

CASE 4923: Appli. of CONTINENTAL  
FOR A NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

*Cont to 4/11  
& re-examine*

Case Number

4923

Application  
Transcripts.

Small Exhibits

ETC.

dearnley, meier &amp; mc cormick

209 SIMMS BLDG., P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103  
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
April 11, 1973

## EXAMINER HEARING

IN THE MATTER OF:

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

Case No. 4923

BEFORE: Elvis A. Utz  
Examiner

TRANSCRIPT OF HEARING

1 MR. CARR: Case 4923, Application of Continental Oil  
2 Company for a non-standard gas proration unit, Lea County,  
3 New Mexico.

4 MR. KELLAHIN: If the Examiner please, Jason Kellahin,  
5 Kellahin & Fox, Santa Fe, appearing for the Applicant. We  
6 have one witness I'd like to have sworn.

7 MR. UTZ: Are there other appearances?

8 (No response)

9 MR. UTZ: Let the record show there were none.

10 VICTOR T. LYON

11 appeared as a witness, and after being duly sworn, testified  
12 as follows:

13 DIRECT EXAMINATION

14 BY MR. KELLAHIN:

15 Q Would you state your name, please?

16 A Victor T. Lyon, L Y O N.

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

18 A I am employed by Continental Oil Company as District  
19 Conservation Coordinator in the Hobbs Division Office  
20 located in Hobbs, New Mexico.

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

23 A Yes, sir, I have.

24 MR. KELLAHIN: Are the witness' qualifications accept-  
25 able?

1 MR. UTZ: Yes, sir, they are.

2 O (By Mr. Kellahin) Mr. Lyon, are you familiar with the  
3 application of Continental Oil Company in Case No. 4923?

4 A Yes, I am.

5 O What is proposed by the Applicant in this case?

6 A Case No. 4923 is the application of Continental Oil Company  
7 for approval of a 360-acre non-standard gas proration unit  
8 in the Eumont Gas Pool to be allocated to its Meyer B-4  
9 Well Number 4 located in Unit S, which is the Northeast  
10 quarter of the Southwest quarter of Section 4, Township 21  
11 South, Range 36 East, Lea County, New Mexico. Actually,  
12 what we are doing is asking that the unit well for a  
13 presently approved proration unit be transferred from Well  
14 Number 7 to Well Number 4. Well Number 7 is located in  
15 Unit R, or the Northwest quarter, Southeast quarter of  
16 Section 4.

17 O Now, referring to what has been marked as Applicant's  
18 Exhibit No. 1, would you identify that exhibit, please?

19 A Exhibit No. 1 is a plat showing the acreage here involved,  
20 and the wells, the Meyer B-4 Lease, is that portion of  
21 the hashed area, lying within Section 4, and is described  
22 as the East half and East half of the West half of Section  
23 4, which is a non-standard unit approximately 1 and 1/2  
24 miles long in the North-South direction. The square area  
25 colored in green is the proration unit for the Well Number

1 14. The square which is outlined in red is the proration  
2 unit presently assigned to Well Number 7, which is circled  
3 in green. The proposed area proration unit is described  
4 as Sections or Lots 14, 15, and 16, the Southeast quarter  
5 and the East half of the Southwest quarter of Section 4.  
6 Well Number 4, which is the well that we are proposing to  
7 allocate this acreage to, is supposed to be circled in  
8 red, but my copy here has Well 25, which is the Twin Well.

9 MR. UTZ: Your exhibit is correct.

10 Q (By Mr. Kellahin) What is the acreage in your proposed  
11 unit, Mr. Lyon?

12 A The acreage is the 360 acres, as I have just described.

13 Q Now, has Well Number 7 been completed, or what is the  
14 reason for the change here?

15 A No, sir, Well Number 1 has adequate capacity to produce  
16 for this unit but it has to be located at a spot where we  
17 believe there is desirable recoverable oil reserves from  
18 the Grayburg and San Andres. We had originally proposed  
19 to dual this well or dual a twin well, Number 28, in  
20 the Blinebry and the Eunice Monument Pool. We elected to  
21 singly complete that well and would like to do this test-  
22 ing in Well Number 7, which is ideally located.

