

Case Number

4859

Application
Transcripts.

Small Exhibits

ETC.

dearnley, meier & mc cormick reporting service, inc.

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-0691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87106

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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. 4859

BEFORE: Daniel S. Nutter,
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: We will call Case No. 4859, which is
2 the application of Continental Oil Company for two non-standard
3 gas proration units, Lea County, New Mexico.

4 MR. KELLAHIN: The appearances are the same and my
5 witness is the same as in Case 4858, Mr. Nutter.

6 MR. NUTTER: The witness is still under oath.

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

10 DIRECT EXAMINATION

11 BY MR. KELLAHIN:

12 Q Mr. Lyon, have you examined and are you familiar with
13 the facts surrounding Continental's exhibits and
14 information with regard to this case, Case 4859?

15 A Yes, sir.

16 Q Will you please briefly state what Continental is
17 seeking by this application?

18 A Yes, sir. Case 4859 is the application of Continental
19 Oil Company for two non-standard gas proration units in
20 the Blinebry Gas Pool, one, a 160-acre unit to be jointly
21 assigned to Lockhart B-13 "A" well Numbers 1 and 8; and
22 the other, an 80-acre gas proration unit to be assigned
23 to it's Lockhart B-14 "A" Number 1.

24 Q Will you please refer to what has been marked as
25 Applicant's Exhibit 1, identify it, and explain what

1 information it contains?

2 A Exhibit Number 1 is a location plat showing the Lockhart
3 "B" Lease and the immediately surrounding area, the
4 wells, and the ownership thereof.

5 Q What kind of lease is this, Mr. Lyon?

6 A This is a Federal Lease and it is a large lease consisting
7 of acreage in Sections 11, 12, 13, 14, and 24. For
8 accounting purposes, we have treated the tracts in the
9 separate sections as separate leases, and we refer to them
10 as Lockhart B-11, Lockhart B-12, B-13, B-14, and Lockhart
11 B-24. The "A" in regard to Sections 13 and 14 is because
12 we have other Lockhart B-13 and Lockhart B-14 leases.
13 They are not part of this lease.

14 Q Those you refer to are all part of the same basic lease?

15 A Yes.

16 Q What are the leases productive from, what pools?

17 A The lease has produced and is producing in most cases
18 from the Brumson, Hare, Wantz-Abo, Drinkard, Tubb, and
19 Blinebry Pools. This case refers only to the Blinebry.
20 The entire lease, until September 1st, was in the Terry
21 Blinebry Pool, and the Terry Blinebry Pool was an oil
22 pool. There was no provision in there for gas wells.

23 On, I believe, it was April 1st, the Commission
24 changed the definition of a gas well to include any well
25 in an oil pool with a producing gas-oil ratio in excess

1 of 100,000.

2 Q That's a statewide definition?

3 A Yes. Then, I believe it was September 1st the Terry
4 Blinebry Pool was abolished and the entire pool area was
5 incorporated into the Blinebry Pool, which does have a
6 different definition of a gas well, that being a well
7 which produces with a gas-oil ratio in excess of
8 32,000.

9 It also provides for gas proration units up to
10 160-acre units in size.

11 Q Under the old Terry Blinebry Pool rules, however, the
12 proration units could not be in excess of 40 acres; is
13 that correct?

14 A That is correct. We recently were informed that wells,
15 Lockhart B-13 "A", Wells Number 1 and 8, and Lockhart
16 B-14 "A" Number 1 were being reclassified as gas wells.
17 Consequently, we are seeking to establish proration units
18 for those three wells.

19 Q Will you identify your proposed units as shown on Exhibit
20 1?

21 A Yes, sir. We would like to assign the west half of the
22 southwest quarter, this northeast quarter of the southwest
23 quarter, and the northwest quarter of the southeast
24 quarter of Section 13 to Wells 1 and 8, jointly. Well
25 Number 1 is in Unit M and Well Number 8 is in Unit L of

1 Section 13.

2 We would like to assign the southeast quarter of
3 the northeast quarter of Section 14 and the southwest
4 quarter of the northwest quarter of Section 13 to
5 Lockhart B-14 "A" Number 1, which is located in Unit H
6 of Section 14.

