

Case Number

4893

Application
Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
January 17, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company
for three non-standard proration units,
Lea County, New Mexico, Eumont Gas Pool.

Case No. 4893

BEFORE: Elvis A. Utz
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

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1 MR. UTZ: Case 4893.

2 MR. CARR: Case 4893, application of Continental
3 Oil Company for three non-standard proration units, Lea
4 County, New Mexico.

5 MR. KELLAHIN: Thomas Kellahin of Kellahin & Fox,
6 Santa Fe, appearing on behalf of the applicant, Continental
7 Oil Company. And I have one witness to be sworn.

8 MR. UTZ: Do we have any other appearances in this
9 case.

10 (No response.)

11 MR. UTZ: There are none, and you may proceed.

12 * * * * *

13 VICTOR T. LYON,

14 having been first duly sworn according to law, upon his oath,
15 testified as follows:

16 DIRECT EXAMINATION

17 BY MR. KELLAHIN

18 Q Please state your name, by whom you are employed, and
19 in what capacity, Mr. Lyon.

20 A I'm Victor T. Lyon, L-y-o-n, employed by Continental
21 Oil Company as Conservation Coordinator in the Hobbs
22 Division office, located in Hobbs, New Mexico.

23 Q Have you previously testified before this Commission,
24 or one of it's Hearing Examiners, and had your
25 qualifications as an expert witness accepted and made

1 a matter of record?

2 A Yes, I have.

3 Q Are you familiar with the facts surrounding this
4 particular application?

5 A Yes.

6 MR. KELLAHIN: Mr. Examiner, are the witness'
7 qualifications acceptable?

8 MR. UTZ: Yes, sir.

9 Q (By Mr. Kellahin) Mr. Lyon, will you please state
10 briefly what Continental seeks by this application?

11 A Case Number 4893 is Continental's application for three
12 non-standard gas proration units in the Eumont Gas
13 Pool, a 200-acre unit for its Meyer A-1 Number 6, and
14 a 320-acre unit for its State KN-12 No. 1, and a
15 158.9-acre unit for its State A-7 No. 1.

16 Q Will you please refer to what has been marked as
17 Applicant's Exhibit Number 1 and identify it and explain
18 what information it contains?

19 A Yes, sir. Exhibit Number 1 is a location and ownership
20 plat showing the Meyer A-1 lease, or that portion
21 lying within Section 18 of Township 21 South, Range
22 36 East. It shows outlined in green this particular
23 tract of this lease which consists of the northeast
24 quarter and the north half of the southeast quarter of
25 Section 18.

1 This is also the proration unit which was previously
2 allocated to Well No. 7 which is located in Unit G of
3 that section.

4 Outlined in red is the proposed non-standard unit
5 which consists of the north half of the northeast
6 quarter, the southeast quarter of the northeast quarter,
7 and the north half of the southeast quarter of the
8 section.

9 Well No. 6 is shown circled in red and it is
10 proposed to allocate this 200-acre unit to Well No. 6.
11 This unit consists of all of the acreage which was
12 assigned to Well No. 7, with the exception of the 40
13 acres which is dedicated to Well No. 7.

14 Now, Well No. 7 on September 1st was reclassified
15 to an oil well in the Eumont Pool, and consequently it
16 was necessary to find another well to produce for this
17 acreage, and Well No. 6 was re-entered and recompleted
18 in the Eumont Pool.

19 Now, I might mention that Well No. 7 had begun to
20 fall slightly behind in its production, compared to its
21 allowable, and therefore we went in and opened
22 additional zones. Now, it was completed originally as
23 Meyer A-18 No. 4 on May 18, 1936. It was recompleted
24 March 23 of 1956 as a Eumont gas well, producing from
25 the Yates formation through perforations 3,057 to 3,192.

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1 It had a calculated overflow potential of 13,000 Mcf per
2 day, a shut-in pressure of 1,093.2 psia, and since the
3 well was declining, it was re-entered August 21 of 1972
4 and additional perforations were made from 3,196 to
5 3,661, which is elevations of plus-three to plus-468,
6 which is still above the normally accepted gas-oil
7 contact in the pool, which is a minus 150.

8 The new perforations were treated and it was
9 tested on August 31 for an initial potential of 158
10 barrels of oil, no water per day.

11 Gas-oil ratio on the initial potential was not
12 reported, but 30 days after completion, the gas-oil
13 ratio was still less than 2,000 cubic feet per barrel.

14 Q Will you explain briefly what the history is behind
15 Meyer A-1, identified as No. 6 on the plat?

16 A Meyer A-1 No. 6 was originally drilled and completed
17 as Meyer A-13 No. 6 on June 27, 1936, as an oil well
18 in the Eunice Pool.

19 After an attempt to recompleate the well in the
20 Penrose member of the Queen formation, the well was
21 plugged and abandoned in May of 1963. It was re-entered
22 on November 24, 1972, drilled out and completed by
23 perforating the gross interval 3,197 to 3,600 with a
24 total of 4,800 gallons acid and fraced with a total
25 of 7,500 gallons of gelled treated fresh water and

1 15,000 pounds sand.

2 It was tested with a calculated open flow potential
3 of 556 Mcf gas per day. The producing interval is
4 virtually identical to that of No. 7 and consequently
5 we deleted the acreage assigned to No. 4 to avoid dual
6 dedication of the acreage in the Eumont Pool.

7 Q Please refer to what has been marked as Applicant's
8 Exhibit 2, identify it and explain what information it
9 contains.

10 A Exhibit Number 2 is a tabulation of the allowable,
11 production, the status (overproduced or underproduced)
12 and the amount of allowable subject to cancellation
13 for Meyer A-1 No. 7, beginning in January, 1970, and
14 continuing through the last month of its classification
15 as a gas well in August of 1972.

16 You can see that the well kept itself reasonably
17 well in balance so that there was no allowable subject
18 to cancellation at the end of 1972.

19 However, it began to fall behind. December 1971
20 was the month that it had no allowable subject to
21 cancellation, but it began to fall behind in '72 and
22 was re-entered, or was entered and stimulated, and then
23 reclassified to oil.

24 As I have previously related, as of the end of
25 August, it had 30,397 Mcf subject to cancellation under

1 the Commission's balancing rules, and was underproduced
2 in the amount of 74,471 Mcf.

3 Q Will you please identify Exhibit 3 and explain what
4 information it contains?

5 A Exhibit 3 is a copy of the multipoint back pressure
6 test conducted by El Paso Natural Gas Company in their
7 evaluation prior to connecting the well to their
8 system.

9 As is shown, the absolute open-flow is 556 Mcf per
10 day. I'd like to call the Examiner's attention to the
11 difference in the tubing and casing pressures and to
12 the notation at the bottom of the form that the well
13 made five barrels of water during the test.

14 I think that these data show that the well has not
15 completely cleaned up and, therefore, I think that we
16 could reasonably expect the well to perform better when
17 it has cleared itself from the fluids in the well.

18 Q Will the granting of this application for the
19 non-standard proration gas unit, in this instance,
20 result in the prevention of waste and not impair the
21 correlative rights of the offset operators?

22 A Well, it certainly will prevent waste in that gas will
23 be produced. We would also request that the status
24 of Well No. 7 be transferred to Well No. 6, since it
25 is a replacement well, and we feel that this is

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1 necessary to protect the correlative rights of the
2 owners of this lease.

3 We did diligently move to find a replacement well
4 for the well which was lost by reclassification, and
5 therefore we feel that we have done everything that we
6 could do, and we ask that the Commission transfer this
7 status in order to protect the correlative rights of
8 this tract.

9 Q You are therefore requesting that this underproduction
10 accrued as of August '72 be assigned to Well No. 6?

11 A We would like to carry as much of that underproduction
12 forward as the Commission deems appropriate.

13 Number 6 has not been connected to El Paso's
14 system yet because they are still having some difficulty
15 with right of way, I understand; but it should be
16 connected very soon.

17 Q Let's turn now to the other two non-standard gas
18 proration units.

19 I show you Exhibit Number 4 and ask you to identify
20 it and explain what information it contains.

21 A Exhibit Number 4 is a location and ownership plat
22 showing the State KH-12 lease and the State A-7 lease,
23 and immediately surrounding areas, location of wells,
24 and the ownership to the best of our knowledge and
25 belief.