23 When Well Number 4 is connected to the gas gathering  
24 facility, we will move into Well Number 7 and drill out  
25 the plugs and deepen the well and test the San Andres and

1 then the Grayburg, and we will complete the well as indi-  
2 cated by the result of that testing. Now, Well Number 7  
3 was originally completed in May of 1936 in the open  
4 hole interval 3750 to 3873. It was dually completed  
5 with the Eumont zone in January of 1956. We proposed to  
6 deepen it to 3946, set a 4 and 1/2 inch line, total depth.

7 Well Number 4 was originally completed in March of 1936  
8 in open hole interval 3747 to 3890. In September, 1972,  
9 the well was plugged back and it was tested 4 barrels  
10 of oil and 40 barrels of water from the Eunice Monument  
11 interval with a gas-oil ratio of 4,000 cubic feet per  
12 barrel. On February 5, 1973, the well was entered, rods  
13 and tubing pulled, cast iron bridge plug set at 3700 feet,  
14 and it was logged and perforated in the gross interval  
15 3358 to 3534. Perforations were broken down with acid  
16 and then fraced with 22 pounds of water, 40,000 pounds of  
17 sand, and the well was flowed to clean it up and then was  
18 tested by El Paso Natural Gas.

19 Q Now, referring to what has been marked as Exhibit No. 2,  
20 would you identify that exhibit?

21 A Exhibit No. 2 is a multipoint back pressure test conducted  
22 by El Paso Natural Gas on Meyer B-4 Number 4. The test  
23 was taken on February 20, 1973. It shows that the well  
24 had a shut-in pressure of 524 pounds per quarter inch  
25 gauged, tested at four rates, the highest of which was a

1 rate of 694 mcf per day at 467 pounds tubing pressure,  
2 which is a draw-down of 57 pounds. The absolute openflow  
3 potential is indicated 2,096 mcf per day and my calcula-  
4 tions indicate its deliverability into a 100 pound system  
5 of approximately 2.3 million cubic feet per day.

6 Q How is that compared to the allowable that's assigned in  
7 this area?

8 A It's approximately double the average allowable for the  
9 Eumont Pool.

10 Q Do we have a gas connection for the well yet?

11 A No, we do not. This acreage is contracted to El Paso and  
12 they have been experiencing difficulty obtaining rights of  
13 way on federal land, as most everybody else has. So, the  
14 well has not been connected.

15 We would like to proceed with the work on Number 7 just  
16 as soon as we can and if there were some way that we could  
17 receive an allowable for the acreage during the interim,  
18 we would proceed with this work. Mr. Utz tells me that he  
19 doesn't know a way that we can do this.

20 Q Not having a producing well?

21 A Right.

22 Q Were Exhibits 1 and 2 prepared by you or under your super-  
23 vision?

24 A Yes, they were.

25 MR. KELLAHIN: At this time, I'd like to offer into



1 evidence Exhibits No. 1 and 2.

2 MR. UTZ: Without objection, Exhibits 1 and 2 will be  
3 entered into the record of this case.

4 CROSS EXAMINATION

5 BY MR. UTZ:

6 Q Mr. Lyon, what's the problem with right-of-way on federal  
7 lands? Is it ecological reasons?

8 A I think this enters into it. I don't know whether they  
9 have to make an environmental impact study on each one of  
10 them, but there just seems to be an intolerable delay,  
11 according to El Paso. We accept their statements on this.

