



Case No.

1259

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Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
Hobbs, New Mexico  
May 28, 1957

IN THE MATTER OF:

CASE 1259

TRANSCRIPT OF PROCEEDINGS

BEFORE THE  
OIL CONSERVATION COMMISSION  
Hobbs, New Mexico

.....  
IN THE MATTER OF: )

The application of Continental Oil Company for a  
320-acre non-standard gas proration unit in the  
Eumont Gas Pool in exception to Rule 5 (a) of the  
Special Rules and Regulations for said pool.  
Applicant, in the above-styled cause, seeks an  
order authorizing a 320-acre non-standard gas  
proration unit in the Eumont Gas Pool consisting  
of the W/2 of Section 20, Township 21 South,  
Range 36 East, Lea County, New Mexico, said unit  
to be dedicated to the applicant's State "C-20"  
Well No. 5 located 660 feet from the South and  
West lines of said Section 20. )

CASE NO. 1259

.....  
BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

EXAMINER NUTTER: The next case on the docket will be Case  
1259.

MR. COOLEY: Case No. 1259, application of Continental Oil  
Company for a 320-acre non-standard gas proration unit in the Eumont  
Gas Pool, in exception to Rule 5 (a) of the Special Rules and Regulations  
for said pool.

MR. LYON: V. T. Lyon, representing Continental Oil Company-----

MR. NUTTER: Would you speak up Mr. Lyon?

MR. LYON: V. T. Lyon, representing applicant Continental  
Oil Company. I have one witness, Mr. E. R. Anderson, I would like to have  
sworn.

THE WITNESS HAVING FIRST BEEN DULY SWORN IN TESTIFIED AS FOLLOWS:

MR. LYON: This is the application of Continental Oil Company for the enlargement of the unit assigned to its State "C-20" Well No. 5, located in Section 20, Township 21 South, Range 36 East, from 160 acres to 320 acres. Would you state your name please?

MR. ANDERSON: Edward R. Anderson.

Q. By whom are you employed?

A. Continental Oil Company.

Q. In what capacity?

A. Petroleum Engineer.

Q. Have you previously testified before this Commission?

A. I have not.

Q. Would you briefly describe your education and experience that would qualify you for your position?

A. I enrolled in North Texas State College in 1946 and attended that college 3 years, I transferred to Texas A & M in 1949 and graduated in 1953 with a Bachelor of Science degree in Petroleum Engineering and a Bachelor of Science degree in geological engineering. I was employed by Continental Oil Company in July of 1953 and have been with that company ever since except for two years I served in the Air Force. Upon completion of the engineering training program, I was assigned to the Hobbs District in January of 1957 and served as a Petroleum Engineer since that date.

Q. Are the witness's qualifications satisfactory?

MR. NUTTER: They are.

MR. LYON: As Petroleum Engineer in the Hobbs District Office, are you familiar with the State "C-20" Lease?

MR. ANDERSON: I am.

Q. Are you also familiar with the application which has been filed in this matter?

A. Yes sir.

Q. Mr. Anderson, would you please refer to what has been marked as Exhibit 1 and explain to the Commission the information shown on that exhibit?

A. Exhibit No. 1, is a plat showing the general area surrounding State "C-20" Lease which consists of the W/2 of Section 20, in Township 21 South, Range 36 East, of the NMPM located in Lea County, New Mexico. Well No. 5 is circled in red on the plat and as shown thereon is located 660 feet from the south line and 660 feet from the west line of Section 20. The present unit as outlined by a dashed red line and as shown on the plat consists of SW/4 of Section 20, containing 160 acres. The proposed unit as outlined by solid red line and is shown to consist of the W/2 of Section 20 contains 320 acres. Exhibit 1 also shows circled in green the gas wells on offsetting leases with the units allocated to them outlined in green. The proposed enlargement is accomplished by adding to the present unit, the NW/4 of Section 20 which is a part of the same lease as the present unit. This portion of the lease has no producing gas wells to which its acreage can be assigned for allowable purposes. Exhibit No. 1 also shows structural contours on top of the Yates, from these contours it may be seen that the acreage of the proposed enlargement consisting of the NW/4 of Section 20 is comparable structurally to the Continental Oil Company's Lockhart "A-18" Well No. 1, — located in the SE/4 SE/4 of Section 18

adjoining the State "C" Lease. The Lockhart "A-18" Well No. 1 was connected for sale of gas on October 3, 1956, produces gas in the Eumont pay and has a calculated open flow potential of 10,500 MCF gas per day and a deliverability against 600 pounds per square inch of 7,600 MCF per day. It is therefore reasonable to assume that the entire proposed enlargement is productive of gas.