7 Now, I might review the status of the wells in these
8 two sections. Well Number 1 has been reclassified as
9 a gas well.

10 MR. NUTTER: Which well?

11 THE WITNESS: Lockhart B-13 "A" Number 1 in Unit
12 M of 13.

13 A Well Number 2, which is located in Unit E of Section 13,
14 was shut in October of 1971. Well Number 3, which is
15 located in Unit G of 13 is still producing from the
16 Blinebry Pool. Well Number 4 was converted to a salt-
17 water disposal well several years ago, have been plugged
18 out of the Blinebry Pool. Well Number 5, located in Unit
19 N, is still producing from the Blinebry Pool. Well Number
20 6 was shut in in January of 1969, it is located in Unit G
21 of Section 13. Well Number 7, which is located in Unit
22 J of Section 13, was shut in in June of 1969. Wells 2, 3,
23 and 4 in Section 14, that's two in Unit P, three in unit
24 A, and four in Unit I, of Section 14, are all producing
25 from the Blinebry Pool.

1 Therefore, since the acreage which is sought to
2 be included in these proration units are not being
3 produced from the Blinebry Pool, we feel that it is
4 logical to assign this acreage to these wells as we
5 have proposed.

6 Q Please refer to what has been marked as Exhibit 2,
7 identify it, and explain what information it contains.

8 A Exhibit 2 is a tabulation showing the production of
9 Blinebry gas from Wells Number 1 and 8, that's Lockhart
10 B-13 "A" Number 1 and 8, during July, 1971 through
11 August, 1972. The first column shows the production from
12 Number 1, the second column shows the production from
13 Number 8, and then the next column shows the total
14 production for both wells. The last column shows the
15 160-acre gas allowable for the Blinebry Pool during the
16 same period, and if you will compare the columns, 3 and
17 4, you will see that the 160-acre gas allowable was less
18 than the combined production from these two wells.

19 Q Does either of the two wells produce to maximum casing
20 head gas allowable?

21 A No. As a matter of fact, both wells together produced
22 less than the casing head gas allowable for a Blinebry
23 oil well.

24 Q Please refer to what has been marked as Exhibit 3,
25 identify it, and explain what information it contains.

1 A Exhibit Number 3 is a comparison of the casing head
2 gas allowable for a Blinebry oil well to a 80-acre
3 gas allowable for a Blinebry gas well for the period
4 July, 1971 through August, 1972.

5 The Lockhart B-14 "A" Number 1 does have the
6 capacity to produce the top Blinebry oil and casing head
7 gas allowable, doesn't have the capacity to produce the
8 oil allowable, but it does have the capacity to produce
9 the casing head gas allowable. And, this exhibit
10 compares its casing head gas allowable when it was an oil
11 well, compared to the 80-acre gas allowable for an 80-
12 acre gas well. So, that even with the 80-acre allowable,
13 it will still be permitted to produce less gas than it
14 was as an oil well, and less gas than its neighbors are
15 permitted to produce, which are oil well.

16 Q In your opinion, Mr. Lyon, how have you sought to correct
17 the disparity, or the inequity, as compared to the
18 offsetting oil wells?

19 A We have requested that the additional acreage be assigned
20 to this well to help it to protect it's correlative
21 rights. It still does not get as much allowable as the
22 offsetting oil wells, but it gets more than it would than
23 if it were just a 40-acre gas proration unit.

24 Q Do you see any possibility of waste by enlarging the
25 proration unit as you have requested?

1 A I don't see that there is any possibility of waste by
2 the granting of these proration units.

3 Q Do you have anything else you would like to comment on
4 with regard to this application?

5 A I don't believe so.

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

8 A Yes, sir.

9 MR. KELLAHIN: Mr. Examiner, we move for the
10 introduction of Applicant's Exhibits 1, 2, and 3.

11 MR. NUTTER: Applicant's Exhibits 1, 2, and 3 will
12 be admitted in evidence.

13 CROSS EXAMINATION

14 BY MR. NUTTER:

15 Q Mr. Lyon, since these wells have been reclassified, they
16 have no status as far as proration is concerned; but I
17 failed to ask you in the previous case what the status
18 of those wells are, if we can get into that, please?