12 Q Well, they want it and they don't want it, is that right?

13 A Who are you talking about "they"?

14 Q The Federal Power Commission, mainly.

15 MR. UTZ: Are there other questions of the witness?

16 (No response)

17 MR. UTZ: If not, he may be excused. Are there any  
18 statements in the case?

19 (No response)

20 MR. UTZ: The case will be taken under advisement.

21 \* \* \* \*

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I N D E X

WITNESS

PAGE

VICTOR T. LYON

Direct Examination by Mr. Kellahin

3

Cross Examination by Mr. Utz

8

EXHIBITS

Offered

Admitted

Exhibit No. 1 - plat

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8

Exhibit No. 2 - multipoint back pressure  
test

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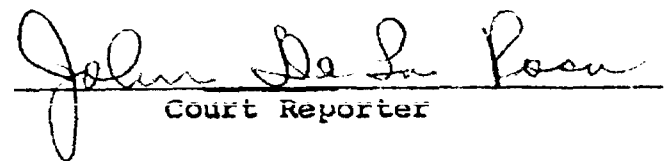
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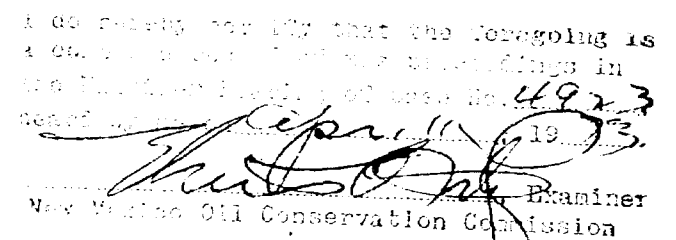
dearnley, meier &amp; mc cormick

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1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

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

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

10   
11 Court Reporter

22 I do hereby certify that the foregoing is  
23 a true and correct record of the proceedings in  
24 the hearing held at Case No. 4923  
25 dated April 19, 1973.  
  
Examiner  
New Mexico Oil Conservation Commission

dearnley, meier & mc cormick

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
March 28, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil  
Company for a non-standard gas  
proration unit, Lea County, New  
Mexico

Case No. 4923

BEFORE: Daniel S. Nutter  
Examiner

TRANSCRIPT OF HEARING

1                   MR. NUTTER: Case 4923: Application of Continental Oil Company  
2                   for a non-standard gas proration unit, Lea County, New Mexico.

3                   Due to error in the original Application here, the legal notice  
4                   is incorrect and Case 4923 will be continued to April 11th and will be  
5                   re-advertised.

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

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

8  
9 Richard E. McCormick  
Certified Shorthand Reporter

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 4923  
heard by me on 1/3/28, 1928.  
David H. Quinn, Examiner  
New Mexico Oil Conservation Commission



# OIL CONSERVATION COMMISSION

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

**GOVERNOR  
BRUCE KING  
CHAIRMAN**

**LAND COMMISSIONER  
ALEX J. ARMJO  
MEMBER**

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

**May 21, 1973**

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

Re: Case No. 4923  
Order No. R-4520  
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. 4923  
Order No. R-4520

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 11, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of May, 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 360-acre non-standard gas proration unit comprising Lots 14, 15, and 16 and the SE/4 and E/2 SW/4 of Section 4, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Meyer B-4 Well No. 4 located in Unit S of said Section 4.

(3) That said non-standard gas proration unit presently is dedicated to applicant's Meyer B-4 Well No. 7 in Unit R of Section 4.

(4) That a change in well dedication from the Meyer B-4 Well No. 7 to the Meyer B-4 Well No. 4 will enable applicant to deepen the Meyer B-4 No. 7 for completion in the Eunice-Monument Pool.

(5) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the Meyer B-4 Well No. 4.



-2-

Case No. 4923  
Order No. R-4520

(6) That approval of the subject application will afford the applicant the opportunity to produce his 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 effective June 1, 1973, a 360-acre non-standard gas proration unit in the Eumont Gas Pool comprising Lots 14, 15, and 16 and the SE/4 and E/2 SW/4 of Section 4, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to its Meyer B-4 Well No. 4 located in Unit S of said Section 4.

(2) That the balancing status of said proration unit shall be the same as prior to the effective date of this order.