Q. Mr. Anderson, in your statement that the entire acreage which is supposed to be allocated to this well is productive of gas is based on the fact that the well is surrounded by gas wells as well as a structural position with relation to these wells?

A. That is correct.

Q. Mr. Anderson have you made an investigation of the ability of this well to produce an increased amount?

A. I have.

Q. Do you have a form showing the results of these tests to establish that fact?

A. That form is shown on Exhibit No. 2.

Q. What does Exhibit No. 2 show with regard to the wells capacity?

A. Exhibit No. 2 shows that the calculated open flow potential of State "C-20", Well No. 5 is 1,465 MCF gas per day and that the deliverability against 600 pounds per square inch is 1060 per day.

Q. Mr. Anderson, would you refer to what has been marked as Exhibit No. 3 and briefly describe to the Commission what that exhibit shows?

A. Exhibit No. 3 is a radioactivity well log of the State

"C-20" Well No. 5 showing the tops of formations, the present depth and producing intervals.

Q. Does that exhibit show that this well is producing from the Eumont Pool?

A. Yes that is correct.

Q. Mr. Anderson, who is the lessor under this lease?

A. The State of New Mexico.

Q. Who is the lessee?

A. Continental Oil Company.

Q. Is this proposed unit contained within a single governmental section?

A. That is correct.

Q. Is it composed of contiguous governmental quarter-quarter sections?

A. That is right.

Q. You have previously stated that it is reasonably presumed to be productive of gas in the entire acreage?

A. Yes sir, I have.

Q. Is it in excess of 5,280 feet in length or better?

A. No sir, it is not.

Q. Except for the fact this well is located 660 feet from the corner, the well could have been approved by administrative procedure, could it not?

A. That is correct.

Q. In your opinion, Mr. Anderson, will this well drain the NW/4 of Section 20?



A. The drainage from this well will not be confined to the specific boundaries of this unit but the well will drain an area equivalent to the acreage assigned to the enlarged unit and the drainage and counter drainage of the wells in this area will tend to equalize the gas withdrawals per acre.

Q. In your opinion is there a drainage now occurring from the lease from offset wells?

A. Yes sir, there are.

Q. Is it necessary to protect this lease from this drainage to enlarge the unit as proposed?

A. That is correct.

Q. Mr. Examiner, we respectfully request this application be granted for the purpose of prevention of waste and the protection of correlative rights. We offer Exhibits 1, 2 and 3 in evidence.

MR. NUTTER: Is there objection? Who were these exhibits prepared by, Mr. Anderson?

A. They were prepared by myself.

Q. By yourself?

A. Yes.

Q. Is there objection to the entry of Exhibit 1, 2 and 3 in Case 1259? If not, Continental's exhibits will be received. Does any one have any questions of the witness, Mr. Fischer?

MR. FISCHER: The Standard of Texas Well in Section 19-21-36——

MR. NUTTER: Speak up Mr. Fischer.

Q. Standard of Texas Meredith No. 1 as shown on this map is a

gas well, this well is located in Section 19-21-36. I just want to ask, do you know if this well is still a gas well?

MR. ANDERSON: I believe that well is no longer a gas well, if it was, it is not shown on my plat.

MR. FISCHER: Do you know if it were a Eumont Gas Well or Jalmat or whatever kind of gas well it was?

A. No, I do not know that.

MR. NUTTER: Mr. Fischer, are you referring to the well in the SE/4 of the NE/4 of Section 19?

A. Yes.

MR. LYON: Which map is that shown on?

MR. NUTTER: It is marked as a gas well on this map.

MR. LYON: We've checked these wells against the proration schedule and the map and we have no knowledge of what condition the well is.

MR. NUTTER: You have no knowledge whether this well was previously a gas well and is now an oil well or not?

MR. LYON: I believe that some of our maps do indicate it to be a gas well but what pool it is producing from———

MR. NUTTER: Nor why it was recompleted as an oil well?

MR. LYON: That's right.

MR. NUTTER: Do you have any further questions?

MR. LYON: No.

