 4, Township 21 South, Range 36 East to its Meyer B-4 Wells Nos. 23 and 28 located, respectively, 660 feet from the South line and 1980 feet from the East line and 2230 feet from the South line and 1980 feet from the East line of said Section 4; that a single 80-acre Oil Center-Blinebry Pool allowable shall be assigned to said 80-acre unit; and that the applicant is hereby authorized to produce any or all of the Oil Center-Blinebry allowable from either well in any proportion.

(3) That the applicant, Continental Oil Company, is hereby authorized to complete its above-described Meyer B-4 Well No. 28, as a dual completion (conventional) to produce oil from the Oil Center-Blinebry Pool and the Eunice Grayburg-

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CASE NO. 4598
Order No. R-4210

San Andres Pool through parallel strings of tubing with separation of zones by a packer set at approximately 5,800 feet;

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Oil Center-Blinbry Pool.

(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



Bruce King
BRUCE KING, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

Elvis III

Mr. Lynn in Hail

5/1/80

Call

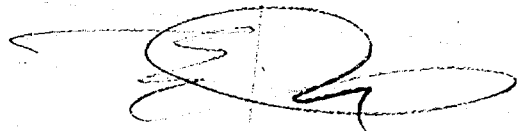
E. P. Meter Surf.

at 10:15

150/N of question.

2230/S, 1980/E

sec. 4



Case 4597

Heard 9-29-71

Rec. 10-1-71

Grant Continental permission to
drill complete ~~their~~ Meyer B-4
#28 R-4-215-37E, in the
Oil Center Blinby & ~~Turnice~~
Gryby, S.A. (1980/S, 1980/E)
I believe that there is an
exception to Rule 4 of R-408.
allow this well to share the
unit allowance with the #23

Thos D. [Signature]

- CASE 4602: Application of Tenneco Oil Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 104 B II, approval of an unorthodox Pennsylvanian oil well location for its Pah Well No. 1 located 1500 feet from the South line and 990 feet from the East line of Section 3, Township 25 North, Range 11 West, San Juan County, New Mexico.
- CASE 4603: Application of Tenneco Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sand Springs Unit Area comprising 2999 acres, more or less, of State lands in Townships 10 and 11 South, Ranges 34 and 35 East, Lea County, New Mexico.
- CASE 4563: *Cont
Oct. 27* Continued from the August 11, 1971 Examiner Hearing Application of Corinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, Double L-Queen Pool, Chaves County, New Mexico, with no gas-oil ratio limitation, strip the liquids, and institute a pressure maintenance project by the injection of all said gas back into the producing formation through her State Well No. 2 located in Unit B of said Section 1. Applicant further seeks to transfer an oil allowable from said Well No. 2 to said Well No. 1.
- CASE 4592: Continued from the September 15, 1971 Examiner Hearing Application of Gulf Oil Corporation for amendment of order permitting commingling of production, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4079, which order authorized the applicant to commingle production from the Hobbs (Grayburg-San Andres) and Hobbs-Blinbry Pools on its W. D. Grimes NCT-B Lease and to commingle production from said lease with the Hobbs (Grayburg-San Andres) Pool on its W. D. Grimes NCT-A lease, located in Sections 32 and 33, Township 18 South, Range 38 East, Lea County, New Mexico. Applicant seeks to allocate production to each lease and pool on the basis of by-monthly tests rather than monthly tests.