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At the present time, the State KN-12 No. 1, which is located in Unit P of Section 12, and located 660 feet from the south and east lines of the section, has allocated to it the south half of Section 12 and the north half of the southwest quarter of Section 7.

This is shown by the green outline. State A-7 No. 1, which is located in Unit I of Section 7, is located 1,980 feet from the south line and 660 feet from the east line of Section 7. It is allocated to 80 acres described as the north-half of the southeast quarter of Section 7.

We are proposing to transfer the acreage described as the north half of the southwest quarter of Section 7 from the State KN-12 No. 1 to the State A-7 No. 1 Well.

These revised proration units are shown outlined in red.

Q Will you describe the history and status of the State KN-12 No. 1?

A State KN-12 No. 1 has been producing for this 400-acre unit successfully until the last year, and it has begun to fall behind, and consequently we feel that it needs to have its proration unit reduced in size.

Now, the proration unit is the result of the communitization agreement whereby two state leases are

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1 communitized. Phillips Petroleum Company is the record
2 owner under State KN-12 lease and they have an
3 overriding royalty under this.

4 We have advised them of our intentions of
5 terminating that communitization agreement so that the
6 production from the State KN-12 No. 1 will go entirely
7 to that lease.

8 Then the other State lease which was communitized
9 with the State KN-12 will be consolidated with the
10 State A-7 lease.

11 These instruments are presently in the process of
12 being circulated for execution.

13 Q Do you have a proposed date?

14 A We would propose that this change be made effective
15 January 1, 1973. This is the end of the '72 balancing,
16 and the beginning of the '73 balancing. We feel that
17 it would be appropriate to start the new blancing on
18 this basis.

19 Q Do you have any further requests with regards to the
20 underproduction accumulated by the State KN-12 No. 1?

21 A Yes, I'd like to refer to Exhibit 5. In reviewing this
22 exhibit, Exhibit 5 is a tabulation of the production
23 versus the current allowable of these two wells. As
24 you can see, they were both slightly underproduced in
25 1971, but State A-7 No. 1 was completely shut-in for

1 five months of that year and was not produced at full
2 capacity for several other months during the year.

3 In 1972, State KN-12 No. 1 began to fall behind and
4 was underproduced during that year, about 39 percent,
5 whereas State A-7 No. 1 was overproduced for the year.

6 This is the year through November; we do not have
7 December data yet. Approximately half of the
8 underproduction for State KN-12 was that amount which
9 would be attributed to the 80 acres added by virtue of
10 communitization, and therefore we request that 50
11 percent of KN-12's underproduction be allocated to the
12 State A-7 No. 1, consolidated unit.

13 Q Do you have anything else with regard to this
14 application, Mr. Lyon?

15 A I don't believe so, except that I do believe that the
16 change in the proration units and the transfer of the
17 underproduction from one well to the other will
18 prevent waste and will protect correlative rights.

19 Q Were Exhibits 1 through 5 prepared by you or under your
20 direction and supervision?

21 A Yes, they were.

22 MR. KELLAHIN: Mr. Examiner, we move for the
23 introduction of Applicant's Exhibits 1 through 5.

24 MR. UTZ: Without objection, Exhibits 1 through 5
25 will be entered into the record of this case.

1 MR. KELLAHIN: We have nothing further.

2 CROSS-EXAMINATION

3 BY MR. UTZ:

4 Q Mr. Lyon, what did you say the capacity was of the
5 No. 6 Well, as recompleted?

6 A No. 6?

7 Q Yes.

8 A The Meyer A-1 No. 6, according to this estimate, it
9 was 556 Mcf per day, absolute open-flow.

10 Q Now, which test are we talking about?

11 A This is El Paso's test.

12 Q That has nothing to do with the C-122 you filed as an
13 exhibit, then; this maximum production was 148 Mcf per
14 day?

15 A I'm sorry. I didn't understand you. The top rate of
16 flow was 148.

17 Q Correct.

18 A Which was at a tubing pressure of 352 pounds.

19 Q Okay. Now, where did you get the 556?

20 A Down here at the bottom where it says AOF equals Q
21 times the quantity, and there is .556, that's presented
22 in miles of cubic feet per day.

23 Q But that is a pressure of what, zero?

24 A Yes, sir, absolute open-flow.

25 Q Actually, under the conditions this was tested under,

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1 the well will put into the line 148?

2 A Yes, sir.

3 Q Now, is 148 enough to make a 200-acre allowable?

4 A No.

5 Q It still would be a marginal well?

6 A Yes.

7 Q But, even so, you are recommending that the interest

8 for the 240-acre unit be transferred to this well?

9 A Yes, we believe that the well will perform better than

10 rates tested here. I don't know what the status of

11 the gathering system that this well will go into is,

12 but El Paso is in the process of producing all of their

13 gathering system to 100 pounds, and this highest flow

14 rate was considerably above 100 pounds.

15 Q As a matter of fact, it was roughly 477 pounds, was it

16 not?

17 A Well, in tubing pressure. No, I'm sorry, the shut-in

18 pressure was 477 pounds, it was only drawing down 125

19 pounds for that peak rate.

20 Q Well, the test would show that it would flow somewhere

21 between 148 and 556 into a line?

22 A Based on this data, but I think the well was held back

23 to some degree because of the fluid, liquid, still in

24 the tubing.

25 Q Now, I believe further you are requesting that this

1 dedication be, even though the well was not connected
2 to a pipeline yet, effective 9/1/72?

3 A Well, really, I think if the well not being connected
4 to the system probably would not make it eligible for
5 an allowable. We would like to have the allowable,
6 but I think that since there isn't a well connected,
7 it probably wouldn't receive an allowable during that
8 period.

9 As I say, we'd like to have it, but we would like
10 to have the status of the well transferred anyway.

11 Q Well, your application does request this, though, does
12 it not, the effective date of 9/1/72?

13 A I don't recall what the application says.

14 Q Second paragraph in your application, No. 6 was
15 re-entered and so forth, and we request that the Meyer
16 A-1 be given the same allowable status as the Meyer
17 No. 7 on September 1, 1972?

18 A Yes, sir. This is what we requested.

19 Q I interpret that to mean that you would like to have
20 the allowable from September 1972?

21 A Well, that wasn't our intention here. Our intention
22 was that we request the status of 74,471 under-
23 production be carried.

24 Q Less whatever was subject to cancellation?

25 A I was afraid you'd say that. Yes.

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- 1 Q Now, in regard to the State KN-12 No. 1 and the A-7 No.
- 2 1, you had initially a 480-acre unit, is that correct?
- 3 A Yes, sir.
- 4 Q Now you want to separate the 160 acres from the unit
- 5 and assign it to the A-7 No. 1?
- 6 A Right. We are taking 80 from the KN-12 and adding it
- 7 to the 80 that the State A-7 No. 1 already has.
- 8 Q Perhaps I didn't understand that. The A-7 No. 1 had
- 9 an 80-acre unit all along?
- 10 A It presently has an 80-acre unit, yes, sir.
- 11 Q Okay. So, then, you didn't have a 480-acre unit, you
- 12 had a 320 plus 80?
- 13 A We had 400 acres.
- 14 Q Okay.
- 15 A I just stammered a little bit when I was talking a little
- 16 while ago.
- 17 Q Now, you want to take 80 acres from the 400-acre unit
- 18 and dedicate it --
- 19 A No, 400-acre unit, take 80 from the 400 and we'll end
- 20 up with 320.
- 21 Q All right. Now, you would be taking 80 over 400, or
- 22 $80/400$ of the acreage and applying it to the A-7
- 23 No. 1?
- 24 A Twenty percent.
- 25 Q I believe you requested 50 percent to the 100 being

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1 transferred to the A-7 No. 1?

2 A Right.

3 Q When actually 84/100 is not 50 percent, it's
4 something like --

5 A No, it's only twenty percent.

6 Q In other words, what you are asking is more of the
7 acreage to be transferred than the acreage would
8 indicate.

9 It's questionable whether we can do that or not,
10 Mr. Lyon. We will consider your request.

11 A We appreciate your consideration.

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

14 (No response.)