19 A Right. The 160-acre proration unit assigned jointly
20 to those wells is overproduced as of October 1st, in
21 the amount of 3,458 Mcf, and I would recommend that that
22 overproduction be divided between the two proration units
23 on the basis of their respective sizes.

24 Q In other words, allocate the 30,000 on the basis of 4 to
25 3?

1 A Yes, right.

2 Q In your opinion, Mr. Lyon, is the entire acreage
3 proposed to be dedicated to these wells in Case Number
4 4859 productive of gas from the Blinebry Gas Pool?

5 A Yes, as the Commission now defines gas acreage in the
6 pool, I think they are.

7 Q What zone is the Number 4 being used for salt-water
8 disposal in?

9 A I'm not sure.

10 Q It isn't the Blinebry, is it?

11 A I think it's the San Andres, but I'm not certain of that.

12 Q Do you happen to know the order number that authorized
13 that for salt-water disposal?

14 A No, but I'd be glad to get it for you.

15 Q I'd like to have that.

16 A All right.

17 MR. NUTTER: Does anyone have any questions of Mr.
18 Lyon?

19 (No response.)

20 MR. NUTTER: He may be excused.

21 Do you have anything further, Mr. Kellahin?

22 MR. KELLAHIN: No, sir.

23 MR. NUTTER: Does anyone have anything they wish to
24 offer in Case 4859?

25 (No response.)

dearnley, meier & mc cormick reporting service, inc.

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MR. NUTTER: We will take the case under advisement and call the next case.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, JOHN DE LA ROSA, a Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

John De La Rosa
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4859 heard by me on 11/14 PAGE 19.72

WITNESS

VICTOR T. LYON

Victor T. Lyon, Examiner
New Mexico Oil Conservation Commission

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Nutter

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EXHIBITS

ADMITTED

OFFERED

Applicant's Exhibits #1, #2, & #3

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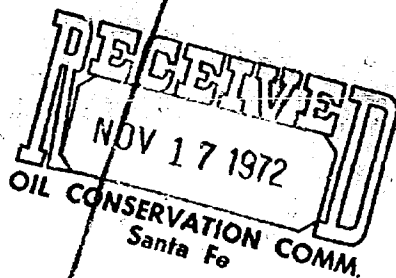
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from

V. T. LYON

To Dan Nutter 11-16, 1972
Re Case 4859 NMOCC - Santa Fe

Order approving Lockhart B-13 "A"
no. 4 for water disposal into
San Andres 15 SWD-71.



File
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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. 4859
Order No. R-4440

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 an 80-acre unit comprising the SW/4 NW/4 of Section 13 and the SE/4 NE/4 of Section 14, Township 21 South, Range 37 East, Lea County, New Mexico, 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 of the same township, 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.

(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 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.

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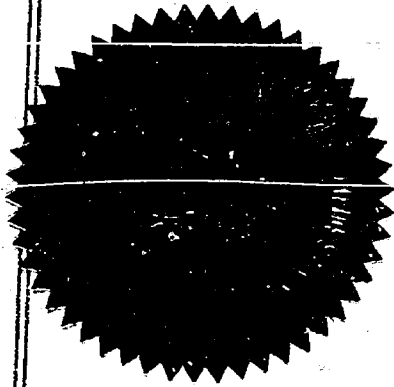
Case No. 4859
Order No. R-4440

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the SW/4 NW/4 of Section 13 and the SE/4 NE/4 of Section 14, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to applicant's Lockhart B-14 "A" Well No. 1 located in Unit H of Section 14 is hereby established, and a 160-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the NW/4 SE/4, N/2 SW/4, and SW/4 SW/4 of Section 13 of the same township, 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 is hereby established.