MR. NUTTER: Now Mr. Anderson, I wonder if you could tell me what formation the other wells which——— are completed on your proposed 320 acre unit, what formation those wells are completed on?

A. All but one are Eumont wells—Well No. 7 is a Monument—  
in the Monument structure.

MR. NUTTER: All these others are Eumont Wells?

A. That is correct.

Q. And No. 7 is a Monument well?

A. Yes sir.

Q. What formation are these Eumont wells producing from?

A. They are from the Lower Queen. They are oil wells in the  
Eumont Pool?

A. Yes sir.

Q. No. 7 is producing from the Grayburg in the Monument Pool?

A. Yes sir, that is right.

MR. NUTTER: Does anyone else have anymore questions to the  
witness? If not, the witness may be excused. Does anyone else have  
anything further on Case 1259? If not, we will take the case under  
advisement.

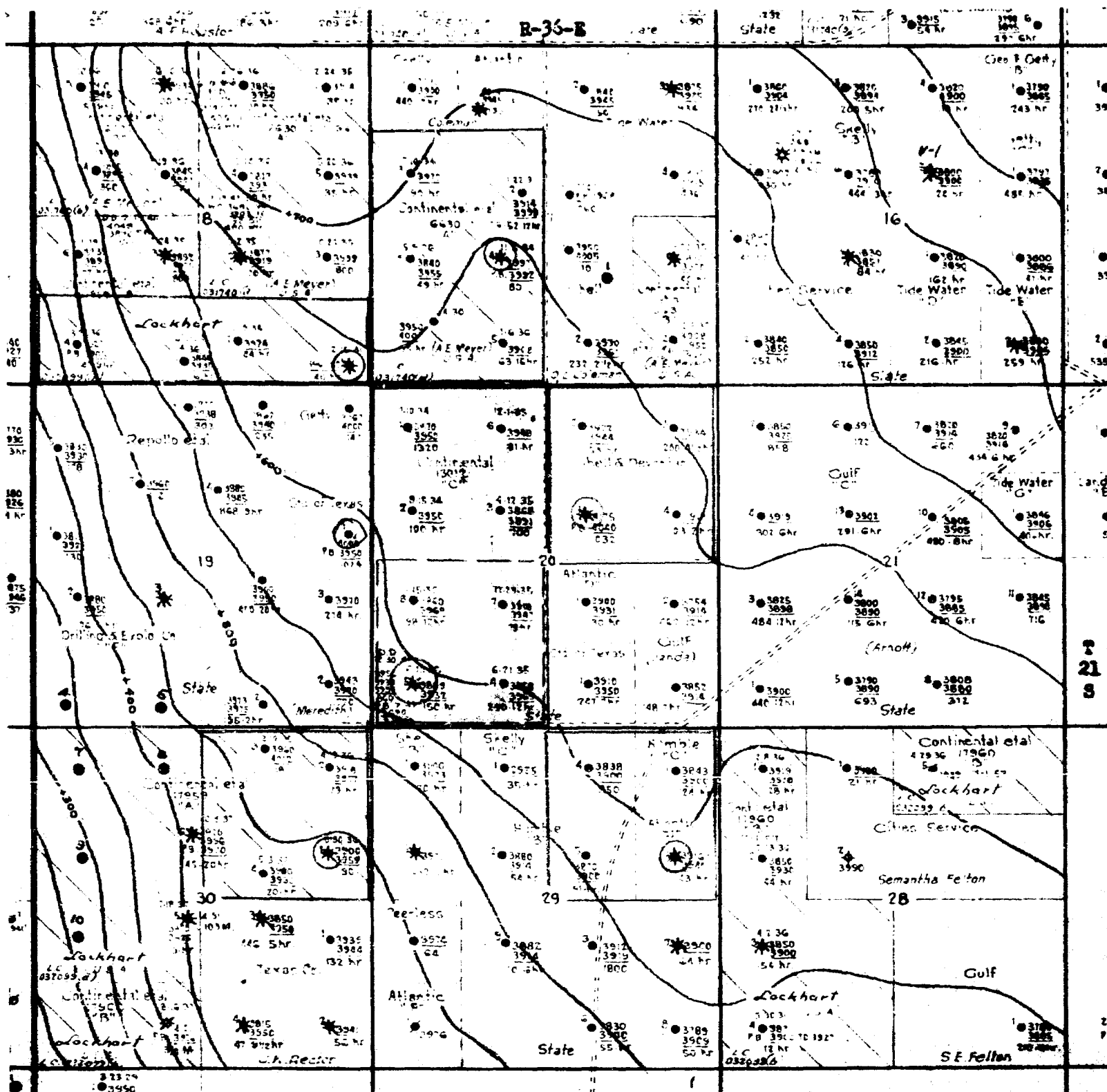
STATE OF NEW MEXICO )  
:  
COUNTY OF SANTA FE ) ss.

