

Case Number

4858

Application
Transcripts.

Small Exhibits

ETC.

dearnley, meier & mc cormick reporting services, inc.

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87106

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
Santa Fe, New Mexico
Tuesday, November 14, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company
for two non-standard gas proration units,
Lea County, New Mexico.

Case No. 4858

BEFORE: Daniel S. Nutter,
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: We will call the next case, Case No.
2 4858, application of Continental Oil Company for two
3 non-standard gas proration units, Lea County, New Mexico.

4 MR. KELLAHIN: Thomas Kellahin of Kellahin and Fox,
5 Santa Fe, appearing for the applicant, Continental Oil Company,
6 and I have one witness to be sworn.

7 VICTOR T. LYON,
8 a witness, having been first duly sworn according to law, upon
9 his oath, testified as follows:

10 DIRECT EXAMINATION

11 BY MR. KELLAHIN:

12 Q Please state your name, by whom you are employed, and
13 in what capacity.

14 A My name is Victor T. Lyon, L-y-o-n, I'm employed by
15 Continental Oil Company as Conservation Coordinator in
16 the Hobbs division office, located in Hobbs, New Mexico.

17 Q Have you previously testified before the Commission, or
18 one of it's Hearing Examiners, and had your qualifications
19 as an engineer accepted and made a matter of record?

20 A Yes, I have.

21 MR. KELLAHIN: Mr. Examiner, are the witness'
22 qualifications as an expert acceptable?

23 MR. NUTTER: Yes, they are.

24 Q (By Mr. Kellahin) Mr. Lyon, will you please state
25 briefly what the applicant is seeking by this application?

1 A Case No. 4858 is the application of Continental Oil
2 Company for two non-standard gas proration units in the
3 Blinebry Gas Pool, one, a 120-acre unit to be assigned
4 to Wantz Well No. 11, located in Unit L; and another,
5 a 160-acre unit, to be assigned to Wantz No. 8 located
6 in Unit O, both in Section 21, Township 21 South, Range
7 37 East, Lea County, New Mexico.

8 Q Will you please refer to what has been marked as
9 Applicant's Exhibit 1, identify it, and explain what
10 information it contains?

11 A Exhibit Number 1 is a location plat showing the Wantz
12 Lease outlined in red, consisting of the southwest
13 quarter, the west half of the southeast quarter, and the
14 southeast quarter of the southeast quarter of Section 21,
15 Township 21 South, Range 37 East.

16 We also show on there outlined in green the present
17 proration unit, which was authorized by Order Number
18 R-4142, jointly assigned to Wells No. 8 and 11.

19 This proration unit consists of the north half of
20 the southwest quarter, the southeast quarter of the
21 southwest quarter, and the southwest quarter of the
22 southeast quarter of Section 21.

23 MR. NUTTER: Does that order also authorize both
24 wells to be the unit wells?

25 THE WITNESS: Yes.

1 A The exhibit shows the location of offset wells and the
2 ownership. It shows that Wells No.'s 3, 4, and 6, which
3 were Blinebry oil wells, were to be shut in. We have
4 shown, outlined in red, the proposed proration units,
5 the two unit wells, No. 11 and No. 8, are shown circled
6 in red. Well No. 11 is located in Unit L; Well No. 8 is
7 located in Unit O.

8 The unit proposed to be assigned to Well No. 11 is
9 a 120-acre unit consisting of the north half of the
10 southwest quarter and the southwest quarter of the
11 southwest quarter of the section. The unit proposed to
12 be assigned to Well No. 8 is 160 acres consisting of the
13 south half of the southeast quarter, the northwest quarter
14 of the southeast quarter, and the southeast quarter of
15 the southwest quarter of Section 21.

16 Q Will you please refer to what has been marked as
17 Applicant's Exhibit Number 2, identify it, and explain
18 what information it contains?

19 A Exhibit 2 is a tabulation showing the gas production from
20 the Blinebry Pool from the five wells on this lease during
21 the period July, 1971, through August, 1972.