(3) 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

  
I. R. TRUJILLO, Chairman

  
ALEX J. ARMIJO, Member

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

S E A L

dr/

Case 4723  
H. Ord 4-11-73  
Rec. 4-23-73

Grant. Cont. as changes in  
well dedication for an already  
~~dedicated~~ approached 360 Ac. unit.  
The Meyer B-4 #4 will replace  
the #7 well. The unit is an  
NSR. Turnout New Pool.

- CASE 4932: Application of Atlantic Richfield Company for a non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 340.94-acre non-standard gas proration unit comprising the W/2 of Section 11, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to its Pure Federal Well No. 1 located in Unit K of said Section 11.
- CASE 4933: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation through the perforated interval from 4280 feet to 4288 feet in its R. T. Wilson Federal Well No. 5 located in Unit J of Section 24, Township 26 South, Range 31 East, North Mason-Delaware Pool, Lea County, New Mexico.
- CASE 4934: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the open-hole interval from 12,172 feet to 12,581 feet of its U. D. Sawyer Well No. 3 located in Unit I of Section 34, Township 9 South, Range 36 East, Crossroads-Devonian Pool, Lea County, New Mexico.
- CASE 4935: Application of Texaco Inc. for dissolution of a unit and approval of another unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dissolution of the State "JD" Unit Area approved by Commission Order No. R-3886 and the approval of the Rhodes Yates Unit Area comprising 520 acres, more or less, of State and Federal lands in Township 26 South, Range 37 East, Lea County, New Mexico.
- CASE 4936: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Rhodes Yates Unit Area by the injection of water into the Yates-Seven Rivers formations through seven injection wells located in Sections 21, 27 and 28, Township 26 South, Range 37 East, Rhodes-Yates Pool, Lea County, New Mexico.
- CASE 4923: (Continued and Readvertised)
- Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 360-acre non-standard gas proration unit comprising Lots 14, 15, and 16 and the SE/4 and E/2 SW/4 of Section 4, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Meyer B-4 Well No. 4 located in Unit S of said Section 4.

- CASE 4923: Application of Continental Oil Company for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 360-acre non-standard gas proration unit comprising Lots 16, 17, and 18 and the SE/4 and E/2 SW/4 of Section 4, Township 21 South, Range 36 East, Fumont Gas Pool, Lea County, New Mexico, to be dedicated to its Meyer B-4 Well No. 4 located in Unit S of said Section 4.
- CASE 4924: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 7025 feet to 7366 feet in its New Mexico "B2" State Well No. 1, a triple tubingless completion, located in Unit K of Section 2, Township 25 South, Range 37 East, North Justis-Devonian Pool, Lea County, New Mexico.
- CASE 4925: Application of Shenandoah Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Robinson-Jackson Unit Area comprising 1160 acres, more or less, of Federal lands in Township 17 South, Range 29 East, Eddy County, New Mexico.
- CASE 4926: Application of Shenandoah Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Robinson-Jackson Unit Area by the injection of water into the Grayburg-San Andres formation through 16 wells in Sections 27, 34, and 35, Township 17 South, Range 29 East, Grayburg-Jackson Pool, Eddy County, New Mexico.
- CASE 4927: Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the perforated interval from 12,000 feet to 12,010 feet in its Federal "D" Well No. 2 located in Unit J of Section 31, Township 9 South, Range 36 East, West Crossroads-Devonian Pool, Lea County, New Mexico.
- CASE 4928: Application of Union Oil Company of California for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 11, Township 21 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to the Atlantic Richfield Oil Company Pure-Federal Well No. 11 located in Unit K of said Section 11. Applicant further seeks a provision for the payment of proper costs to be borne by applicant for such well and the related well equipment, a provision for allocation of actual operating costs, and the establishment of charges for supervision of such well and the designation of an operator thereof; and for such other relief as proper. Also to be considered will be the risk involved in drilling the subject well.



Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special					Test Date 2-20-73			
Company Continental Oil Company					Dissection None			
Field Lumont					Formation Queens		Unit	
Completion Date 2-20-73		Total Length 3747		Flow Back TD 3700		Elevation		Pattern or Lease Name Meyer B-4
Case Size 5 1/2	Wt. 17#	d 4.892	Set At 3747	Perforations: From 3353 To 3519		Well No. 4		
Fig. Size 2 7/8	Wt. 6.5#	d 2.441	Set At 3314	Perforations: From Open Ended		Unit S	Sec. 4	Twp. 21
Type Well - Single - Bradenhead - G.O. or G.O. Multiple Single					Packer Set At 3313		County Lea	
Producing thru Tbg.		Reservoir Temp. °F 108° ? 3436		Mean Annual Temp. °F 39°		Baro. Press. - P <sub>a</sub>		State New Mexico
L	H	G <sub>g</sub> Assumed .007		% CO <sub>2</sub>	% H <sub>2</sub>	% H <sub>2</sub> S	Pos. Chokes	Meter Run Taps

FLOW DATA				TUBING DATA		CASING DATA		Duration of Flow
NO.	POSITIVE CHOKES	Press. p.s.i.g.	Diff. h <sub>w</sub>	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	
SI					524	38		56 hrs
1.	1/8"				515	54		1 hr.
2.	3/16"				505	52		1 hr.
3.	7/32"				482	50		1 hr.
4.	1/4"				467	54		1 hr.
5.								

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P <sub>m</sub>	Flow Temp. Factor Ft.	Gravity Factor F <sub>g</sub>	Super Compress. Factor, F <sub>sp</sub>	Rate of Flow Q, Mcfd
1.	.2618		528.2	1.006	1.224	1.062	181
2.	.6101		518.2	1.008	1.224	1.062	414
3.	.8419		465.2	1.010	1.224	1.059	546
4.	1.112		480.2	1.006	1.224	1.055	694
5.							

NO.	P <sub>r</sub>	Temp. °R	T <sub>r</sub>	Z	Gas Liquid Hydrocarbon Ratio _____ Mcf/cbl.
1.	.79	514	1.36	.837	A.P.I. Gravity of Liquid Hydrocarbons _____ Deg.
2.	.77	512	1.35	.837	Specific Gravity Separator Gas _____ X X X X X X X X
3.	.74	510	1.35	.832	Specific Gravity Flowing Fluid _____ X X X X X
4.	.72	514	1.36	.898	Critical Pressure _____ P.S.I.A. _____ P.S.I.A.
5.					Critical Temperature _____ R _____ R

NO.	P <sub>r</sub>	P <sub>w</sub>	P <sub>w</sub>	P <sub>r</sub> <sup>2</sup> - P <sub>w</sub> <sup>2</sup>	(1) $\frac{P_r^2}{P_r^2 - P_w^2} =$	(2) $\left[ \frac{P_r^2}{P_r^2 - P_w^2} \right]^n =$
1.	279.0	528.2	279.0	9.6	5.172	3.452
2.	268.5	518.9	269.3	19.3		
3.	245.2	466.6	246.6	42.0		
4.	230.6	482.5	232.8	55.8		
5.						

Absolute Open Flow _____ 2,396 _____ Mcfd @ 15.025		Angle of Slope θ _____ 53°		Slope, n _____ .754
Remarks: _____ No fluid made during test				
Approved By Commission:	Conducted By: Randy Kiker	Calculated By: Randy Kiker	Checked By:	

EXHIBIT NO. 2

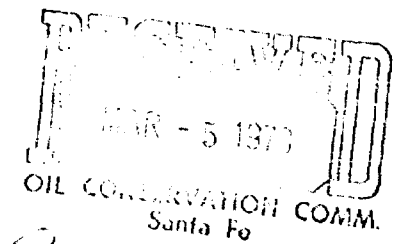
L. P. Thompson  
Division Manager  
Production Department  
Hobbs Division

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

March 2, 1973

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

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



Case 4923

Gentlemen:

Application for 360-Acre Non-Standard Gas Proration Unit in Eumont Pool

Attached, in triplicate, is our application for approval of a 360-acre NSP Unit for our Meyer B-4 Well No. 4 - S-4-21-36. Please set this matter for hearing on your next Examiner Docket.