(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.



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/

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 Chaves 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 F 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:

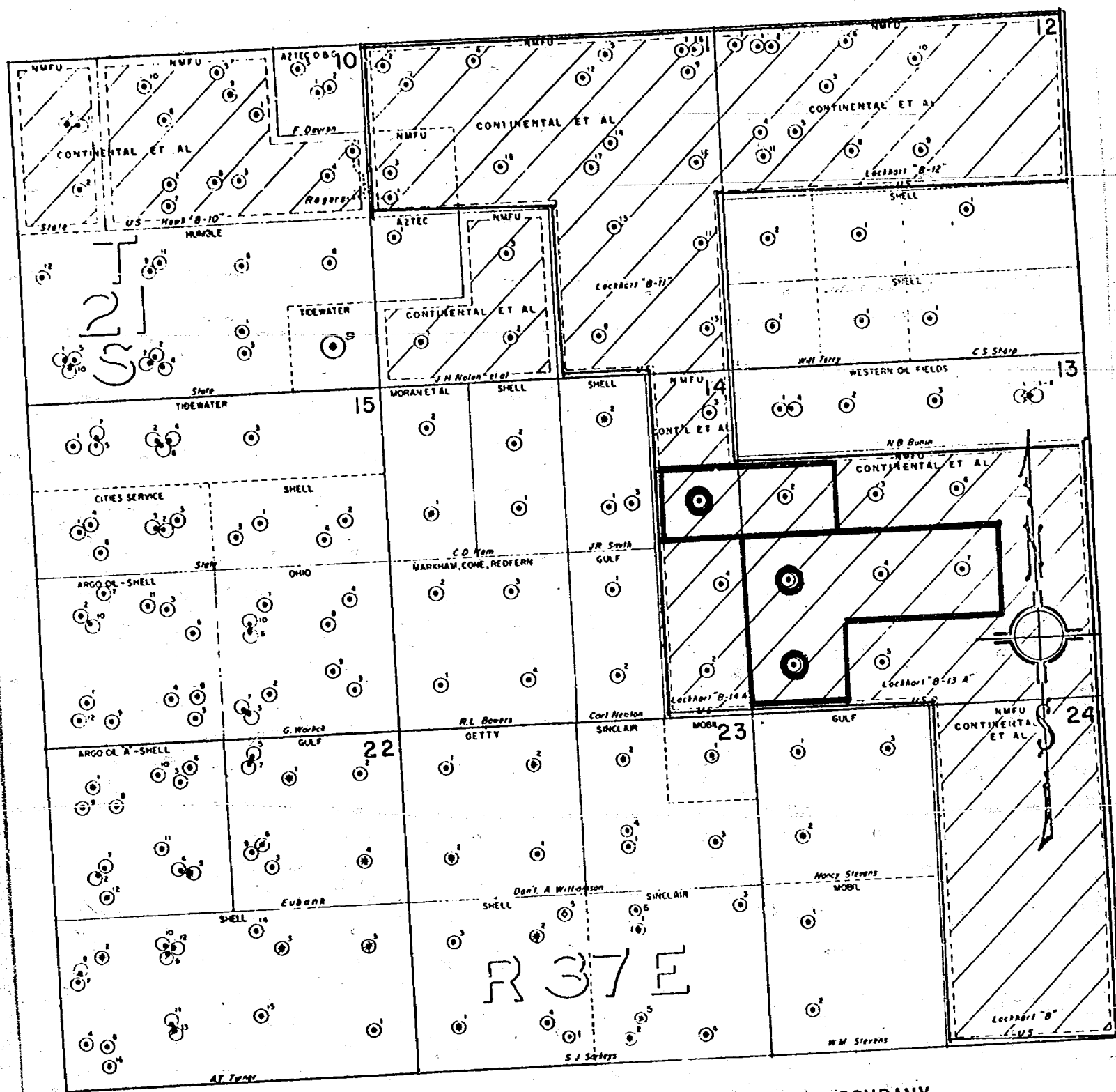
TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 30: NE/4

(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



CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DIVISION

— LEASE BOUNDARY
— PROPOSED NSP UNIT
○ BLINEBRY GAS WELL

LOCKHART "B" LEASE
TRACTS B-11, B-12, B-13 "A"
B-14 "A" and B-24

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 4859

Submitted by Continental Oil Co.

