

CASE 1302: Continental Oil Co. application
to produce more than 8 wells into common tank
battery, Eumont Gas Pool, on State "A-36"
Lease.

Case No.

1302

Application, Transcript,
Small Exhibits, Etc.

IN THE MATTER OF:

Case No. 1302

TRANSCRIPT OF HEARING

August 28, 1957

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

OIL CONSERVATION COMMISSION
Hobbs, New Mexico
August 28, 1957

IN THE MATTER OF:

Application of Continental Oil Company for
permission to produce more than eight oil
wells into a single common tank battery in
the Eumont Gas Pool on its State "A-36"
Lease in Lea County, New Mexico. Applicant, : CASE NO.
in the above-styled cause, seeks an order : 1302
authorizing the production into a common
tank battery of eleven existing oil wells
plus one additional proposed oil well in
the Eumont Gas Pool within the boundaries
of its State "A-36" Lease which comprises
the S/2 and NE/4 of Section 36, Township 20
South, Range 37 East, Lea County, New
Mexico.

BEFORE:

DANIEL S. NUTTER, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: We will take up next Case No. 1302

MR. COOLEY: Case No. 1302. Application of Continental
Oil Company for permission to produce more than eight oil wells
into a single common tank battery in the Eumont Gas Pool on its
State "A-36" Lease in Lea County, New Mexico.

MR. BOYNTON: I am E. V. Boynton. I represent this
case and I am the witness.

(Witness sworn.)

E. V. BOYNTON

called as a witness, having been first duly sworn, testified
as follows:

EXAMINATION

BY: MR. COOLEY:

Q State your full name and position, please.

A My name is E. V. Boynton. I am District Engineer for
Continental Oil Company.

Q And where is your home office, Mr. Boynton?

A Hobbs, New Mexico.

Q Have you previously testified before the Oil Conservation
Commission of New Mexico as an expert witness?

A I have.

Q Are you familiar with the conditions of the Eumont
Gas Pool in Lea County, New Mexico?

A I am, yes, sir.

MR. COOLEY: Are the witness' qualifications acceptable?

MR. NUTTER: They are.

Q Will you please proceed.

A This case concerns the application of Continental Oil
for exception to Rule 309 (a) of Commission Rules and Regulations
and requests permission to produce more than eight wells into
common storage on the State "A-36" lease. This lease is located
in Section 36, Township 20 South, Range 37 East, Lea County,
New Mexico.

The oil and casinghead gas produced from the lease are from

a common reservoir within the Eumont formation of the Eumont Pool. The entire lease is dedicated to a common beneficiary.

Shell Pipeline takes the oil. Continental Carbon takes the casinghead gas.

Under my direct supervision I have had two exhibits prepared which illustrate the conditions as they now exist on the State "A-36" lease.

Exhibit No. 1 is an ownership plat. It shows the State "A-36" lease outlined in red, and the offset operators; it shows the locations of the wells and their individual flow lines leading to the battery; it shows the battery to be located in the Northwest Quarter of the Southeast Quarter of Section 36. It also shows that the lease contains approximately 480 acres and is comprised of the South Half and Northeast Quarter of Section 36. It also shows that there are 12 Eumont oil wells on the lease which is the maximum number of wells we expect to drill.

Exhibit No. 2 illustrates the flow pattern at the battery and shows the major items of equipment. These are: A production manifold, a production separator and test separator, a gas metering device, which is an orifice well tester and recording pressure gauge, and five, two-ten barrel storage tanks.

This lease has approximately 215 barrels per day production and present facilities provide approximately four and a half days storage. We believe that this is sufficient storage now, but if

5

additional tanks are needed we will set them. With present equipment we can test each well easily every thirty days and if required could get a twenty-four hour test on each well in slightly over twelve days.

That concludes my testimony. Are there any questions?

MR. NUTTER: Does anyone have a question of the witness?
testing
You stated adequate facilities would be provided?

A Maintained, yes, sir.

MR. NUTTER: If there are no questions, the witness may be excused.

MR. BOYNTON: I would like to offer Exhibits 1 and 2 into evidence.

MR. NUTTER: Without objection, Continental's Exhibits 1 and 2 will be received in evidence. *Take the*

Case under advisement.

(Witness excused.)

STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO) ss.