15 MR. UTZ: The witness may be excused.

16 Are there any statements in the case?

17 (No response.)

18 MR. UTZ: The case will be taken under advisement.
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1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)

4 I, JOHN DE LA ROSA, a Notary Public in and for the
5 County of Bernalillo, State of New Mexico do hereby certify
6 that the foregoing and attached Transcript of Hearing before
7 the New Mexico Oil Conservation Commission was reported by
8 me; and that the same is a true and correct record of the
9 said proceedings to the best of my knowledge, skill and
10 ability.
11

12 *John De La Rosa*
13 NOTARY PUBLIC

14 My Commission Expires:
15 August 4, 1976
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 Examiner hearing of Case No. 4893
25 heard by me on Jan 17, 1973.
[Signature] Examiner
New Mexico Oil Conservation Commission

dearnley, meier & mc cormick

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I N D E X

WITNESS

VICTOR T. LYON

Direct Examination by Mr. Kellahin	3
Cross-Examination by Mr. Utz	13

E X H I B I T S

ADMITTED

OFFERED

Applicant's Exhibit Number 1	12	4
Applicant's Exhibit Number 2	12	7
Applicant's Exhibit Number 3	12	8
Applicant's Exhibit Number 4	12	9
Applicant's Exhibit Number 5	12	11



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2068 - SANTA FE
87501

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

February 14, 1973

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

Re: Case No. 4893
Order No. R-4481
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. 4893
Order No. R-4481

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 17, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 14th day of February, 1973, 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 a 200-acre unit comprising the N/2 NE/4, SE/4 NE/4, and N/2 SE/4 of Section 18, Township 21 South, Range 36 East, to be dedicated to the Meyer A-1 Well No. 6 located in Unit B of said Section 18; a 320-acre unit comprising the S/2 of Section 12, Township 19 South, Range 36 East, to be dedicated to the State KN-12 Well No. 1 located in Unit P of said Section 12; and a 158.9-acre unit comprising the N/2 S/2 of Section 7, Township 19 South, Range 37 East, to be dedicated to the State A-7 Com No. 1 located in Unit I of said Section 7, Eumont Gas Pool, Lea County, New Mexico.

(3) That the proposed non-standard gas proration units can be efficiently and economically drained and developed by the subject wells.

(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 Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

-2-

Case No. 4893

Order No. R-4481

IT IS THEREFORE ORDERED:

(1) That a 200-acre unit is hereby established comprising the N/2 NE/4, SE/4 NE/4, and N/2 SE/4 of Section 18, Township 21 South, Range 36 East, to be dedicated to the Meyer A-1 Well No. 6 located in Unit B of said Section 18; that a 320-acre unit is hereby established comprising the S/2 of Section 12, Township 19 South, Range 36 East, to be dedicated to the State KN-12 Well No. 1 located in Unit P of said Section 12; and that a 158.9-acre unit is hereby established comprising the N/2 S/2 of Section 7, Township 19 South, Range 37 East, to be dedicated to the State A-7 Com No. 1 located in Unit I of said Section 7.

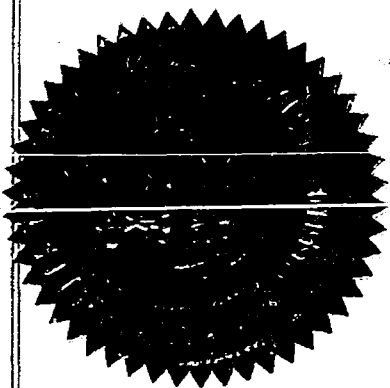
(2) That the status for balancing purposes for each of the above-described proration units shall be the combined status of the proration units being consolidated to form said units as of the effective date of this order.

(3) That this order shall become effective at 7:00 a.m. February 20, 1973.

(4) That Commission Orders Nos. R-694, NSP-413, and NSP-280 are hereby superseded.

(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. Armiijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

4893

Grant Continental Non Oil units
and Well dedications as follows:

1. 18-215-36 E. E/2 E/2, NW/4 NE/4,
SW/4 SE/4 - 200 Ac.

Status of the Meyer A-1 #7 to be
transferred to the Meyer A-1 #6 B-

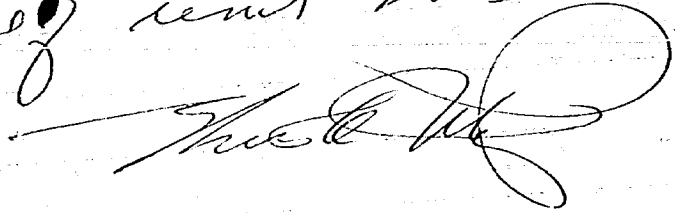
18-21-36. Turn out B and Pool.

Status of well #6 shall be
74,471 underproduced on date
of conversion.

2. Sec. 12-185-36 E, S/2 - 328 Ac.
~~Sec. 12-185-37 E N/2 S/2 - 158.9 Ac.~~
To be dedicated to the State KN-
12 #1, P-195-37 E,

3. Sec. 7-185-37 E N/2 S/2 158.9 Ac.
To be dedicated to the A-7 #1
I-7-195-37 E.

20% of the underproduction
from the status of the KN-12 #1
well shall be added to the current
status of the A-7 #1 well. (Unit #2
above)
Effective date of unit 203 shall
be 2-1-73.



CASE 4893: Application of Continental Oil Company for three non-standard proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard gas proration units, Eumont Gas Pool, Lea County, New Mexico:

A 200-acre unit comprising the N/2 NE/4, SE/4 NE/4, and N/2 SE/4 of Section 18, Township 21 South, Range 36 East, to be dedicated to the Meyer A-1 Well No. 6 located in Unit B of said Section 18; a 320-acre unit comprising the S/2 of Section 12, Township 19 South, Range 36 East, to be dedicated to the State KN-12 Well No. 1 located in Unit P of said Section 12; and a 158.9-acre unit comprising the N/2 S/2 of Section 7, Township 19 South, Range 37 East, to be dedicated to the State A-7 Com No. 1 located in Unit I of said Section 7.

CASE 4894: Application of Felmont Oil Corporation for a dual completion, contraction of vertical limits, creation of a new pool, and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the vertical limits of the Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, to exclude the producing interval from 8894 feet to 8914 feet as found in its Aaron Unit Well No. 1, located in Unit N of Section 11, Township 18 South, Range 26 East, and to re-designate said Atoka-Pennsylvanian Gas Pool as the Atoka-Lower Pennsylvanian Gas Pool, and for the creation of a new pool for the above-described producing interval to be designated Atoka-Upper Pennsylvanian Gas Pool. Applicant also seeks the adoption of special rules for said proposed new pool similar to the pool rules for the presently existing Atoka-Pennsylvanian Gas Pool; applicant further seeks approval for the dual completion of the above-described well to produce from the afore-said two pools.

CASE 4895: Application of Llano, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Grama Ridge Morrow Unit Area comprising 1,180 acres, more or less, of State Lands in Townships 21 and 22 South, Range 34 East, Lea County, New Mexico.

CASE 4896: Application of Llano, Inc. for gas injection, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject gas for secondary recovery and gas storage purposes in the Morrow formation through its State CPA Well No. 1 located in Unit N of Section 3, Township 22 South, Range 34 East, and its State GRB Well No. 1 located in Unit L of Section 34, Township 21 South, Range 34 East, Grama Ridge-Morrow Gas Pool, Lea County, New Mexico.

CASE 4890: (Continued from the January 3, 1973 Examiner Hearing)

Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 303 of the Commission Rules and Regulations, authority to commingle production from the North Vacuum-Abo, Vacuum-Wolfcamp, and Vacuum-Upper Pennsylvanian Pools in the wellbore of its Mobil State Well No. 1 located in Unit H of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 17, 1973

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

The following cases will be heard before Richard L. Stamets, Examiner, or Elvis A. Utz, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1973 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 February, 1973.

CASE 4875: (Continued from December 19, 1972 Examiner Hearing)

Application of ESH Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Lower San Andres formation in the perforated interval from 5144 feet to 5170 feet in its Hobbs State Well No. 5 located in Unit F of Section 29, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico.

