

CASE 4644: Appli. of CONTINENTAL
FOR 4 NON-STANDARD GAS PRORATION
UNITS & REDEDICATION OF ACREAGE.

DOCKET MAILED

12-21-71

Date

John V. [unclear]

Case Number
4644

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
January 5, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil
Company for four non-standard gas
proration units and rededication
of acreage, Lea County, New Mexico.)

Case 4644

BEFORE: Daniel S. Nutter,
Alternate Examiner.

TRANSCRIPT OF HEARING

1 MR. NUTTER: Case No. 4644.

2 MR. HATCH: Case 4644, Application of Continental Oil
3 Company for approval of non-standard gas proration units in the
4 Meyer A-29 Lease wells 3, 4, 5, and 9.

5 MR. KELLIHAN: I am Jason Kellihan, Kellihan & Fox,
6 Santa Fe, appearing for the Applicant.

7 We have one witness I would like to have sworn.

8 (Whereupon three Applicant's exhibits were marked for
9 identification.)

10 VICTOR T. LYON

11 a witness, having been first duly sworn according to law, upon
12 his oath, testified as follows:

13 DIRECT EXAMINATION

14 BY MR. KELLAHIN

15 Q Would you state your name, please?

16 A Victor T. Lyon.

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

18 A I am employed by Continental Oil Company as a conservation
19 coordinator in the Hobbs Division office.

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

22 A Yes, I have.

23 Q Are the witness' qualifications acceptable?

24 MR. NUTTER: Yes.

25 Q (By Mr. Kellahin) What is proposed by Applicant's exhibit in

1 Case 4644?

2 A Case 4644 is the Application of Continental Oil Company for
3 approval of four non-standard gas proration units in the
4 Meyer A-29 lease Jalmont Gas Pool for its wells 3, 4, 5,
5 and 9, all located in Section 29, Township 22 South, Range
6 36 East, Lea County, New Mexico.

7 Q Referring to Applicant's Exhibit 1, would you identify that
8 exhibit?

9 A Exhibit No. 1 is a location plat showing the four wells
10 circled in red, the Meyer A-29 Lease, which consists of all
11 of Section 29, and the immediately surrounding areas.

12 Well No. 3 is shown located 660 feet from the south
13 line and 1,980 feet from the west line in the unit. In
14 Well No. 4 it is located 1,980 feet from the south line;
15 660 feet from the west line in the unit L, Well No. 5 is
16 located 990 feet from the north and east lines and is
17 located in Unit A; Well No. 9 is located 1,980 feet from
18 the north line, 990 feet from the west line in Unit I.

19 Q Would you give the location of No. 3 again, please?

20 A No. 3 is located 660 from the south 1,980 from the west.

21 Q Thank you.

22 A Unit N. We also show the proposed gas proration units
23 outlined in red.

24 We propose to allocate to No. 3, 240 acres consisting
25 of the southeast quarter and the east half of the southwest

1 quarter; to No. 4 we propose to allocate 80 acres consist-
2 ing of the west half of the southwest quarter--to No. 5 we
3 propose to allocate 80 acres consisting of the east half of
4 the northeast quarter; and to Well No. 9, 240 acres
5 consisting of the northwest quarter and the west half of
6 the northeast quarter.

7 At the present time, Well No. 3 has 360 acres alloca-
8 ted to it, consisting of the southeast quarter, the east
9 half of the west half and the southwest quarter, southwest
10 quarter.

11 Well No. 4 presently has 120 acres consisting of the
12 west half of the northwest quarter and the northwest
13 quarter of the southwest quarter.

14 Well No. 5 has 160 acres consisting of the northeast
15 quarter.

16 You will note that the plat shows a well No. 1 located
17 in Unit 0.

18 This well was formerly the A-Jalmat gas well, and is
19 now shut-in, has not been capable of producing for several
20 years.

21 Although they are not shown on the plat, there are
22 four additional wells on the lease.

23 No. 2, which is located in Unit M, and wells No. 6, 7,
24 and 8, located in Units A, H, and I, respectively.

25 Well No. 2 was formerly the A-Jalmat oil well and was

1 recently deepened in order to--in an attempt to establish a
2 water supply in the Lower Seven Rivers Formation, but we
3 found that the water production was not of sufficient
4 quantity to provide the water which we needed for our water
5 flood.

6 Wells No. 6, 7, and 8 are the south unit oil wells
7 and are now a part of the south Eunice unit.

8 Q Referring to what has been marked Exhibit No. 2, would you
9 identify that exhibit?

10 A Exhibit No. 2 is a copy of a portion of the side wall
11 neutron porosity log run in the Meyer A-29 No. 9, which was
12 recently drilled as a Jalmont oil well.

13 At least this was the objective.

14 We found the objective formation wet, and consequently
15 a ridge plug was set or a cement retainer was set at 3,367,
16 and the perforations below were squeezed with 150 sacks of
17 cement.

18 That was then perforated with 50 shots, and in the
19 interval, 326 to 3252, and stimulated, and was completed
20 November 19th, 1971, at a gas rate of 600 Mcf per day tubing
21 pressure, 200 pounds multipoint back pressure test has not
22 been conducted on the well pending its connection to El
23 Paso Natural Gas Gathering System.

24 Q Now, referring to what has been marked as Exhibit No. 3,
25 would you identify that exhibit?

1 A Exhibit 3, No. 3, is a tabulation showing the production by
2 months of wells 3, 4, and 5 during the year 1971 through
3 November.