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the Oil Conservation Commission for the State of New Mexico was reported by me in Stenotype and reduced to typewritten transcript by me and/or under my personal supervision, and that same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 4th day of September, 1956.

J. A. Trujillo
NOTARY PUBLIC - COURT REPORTER

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1302 heard by me on 8-28, 1957.
Samuel J. Dutton, Examiner
New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1302
Order No. R-1084

APPLICATION OF CONTINENTAL OIL
COMPANY FOR PERMISSION TO PRODUCE
MORE THAN EIGHT OIL WELLS INTO A
SINGLE TANK BATTERY IN THE EUMONT
GAS POOL ON ITS STATE A-36 LEASE
IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 1 o'clock p.m. on August 28, 1957, at Hobbs, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of September, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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 case and the subject matter thereof.

(2) That the applicant, Continental Oil Company, proposes to produce into a common tank battery all oil wells presently completed in or hereafter drilled to the Eumont Gas Pool on the applicant's State "A-36" lease, consisting of the S/2 and the NE/4 of Section 36, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, but not to exceed a total of twelve wells in all.

(3) That approval of the subject application will not cause waste nor impair correlative rights provided adequate testing equipment and storage facilities are installed.

(4) That approval of the subject application will result in considerable economic saving to the applicant.

IT IS THEREFORE ORDERED:

That the applicant, Continental Oil Company, be and the same is hereby authorized to produce into a common tank battery all oil wells presently completed in or hereafter drilled to the

-2-

Case No. 1302
Order No. R-1054

Eumont Gas Pool on the applicant's State "A-38" lease comprising the NW 1/4 of Section 36, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, but not to exceed a total of twelve wells in all.

PROVIDED HOWEVER, That the applicant shall install sufficient testing facilities to permit each well to be tested at least once each month.


PROVIDED FURTHER, That the applicant shall install sufficient storage tanks to prevent the over-flow and wasting of oil produced into said common tank battery.

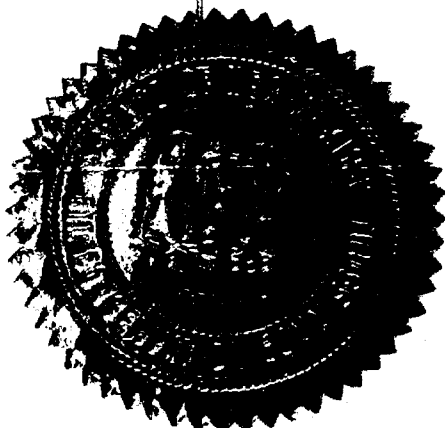
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


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



ir/

DOCKET: EXAMINER HEARING AUGUST 28, 1957

New Mexico Oil Conservation Commission 1:00 p.m. Hobbs, New Mexico

Oil Conservation Commission Office, 1000 W. Broadway, Hobbs, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner:

- CASE 1300: Application of General American Oil Company of Texas for permission to institute a pilot water flood program in the Grayburg-Jackson Pool in Eddy County, New Mexico, and for the establishment of an allowable formula for all wells involved in said project. Applicant, in the above-styled cause, seeks an order authorizing the injection of water into the Grayburg-Jackson Pool through five wells presently producing from said pool in Sections 18 and 19, Township 17 South, Range 30 East, Eddy County, New Mexico, the input volume not to exceed 400 barrels of water per day into each intake well. Applicant further requests the establishment of an allowable formula for all wells involved in the subject water flood project to permit the operation of the project at its maximum efficiency. The area covered by the subject application is presently included in the Grayburg Cooperative and Unit Area gas injection project authorized by Commission Orders No. 659 and No. 802.
- CASE 1301: Application of Tidewater Oil Company for a non-standard gas proration unit in the Tubb Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order granting a 120-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the S/2 SE/4 and SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to applicant's Percy Hardy No. 2 Well located 660 feet from the South line and 1980 feet from the East line of said Section 17.
- CASE 1302: Application of Continental Oil Company for permission to produce more than eight oil wells into a single common tank battery in the Eumont Gas Pool on its State "A-36" Lease in Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the production into a common tank battery of eleven existing oil wells plus one additional proposed oil well in the Eumont Gas Pool within the boundaries of its State "A-36" Lease which comprises the S/2 and NE/4 of Section 36, Township 20 South, Range 37 East, Lea County, New Mexico.
- CASE 1303: Application of Gulf Oil Corporation for a 468-acre non-standard gas proration unit in the Eumont Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a 468-acre non-standard gas proration unit in the Eumont Gas Pool consisting of SW/4 Section 30 and the N/2 Section 31, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's H. T. Mattern "B" No. 10 Well located in the NE/4 NW/4 of said Section 31.