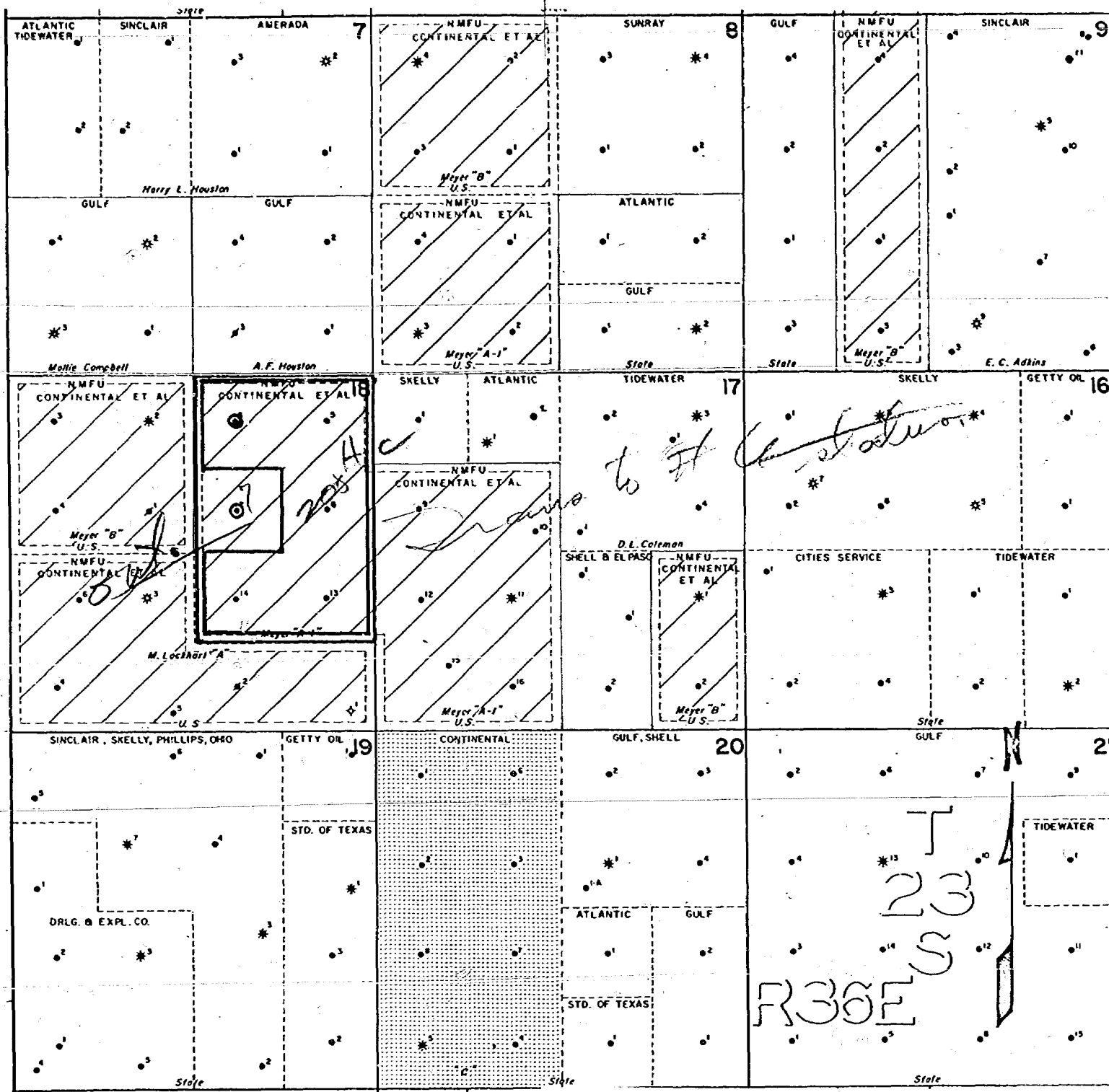
CASE 4860: (Continued from the December 19, 1972 Examiner Hearing)

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 4482: (Reopened) (Continued from the January 3, 1973 Examiner Hearing)

In the matter of Case 4482 being reopened pursuant to the provisions of Order No. R-4093-A, which order continued the special rules and regulations for the Parkway-Strawn Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said special pool rules should be further extended.

CASE 4892: Application of Mobil Oil Corporation for a dual completion and water injection, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Carson Watson Com Well No. 13 located in Unit G of Section 33, Township 21 South, Range 37 East, in such a manner as to permit the production of gas from the Tubb Gas Pool and the injection of water into the Drinkard formation underlying the Central Drinkard Unit, Drinkard Pool, Lea County, New Mexico.



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 4893
Submitted by Continental Oil Co.
Hearing Date Jan. 17, 1973

CONOCO
PRODUCTION DEPARTMENT HOBBS DIVISION
EUMONT POOL
LEA COUNTY, NEW MEXICO
MEYER A-1 LEASE
(SECTION 18)
PROPOSED NSP UNIT
SCALE
0' 1000' 2000'

MEYER A-1 NO. 7

YEAR/MONTH	ALLOWABLE	PRODUCTION	STATUS	AMOUNT IN JEOPARDY
1970 January	25,955	17,263	6,186	0
February	19,236	13,036	12,386	0
March	17,094	21,291*	8,189	0
April	12,481	19,948	722	0
May	17,763	19,923	1,438-	0
June	32,999#	26,439*	5,122	0
July	18,935	23,403*	654	654
August	17,127	0	17,781	654
September	10,816	14,195	14,402	0
October	14,438	25,799*	3,041	0
November	13,577	13,616	3,002	0
December	25,886#	13,374	15,514	0
1971 January	24,518	16,066	23,966	15,514
February	19,951	15,947	27,970	15,514
March	17,411	20,411*	24,970	12,514
April	21,672	14,628	32,014	12,514
May	18,296	17,711	32,599	12,514
June	13,091	18,245	27,445	7,360
July	15,507	18,074	24,878	4,793
August	19,400	18,945*	25,333	4,793
September	9,315	17,731	16,917	0
October	6,491	18,577	4,831	0
November	22,186	17,731	9,286	0
December	34,046	11,199	32,133	0
1972 January	24,515	15,692	40,956	32,133
February	15,977	13,474	43,459	32,133
March	25,784	13,409	55,834	32,133
April	25,266	13,764	67,336	32,133
May	8,585	10,321	65,600	30,397
June	11,518	10,131	66,987	30,397
July	17,977	12,631	72,333	30,397
August	10,700	8,562	74,471	30,397

#Includes redistributed cancellation of allowable.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 4893

Submitted by Continental Oil Co.

Hearing D January 17, 1973

NEW MEXICO OIL CONSERVATION COMMISSION
MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form C-122
 Revised 9-1-65

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special				Test Date 12-8-72	
Company Continental Oil Company				Connection None	
Pool Eumont				Formation	
Completion Date 12-8-72		Total Depth 3660		Plug Back To 3660	
Csa. Size 5 1/2		Set At		Elevation	
Tub. Size 2 3/8		Set At 3631		Perforations: From 3197 To 3600	
Type Well - Single - Bradenhead - G.G. or G.O. Multiple Single				Packer Set At	
Producing Thru Tbc.		Reservoir Temp. °F 8		Mean Annual Temp. °F 45	
Baro. Press. - P _g 13.2		State New Mexico		County Lea	
L	H	Cg .664	% CO ₂	% N ₂	% H ₂ S
Prover Positive Choke					

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.		Temp. °F
SI	Positive Choke										72 hr.
1.	2		8/64				177	45	515	45	1 hr.
2.	2		12/64				184	61	510		1 hr.
3.	2		14/64				328	64	506		1 hr.
4.	2		16/64				332	67	501		1 hr.
5.	2		20/64				348	69	498		1 hr.