22 The first well shown is No. 8, one of the proposed
23 unit wells. The second well is No. 11, which is the
24 other of the two gas wells to be assigned to the proration
25 units.

No. 3, No. 4, and No. 6 follow, and the exhibit shows that Wells No. 3, and No. 4, were shut in in March of 1972. No. 6 was shut in in November of 1971.

Q Will you note the comparison in production between Wells No. 8 and 11?

A Well No. 8 appears to be much the stronger of the two wells, and consequently, we are proposing that it be assigned the larger proration unit since it has the larger capacity. I might also point out that Wells No.'s 8 and 11 have always been Blinbry gas wells and prior to the non-standard unit, which was approved by the order I mentioned, Well No. 11 had a 160-acre unit, a standard unit consisting of the southwest quarter, and Well No. 8 had the remaining 120 acres in the lease.

Q This was prior to the completion of the three oil wells in this area?

A Yes, sir.

Q Why is not your proposed unit eligible for administrative approval?

A The 120-acre unit would be eligible for administrative approval, the 160-acre unit is a standard size but it is not a standard shape and it does cross the quarter section boundary, consequently it is necessary to have a hearing to have it approved.

Q In your opinion, will granting of this application prevent

1 waste and protect the correlative rights of others?

2 A Yes, sir, it will.

3 Q Were Exhibits 1 and 2 prepared by you, or under your
4 direction, Mr. Lyon?

5 A Yes, they were.

6 MR. KELLAHIN: Mr. Examiner, I move the introduction
7 of Applicant's Exhibits 1 and 2.

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

10 CROSS EXAMINATION

11 BY MR. NUTTER:

12 Q Mr. Lyon, Wells No.'s 3, 4, and 6 were Blinebry oil
13 wells, is this correct?

14 A Yes, sir.

15 Q And they were drilled after you had the original 160-acre
16 standard unit and the 120-acre units for the 8 and the 11?

17 A They were recompleted.

18 Q They were recompleted in the Blinebry Oil Pool?

19 A Yes.

20 Q And this caused the necessity of rededicating the acreage,
21 then?

22 A Yes, sir.

23 Q And now, the three Blinebry oil wells have been shut in?

24 A Yes, sir.

25 Q And with your proposed dedication of the acreage as you

1 have outlined here on Exhibit 1, I presume that it is
2 your intent to leave these three wells shut in so far
3 as the Blinebry is concerned?

4 A Yes, that's true.

5 Q So there will not be any simultaneous dedication of
6 acreage in the Blinebry Pool?

7 A Correct.

8 Q Now, if you will refer back to the case we heard here
9 awhile back, would this be in the Blinebry oil or gas
10 area?

11 A This would be in the Blinebry oil area, but the fact that
12 this acreage is now dedicated to gas might shift it from
13 one area to the other, just by virtue of the fact that
14 it is dedicated to gas. It's around the edge.

15 Q What was the occasion for shutting in No. 6, it looks like
16 in October of 1971 it had rather strong production and
17 then it was shut in the following month?

18 A I really am not sure that that month's production is
19 indicative of what the well actually produced that month.
20 The three previous months indicate that the well was not
21 as good as the month of October would indicate it to be.
22 Of course, production is allocated between wells based on
23 well tests and gas-oil ratios, and that was the amount that
24 was allocated to the well. But, I really don't know that
25 it did that well.

1 MR. NUTTER: Are there any further questions of
2 Mr. Lyon?
3 (No response.)
4 MR. NUTTER: He may be excused.
5 Do you have anything further, Mr. Kellahin?
6 MR. KELLAHIN: No, sir.
7 MR. NUTTER: Does anyone have anything to offer in
8 Case No. 4858?
9 (No response.)
10 MR. NUTTER: We will take the case under advisement.
11
12
13 STATE OF NEW MEXICO)
14) ss
15 COUNTY OF BERNALILLO)
16 I, JOHN DE LA ROSA, a Court Reporter, in and for the
17 County of Bernalillo, State of New Mexico, do hereby certify
18 that the foregoing and attached Transcript of Hearing before
19 the New Mexico Oil Conservation Commission was reported by me;
20 and that the same is a true and correct record of the said
21 proceedings to the best of my knowledge, skill and ability.
22 I do hereby certify that the foregoing is
23 a complete record of the proceedings
24 the Examiner hearing of Case No. 4858
25 heard by me on 11/14, 1972
JOHN DE LA ROSA
COURT REPORTER
[Signature]
Examiner
New Mexico Oil Conservation Commission