Hearing Date Nov. 14, 1972

EXHIBIT NO. 1

160-ACRE NSP UNIT
LOCKHART B-13 "A" NOS. 1 AND 8
BLINEBRY POOL

<u>MONTH</u>	<u>NO. 1</u>	<u>NO. 8</u>	<u>TOTAL</u>	<u>160-ACRE ALLOWABLE</u>
<u>1971</u>				
July	5,479	10,714	16,193	7,859
August	8,224	8,736	16,960	14,601
September	7,196	8,537	15,733	9,164
October	8,814	8,938	17,752	15,500
November	8,434	9,018	17,452	12,686
December	9,085	9,250	18,335	15,205
<u>1972</u>				
January	8,841	9,561	18,402	30,061
February	8,223	8,955	17,178	27,456
March	8,981	9,155	18,136	16,264
April	8,696	8,098	16,794	9,317
May	8,518	8,442	16,960	15,988
June	7,935	7,124	15,059	14,585
July	9,538	7,213	16,751	9,312
August	<u>9,088</u>	<u>6,873</u>	<u>15,961</u>	<u>11,215</u>
TOTAL	117,052	120,614	237,666	209,213

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 4859

Submitted by Continental Oil Co.

Hearing Date Nov. 14, 1972

CASE NO. 4859

EXHIBIT NO. 2

80-ACRE NSP UNIT
LOCKHART B-14 "A" NO. 1
BLINEBRY POOL

<u>MONTH</u>	<u>CASINGHEAD ALLOWABLE</u>	<u>80-ACRE GAS ALLOWABLE</u>
<u>1971</u>		
July	17,484	3,930
August	17,484	7,300
September	16,920	4,582
October	17,484	7,750
November	18,000	6,344
December	18,600	7,602
<u>1972</u>		
January	19,902	15,030
February	18,618	13,728
March	19,902	8,132
April	19,260	4,658
May	19,902	7,994
June	19,260	7,292
July	19,902	4,656
August	<u>19,902</u>	<u>5,608</u>
TOTAL	262,620	104,606

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 4859

Submitted by Continental Oil Co.

Hearing Date Nov. 14, 1972

CASE NO. 4859



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

✓ 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 Gas Pool, Lea County, New Mexico

Enclosed in triplicate is our application for two non-standard gas proration units in the Blinebry Gas Pool. We are proposing a 160-acre unit consisting of the W/2 SW/4, NE/4 SW/4 and NW/4 SE/4 Section 13, to be allocated jointly to Lockhart B-13 "A", Wells Nos. 1 and 8, located in Units M and L, respectively, in Section 13, Township 21 South, Range 37 East. The second unit is an 80-acre unit consisting of SW/4 NW/4, Section 13 and SE/4 NE/4 Section 14, to be allocated to Lockhart B-14 "A" Well No. 1 in Unit H of Section 14.

Please set this matter for hearing on your next Examiner docket.

Yours very truly,

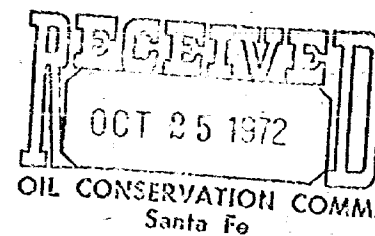
rw
Enc

NSP-1670 as amended
10/23/72
RECEIVED
OCT 25 1972
OIL CONSERVATION COMM.
Santa Fe
Case 4859

DOCKET MAILED

Date 11-2-72

New Mexico Oil Conservation Commission
Page 2
October 23, 1972



Copy + enc:
Alex Clarke, Jr.
Amoco Production Company
P. O. Box 3092
Houston, Texas 77001