Docket No. 21-71

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 29, 1971

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

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

- CASE 4604: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider the consolidation of the Eunice and Monument areas of the Eunice Monument Pool (Grayburg-San Andres), Lea County, New Mexico, and the ascertainment of a common efficient gas-oil ratio limitation for the consolidated area.
- CASE 4598: Application of Continental Oil Company for an exception to Order No. R-2408, and for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Meyer B-4 Well No. 28 in Unit R of Section 4, Township 21 South, Range 36 East, as the second well on an 80-acre proration unit in the Oil Center-Blinebry Pool and to complete said well as a dual completion (conventional) to produce oil from said Oil Center-Blinebry Pool and the Eunice Grayburg-San Andres Pool through parallel strings of tubing.
- CASE 4599: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its SEMU Well No. 61 located in Unit P of Section 15, Township 20 South, Range 37 East, as a dual completion to produce gas from the Weir-Drinkard Pool through tubing and gas from the Weir-Blinebry Pool through the casing-tubing annulus.
- CASE 4600: Application of El Paso Natural Gas Company for a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard gas proration unit comprising the NW/4, N/2 SW/4, SW/4 SW/4, and NW/4 NE/4 of Section 22, Township 17 South, Range 29 East, Grayburg-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to its Leonard State "Com" Well No. 1 located in Unit E of said section.
- CASE 4601: Application of Humble Oil & Refining Company for the re-dedication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3700, to permit the simultaneous dedication of the standard 640-acre Eumont gas proration unit authorized therein to its New Mexico "G" State Wells 2 and 6 located in Units P and M respectively of Section 26, Township 21 South, Range 36 East, Lea County, New Mexico rather than Wells 2 and 4 as at present.

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. 2727
Order No. R-2408

APPLICATION OF CONTINENTAL OIL COMPANY
FOR ESTABLISHMENT OF SPECIAL RULES AND
REGULATIONS FOR THE OIL CENTER-BLINEBRY
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 3, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of January, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, seeks the promulgation of Special Rules and Regulations for the Oil Center-Blinebry Pool in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, to provide for 80-acre spacing units and uniform well spacing in said pool.

(3) That the information presently available concerning the reservoir characteristics of the Oil Center-Blinebry Pool indicates that the pool can be efficiently and economically drained on 80-acre proration units.

(4) That the evidence concerning reservoir characteristics justifies the establishment of 80-acre proration units for a temporary one-year period.

(5) That all wells previously drilled in the Oil Center-Blinebry Pool will conform to a uniform spacing pattern and that

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CASE No. 2727
Order No. R-2408

continued development of the pool with uniform spacing of wells will result in a more efficient depletion of the reservoir, thereby preventing waste and protecting correlative rights.

(6) That during the one-year period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing in January, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Oil Center-Blinebry Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
OIL CENTER-BLINEBRY POOL

RULE 1. Each well completed or recompleted in the Oil Center-Blinebry Pool or in the Blinebry formation within one mile of the Oil Center-Blinebry Pool and not nearer to or within the limits of another designated Blinebry pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of two governmental quarter-quarter sections, or lots, joined by a common bordering side and lying within a single governmental quarter-section; or, in irregular sections, lying within a single governmental quarter-section or within the northeast 160 acres or the northwest 160 acres of the irregular section.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of the unit. No non-standard unit containing less than 80 acres shall be enlarged to form a standard size unit except after notice and hearing.

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CASE No. 2727
Order No. R-2408

RULE 4. (a) In Township 21 South, all wells on an 80-acre proration unit shall be located in either the NE/4 or SW/4 of a governmental quarter-section; or, in irregular governmental sections, on an odd-numbered lot.

RULE 4. (b) In Township 20 South, all wells on an 80-acre proration unit shall be located in either the NW/4 or SE/4 of a governmental quarter-section.

RULE 5. No well shall be located nearer than 330 feet to the boundary line of the quarter-quarter section or lot on which it is situated.

RULE 6. An 80-acre proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.33 for allowable purposes, effective February 1, 1963. The allowable assigned to any unit containing less than 79 or more than 81 acres shall bear the same ratio to a standard 80-acre allowable as the acreage in such unit bears to 80 acres. If a proration unit contains more than one well, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

(2) That this case shall be reopened at an examiner hearing in January, 1964, at which time the operators in the subject pool may appear and show cause why the Oil Center-Blinebry Pool should not be developed on 40-acre proration units.

(3) That any operator desiring to dedicate 80 acres to a well in the Oil Center-Blinebry Pool shall file a new Form C-128 showing thereon the acreage to be dedicated to the well and a Form C-116 for a re-test of said well at a daily rate not to exceed 105 barrels of oil per day with the Commission on or before January 31, 1963.