-2-

Docket No. 25-57

EXAMINER HEARING AUGUST 30, 1957

Oil Conservation Commission 9:00 a.m. Mabry Hall, State Capitol, Santa Fe

The following case will be heard before Daniel S. Nutter, Examiner:

CASE 1304: Application of El Paso Natural Gas Products Company for the approval of an unorthodox oil well location in an undesignated Gallup Oil Pool in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order approving the unorthodox location of its Sapp No. 1 Well in an undesignated Gallup Oil Pool at a point 1,450 feet from the South line and 965 feet from the East line of Section 30, Township 24 North, Range 8 West, San Juan County, New Mexico. Said well was projected as a wildcat gas well but was found to be productive of oil rather than gas.

ir/

OFF CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 8-29-57

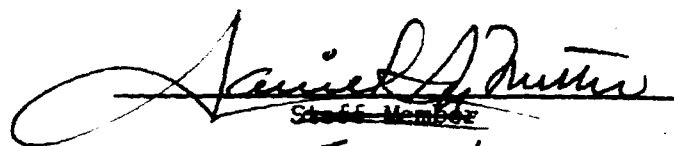
CASE 1302 Hearing Date 1 PM 8-28-57

DSN @ Hacas

My recommendations for an order in the above numbered cases are as follows:

Enter an order approving the production of more than eight wells into a Common Bank Drilling on the State A-36 lease as requested by Continental Oil Co.

Make the usual provision for requiring the installation of adequate testing facilities, etc.


~~Staff Member~~
Examiner

100-1007
67-57
11-14-57
August
1957
JSL

MAIN OFFICE OCC

1957 AUG 1 PM 1:12



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

R. L. ADAMS
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

JULY 31, 1957

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. I. Porter, Jr.

Re: Continental Oil Company's
application for exception
to Rule 319(a) for its
State A-36 lease in
Section 36, T-20-S, R-17-E,
Lea County, New Mexico

Gentlemen:

We forward herewith an application in triplicate for
exception to Rule 319(a) of the rules and regulations of the
New Mexico Oil Conservation Commission for our State A-36
lease, located in Section 36, T-20-S, R-17-E, Lea County, New
Mexico.

It is requested that this matter be set for hearing
before an examiner in Santa Fe, New Mexico, at the earliest
convenient date.

Yours very truly,

R. L. Adams

RLA-ES

Enc

cc: RL, PLS, JMA

[illegible][illegible]

REPORT ON
CITY OF NEW YORK
COMMISSIONER
OF
THE
DEPARTMENT OF
SOCIETY
AND
PUBLIC AFFAIRS

DECLASSIFICATION

1.

2.

13

L.

That upon completion of the additional survey well and with the consent of the Commission, Applicant proposes to use the

existing tank battery to receive & provide for all twelve (12) present wells.

4.

That said common tank battery, in addition to the said present Lumont well, an additional well is proposed to be added to the common tank battery.

5.

That said tank battery is so designed that the production from each well can be secured & delivered at regular intervals.

6.

That said tank battery has the capacity to provide adequate storage for the production of all twelve (12) present wells.

7.

That the production of said wells into said common tank battery will result in neither waste nor the impairment of correlative rights.

8.