I N D E XWITNESSPAGE

VICTOR T. LYON

Direct Examination by Mr. Kellahin

3

Cross Examination by Mr. Nutter

7

E X H I B I T SADMITTEDOFFERED

Applicant's Exhibits #1 & #2

7

7



OIL CONSERVATION COMMISSION

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

November 17, 1972

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

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

Re: Case No. 4858 & 4859
Order No. R-4439 & R-4440
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. 4858
Order No. R-4439

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of November, 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 approval of the two following Blinebry Gas Pool non-standard gas proration units in Township 21 South, Range 37 East, NMPM:

A 120-acre unit comprising the N/2 SW/4 and the SW/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 11 located in Unit L of said Section 21, and a 160-acre unit comprising the NW/4 SE/4, S/2 SE/4, and SE/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 8 located in Unit O of said Section 21.

(3) That although the proposed non-standard gas proration units do not lie wholly within a single governmental quarter section and therefore are not eligible for administrative approval, each consists of contiguous quarter-quarter section or lots, and the entire unit in each case may reasonably be presumed to be productive of gas from the Blinebry Gas Pool.

-2-

Case No. 4858
Order No. R-4439

(4) That approval of the subject application 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.

IT IS THEREFORE ORDERED:

(1) That a 120-acre non-standard gas proration unit comprising the N/2 SW/4 and the SW/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 11 located in Unit L of said Section 21, and a 160-acre non-standard gas proration unit comprising the NW/4 SE/4, S/2 SE/4, and SE/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 8 located in Unit O of said Section 21, both located in Township 21 South, Range 37 East, NMPM, Blinbry Gas Pool, are hereby established effective December 1, 1972.

(2) That the beginning status of the aforesaid 120-acre proration unit shall be 3/7ths of the current status of the presently authorized proration unit dedicated to the above-described wells, and the beginning status of the aforesaid 160-acre proration unit shall be 4/7ths of the current status of the presently authorized proration unit.

(3) That Commission Order R-4142 is hereby superseded.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Bruce King
BRUCE KING, Chairman

Alex J. Arrijo
ALEX J. ARRIJO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 14, 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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for December, 1972, from seventeen prorated pools in Lea, Eddy, Roosevelt, and Chavez Counties, New Mexico.
 - (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico for December, 1972.
 - (3) Consideration of purchasers' nominations for the one-year period beginning January 1, 1973, for both of the above areas.

CASE 4608: (Reopened) (Continued from October 4, 1972)

In the matter of Case 4608 being reopened pursuant to the provisions of Order No. R-4213 which order established special rules and regulations for the Haystack Siluro-Devonian Pool, Chaves County, New Mexico, including a provision for 80-acre spacing units. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4855: Application of Gulf Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of oil production from the Cary-Montoya and South McCormack-Silurian Oil Pools in the wellbore of its R. E. Cole (NCT-A) Well No. 10 in Unit E of Section 16, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 4856: Application of Gulf Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Shugart Pool, Eddy County, New Mexico, by the injection of water into the Queen formation through three wells on its Federal Littlefield "AB" Lease in Section 22, Township 18 South, Range 31 East, Eddy County, New Mexico.

CASE 4857: Application of Perry R. Bass for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for his Big Eddy Well No. 7 located 660 feet from the South line and 1980 feet from the East line of Section 19, Township 20 South, Range 31 East, Maroon Cliffs-Morrow Gas Pool, Eddy County, New Mexico, with the E/2 of said Section 19 to be dedicated to the well.