(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

JACK M. CAMPBELL, Chairman

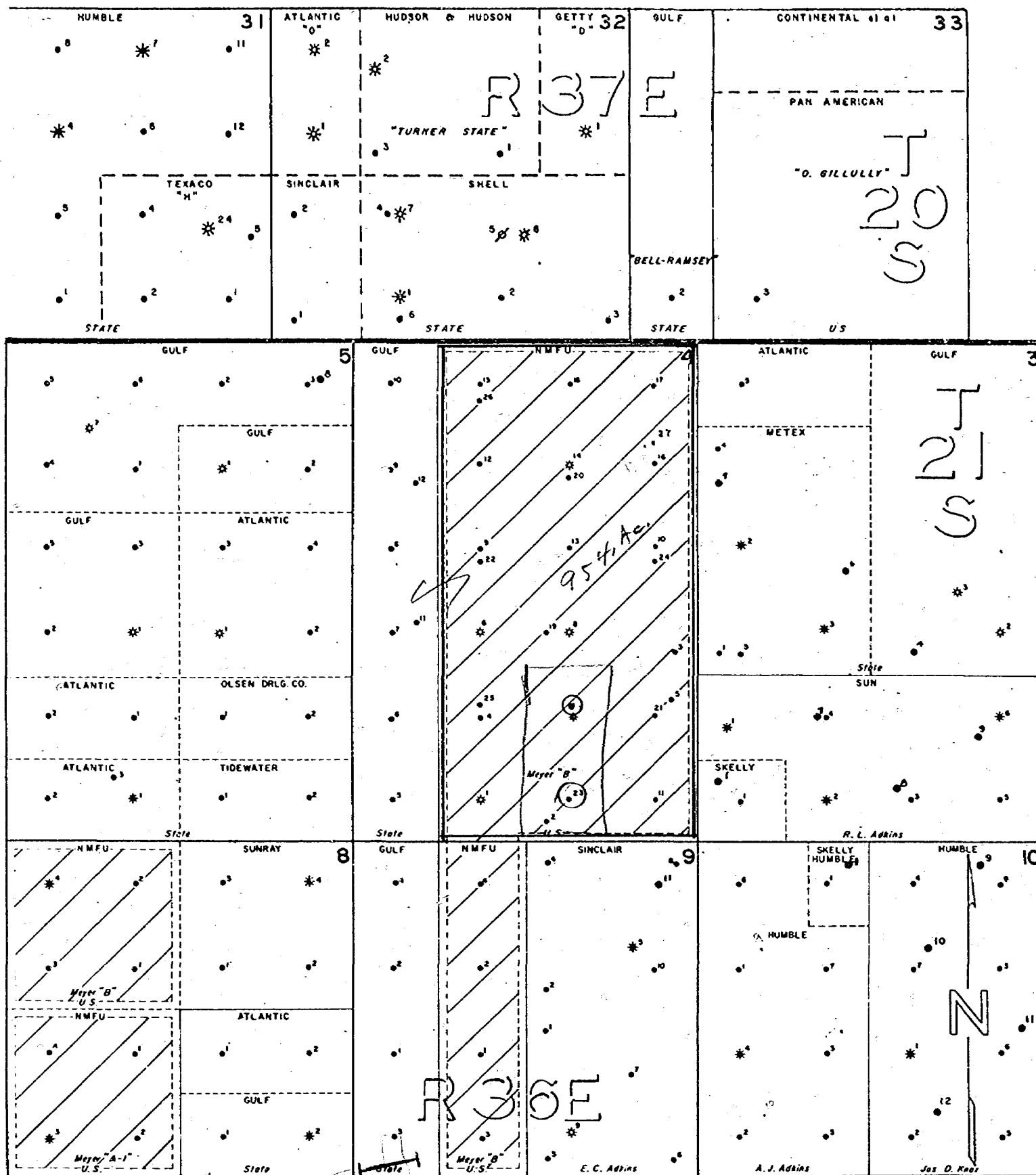
E. S. WALKER, Member

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

S E A L

esr/

2 For exception to order no. 7408 in order to drill
Meyer B-4 and 28 in unit R section 4, T21S, R36E
as the second well on an 80-acre proration unit
and for authority to dually complete said well
as an Oil Center, Blinberry and Eunice, Gradyburg-
Salt Andres oil pools in a conventional manner,