4 You will note that Well No. 3A had 200,806 Mcf per
5 month and had a high month of 3,052.

6 Well No. 4 averaged 562 Mcf per month and had a high
7 month of 783.

8 Well No. 5 averaged 308 Mcf per month, had a high
9 month of 383.

10 It is quite obvious that Well No. 3 is quite a bit
11 stronger than the other two wells.

12 Consequently, we have allocated a larger share of the
13 acreage to that well than to the other two.

14 Well No. 9 appears to be the strongest well on the
15 lease, and therefore we have allocated to it a larger
16 proration unit.

17 Q You have no production history on No. 9 as yet?

18 A No.

19 Q The other three wells are classified as marginal, are they
20 not?

21 A Yes.

22 Q Would they remain marginal, in your opinion, with re-alloca-
23 tion of acreage at the present time?

24 A I really doubt that any of the three wells will be able to
25 produce their allowable. I do feel that No. 9 can produce

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18 A No.

19 Q The other three wells are classified as marginal, are they
20 not?

21 A Yes.

22 Q Would they remain marginal, in your opinion, with re-alloca-
23 tion of acreage at the present time?

24 A I really doubt that any of the three wells will be able to
25 produce their allowable. I do feel that No. 9 can produce

1 its allowable, but I would suggest that since the units are
2 being reduced on all of the three existing wells that they
3 be classified non-marginal to be reclassified when their
4 production history under their new allowable would make this
5 normally done.

6 Q You anticipate there will be a reduction in the gathering
7 line pressures?

8 A Yes, we are told that El Paso is working toward reducing
9 their gathering line pressure to 50 pounds within the next
10 one to two years, and when that occurs, these wells may be
11 able to produce their allowable.

12 Q Are you proposing today that these wells all be carried on
13 the proration schedule as non-marginal wells?

14 A I would suggest that in view of the change in their unit
15 that they all be reclassified to non-marginal.

16 Q Reclassified on the basis of their productive history in
17 the future?

18 A Yes.

19 Q And in the interest of prevention of waste?

20 A Yes, I believe that it will permit the production of gas
21 that very possibly would not be produced otherwise, and
22 more nearly allocates the allowable with the producing
23 capacity of the wells.

24 Q Were Exhibits 1 and 2 and 3 prepared by you?

25 A Yes.

1 Q I would like to offer in evidence Exhibit 1, 2, and 3,
2 Continental Exhibit 1 and 2 and 3.

3 MR. NUTTER: Continental Exhibit's 1, 2, and 3 will be
4 in evidence.

5 MR. HINKLE: That is all we have, Mr. Nutter.

6 CROSS-EXAMINATION

7 BY MR. NUTTER

8 Q Mr. Lyon, I have as much as three wells that are currently
9 classified as marginal. They have no status?

10 A That is true.

11 Q We can start the new dedication of acreage with a zero
12 status for all of the wells, and if they make their allowable,
13 they can gain a status?

14 A Right.

15 MR. NUTTER: Are there any further questions of Mr.
16 Lyon?

17 MR. HATCH: I have a couple.

18 CROSS-EXAMINATION

19 BY MR. HATCH

20 Q Are there orders, administrative orders setting forth the
21 acreage on 3, 4, and 5? Do you have those with you?

22 A I don't believe I brought them with me. I looked those up.

23 I could not find any order on No. 5. I think that
24 unit must have been in existence since proration was
25 instituted, but I would be glad to supply those numbers to

1 you, if you would like, but I don't seem to have them with
2 me.

3 Q No. 5 was a 160 acre unit?

4 A Yes.

5 Q Probably was grandfathered in a lot of 160 acre units when
6 proration started?

7 A There was no order in the file, in our file.

8 Q But you do have an order number for the No. 3 and the No. 4?

9 A Yes, No. 3 was established in connection with three other
10 gas proration units, not only this lease or, two other
11 proration units.

12 The order seems to me it was R-771. I'm not sure.

13 Q You can look up those two orders and furnish us the numbers?

14 A Yes, I would be glad to.

15 MR. NUTTER: If there is no further questions, the
16 witness may be excused.

17 We will take the case under advisement and call Case No.
18 4639.
19
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dearnley-meier reporting service

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FIRST NATIONAL BANK BLDG., EAST • ALBUQUERQUE, NEW MEXICO 87108

PAGE 11

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

4 I, RICHARD STURGES, a Certified Shorthand Reporter, in and
5 for the County of Bernalillo, State of New Mexico, do hereby
6 certify that the foregoing and attached Transcript of Hearing
7 before the New Mexico Oil Conservation Commission was reported
8 by me; and that the same is a true and correct record of the said
9 proceedings to the best of my knowledge, skill and ability.

10 
11 CERTIFIED SHORTHAND REPORTER

12
13
14
15
16
17
18
19
20
21
22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the hearing of Case No. 4644,
25 heard by me on 1/5, 1927.