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor F _t	Gravity Factor F _g	Super. Compress. Factor, F _{pv}	Rate of Flow Q, Mcfd
1	.1250		107.2	.9990	1.227	1.020	31
2	.1875		341.2	.9952	1.227	1.035	81
3	.2188		345.2	.9933	1.227	1.036	95
4	.2500		361.2	.9915	1.227	1.036	114
5	.3125		375.2	.9905	1.227	1.038	148

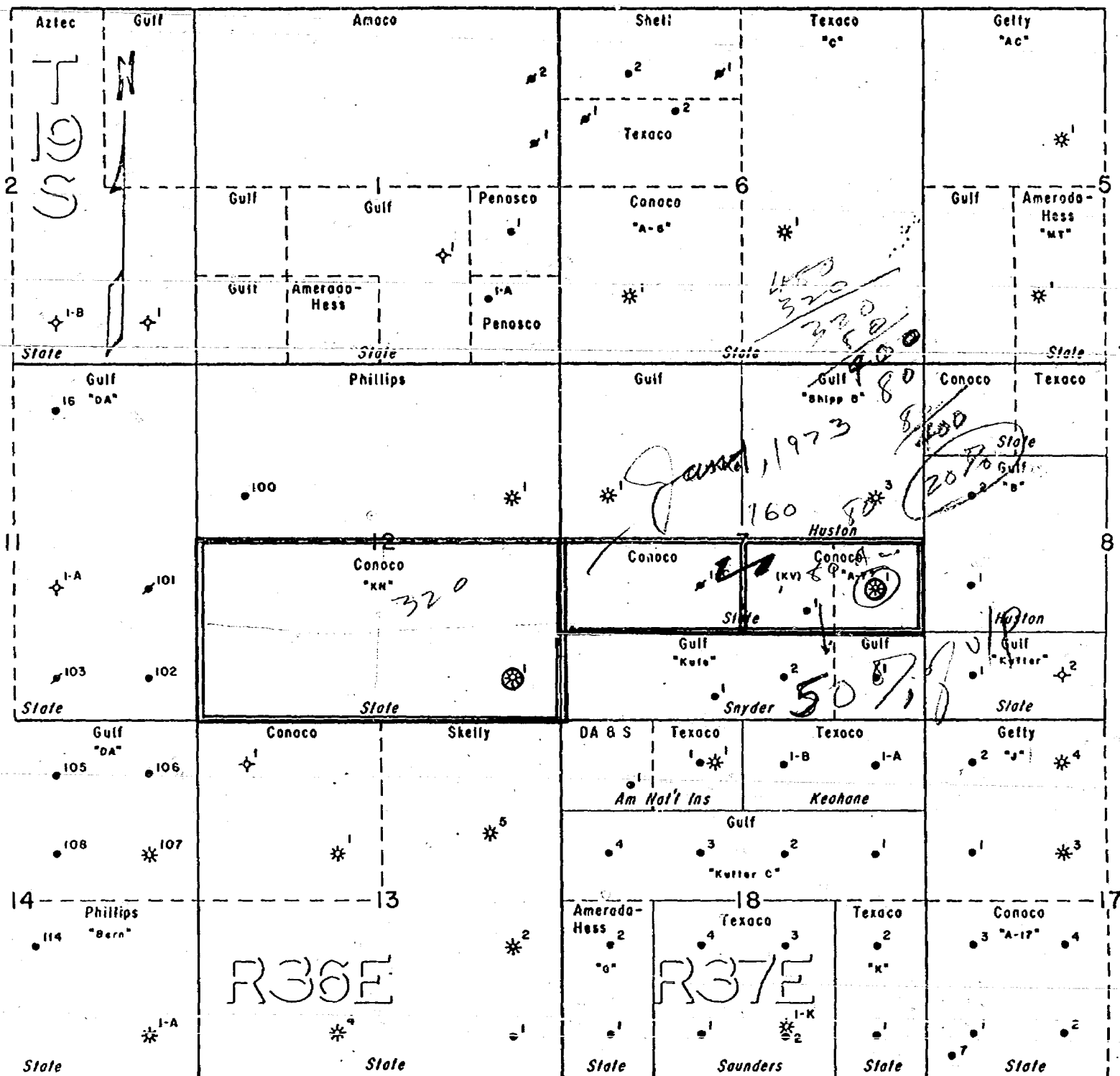
NO.	P _r	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio _____ Mcf/bbl.
1	.29	521	1.38	.961	A.P.I. Gravity of Liquid Hydrocarbons _____ Deg.
2	.51	524	1.39	.934	Specific Gravity Separator Gas _____ X X X X X X X X
3	.52	527	1.39	.932	Specific Gravity Flowing Fluid _____ X X X X X
4	.54	529	1.40	.931	Critical Pressure _____ 670 P.S.I.A. _____ P.S.I.A.
5	.56	530	1.40	.929	Critical Temperature _____ 373 R _____ R

NO.	P _r	P _w	P _w ²	P _r ² - P _w ²	(1) $\frac{P_r^2}{P_r^2 - P_w^2} = 9.058$	(2) $\left[\frac{P_r^2}{P_r^2 - P_w^2} \right]^n = 3.760$
1		523.2	273.7	5.3		
2		519.2	269.6	9.4		
3		514.2	264.4	14.6		
4		511.2	261.3	17.7		
5		498.2	248.2	30.8		


Absolute Open Flow _____ Mcfd @ 15.025			Angle of Slope θ 59	Slope, n .601
--	--	--	-----------------------------------	----------------------

Remarks: **Made 5 barrels water during test.**

Approved By Commission:	Conducted By: J. C. Roberts Randy Eiker	Calculated By: J. C. Roberts	Checked By:
-------------------------	--	-------------------------------------	-------------



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 4
CASE NO. 4893
Submitted by Continental O. & G. Co
Hearing Date January 17, 1973



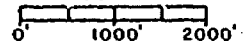
PRODUCTION DEPARTMENT
HOBBS DIVISION

LEA COUNTY, NEW MEXICO

EUMONT GAS PRORATION UNITS

STATE A-7 AND STATE KN-12 LEASES

SCALE



erw

PRODUCTION VS CURRENT ALLOWABLE

Year/Month	State KN-12 No. 1		State A-7 No. 1	
	Production	Allowable	Production	Allowable
1971				
January	30,082	40,863	0	8,173
February	31,445	33,252	9,783	6,650
March	33,148	29,019	7,439	5,804
April	28,999	36,120	0	7,224
May	33,250	30,493	3,655	6,099
June	29,566	16,612	0	3,322
July	31,465	25,844	0	5,169
August	30,065	32,334	991	6,467
September	28,252	15,526	0	3,105
October	26,199	10,818	15,004	2,164
November	16,242	36,976	14,963	7,395
December	13,433	56,743	15,791	11,349
	332,146	364,600	67,626	72,921
1972				
January	8,379	40,858	12,263	8,172
February	7,774	26,628	10,585	5,326
March	9,904	42,973	12,183	8,595
April	11,634	42,110	7,953	8,422
May	18,706	14,308	684	2,862
June	20,434	19,197	3,920	3,839
July	26,376	29,962	5,131	5,992
August	24,900	17,833	6,194	3,567
September	24,449	24,386	71	4,877
October	23,763	32,142	3,170	6,428
November	20,533	32,245	14,937	6,449
	196,852	322,642	77,091	64,529