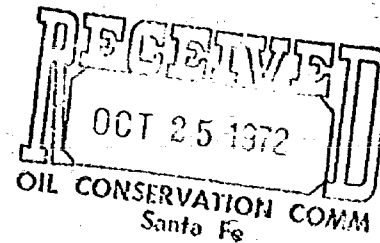
George Ricks
Atlantic Richfield Company
P. O. Box 1978
Roswell, New Mexico 88201

E. O. Price
Chevron Oil Company
P. O. Box 1660
Midland, Texas 79701

V. E. Staley
Amoco Production Company
P. O. Box 68
Hobbs, New Mexico 88240

RLA: GED: JWK:

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, A 160-ACRE UNIT
TO BE ALLOCATED JOINTLY TO LOCKHART B-13
"A" WELLS NOS. 1-M and 8-L IN SECTION 13
AND AN 80-ACRE UNIT TO BE ALLOCATED TO
LOCKHART B-14 "A" NO. 1-H IN SECTION 14,
TOWNSHIP 21 SOUTH, RANGE 37 EAST, LEA
COUNTY, NEW MEXICO.

Case 4859

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, one 80-acre unit in Sections 13 and 14 to be allocated to Lockhart B-14 "A" No. 1-H and 160-acre unit in Section 13, to be allocated jointly to Lockhart B-13 "A" Nos. 1-M and 8-L, both in Township 21 South, Range 37 East, Lea County, New Mexico, and in support would show:

1. Applicant is the operator and co-owner of the Lockhart B Lease consisting of, in addition to other lands, S/2 and S/2 N/2 Section 13, and E/2 E/2 Section 14, Township 21 South, Range 37 East, Lea County, New Mexico.
2. Applicant has drilled and completed numerous wells on said lands including twelve wells in the Terry Blinebry Oil Pool.
3. The Terry Blinebry Oil Pool was recently abolished and the wells therein included in the Blinebry Oil Pool.
4. Three of Applicant's wells, listed below, were reclassified to gas well status as a result of producing gas-oil ratios in excess of 32,000 cubic feet per barrel:

Lockhart B-13 "A" No. 1, Unit M, Section 13
Lockhart B-13 "A" No. 8, Unit L, Section 13
Lockhart B-14 "A" No. 1, Unit H, Section 14
5. Applicant proposes to form two non-standard gas proration units for said wells as follows:

A 160-acre unit consisting of W/2 SW/4, NE/4 SW/4 and NW/4 SE/4 Section 13 to be assigned jointly to Lockhart B-13 "A" Wells Nos. 1-M and 8-L.

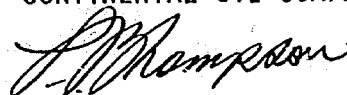
An 80-acre non-standard unit consisting of SW/4 NW/4 Section 13 and SE/4 NE/4 Section 14 to be allocated to Lockhart B-14 "A" No. 1-H.

6. That the granting of this Application will prevent waste and protect
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,