2080/5
1980/5

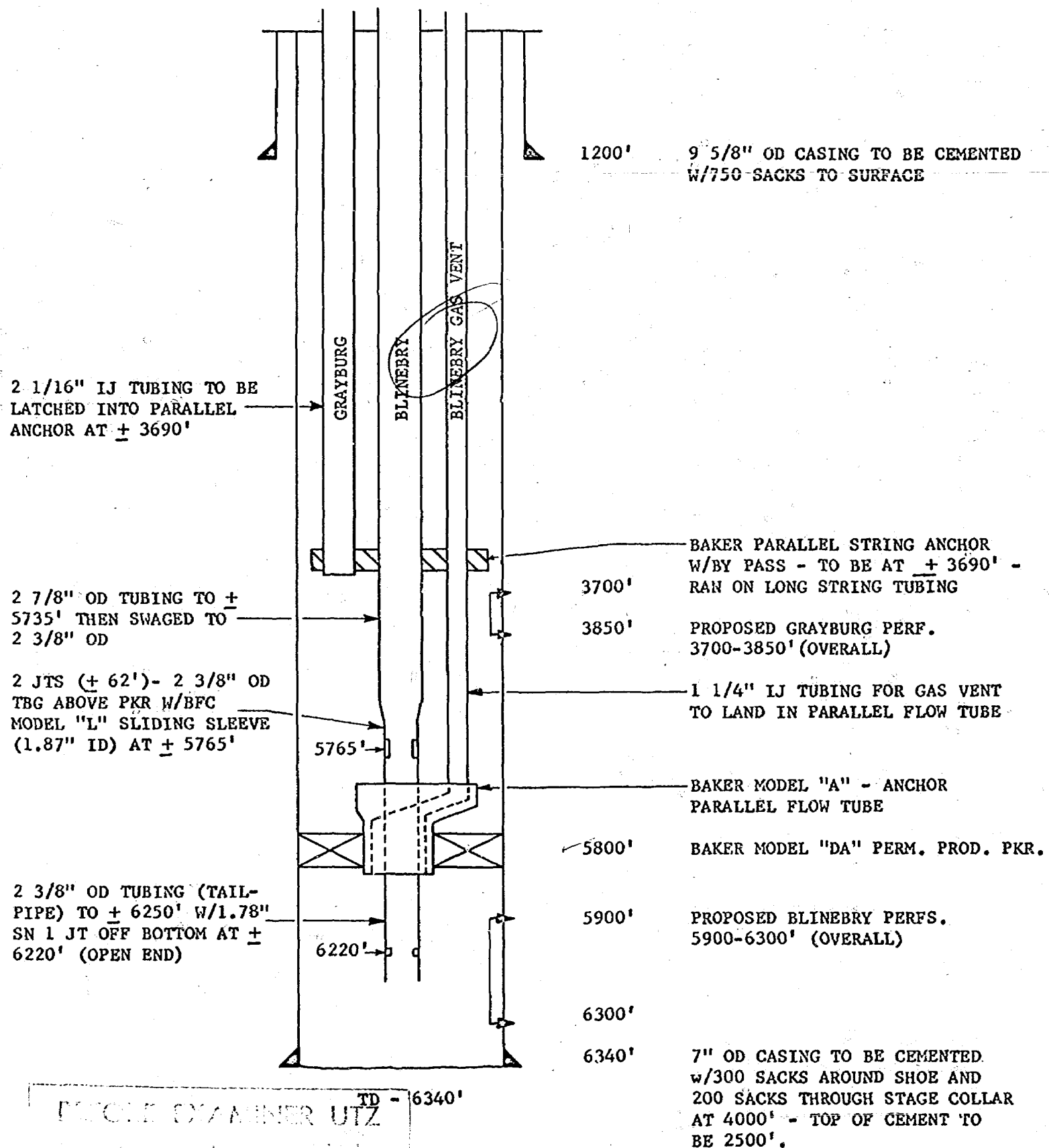
FIGURE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
NO. 4598

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DISTRICT

SCALE
0 1000' 2000'

RL

MEYER B-4 NO. 28



PEOPLE EXAMINER UTZ

DATE 2

CASE NO. 4598



L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P. O. 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

RECEIVED
SEP 17 1971

OIL CONSERVATION COMMISSION

Case 4598

September 8, 1971

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Gentlemen:

Applications for September 29, Examiner Hearing

Enclosed are two applications for inclusion on your September 29, 1971, Examiner Hearing Docket. One is the application to dually complete the SEMU No. 61 - P-15-20-37 as a gas-gas dual completion in the Weir Blinebry and Weir Drinkard Pools and for exception to Rule 107(d)(2) for the Blinebry Zone. The other is for exception to Order No. R-2408 to permit the drilling of Meyer B-4 No. 28 - R-4-21-36 as the second well on a 80-acre proration unit and to dually complete said well in the Oil Center, Blinebry and Eunice, Grayburg-San Andres Oil Pools.