Yours very truly,

*L. P. Thompson*

rw

Enc

Copy + enc:

Alex Clarke

Amoco Production Company

P. O. Box 3092

Houston, Texas 77001

V. E. Staley

Amoco Production Company

P. O. Box 68

Hobbs, New Mexico 88240

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

RLA: GAD: JWK:

DOCKET MAILED

Date 3/28/73

DOCKET MAILED

Date 3/15/73

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR APPROVAL  
OF A 360-ACRE NON-STANDARD GAS PRORATION  
UNIT IN THE EUMONT POOL FOR ITS MEYER  
B-4 WELL NO. 4, LOCATED IN SECTION 4,  
TOWNSHIP 21 SOUTH, RANGE 36 EAST, LEA  
COUNTY, NEW MEXICO

OIL CONSERVATION COMMISSION  
State of New Mexico

*Case 4923*

A P P L I C A T I O N

Applicant, Continental Oil Company, respectfully requests approval of a 360-acre non-standard gas proration unit in the Eumont Gas Pool for its Meyer B-4 Well No. 4 located in Unit S of Section 4, Township 21 South, Range 36 East, Lea County, New Mexico and in support thereof would show:

1. Applicant is operator and co-owner of the Meyer B-4 Lease consisting of E/2 and E/2 W/2 Section 4, Township 21 South, Range 36 East, Lea County, New Mexico.
2. Applicant has heretofore drilled and completed two Eumont Gas Wells, No. 7 in Unit R, and Well No. 14 in Unit G of said Section 4.
3. The proration unit for Well No. 7 is described as Lots 16, 17, and 18, SE/4 and E/2 SW/4 of said Section 4.
4. Applicant desires to substitute Well No. 4, located 1980' from the south and west lines of said Section 4 in place of Well No. 7 as the unit well for the above-described proration unit.
5. The substitution of wells will permit Well No. 7 to be deepened for completion in the Eunice-Monument Pool for the recovery of additional oil and gas from that pool at this location.
6. That 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 non-standard gas proration unit as described above.

Respectfully submitted,  
CONTINENTAL OIL COMPANY

*L. P. Thompson*  
L. P. Thompson  
Division Manager





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. 4923

Order No. R-4520

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 11, 19<sup>73</sup>,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 11 day of April, 19<sup>73</sup>, 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 360-acre non-standard gas proration unit comprising  
Lots ~~14, 15, and 16~~ <sup>14, 15 and 16</sup> and the SE/4 and E/2 SW/4 of Section 4,  
Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea  
County, New Mexico, to be dedicated to its Meyer B-4 Well No. 4  
located in Unit S of said Section 4.

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CASE No. 4923  
ORDER No. R-

(3) THAT SAID NON-STANDARD GAS PRORATION UNIT PRESENTLY IS DEDICATED TO APPLICANT'S MEYER B-4 WELL No. 7 IN UNIT R OF SECTION 4.

(4) THAT A CHANGE IN WELL DEDICATION FROM THE MEYER B-4 WELL No. 7 TO THE MEYER B-4 WELL No. 4 WILL ENABLE APPLICANT TO DEEPEN THE MEYER B-4 No. 7 FOR COMPLETION IN THE EUNICE-MONUMENT POOL.

(5) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the ~~aforsaid well~~ MEYER B-4 WELL No. 4.

(6) That approval of the subject application will afford the applicant the opportunity to produce his 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:

effective June 1, 1973,  
(1) That a 360-acre non-standard gas proration unit in the Eumont Gas Pool comprising Lots ~~14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100~~ 14, 15 AND 16 and the SE/4 and E/2 SW/4 of Section 4, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to its Meyer B-4 Well No. 4 located in Unit S of said Section 4.

(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.

*balancing*  
(2) That the status of said proration unit shall be the same as prior to the effective date of this order.