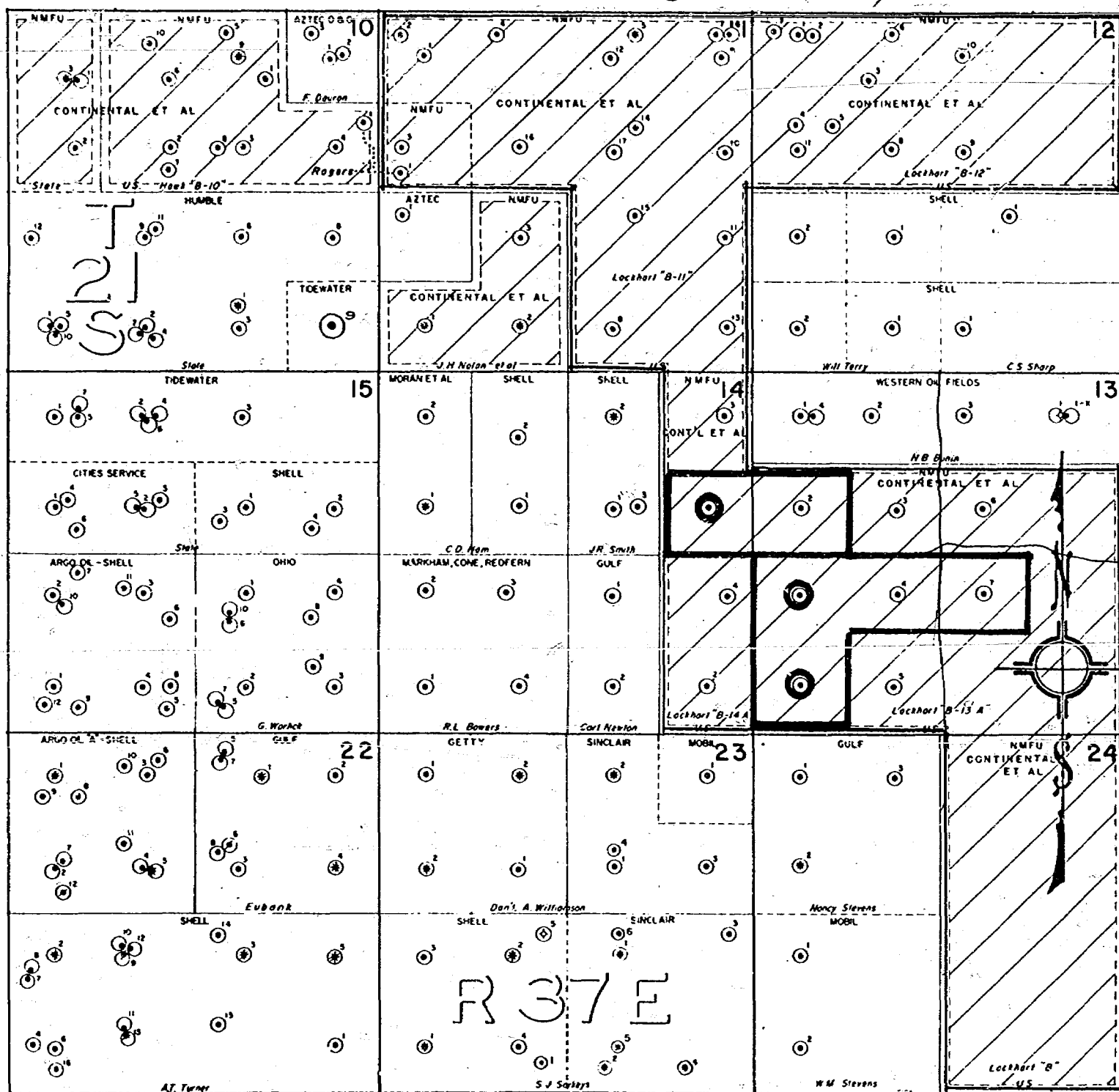
CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

rw

Case 4859



CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DIVISION

- LEASE BOUNDARY
- PROPOSED NSP UNIT
- BLINEBRY GAS WELL

LOCKHART "B" LEASE
TRACTS B-11, B-12, B-13 "A"
B-14 "A" and B-24

DRAFT

dr/

(8)

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. 4859

Order No. R-4440

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

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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 an 80-acre unit comprising the SW/4 NW/4 of Section 13 and the
Township 21 South, Range 37 East, Lea County, New Mexico
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
of the same township
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.

-2-

Case No. 4859

Order No. R-

(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, ~~it~~ ^{each} consists of contiguous quarter-quarter sections or lots, and ^{in each case} the entire unit 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 an 80-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the SW/4 NW/4 of Section 13 and ^{Township 21 South, Range 37E, Lea County, New Mexico} 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 is hereby established, and a 160-acre non-standard gas proration unit in the Blinebry Gas Pool comprising the NW/4 SE/4, N/2 SW/4, ^{of the same township,} 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 is hereby established.

(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.