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

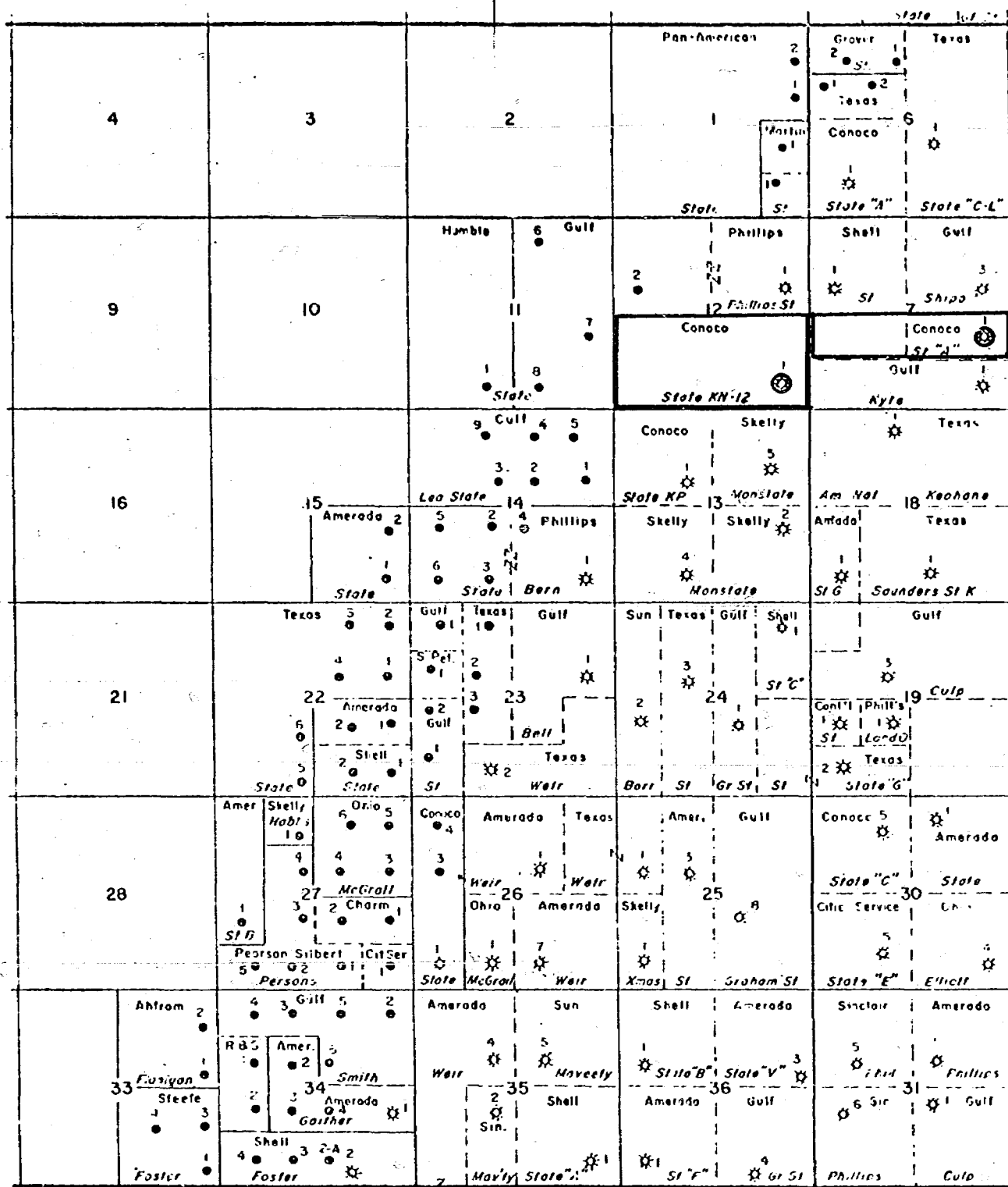
EXHIBIT NO. 5

CASE NO. 4893

Submitted by Continental Oil Co.

Hearing Date January 17, 1973

EXHIBIT NO. 5



R 36 E

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT HOBBS DIVISION
LEA COUNTY, NEW MEXICO

STATE KN-12
GAS PRORATION EUMONT POOL

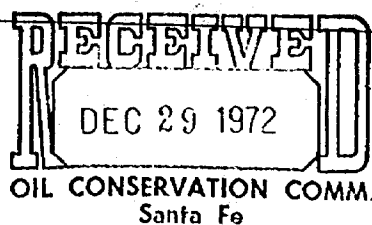
Case 4893

Scale: 1" = 4000'

erw



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

December 22, 1972

Case 4893

New Mexico Oil Conservation Commission - 3 ✓
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Gentlemen:

Application for Approval of Two Non-Standard Gas Proration Units in
the Eumont Pool

We forward herewith, in triplicate, an application for approval of two non-standard gas proration units. Currently, a 400-acre unit is assigned to our State KN-12 No. 1 and an 80-acre unit is assigned to our State A-7 No. 1. It is proposed to enlarge the State A-7 proration unit to 158.90-acres and reduce the State KN-12 proration unit to 320-acres.

We should appreciate your setting this matter for hearing on January 17, 1973.

Yours very truly,

L. P. Thompson

rw
Enc
Copy + enc:
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79999

Phillips Petroleum Company
4th and Washington
Odessa, Texas 79760

RLA: GAD: JWK:

Handwritten calculations:
$$\begin{array}{r} 400 \\ 60 \\ \hline 460 \end{array}$$

$$\begin{array}{r} 320 \\ 158.9 \\ \hline 478.9 \end{array}$$

ld
Heur

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 EUMONT GAS POOL, OF 320-
ACRES AND 158.90 ACRES, RESPECTIVELY,
FOR ITS STATE KN-12 WELL NO. 1 IN
SECTION 12, TOWNSHIP 19 SOUTH, RANGE
36 EAST, AND STATE A-7 COMM. WELL
NO. 1 IN SECTION 7, TOWNSHIP 19 SOUTH,
RANGE 37 EAST, LEA COUNTY, NEW MEXICO.

Case 4893

A P P L I C A T I O N

Comes now Applicant, Continental Oil Company, and respectfully requests approval of two non-standard gas proration units in the Eumont Gas Pool; a 320-acre unit consisting of S/2 Section 12, Township 19 South, Range 36 East, for its State KN-12 located in Unit P of said Section; and a 158.90-acre unit consisting of the N/2 S/2 Section 7, Township 19 South, Range 37 East, to be allocated to its State A-7 Comm. No. 1 located in Unit I of said Section; and in support thereof would show:

1. Applicant is the owner and operator of three State leases on the above-described land: one lease covering the S/2 Section 12, Township 19 South, Range 36 East; a second lease covering the N/2 SW/4 of Section 7; and a third lease covering the N/2 SE/4 of Section 7, both in Township 19 South, Range 37 East, Lea County, New Mexico.
2. Order No. R-694 established a 400-acre gas proration unit in the Eumont Pool for Applicant's State KN-12 Well No. 1, located 660' from the south and east lines of Section 12. The unit consists of S/2 Section 12 and N/2 SW/4 Section 7.
3. Administrative Order NSP-413 established an 80-acre gas proration unit for Applicant's State W-7 No. 1, well located 1980' FSL and 660' FEL of Section 7. The Unit consists of the N/2 SE/4 Section 7.
4. The gas proration unit for State KN-12 No. 1 was formed by virtue of a communitization agreement which has been terminated effective January 1, 1973.

5. Applicant is consolidating the two State leases to form a 158.90-acre gas proration unit for State A-7 Comm. No. 1, consisting of N/2 S/2 Section 7, Township 19 South, Range 37 East.
6. Applicant proposes to allocate the S/2 Section 12, Township 19 South, Range 36 East to its State KN-12 No. 1.
7. The granting of this application will result in the prevention of 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 Eumont Pool as described above.