Please set these matters for hearing on the September 29, 1971, Examiner Docket.

Yours very truly,

rw
Enc
CC + enc:
New Mexico Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

RLA: JJB: JWK:

DOCKET MAILED

Date 9-17-71

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL OIL COMPANY FOR
EXCEPTION TO ORDER NO. R-2408
TO DRILL ITS MEYER B-4 WELL NO.
28 IN THE NW/4 SW/4 OF SECTION
4, TOWNSHIP 21 SOUTH, RANGE 36
EAST, LEA COUNTY, NEW MEXICO
AND TO DUALY COMPLETE SAID
WELL IN THE OIL CENTER, BLINEBRY
AND EUNICE GRAYBURG-SAN ANDRES
OIL POOLS THROUGH PARALLEL
TUBING STRINGS

Case
4548

A P P L I C A T I O N

Applicant, Continental Oil Company, hereby requests exception to Order R-2408 for authority to drill its Meyer B-4 Well No. 28 in the NW/4 SE/4 Section 4, Township 21 South, Range 36 East, Lea County, New Mexico and to dually complete said well in the Oil Center, Blinebry and Eunice, Grayburg-San Andres Oil Pools through parallel tubing strings and in support thereof would show:

1. Applicant is operator and co-owner of the Meyer B-4 Lease consisting of the E/2 and E/2 W/2 of Section 4, an irregular section containing approximately 954-acres.
2. Applicant has heretofore drilled its No. 7 Well at a location 1980' from the South line and 1980' from the East line of said Section 4 and completed said well as a Eunice, Grayburg-San Andres Oil Well and subsequently recompleted same as a Eumont Gas Well.
3. Applicant has completed its Meyer B-4 No. 23 located 660' from the South line and 1980' from the East line of said Section 4 as an Oil Center, Blinebry Pool Well and allocated thereto the W/2 SE/4 of said Section 4.
4. Applicant now desires to drill its Meyer B-4 No. 28 Well at a standard location in the NW/4 SE/4 of said Section 4 and dually complete said well in the Oil Center, Blinebry and Eunice, Grayburg-San Andres Oil Pools in a conventional manner.
5. Applicant proposes that the said Well No. 28 would share the 80-acre proration unit and allowable with Well No. 23.
6. That the granting of this application would prevent waste and would not impair correlative rights.