New Mexico Oil Conservation Commission

I N D E XWITNESSPAGE

VICTOR T. LYON

Direct Examination by Mr. Kellahin

3

Cross-Examination by Mr. Nutter

9

Cross-Examination by Mr. Hatch

9

E X H I B I T SAPPLICANT'SMARKEDOFFERED AND
ADMITTED

Exhibit No. 1

4

9

Exhibit No. 2 & 3

6

9



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

January 12, 1972

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

Re: Case No. 4644
Order No. R-4241
Applicant:

Continental Oil Company

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC **X**

Artesia OCC

Aztec OCC

Other

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 4644
Order No. R-4241

APPLICATION OF CONTINENTAL OIL
COMPANY FOR FOUR NON-STANDARD GAS
PRORATION UNITS AND REDEDICATION
OF ACREAGE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 5, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of January, 1972, 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, seeks the rededication of certain acreage and the establishment of the following non-standard gas proration units for wells on its Meyer A-29 Lease in Section 29, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico:

- (a) a 240-acre unit comprising the SE/4 and E/2 SW/4 to be dedicated to Well No. 3 in Unit N;
- (b) An 80-acre unit comprising the W/2 SW/4 to be dedicated to Well No. 4 in Unit L;
- (c) An 80-acre unit comprising the E/2 NE/4 to be dedicated to Well No. 5 in Unit A;

-2-

CASE NO. 4644

Order No. R-4241

- (d) A 240-acre unit comprising the NW/4 and W/2 NE/4 to be dedicated to Well No. 9 in Unit E.

(3) That each of the proposed non-standard gas proration units is productive of gas.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well to which it is to be dedicated.

(5) That approval of the proposed non-standard gas proration units will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

(6) That all provisions of Order No. R-1866 and Administrative Order NSP-486 issued by the Commission or Secretary-Director of the Commission that are inconsistent with the provisions of this order should be superseded.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units on the Continental Oil Company Meyer A-29 Lease in Section 29, Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, are hereby created:

- (a) A 240-acre unit comprising the SE/4 and E/2 SW/4 to be dedicated to Well No. 3 in Unit N;
- (b) An 80-acre unit comprising the W/2 SW/4 to be dedicated to Well No. 4 in Unit L;
- (c) An 80-acre unit comprising the E/2 NE/4 to be dedicated to Well No. 5 in Unit A;
- (d) A 240-acre unit comprising the NW/4 and W/2 NE/4 to be dedicated to Well No. 9 in Unit E.

(2) That the acreage factor for allowable purposes assigned to each of the above-described non-standard gas proration units shall bear the same ratio to the acreage factor for a standard gas proration unit as the acreage in said unit bears to the acreage in a standard gas proration unit for the Jalmat Gas Pool.

-3-

CASE NO. 4644
Order No. R-4241

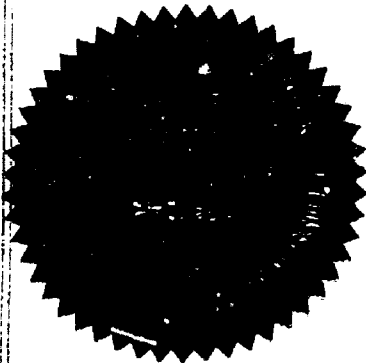
(3) That all provisions of Order No. R-1866 and Administrative Order MSP-486 issued by the Commission or Secretary-Director of the Commission that are inconsistent with the provisions of this order are hereby superseded.

(4) That the provisions of this order shall become effective February 1, 1972.

(5) 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. Armijo
ALEX J. ARMILLO, Member

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

S E A L

dr/

from

V. T. LYON

Jan 6, 1972

To D. S. Muller - NMOCC - Santa Fe

Re Case #4644

The existing NSP were authorized
as follows:

# 3	360 ac	R-1866
# 4	120 ac	NSP-486

Am feeling much better
today - but weak. Thanks for
getting me out early so I
wouldn't infect everybody.

Wic

RECEIVED

JAN 7 1972

CONSERVATION COMM,
SANTA FE

Docket No. 1-72

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 5, 1972

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

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

CASE 4621: (Continued from the November 10, 1971 Examiner Hearing)

Application of Jack L. McClellan for a dual completion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of his Bar-J Federal Well No. 1 located in Unit E of Section 15, Township 6 South, Range 27 East, Chaves County, New Mexico, in such a manner as to produce oil from an undesignated Siluro-Devonian pool through tubing and gas from the Haystack-Cisco Gas Pool through the casing-tubing annulus.

CASE 4609: (Continued from the November 17, 1971 Examiner Hearing)

Application of Jack L. McClellan for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sulimar-Queen Unit Area comprising 1520 acres, more or less, of Federal lands in Sections 13, 23, 24, 25, and 26 of Township 15 South, Range 29 East, and Sections 18 and 19 of Township 15 South, Range 30 East, Chaves County, New Mexico.

CASE 4482: (Reopened):

In the matter of Case 4482 being reopened pursuant to the provisions of Order No. R-4093, which order established 160-acre spacing units and established a maximum gas-oil ratio limitation of 3,000 cubic feet of gas for each barrel of oil produced for the Parkway-Strawn Pool, Eddy County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre or 80-acre spacing units and why the limiting gas-oil ratio should not revert to the statewide limit of 2,000 to one.

CASE 3709 (Reopened):

In the matter of Case 3709 being reopened pursuant to the provisions of Order No. R-3366-B, which order continued 80-acre spacing for the Akah Nez-Devonian Oil Pool, San Juan County, New Mexico, for an additional one-year period. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4638: Application of Holder Petroleum Corporation for downhole

(Case 4638 continued)

and surface commingling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Todd Lower-San Andres Pool and the Todd Upper-San Andres Gas Pool in the well-bores of its BA Wells Nos. 1 and 2, located respectively, in Units A and H of Section 34, Township 7 South, Range 35 East, Roosevelt County, New Mexico. Applicant further seeks authority to commingle, on the surface, production from said wells prior to measurement.