CASE 4858: Application of Continental Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the two following Blinebry Gas Pool non-standard gas proration units in Township 21 South, Range 37 East:

A 120-acre unit comprising the N/2 SW/4 and the SW/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 11 located in Unit L of said Section 21, and a 160-acre unit comprising the NW/4 SE/4, S/2 SE/4 and SE/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 8 located in Unit O of said Section 21.

CASE 4859: Application of Continental Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the two following Blinebry Gas Pool non-standard proration units in Township 21 South, Range 37 East:

An 80-acre unit comprising the SW/4 NW/4 of Section 13 and the SE/4 NE/4 of Section 14, to be dedicated to applicant's Lockhart B-14 "A" Well No. 1 located in Unit H of Section 14, and a 160-acre unit comprising the NW/4 SE/4, N/2 SW/4, and SW/4 SW/4 of Section 13, to be simultaneously dedicated to applicant's Lockhart B-13 "A" Wells Nos. 1 and 8 located in Units M and L, respectively, of said Section 13.

CASE 4860: Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well to test the Queen formation at an unorthodox oil well location 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4861: Application of Cities Service Oil Company for the amendment of Order R-4239, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4239, which order pooled all mineral interests in the South Carlsbad-Morrow Gas Pool underlying the N/2 of Section 19, Township 22 South, Range 27 East, Eddy County, New Mexico, 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 and provided \$60.00 per month as the charge for supervision (combined fixed rates). Applicant proposes that said order be amended to provide for the drilling of a well on the pooled unit at a standard well location and that \$200.00 a month be established as the charge for supervision.

CASE 4862: Application of Adobe Oil Company for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 520-acre non-standard

(Case 4862 continued from Page 2)

gas proration unit comprising the NE/4, SE/4, E/2 SW/4, N/2 NW/4, and SE/4 NW/4 of Section 11, Township 23 South, Range 24 East, Rock Tank-Upper Morrow and Rock Tank-Lower Morrow Gas Pools in Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 320 feet from the South and East lines of said Section 11.

CASE 4863: Application of C & K Petroleum Inc. for a non-standard gas proration unit and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 225.59-acre non-standard West Atoka-Morrow gas proration unit in Section 18, Township 18 South, Range 26 East, comprising the SW/4, the SW/4 SE/4, and that portion of the NW/4 SE/4 described as follows:

Beginning at the Northwest corner of said NW/4 SE/4, thence South 1320 feet, thence East 1193.4 feet, thence North 639 feet, thence West 242.2 feet, thence North 30 degrees West, 452.6 feet, thence West 267 feet, thence North 8 degrees East, 267 feet to the North line of said NW/4 SE/4, thence West 507.4 feet to the point of beginning.

Applicant further seeks authority to drill a well for said unit at an unorthodox location 990 feet from the South and West lines of said Section 18.

CASE 4864: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Chaves, Eddy and Lea Counties, New Mexico.

(a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the South Carlsbad-Canyon Gas Pool. The discovery well is the Phillips Petroleum Company Drag B No. 1 located in Unit K of Section 18, Township 23 South, Range 27 East, NMPM. Said pool described as:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 18: S/2

(b) Create a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Hat Mesa-Morrow Gas Pool. The discovery well is the Phillips Petroleum Company Hat Mesa No. 1 located in Unit G of Section 11, Township 21 South, Range 32 East, NMPM. Said pool described as:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 11: E/2

(Case 4864 continued from Page 3)

(c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Rocky Arroyo-Morrow Gas Pool. The discovery well is the El Paso Natural Gas Company Rocky Arroyo No. 1 located in Unit J of Section 8, Township 22 South, Range 22 East, NMPM. Said pool described as:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 8: E/2
Section 17: N/2

(d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Rocky Arroyo-Wolfcamp Gas Pool. The discovery well is the El Paso Natural Gas Company Rocky Arroyo No. 1 located in Unit J of Section 8, Township 22 South, Range 22 East, NMPM. Said pool described as:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 8: SE/4

(e) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Lower Pennsylvanian production and designated as the South Sand Dunes-Lower Pennsylvanian Gas Pool. The discovery well is the El Paso Natural Gas Company Sundance Federal No. 1 located in Unit F of Section 4, Township 24 South, Range 31 East, NMPM. Said pool described as:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 4: N/2