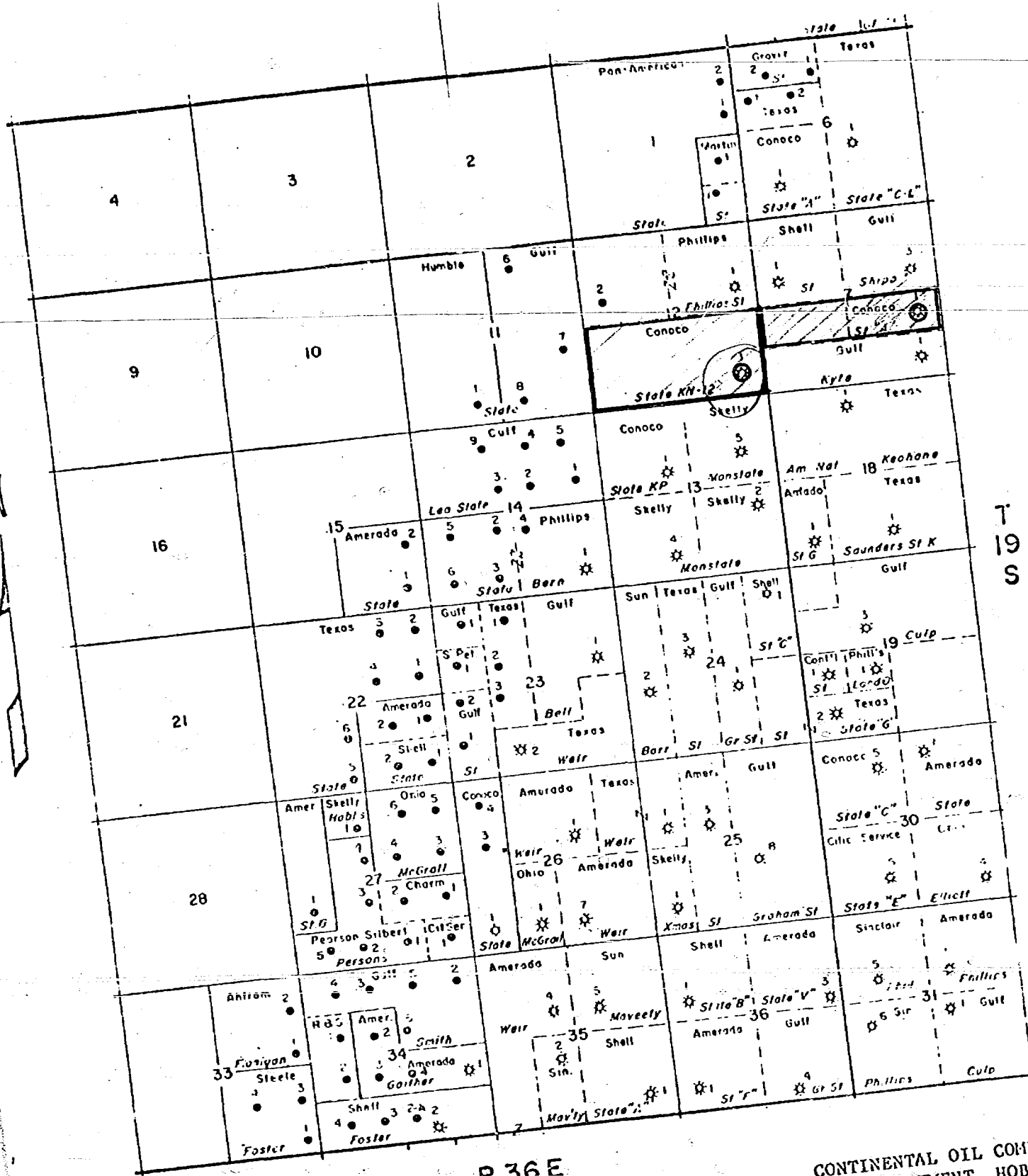
Respectfully submitted,

CONTINENTAL OIL COMPANY



L. P. Thompson
Division Manager

rw



R 36 E

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT HOBBS DIVISION
LEA COUNTY, NEW MEXICO

STATE KN-12
GAS PRORATION EUMONT POOL

Scale: 1" = 4000'

Case 4893

erw

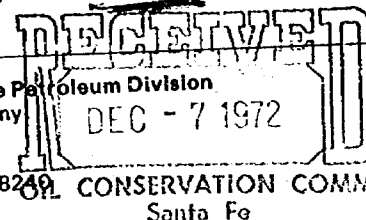
Set for hearing

L. P. Thompson
Division Manager
Production Department
Hobbs Division

CONOCO

Case 4893

Western Hemisphere Petroleum Division
Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88249
(505) 393-4141



December 5, 1972

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

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

Gentlemen:

Rule 5 Conf
Order R-1670
Blue January 10

Continental Oil Company's Application for a 200-Acre NSP Unit -
Meyer A-1 No. 6, Section 18, T-21S, R-36E, Lea County, New Mexico

Continental Oil Company respectfully requests Administrative Approval under the provisions of Rule 5(b) of the Special Rules and Regulations for the Eumont Gas Pool of Order No. R-520, for approval of a 200-acre non-standard gas proration unit for its Meyer A-1 No. 6, located 660' from the north line and 1980' from the east line of Section 18, T-21S, R-36E, Lea County, New Mexico in the Eumont Gas Pool.

The unit is proposed to consist of the N/2 NE/4, SE/4 NE/4 and N/2 SE/4 of Section 18, T-21S, R-36E. This acreage has been assigned to Meyer A-1 No. 7 as approved by Administrative Order NSP-280. The Meyer A-1 No. 7 was reclassified to an oil well by the NMOCC on September 8, 1972. We request that NSP-280 be cancelled in favor of this request. The Meyer A-1 No. 7 was stimulated to increase the gas production, but the well began producing oil and consequently was reclassified. The No. 6 well was re-entered and completed to replace the No. 7 well as a gas producer. We request that Meyer A-1 No. 6 be given the same allowable status that Meyer A-1 No. 7 had on September 1, 1972.

In support of this NSP request, we should like to point out that the proposed unit conforms with the requirements of Rule 5(b) in all respects as follows:

1. Said unit consists of contiguous quarter-quarter sections and/or lots.
2. Said unit lies wholly within a single governmental section.
3. The entire proposed unit may be reasonably presumed to be productive of gas.
4. The length or width of said unit does not exceed 5,280 feet.

DOCKET MAILED

Date 1-5-73

New Mexico Oil Conservation Commission

Page 2

December 5, 1972

5. Copies of this application have been furnished, by certified mail, to all offset operators and all operators within 1,500 feet of said well.

A plat is attached hereto showing to the best of our knowledge and belief the proposed unit, the location of the well and the offset ownership.

In view of the facts set out herein, it is respectfully requested that the Commission enter an order approving the non-standard gas proration unit for Continental Oil Company's Meyer A-1 No. 6.

Yours very truly,



rw

Enc

Copy + enc:

New Mexico Oil Conservation Commission

P. O. Box 1980

Hobbs, New Mexico 88240

Gulf Oil Corporation

P. O. Box 670

Hobbs, New Mexico 88240

RLA: JJB: JWK:



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

December 5, 1972

Case 4893

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

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

Gentlemen:

Continental Oil Company's Application for a 200-Acre NSP Unit -
Meyer A-1 No. 6, Section 18, T-21S, R-36E, Lea County, New Mexico

Continental Oil Company respectfully requests Administrative Approval under the provisions of Rule 5(b) of the Special Rules and Regulations for the Eumont Gas Pool of Order No. R-520, for approval of a 200-acre non-standard gas proration unit for its Meyer A-1 No. 6, located 660' from the north line and 1980' from the east line of Section 18, T-21S, R-36E, Lea County, New Mexico in the Eumont Gas Pool.

The unit is proposed to consist of the N/2 NE/4, SE/4 NE/4 and N/2 SE/4 of Section 18, T-21S, R-36E. This acreage has been assigned to Meyer A-1 No. 7 as approved by Administrative Order NSP-280. The Meyer A-1 No. 7 was reclassified to an oil well by the NHOCC on September 8, 1972. We request that NSP-280 be cancelled in favor of this request. The Meyer A-1 No. 7 was stimulated to increase the gas production, but the well began producing oil and consequently was reclassified. The No. 6 well was re-entered and completed to replace the No. 7 well as a gas producer. We request that Meyer A-1 No. 6 be given the same allowable status that Meyer A-1 No. 7 had on September 1, 1972.

In support of this NSP request, we should like to point out that the proposed unit conforms with the requirements of Rule 5(b) in all respects as follows:

1. Said unit consists of contiguous quarter-quarter sections and/or lots.
2. Said unit lies wholly within a single governmental section.
3. The entire proposed unit may be reasonably presumed to be productive of gas.
4. The length or width of said unit does not exceed 5,280 feet.

New Mexico Oil Conservation Commission

Page 2

December 5, 1972

5. Copies of this application have been furnished, by certified mail, to all offset operators and all operators within 1,500 feet of said well.

A plat is attached hereto showing to the best of our knowledge and belief the proposed unit, the location of the well and the offset ownership.

In view of the facts set out herein, it is respectfully requested that the Commission enter an order approving the non-standard gas proration unit for Continental Oil Company's Meyer A-1 No. 6.