- CASE 4639: Application of Great Western Drilling Company to directionally drill, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill out its State Well No. 1, having a surface location 330 feet from the North and East lines of Section 17, Township 16 South, Range 35 East, Townsend-Morrow Gas Pool, Lea County, New Mexico, to a depth of approximately 8,000 feet and whipstock the well in a southwesterly direction to a bottom-hole location within the NE/4 of said Section 17 at a depth of approximately 11,800 feet.
- CASE 4640: Application of Amoco Production Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the East Gem-Yates Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 4641: Application of Reserve Oil and Gas Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its South Langlie Jal Unit Jalmat Waterflood Project, Jalmat Oil Pool, by the conversion of water injection of its Unit Well No. 23, located 2310 feet from the South and West lines of Section 17, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 4642: Application of Fluid Power Pump Company for special pool rules and a pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Media-Entrada Pool, including a provision for 160-acre spacing and proration units. Applicant further seeks authority to institute a pressure maintenance project in said pool by the injection of water into the Entrada formation through various wells located in Sections 10, 11, 22, and 23 of Township 19 North, Range 3 West, Sandoval County, New Mexico, and promulgation of rules for said project including a procedure whereby additional injection or production wells at orthodox or un-orthodox locations may be approved administratively.

CASE 4643: Application of Cities Service Oil Company for compulsory pooling and unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 19, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, to form a standard 320-acre proration unit for the production of gas from the Morrow formation with said unit to be dedicated to a well to be drilled at an unorthodox location 2173 feet from the North line and 1200 feet from the East line of said Section 19.

CASE 4644: Application of Continental Oil Company for four non-standard gas proration units and rededication of acreage, Lea County New Mexico. Applicant, in the above-styled cause, seeks the rededication of acreage and the establishment of the following-described non-standard gas proration units for wells on its Meyer A-29 Lease in Section 29, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico.

1. A 240-acre unit comprising the SE/4 and E/2 SW/4 to be dedicated to Well No. 3 in Unit N;
2. An 80-acre unit comprising the W/2 SW/4 to be dedicated to Well No. 4 in Unit L;
3. An 80-acre unit comprising the E/2 NE/4 to be dedicated to Well No. 5 in Unit A;
4. A 240-acre unit comprising the NW/4 and W/2 NE/4 to be dedicated to Well No. 9 in Unit E.

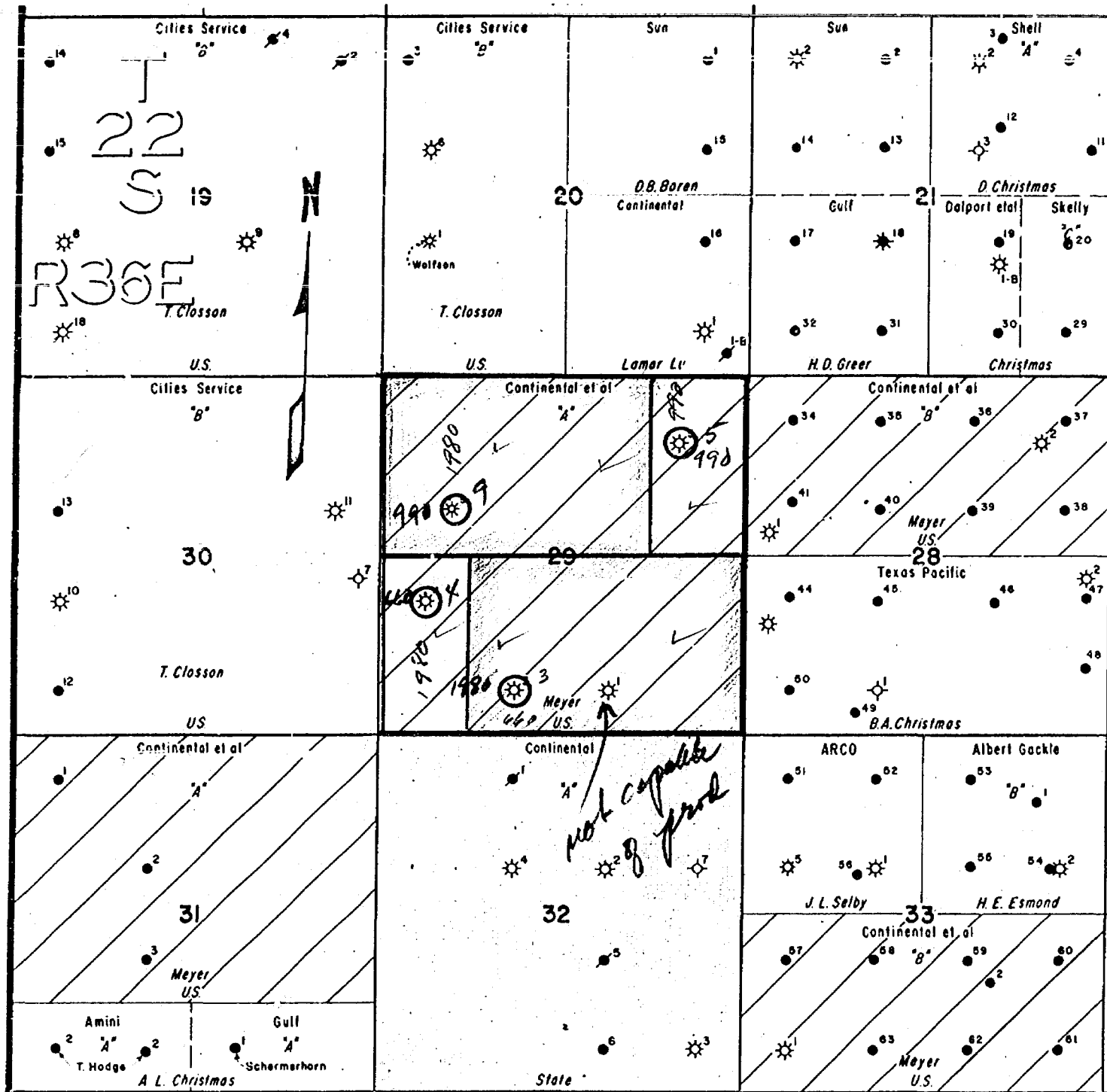
CASE 4563: (Continued from the December 1, 1971, Examiner Hearing) Application of Corrinne Grace for special gas-oil ratio limitation and pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce her State Well No. 1 located in Unit A of 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 4619: (Continued from the December 1, 1971, Examiner Hearing)

Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 25, Township 22 South, Range 26 East, which acreage is within one mile of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 25. 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 of supervision of said well.

CASE 4620: (Continued from the December 1, 1971, Examiner Hearing)

Application of Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface of the ground down to and including the Morrow formation underlying the N/2 of Section 24, Township 22 South, Range 26 East, which acreage is in the vicinity of the South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico. Said acreage to be dedicated to a well to be drilled to the Morrow formation at a location 1980 feet from the North and East lines of said Section 24. 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.



BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 1
CASE NO. 4644

CONOCO

PRODUCTION DEPARTMENT

HOBBS DIVISION

LEA COUNTY, NEW MEXICO
MEYER A-29 LEASE
JALMAT POOL
GAS PRODUCTION UNIT

SCALE
0' 1000' 2000'

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 76454

SCHLUMBERGER

SIDEWALL
NEUTRON POROSITY LOG

COMPANY CONTINENTAL OIL COMPANY

WELL MEYER A-29 #9

FIELD JALMAT

COUNTY LEA STATE NEW MEXICO

GAMMA RAY
API UNITS

DEPTHS

POROSITY INDEX (%)
LIMESTONE

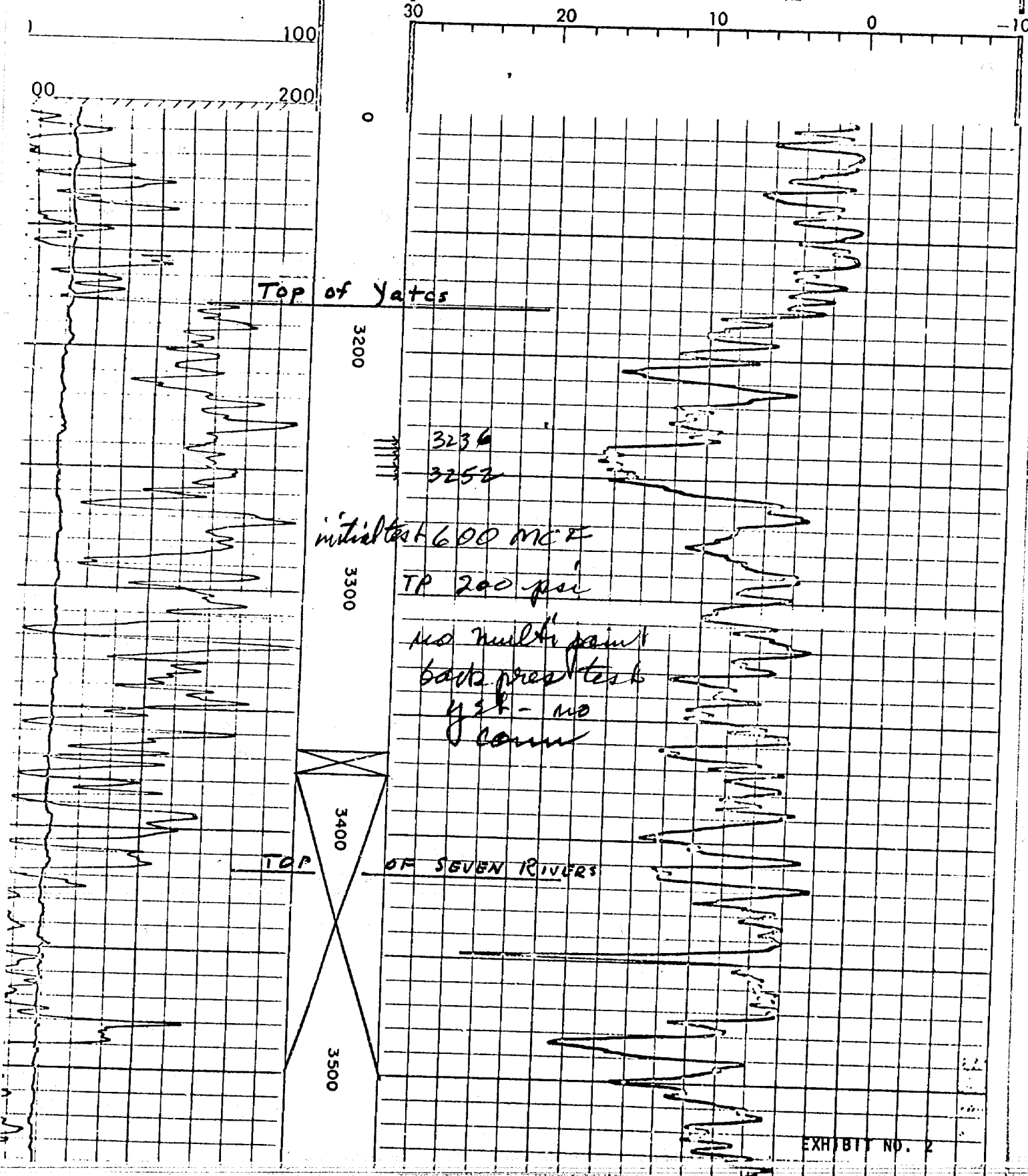


EXHIBIT NO. 2

MEYER A-29 LEASE
JALMAT GAS PRODUCTION 1971

Month	Well No. 3	Well No. 4	Well No. 5
January	2734	627	279
February	2572	662	257
March	3052	731	332
April	2966	783	338
May	3005	676	293
June	2858	527	270
July	2853	523	264
August	2573	399	292
September	2575	465	340
October	2855	415	339
November	2820	373	383
December	N A	N A	N A
Average/Month	2806	562	308
Highest Month	3052	783	383

	Old dedication	New dedication
# 3	360 acres	240
# 4	120 acres	80
# 5	160 acres	80
# 9	0	240
	<u>640</u>	<u>640</u>

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CA 4644



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
DEC 20 1971
N.M. CONSERVATION COMM.
SANTA FE

December 17, 1971

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