(f) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Winchester-Morrow Gas Pool. The discovery well is the Penroc Oil Corporation Dero Federal No. 1 located in Unit P of Section 35, Township 19 South, Range 28 East, NMPM. Said pool described as:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 35: S/2

(g) Extend the Blinebry Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 25: SW/4

(h) Extend the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

(Case 4864, Paragraph (h) continued from Page 4)

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2
Section 18: N/2

(i) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 18: S/2

(j) Extend the East Chisum-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM
Section 16: NW/4 NE/4

(k) Extend the North Eunice-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 17: NW/4
Section 18: NE/4

(l) Extend the Grayburg Jackson Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 7: SE/4

(m) Extend the Haystack-Cisco Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 27 EAST, NMPM
Section 9: All
Section 16: N/2

(n) Extend the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 5: SW/4
Section 6: S/2

(o) Extend the Red Lake Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 23: SE/4 NW/4, NE/4 SW/4, and
N/2 SE/4
Section 24: SE/4 and N/2 SW/4

(Case 4864 continued from Page 5)

(p) Extend the East Shoebar-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 29: NW/4

(q) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 36: NW/4

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

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 30: NE/4

(s) Extend the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 24 EAST, NMPM
Section 2: W/2
Section 11: All

(t) Extend the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 32: All

BLINEBRY GAS PRODUCTION
WANTZ LEASE - GAS PRODUCTION

<u>MONTH</u>	<u>NO. 8</u>	<u>NO. 11</u>	<u>NO. 3</u>	<u>NO. 4</u>	<u>NO. 6</u>
<u>1971</u>					
July	1,122	4,077	504	448	607
August	797	407	647	288	719
September	8,662	6,154	1,813	363	634
October	7,067	9,919	1,601	572	1,601
November	36,674	3,261	705	313	--
December	36,859	9,506	1,176	626	--
<u>1972</u>					
January	20,344	1,408	501	469	--
February	10,696	378	424	424	--
March	13,552	4,550	--	--	--
April	2,765	3,958	--	--	--
May	5,669	87	--	--	--
June	2,489	--	--	--	--
July	12,034	91	--	--	--
August	25,443	5,480	--	--	--

*Current
Status of
160 ac unit
30458 MCF
averaged
as of Oct 1*

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 4858

Submitted by Continental Oil Co.

Hearing Date Nov. 14, 1972

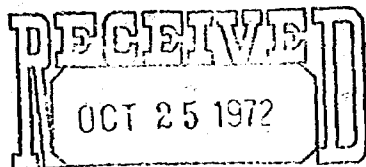
CASE NO. 4858

EXHIBIT NO. 2



L. P. Thompson
Division Manager
Production Department
Hobbs Division

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



October 23, 1972

OIL CONSERVATION COMM.
Santa Fe

Case 41858

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 Two Non-Standard Gas Proration Units in the Blinebry Pool for M. E. Wantz Lease

Enclosed in triplicate is our application for approval of two non-standard gas proration units in the Blinebry Gas Pool to be allocated to our Wantz Wells Nos. 8 and 11 in Section 21, Township 21 South, Range 37 East, Lea County, New Mexico.

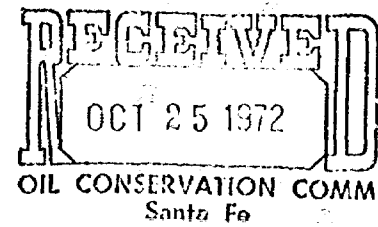
Please place this application on your next Examiner docket.