Yours very truly,



rw

Enc

Copy + enc:

New Mexico Oil Conservation Commission

P. O. Box 1980

Hobbs, New Mexico 88240

Gulf Oil Corporation

P. O. Box 670

Hobbs, New Mexico 88240

RLA: JJB: JWK:



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

December 5, 1972

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

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

Case 4893

Gentlemen:

Continental Oil Company's Application for a 200-Acre NSP Unit -
Meyer A-1 No. 6, Section 18, T-21S, R-36E, Lea County, New Mexico

Continental Oil Company respectfully requests Administrative Approval under the provisions of Rule 5(b) of the Special Rules and Regulations for the Eumont Gas Pool of Order No. R-520, for approval of a 200-acre non-standard gas proration unit for its Meyer A-1 No. 6, located 660' from the north line and 1980' from the east line of Section 18, T-21S, R-36E, Lea County, New Mexico in the Eumont Gas Pool.

The unit is proposed to consist of the N/2 NE/4, SE/4 NE/4 and N/2 SE/4 of Section 18, T-21S, R-36E. This acreage has been assigned to Meyer A-1 No. 7 as approved by Administrative Order NSP-280. The Meyer A-1 No. 7 was reclassified to an oil well by the NMOC on September 8, 1972. We request that NSP-280 be cancelled in favor of this request. The Meyer A-1 No. 7 was stimulated to increase the gas production, but the well began producing oil and consequently was reclassified. The No. 6 well was re-entered and completed to replace the No. 7 well as a gas producer. We request that Meyer A-1 No. 6 be given the same allowable status that Meyer A-1 No. 7 had on September 1, 1972.

In support of this NSP request, we should like to point out that the proposed unit conforms with the requirements of Rule 5(b) in all respects as follows:

1. Said unit consists of contiguous quarter-quarter sections and/or lots.
2. Said unit lies wholly within a single governmental section.
3. The entire proposed unit may be reasonably presumed to be productive of gas.
4. The length or width of said unit does not exceed 5,280 feet.

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5. Copies of this application have been furnished, by certified mail, to all offset operators and all operators within 1,500 feet of said well.

A plat is attached hereto showing to the best of our knowledge and belief the proposed unit, the location of the well and the offset ownership.

In view of the facts set out herein, it is respectfully requested that the Commission enter an order approving the non-standard gas proration unit for Continental Oil Company's Meyer A-1 No. 6.

Yours very truly,

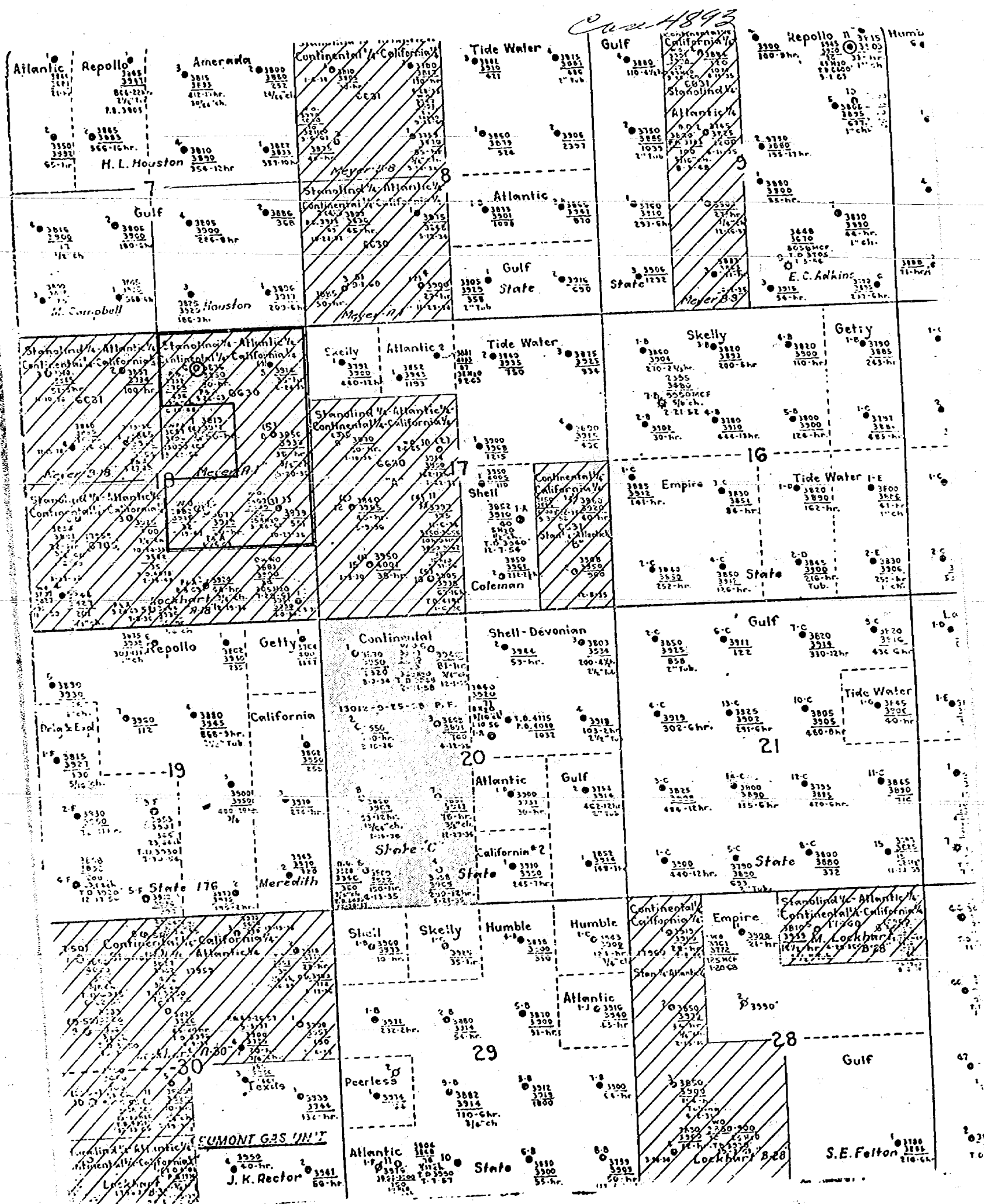


rw
Enc

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

Gulf Oil Corporation
P. O. Box 670
Hobbs, New Mexico 88240

RLA: JJB: JWK:



DRAFT

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. 4893

Order No. R-4481

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 17, 1973,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets FAU.

NOW, on this _____ day of January, 1973, 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 a 200-acre unit comprising the N/2 NE/4, SE/4 NE/4,
and N/2 SE/4 of Section 18, Township 21 South, Range 36 East,
to be dedicated to the Meyer A-1 Well No. 6 located in Unit B

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Case No. 4893
Order No. R-

of said Section 18; a 320-acre unit comprising the S/2 of Section 12, Township 19 South, Range 36 East, to be dedicated to the State KN-12 Well No. 1 located in Unit P of said Section 12; and a 158.9-acre unit comprising the N/2 S/2 of Section 7, Township 19 South, Range 37 East, to be dedicated to the State A-7 Com No. 1 located in Unit I of said Section 7, Eumont Gas Pool, Lea County, New Mexico.

(3) That the proposed non-standard gas proration units can be efficiently and economically drained and developed by the subject wells.

(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 Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 200-acre unit is hereby established comprising the N/2 NE/4, SE/4 NE/4, and N/2 SE/4 of Section 18, Township 21 South, Range 36 East, to be dedicated to the Meyer A-1 Well No. 6 located in Unit B of said Section 18; that a 320-acre unit is hereby established comprising the S/2 of Section 12, Township 19 South, Range 36 East, to be dedicated to the State KN-12 Well No. 1 located in Unit P of said Section 12; and that a 158.9-acre unit is hereby established comprising the N/2 S/2 of Section 7, Township 19 South, Range 37 East, to be dedicated to the State A-7 Com No. 1 located in Unit I of said Section 7.

(2) That the status for balancing purposes for each of the above-described proration units shall be the combined status of the proration units being consolidated to form said units as of the effective date of this order.

(3) That this order shall become effective at 7:00 a.m.

~~by~~ February 20, 1973.

That Commission Orders Nos. R-694, NSP 413, and NSP 280 are hereby superseded.

Judgment of this cause is retained for the