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

Gentlemen:

Application for Approval of Four Non-Standard Gas Proration Units in
The Jalmat Gas Pool

Forwarded herewith in triplicate is our application for approval of
four non-standard gas proration units for the wells on our Meyer A-29
Lease. Confirming our verbal request of December 15, it is respect-
fully requested that this matter be placed on your January 5, 1972,
Examiner Docket.

Yours very truly,

Js

RLA JJB JWK

Handwritten notes:
JW
OK
File Case
4644

DOCKET MARKED

Date 12-21-71

BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR THE
APPROVAL OF FOUR NON-STANDARD GAS
PRORATION UNITS IN THE JALMAT GAS
POOL FOR ITS MEYER A-29 WELLS NOS.
3, 4, 5, AND 9 IN SECTION 29, TOWNSHIP
22 SOUTH, RANGE 36 EAST,
LEA COUNTY, NEW MEXICO

Coc
4644

A P P L I C A T I O N

Continental Oil Company, Applicant, hereby requests approval of four non-standard gas proration units in the Jalmat Gas Pool for its Meyer A-29 Wells Nos. 3, 4, 5, and 9, located in Section 29, Township 22 South, Range 36 East, Lea County, New Mexico, and in support thereof would show:

1. Applicant is operator and co-owner of the Meyer A-29 Lease consisting of Section 29, Township 22 South, Range 36 East, Lea County, New Mexico.
2. Applicant has heretofore drilled and completed wells numbers 3, 4, and 5 on said lease as Jalmat gas wells and has allocated to them proration units of 360, 120, and 160 acres, respectively, as shown on the attached plat.
3. Applicant has recently drilled and completed as a Jalmat gas well its Meyer A-29 Well No. 9, located 1980 feet from the north line and 990 feet from the west line of said Section 29.
4. Applicant desires to allocate the acreage within the section as follows:

Well No. 3 - Unit N - 240 acres consisting of SE/4 and E/2 SW/4.

Well No. 4 - Unit L - 80 acres consisting of W/2 SW/4

Well No. 5 - Unit A - 80 acres consisting of E/2 NE/4.

Well No. 9 - Unit E - 240 acres consisting of NW/4 and W/2 NE/4.
5. That the proposed acreage allocations is reasonably in proportion to each well's ability to produce.