I, Ola M. Garcia, do hereby certify that the foregoing  
and attached transcript of proceedings before the New Mexico Oil  
Commission Examiner at Hobbs, N. Mexico, is a true and correct  
record, to the best of my knowledge, skill and ability.

Dated at Santa Fe, New Mexico this 3rd day of July, 1957.

Ola M. Garcia

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 1259,  
heard by me on May 28, 1957.  
Samuel H. Muen, Examiner  
New Mexico Oil Conservation Commission



BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Cont'd EXHIBIT No. 1  
CASE 1259

CONTINENTAL OIL COMPANY  
STRUCTURE MAP - EUMONT AREA  
Contoured on top of Yates

Contour Int: 50'  
Scale: 1" = 2000'

○ Offset Gas Well  
— Offset Gas Unit

○ Subject Gas Well  
— Present Gas Unit  
— Proposed Gas Unit

April, 1957.

1259 CASE  
EXHIBIT

Case 1257  
Exhibit 2

## MULTI-POINT BACK PRESSURE TEST FOR GAS WELLS

Pool Summit Formation Tates - 7 Rivers County Lee  
 Initial X Annual \_\_\_\_\_ Special \_\_\_\_\_ Date of Test 10-15-96  
 Company Continental Oil Company Lease State O-20 Well No. 3  
 Unit M Sec. 20 Twp. 21 Rge. 26 Purchase \_\_\_\_\_  
 Casing 5 1/2 Wt. \_\_\_\_\_ I.D. 17 Set at 3797 Perf. \_\_\_\_\_  
 Tubing None Wt. \_\_\_\_\_ I.D. \_\_\_\_\_ Set at \_\_\_\_\_  
 Gas Pay: From 3210 To 3720 x G .657 = 2109 13.2  
 Producing Thru: Casing X Tubing \_\_\_\_\_ Type Well Single  
 Date of Completion: 7-24-89 Packer None

BEFORE THE  
 OIL CONSERVATION COMMISSION  
 SANTA FE, NEW MEXICO  
 CASE NO. 1257  
 EXHIBIT NO. 2

No.	Flow Data			Tubing Data		Casing Data		Duration hr.
	Flow Line Size	Choke Orifice Size	Press. psia	Temp. °F.	Press. psia	Temp. °F.	Press. psia	
1.	2 x .250		666	76			1016	72
2.	2 x .375		409	77			666	24
3.	2 x .500		249	75			409	24
4.	2 x .625		157	74			249	24
5.							157	24

No.	Coefficient (24-Hour)	$\sqrt{h_{wp}}$	Pressure psia	Flow Temp. °F.	Gravity Factor	Specific Gravity Factor	Rate of Flow cu ft per day
1.	1.4030		679.2	.9890	.9571	1.056	958
2.	3.0691		422.2	.9840	.9571	1.037	1,265
3.	5.9233		262.2	.9859	.9571	1.022	1,397
4.	8.3555		170.2	.9863	.9571	1.014	1,362

Gas Liquid Hydrocarbon Ratio  
 Gravity of Liquid Hydrocarbons  
 F. 1.203

0.135

Met./cu ft  
 temp.

Specific Gravity Gas  
 Specific Gravity Flowing Fluid  
 F. 1029.2

1059.3

No.	$P_w$ psia	$P_1$	$P_2 - P_1$	$F_{gD}$	$(F_{gD})^2$	$(F_{gD})^2 / P_1$	$P_1$	$P_1^2$
1.	679.2	461.3	598.0	.918	.8427	.1138	461.4	597.9
2.	422.2	178.3	881.0	1.21	1.464	.1976	178.5	880.8
3.	262.2	68.7	990.6	1.34	1.796	.2425	68.9	990.4
4.	170.2	29.0	1030.3	1.31	1.716	.2317	29.2	1030.1