Yours very truly,

rw
Enc
Copy + enc
RLA: GED: JWK:

DOCKET MAILED

Date 11-2-72



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
OF TWO NON-STANDARD GAS PRORATION UNITS
IN THE BLINEBRY GAS POOL ON ITS M. E.
WANTZ LEASE IN SECTION 21, TOWNSHIP 21
SOUTH, RANGE 37 EAST, LEA COUNTY, NEW
MEXICO

Case 4858

A P P L I C A T I O N

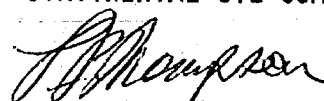
Applicant, Continental Oil Company, respectfully requests approval of two non-standard gas proration units in the Blinebry Gas Pool on its M. E. Wantz Lease in Section 21, Township 21 South, Range 37 East, Lea County, New Mexico, and in support would show:

1. Applicant is owner and operator of the M. E. Wantz Lease consisting of SW/4, W/2 SE/4 and SE/4 SE/4 Section 21, Township 21 South, Range 37 East, Lea County, New Mexico.
2. Applicant has heretofore drilled and completed five Blinebry wells on said lease; three oil wells and two gas wells, Nos. 8 and 11, located in Units 0 and L, respectively.
3. Order No. R-4142 created a 160-acre non-standard proration unit consisting of N/2 SW/4, SE/4 SW/4 and SW/4 SE/4 Section 21, allocated jointly to said Wells Nos. 8 and 11.
4. Applicant has shut-in the three oil wells on said lease and desires to allocate the acreage of said wells to the two Blinebry gas wells.
5. Applicant proposes to allocate to Well No. 8-0 160-acres consisting of S/2 SE/4, NW/4 SE/4 and SE/4 SW/4 of said Section 21, and 120-acres to Well No. 11-L consisting of N/2 SW/4 and SW/4 SW/4 of said Section 21.
6. That the granting of this application will prevent waste and will not impair correlative rights.

WHEREFORE, 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 two non-standard gas proration units in the Blinebry Gas Pool as described above.

Respectfully submitted,

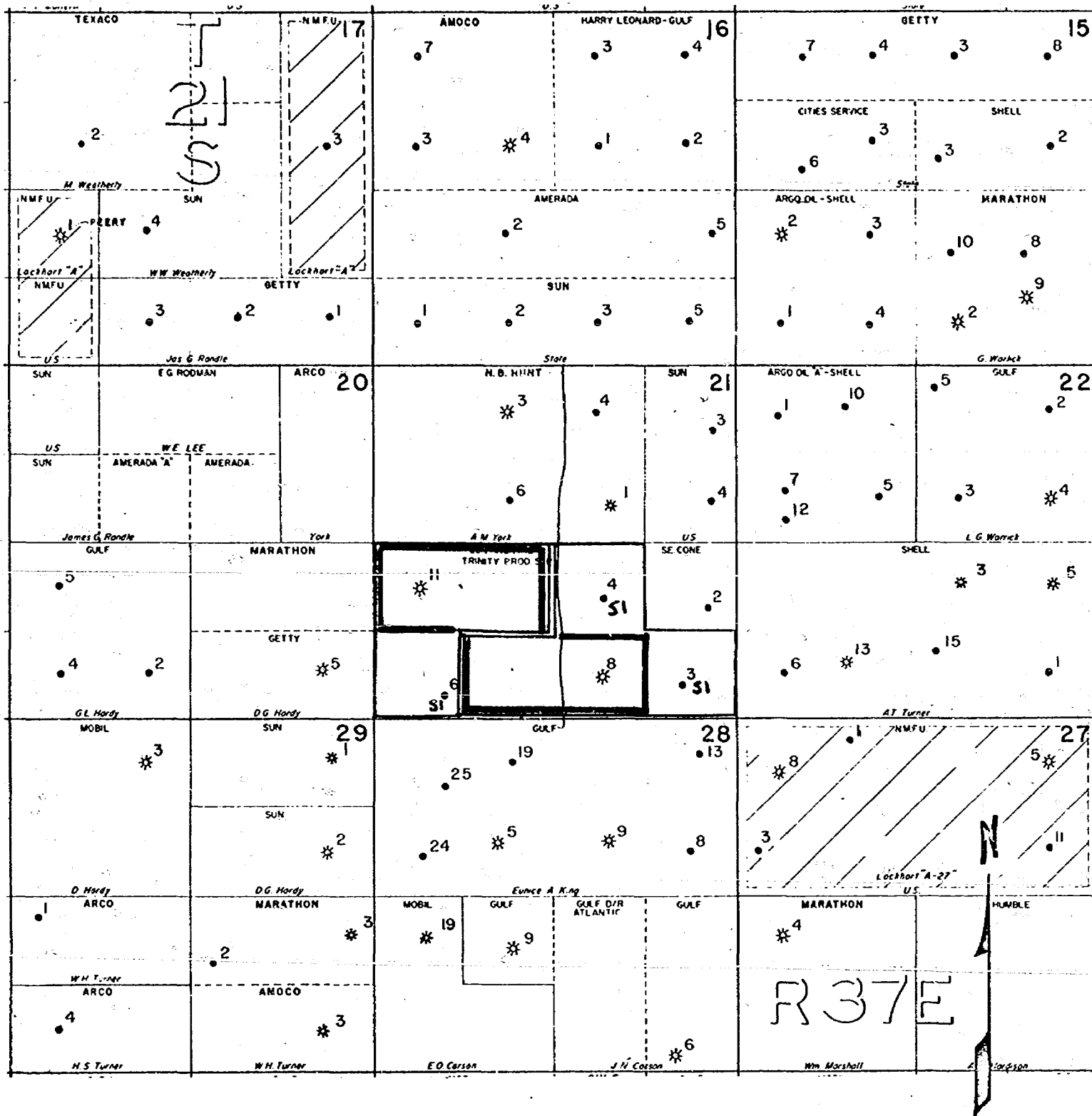
CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