6. That the granting of this application will prevent waste and will not impair correlative rights.

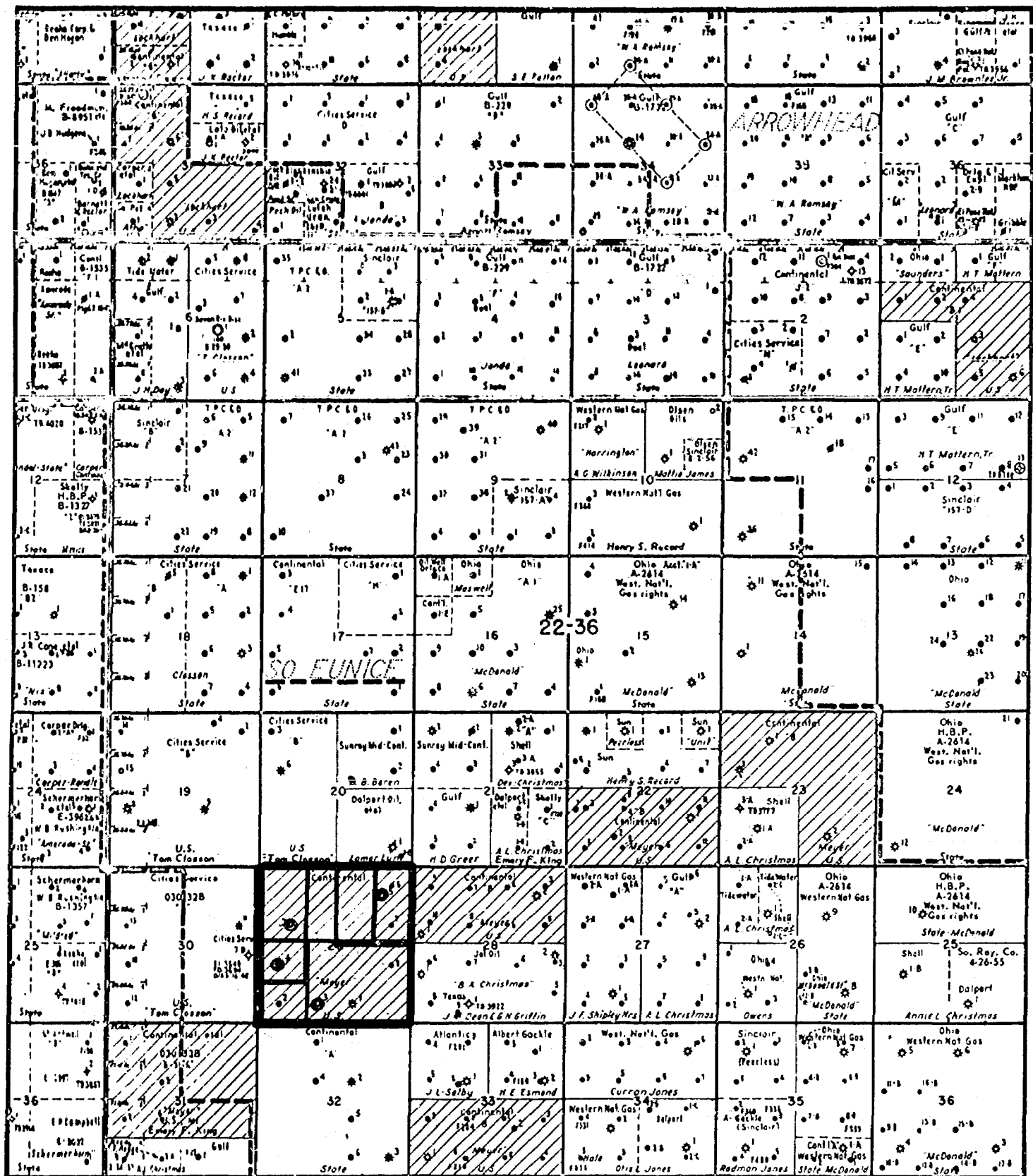
WHEREFOR, Applicant respectfully requests that this matter be set for hearing before the Commission's duly appointed examiner and that upon hearing an order be entered approving the non-standard gas proration units as described above.

Respectfully submitted,



L. P. Thompson
Division Manager
of Production

js



— EXISTING NON-STANDARD UNIT
 — PROPOSED NON-STANDARD UNIT
 ○ JALMAT GAS WELL

CONTINENTAL OIL COMPANY
 MEYER A-29 LEASE
 JALMAT POOL
 LEA COUNTY, N.M.

Case 4644

Check how Elsie
treats the classification
of wells when new
units are created.

George

DRAFT

GMH/dr

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. 4644

Order No. R-4241

APPLICATION OF CONTINENTAL OIL
COMPANY FOR FOUR NON-STANDARD GAS
PRORATION UNITS AND REDEDICATION
OF ACREAGE, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 5, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of January, 1972, 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, seeks the
rededication of certain acreage and the establishment of the
following non-standard gas proration units, ^{for wells on its mesa} Township 22 South,
Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico:

(a) a 240-acre unit comprising the SE/4 and E/2

SW/4 to be dedicated to Well No. 3 in Unit N;

done in 4/2/72

- (b) An 80-acre unit comprising the W/2 SW/4 to be dedicated to Well No. 4 in Unit L;
- (c) An 80-acre unit comprising the E/2 NE/4 to be dedicated to Well No. 5 in Unit A;
- (d) A 240-acre unit comprising the NW/4 and W/2 NE/4 to be dedicated to Well No. 9 in Unit E.

(3) That each of the proposed non-standard gas proration units is productive of gas.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well to which it is to be dedicated.

(5) That approval of the proposed non-standard gas proration units will afford the applicant the opportunity to produce its just and equitable share of the gas in the pool, and will otherwise prevent waste and protect correlative rights.

(6) That all provisions of *Order No. R-1866 and Administrative* ~~prior orders~~ issued by the Commission or Secretary-Director of the Commission that are inconsistent with the provisions of this order should be superseded.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas *on the Continental Oil Company No. 4-12 & Lease in Unit 27,* proration units ~~in~~ Township 22 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, are hereby created:

NSP-486

CASE NO. 4644
Order No. R-

- (a) A 240-acre unit comprising the SE/4 and E/2 SW/4 to be dedicated to Well No. 3 in Unit N;
- (b) An 80-acre unit comprising the W/2 SW/4 to be dedicated to Well No. 4 in Unit L;
- (c) An 80-acre unit comprising the E/2 NE/4 to be dedicated to Well No. 5 in Unit A;
- (d) A 240-acre unit comprising the NW/4 and W/2 NE/4 to be dedicated to Well No. 9 in Unit E.

(2) That the acreage factor for allowable purposes assigned to each of the above-described non-standard gas proration units shall bear the same ratio to the acreage factor for a standard gas proration unit as the acreage in said unit bears to the acreage in a standard gas proration unit for the Jalmat Gas Pool.