DOCKET MAILED

Date 9-17-71

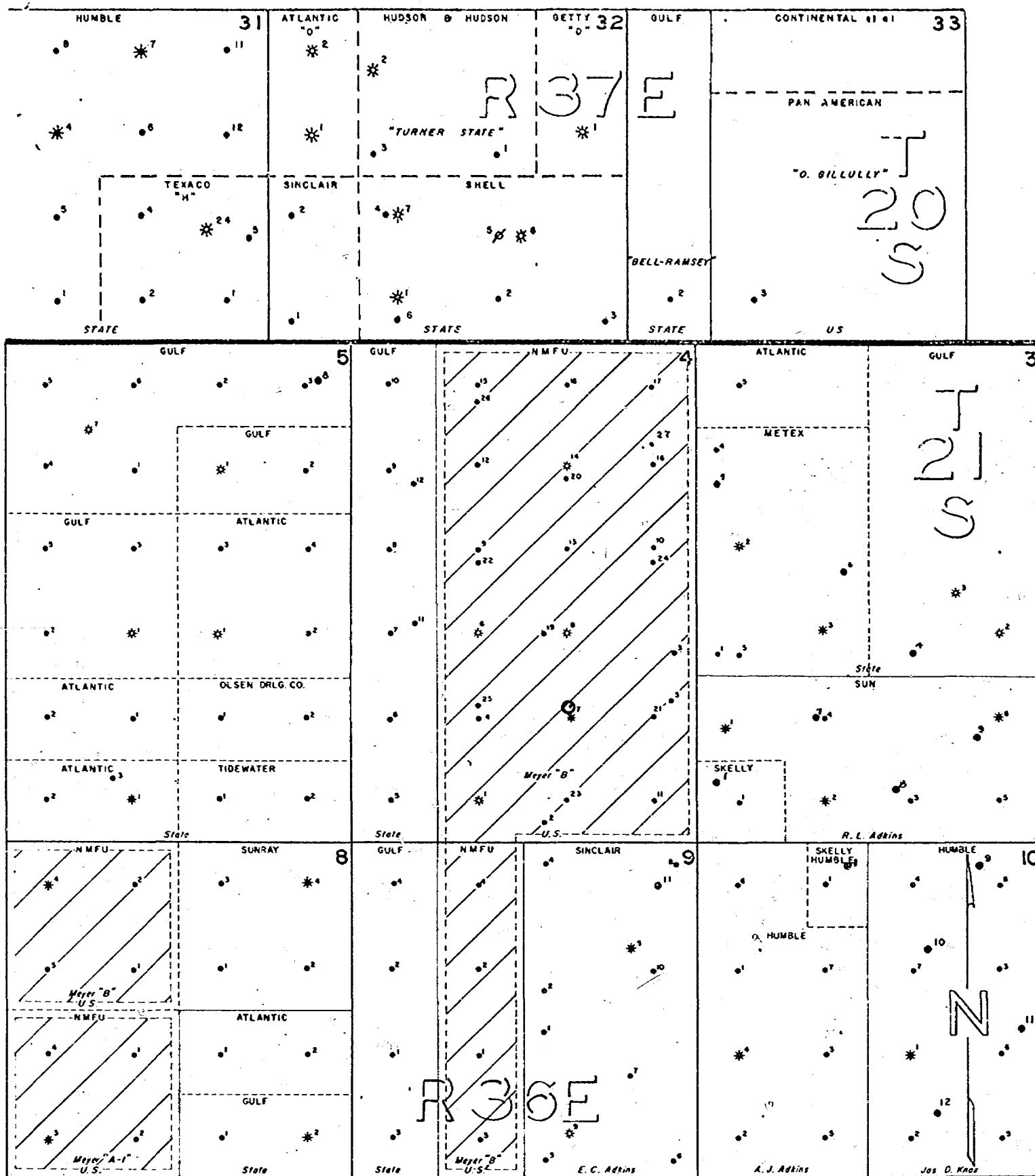
WHEREFORE, Applicant respectfully requests that this matter be set for hearing before the Commission's duly appointed Examiner and upon hearing an order be entered authorizing the drilling and dual completion of the Meyer D-4 No. 28 as described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY


L. P. Thompson

rw



CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DISTRICT

SCALE
0 1000' 2000'

RL

DRAFT

GMH/dr

(Handwritten initials)

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:

(Handwritten initials)

(Handwritten signature)

CASE No. 4598

Order No. R- 4210

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN EXCEPTION TO ORDER
NO. R-2408, AND FOR A DUAL COMPLE-
TION, LEA COUNTY, NEW MEXICO.

(Handwritten initials)

(Handwritten signature)
10-15-71

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1971,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of October, 1971, 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
operator of an 80-acre oil proration unit in the Oil Center-Blinebry
Pool comprising the W/2 SE/4 of Section 4, Township 21 South,
Range 36 East, Lea County, New Mexico, dedicated to its Meyer
B-4 Well No. 23, located 660 feet from the South line and 1980
feet from the East line of said Section 4.

-2-

CASE NO. 4598

Order No. R-

(3) That the applicant seeks an exception to Order No. R-2408, which order established special rules and regulations for the Oil Center-Blinebry Pool, to permit the drilling of its Meyer B-4 Well No. 28 as a second well on the above-described proration unit at an unorthodox location 2230 feet from the south line and 1980 feet from the East line of said Section 4.