Wellhead Potential: 1,465  
 or Potential: 1,465

MCFFD:  $\theta$  52.5 nt .771  
 MCFFD:  $\theta$  52.5 n .771

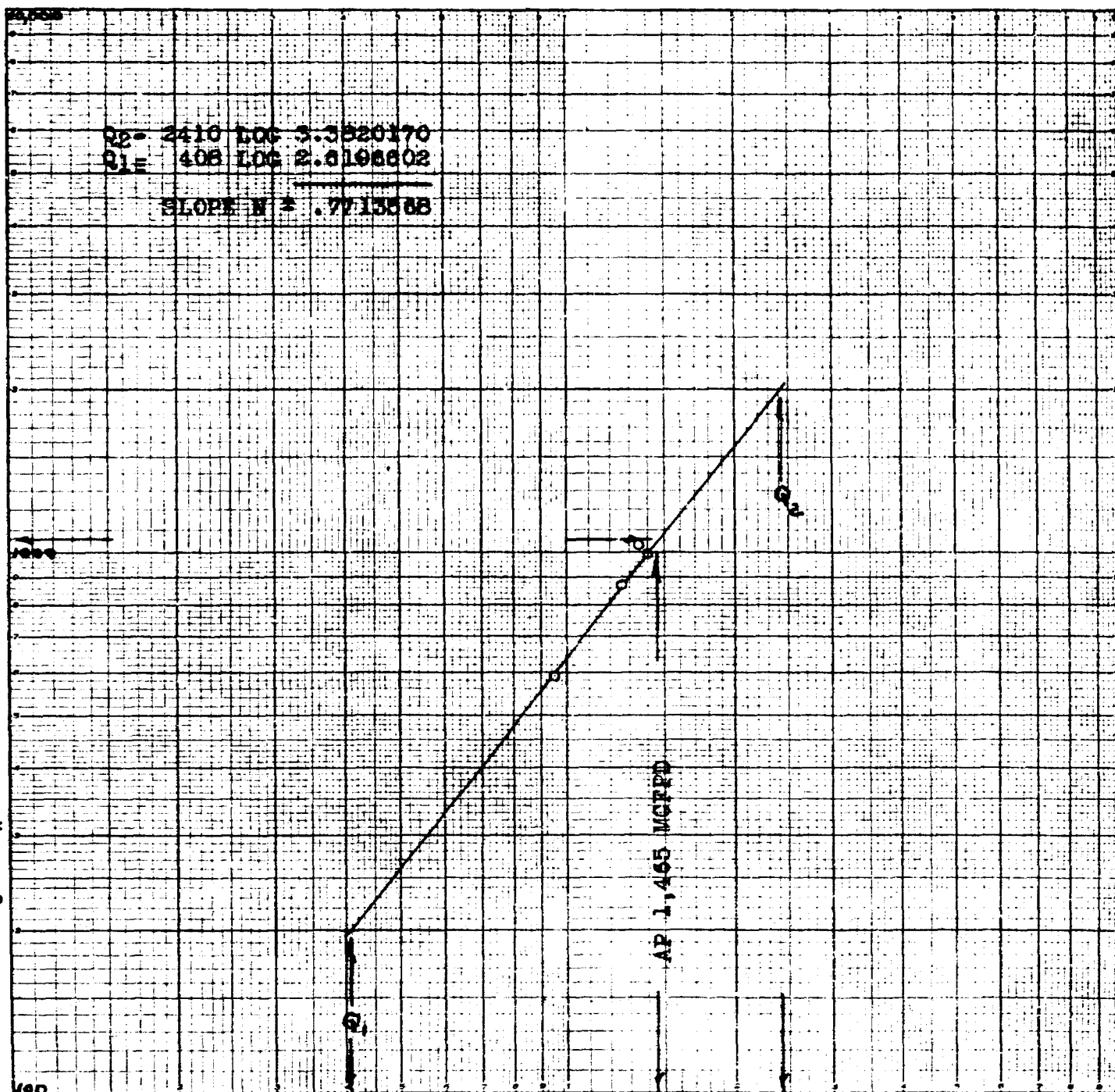
Conducted by: Littlefield & South  
 Witnessed by: \_\_\_\_\_  
 Calculated by: Littlefield & South

CONTINENTAL OIL CO.  
 STATE C-20 NO. 5  
 SEC. 20 - 21 - 36  
 LFA CO., N. M.  
 10-15-1956.