Order No. R-1866 and Administrative Order HSP-486
(3) That all provisions ~~of prior orders~~ issued by the Commission or Secretary-Director of the Commission that are inconsistent with the provisions of this order are hereby superseded.

(4) That the provisions of this order shall become effective February 1, 1972.

(5) 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.

Memo

From

JAMES H. CONNELLY JR.
GENERAL MANAGER

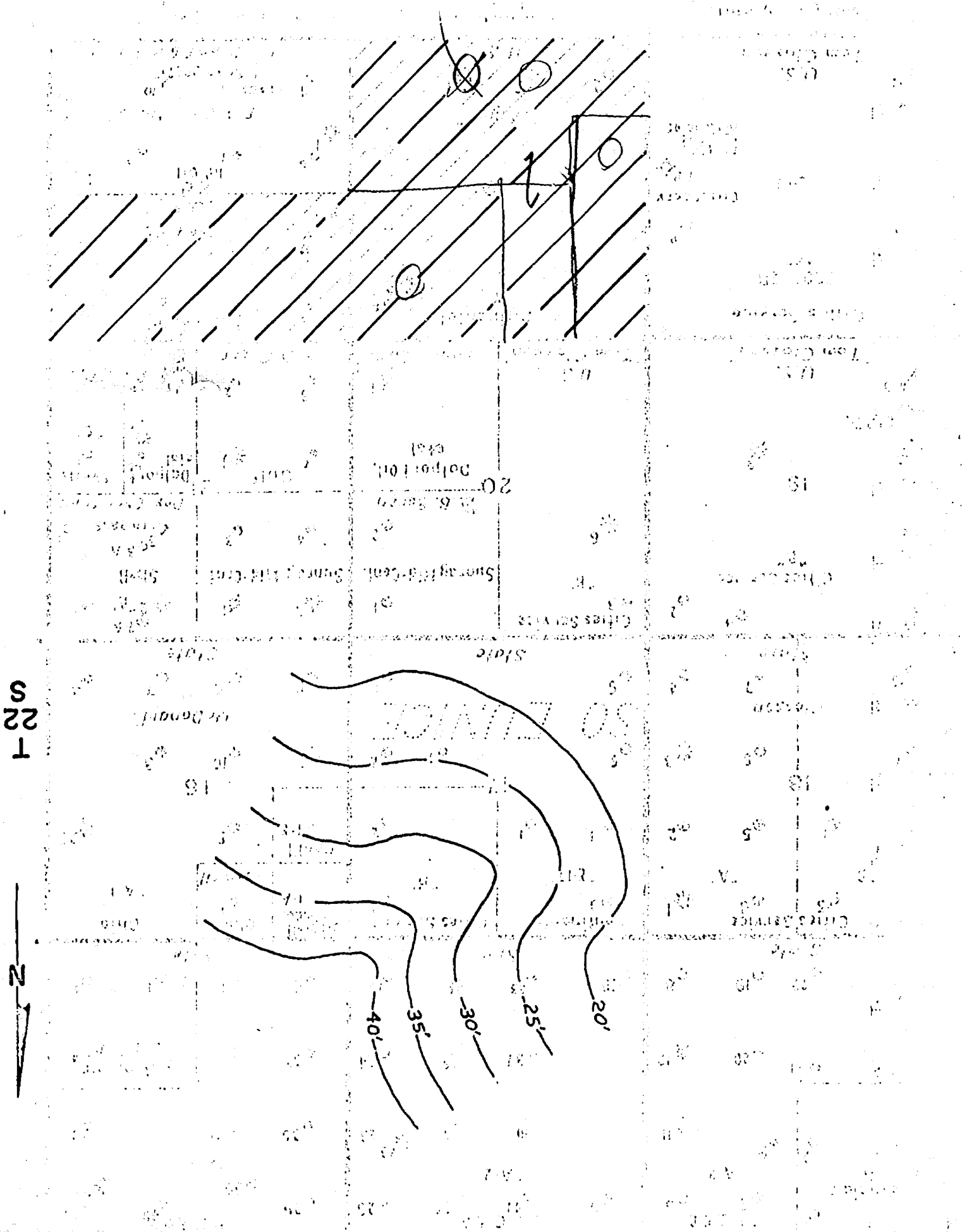
To

	#4		☀5
☀9			#8
☀4		#1	
#2	☀B		

CONTINENTAL OIL COMPANY	
Production Department	Eunice, New Mex.
ISOPACHOUS PLAT	
Seven Rivers & Queen	
State E-17 Lease	
Scale: 1" = 2000'	Cont. Int: 5'
Date: 5-31-63	Drawn By: MLC/Jofelts

R-36E

Subject Well
South Eunice Oil Well
Jalmat Gas Well



Continental Oil Co
Meyer A-29 Lease

approval of four non-standard gas production
units in Jalmat gas pool as follows:

well no 3	- unit N	240 acres	SE/4 and E/2 SW/4
well no 4	unit L	80 acres	W/2 SW/4
well no 5	unit A	80 acres	E/2 NE/4
(well no 9	unit E	240 acres	NW/4 and W/2 NE/4

^{new completion} all in section 29, T22S, R36E

Lea County, N.M.

**CASE 4645: Application of ACOMA
OIL CORP. FOR DOWN-HOLE COMMING-
LING, LEA COUNTY, NEW MEXICO.**