(4) That the applicant seeks to simultaneously dedicate the above-described Oil Center - Blinebry Pool proration unit to its Meyer B-4 Wells Nos 23 and 28 with the assignment of a single 80-acre Oil Center-Blinebry Pool allowable to the unit and authority to produce any or all of the allowable from either well.

(5) That the applicant further seeks authority to complete the above-described Well No. 28 as a dual completion (conventional) to produce oil from the Oil Center-Blinebry Pool and the Eunice Grayburg-San Andres Pool through parallel strings of tubing with separation of zones by a packer set at approximately 5,800 feet.

(6) That approval of the subject application will prevent the drilling of unnecessary wells, will avoid the augmentation of risk arising 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 subject pools, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby granted an exception to the Special Rules and Regulations for the Oil Center-Blinebry Pool, promulgated by Order No. R-2408, to drill its Meyer B-4 Well No. 28 at an unorthodox location

-3-
CASE NO. 4598
Order No. R-

2230 feet from the South line and 1980 feet from the East line Section 4, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, as a second well on its proration unit comprising the W/2 SE/4 of said Section 4.

(2) That the applicant is hereby authorized to simultaneously dedicate the W/2 SE/4 of Section 4, Township 21 South, Range 36 East to its Meyer B-4 Wells Nos. 23 and 28 located, respectively,

660 feet from the South line and 1980 feet from the East line and 2230 feet from the South line and 1980 feet from the East line of said Section 4,

that a single 80-acre Oil Center-Blinebry Pool allowable shall be assigned to said 80-acre unit; and that the applicant is hereby authorized to produce any or all of the Oil Center-Blinebry allowable from either well in any proportion.

(3) That the applicant, Continental Oil Company, is hereby authorized to complete its above described Meyer B-4 Well No. 28, located in Unit R of Section 4, Township

21 South Range 36 East NMPM, Lea County, New Mexico

Mexico, as a dual completion (conventional) oil to produce gas and the Eunice Grayburg-San Andres from the Oil Center-Blinebry Pool/ Pool through

parallel strings of tubing with separation of zones

by a packer set at approximately 5800 feet

parallel strings of tubing.
from the Oil Center-Blinebry Pool / Pool through
and the Eunice Grayburg-San Andres
Mexico, as a dual completion (conventional) to produce gas
OTT

(3) That the applicant, Continental Oil Company
is hereby authorized to complete its ^{above described} ~~Meyer B-4~~
Well No. 28, located in Unit R of Section 4, Township

21 ~~North~~ ^{South} Range 36 East NMPM, Lea County, New

Mexico, as a dual completion (conventional) oil
~~combination~~ ^{completion} to produce ~~gas~~
~~production~~ and the Eunice Grayburg-San Andres
from the Oil Center-Blinebry Pool/ Pool through

parallel strings of tubing with separation of zones
by a packer set at approximately 5800 feet

PROVIDED HOWEVER, that the applicant shall complete, operate,
and produce said well in accordance with the provisions of Rule
112-A of the Commission Rules and Regulations insofar as said rule
is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take ~~zone-segregation~~ packer-leakage
tests upon completion and annually thereafter during the Annual
Gas-Oil Ratio Test Period for the Oil Center-Blinebry Pool, ^{and the Eunice} ~~Grayburg-San Andres~~
~~Deliverability~~ ^{Pool}.

(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 herein-
above designated.

Order No. R-2408

APPLICATION OF CONTINENTAL OIL COMPANY FOR AN EXCEPTION TO ORDER
NO. R-2408, AND FOR A DUAL COMPLETION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
September 29, 1961, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this day of October, 1961, 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,
an exception to Order No. R-2408, and
seeks authority to complete its Meyer B-4

Well No. 28, located in Unit R of Section 4, Township

21 South, Range 36 East, NMPM, Lea County, New
~~North~~ ~~West~~

Mexico, as a dual completion (conventional) oil
~~combination~~ to produce ~~gas~~
~~and the~~ and the Eunice Grayburg-San Andres
from the Oil Center-Blinebry Pool / Pool through
parallel strings of tubing.

CASE 4599: Appli: of CONEINTNAL
OIL CO. FOR A DUAL COMPLETION,
LEA COUNTY, NEW MEXICO