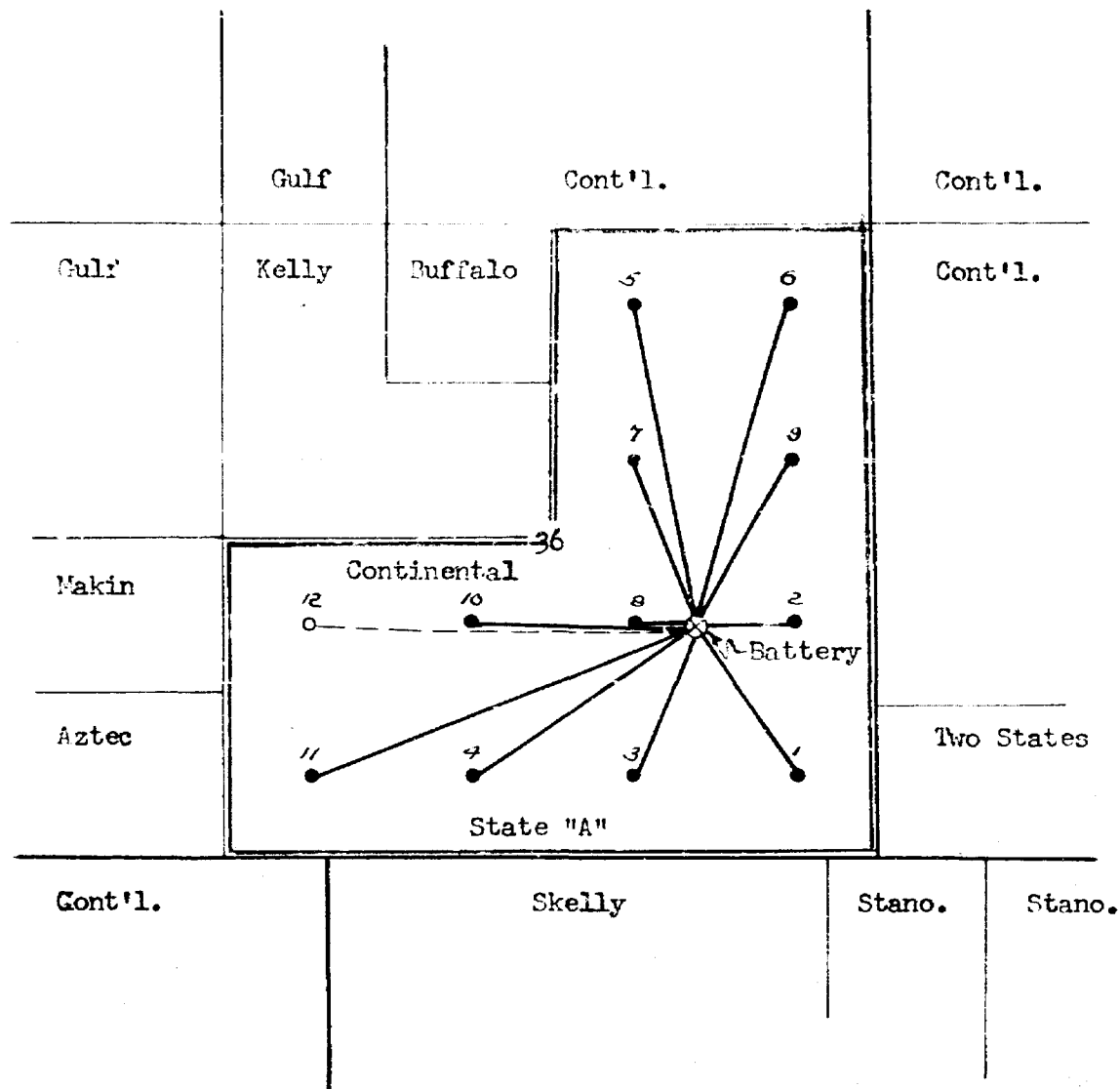
That there is attached hereto and made a part hereof a plot, marked Exhibit "A", showing the boundary lines of the State A-36 lease, the location of the eleven (11) wells currently producing from the Lumont Pool, the location of the proposed additional Lumont well, the location of the common tank battery, the manner in which the said existing Lumont wells are connected to the tank battery, and the manner in which the proposed additional Lumont well is to be connected to the common tank battery.

10.

That the Applicant desires a hearing before an examiner at the Commission's District Office in the City of Hobbs, New Mexico, at the earliest practicable date.

respectively submitted,
3/24/41 L. E. L. C. H. O. F. E. R.