rw

Case 4858



• BLINEBRY OIL WELL

* BLINEBRY GAS WELL

— PROPOSED UNIT

— EXISTING UNIT

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT—HOBBS DIVISION

LEA COUNTY, NEW MEXICO

WANTZ LEASE

SCALE
0' 1000' 2000'

DRAFT

dr/

(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. 4858

Order No. R-4439

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

RFH

JS

OSP

11-14-72

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14 day of November, 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 approval
of the two following Blinebry Gas Pool non-standard gas proration
units in Township 21 South, Range 37 East, NMPM:

A 120-acre unit comprising the N/2 SW/4 and the SW/4 SW/4
of Section 21, to be dedicated to applicant's M. E. Wantz Well
No. 11 located in Unit L of said Section 21, and a 160-acre
unit comprising the NW/4 SE/4, S/2 SE/4, and SE/4 SW/4 of Section 21,
to be dedicated to applicant's M. E. Wantz Well No. 8 located in
Unit O of said Section 21.

(3) That although the proposed non-standard gas proration units do not lie wholly within a ^{single} governmental quarter section and therefore are not eligible for administrative approval, ~~each~~ ^{it} consists of contiguous quarter-quarter sections or lots, and the entire unit ^{in each case} may reasonably be presumed to be productive of gas from the Blinebry Gas Pool.

(4) That approval of the subject application 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.

IT IS THEREFORE ORDERED:

(1) That a 120-acre non-standard gas proration unit comprising the N/2 SW/4 and the SW/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 11 located in Unit L of said Section 21, and a 160-acre non-standard gas proration unit comprising the NW/4 SE/4, S/2 SE/4, and SE/4 SW/4 of Section 21, to be dedicated to applicant's M. E. Wantz Well No. 8 located in Unit O of said Section 21, both located in Township 21 South, Range 37 East, NMPM, Blinebry Gas Pool, are hereby established *effective December 1, 1972.*

§ (2) 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.

beginning
(2) That the ^{beginning} status of the aforesaid 120-acre proration unit shall be 3/7 of the current status of the presently authorized proration unit dedicated to the above-described wells, and the beginning status of the aforesaid 160-acre proration unit shall be 4/7 of the current status of the presently authorized proration unit.
(3) That Commission Order R-4142 is hereby superseded.

CASE 4859: APPLI. OF CONTINENTAL
FOR 2 NON-STANDARD GAS PRORATION
UNITS, LEA COUNTY, NEW MEXICO.