CONTINENTAL OIL COMPANY
 STATE A-36 LEASE
 Section 36-209-37-F,
 Lea Co., New Mexico



scale: 1"=1500'

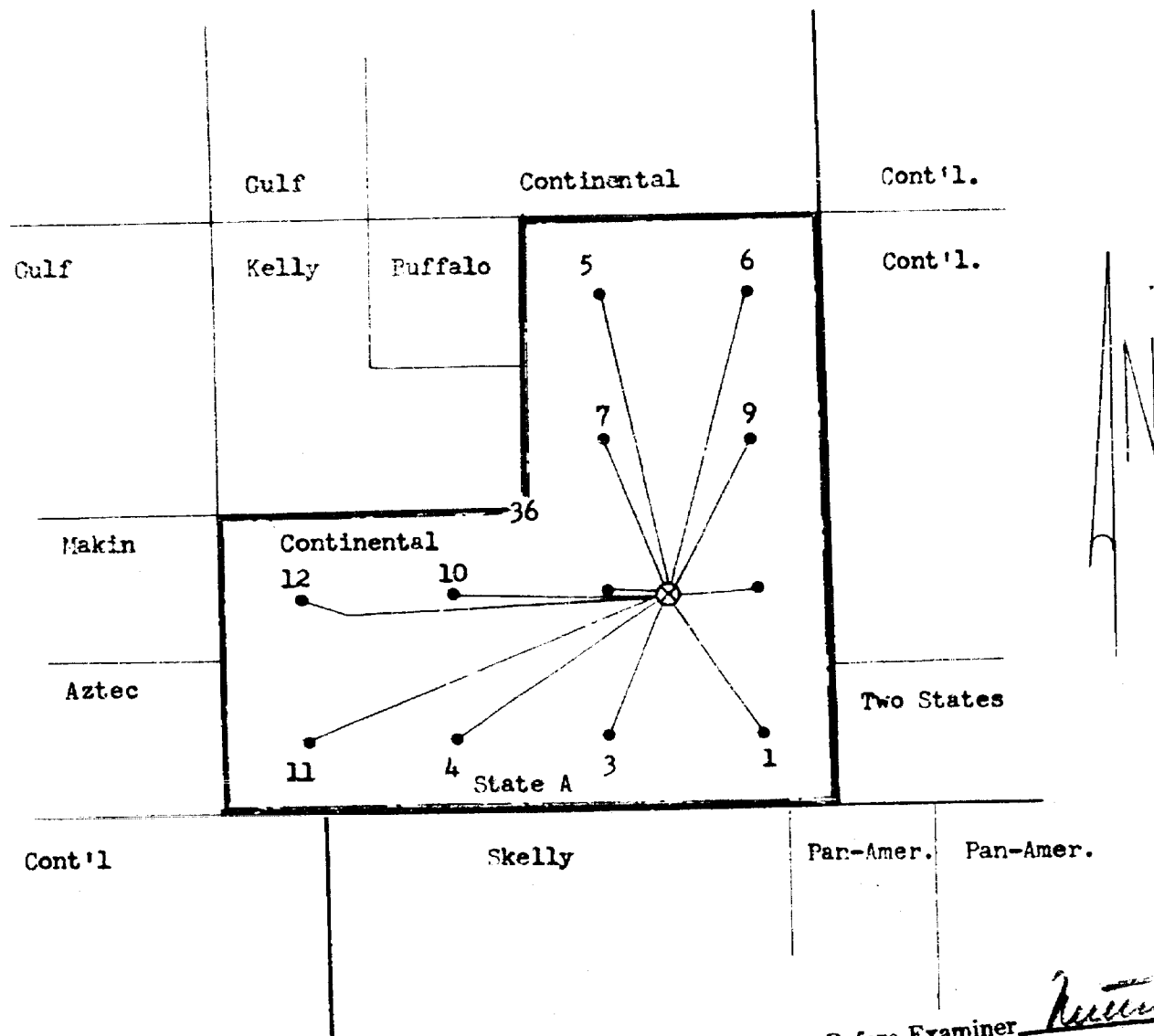
BATTERY WOCKUP

LEGEND

- | | | | |
|---|----------------------|-----------|--------------------|
| ● | Eumont Oil Well | ———— | Existing Flow Line |
| ○ | Proposed E. Oil Well | - - - - | Proposed Flow Line |
| | | - · - · - | Lease Limits |

EXHIBIT A

CONTINENTAL OIL COMPANY
STATE A-36 LEASE
Section 36-20S-37E,
Lea Co., New Mexico.



scale: 1"-1500'

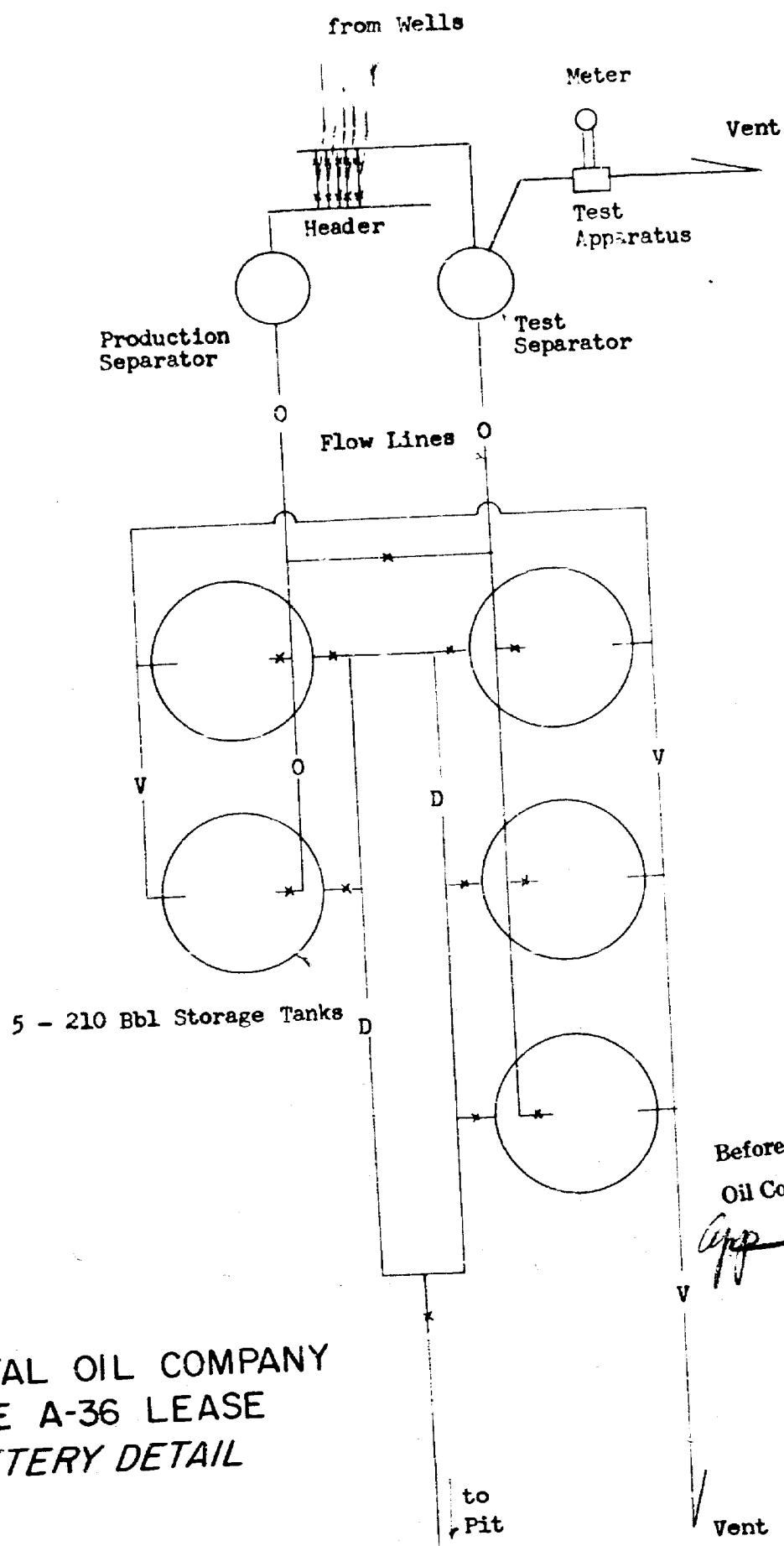
BATTERY HOOKUP and OWNERSHIP PLAT

LEGEND

- ⊗ Battery
- Eumont Oil Well
- Flow Line (within lease)
- Lease Line

Before Examiner *Kutner*
Oil Conservation Commission
app Exhibit Case No. 1302
Ex. 1

CASE 1302
EXHIBIT 1



CONTINENTAL OIL COMPANY
STATE A-36 LEASE
BATTERY DETAIL

Before Examiner *M. Miller*
Oil Conservation Commission
App Exhibit Case No. 1302
Ex. 2

CASE 1302
EXHIBIT 2