CODING BOOK COMPANY, INC. NORWOOD, MASSACHUSETTS  
 PRINTED IN U.S.A.

NO. 31.281 LOGARITHMIC: 2 BY 2 3/4 INCH CYCLES (BASE SHORT WAY).

$\frac{p_c^2 - p_w^2}{C}$  (THSND)

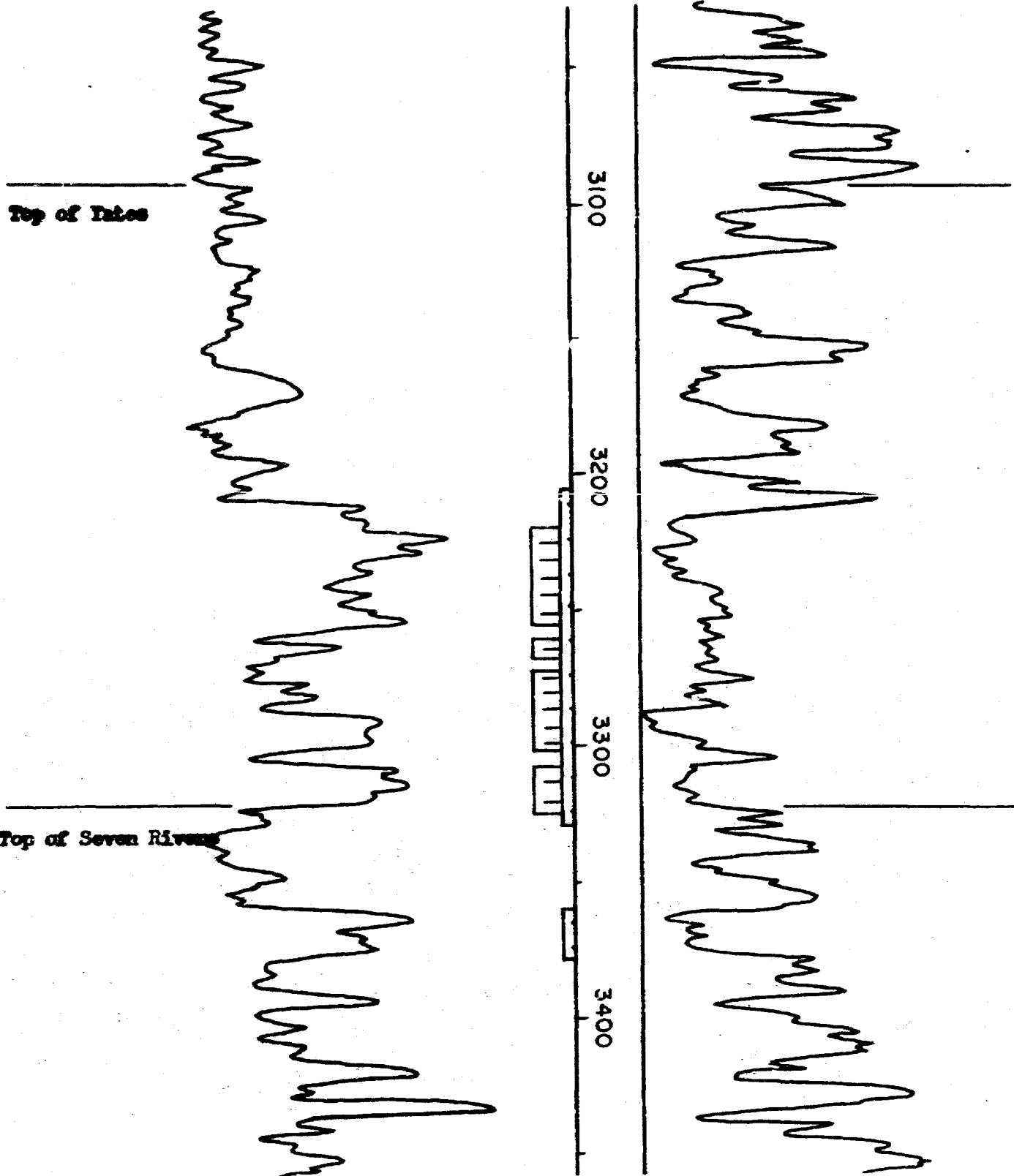


Case 1259  
Exhibit 3

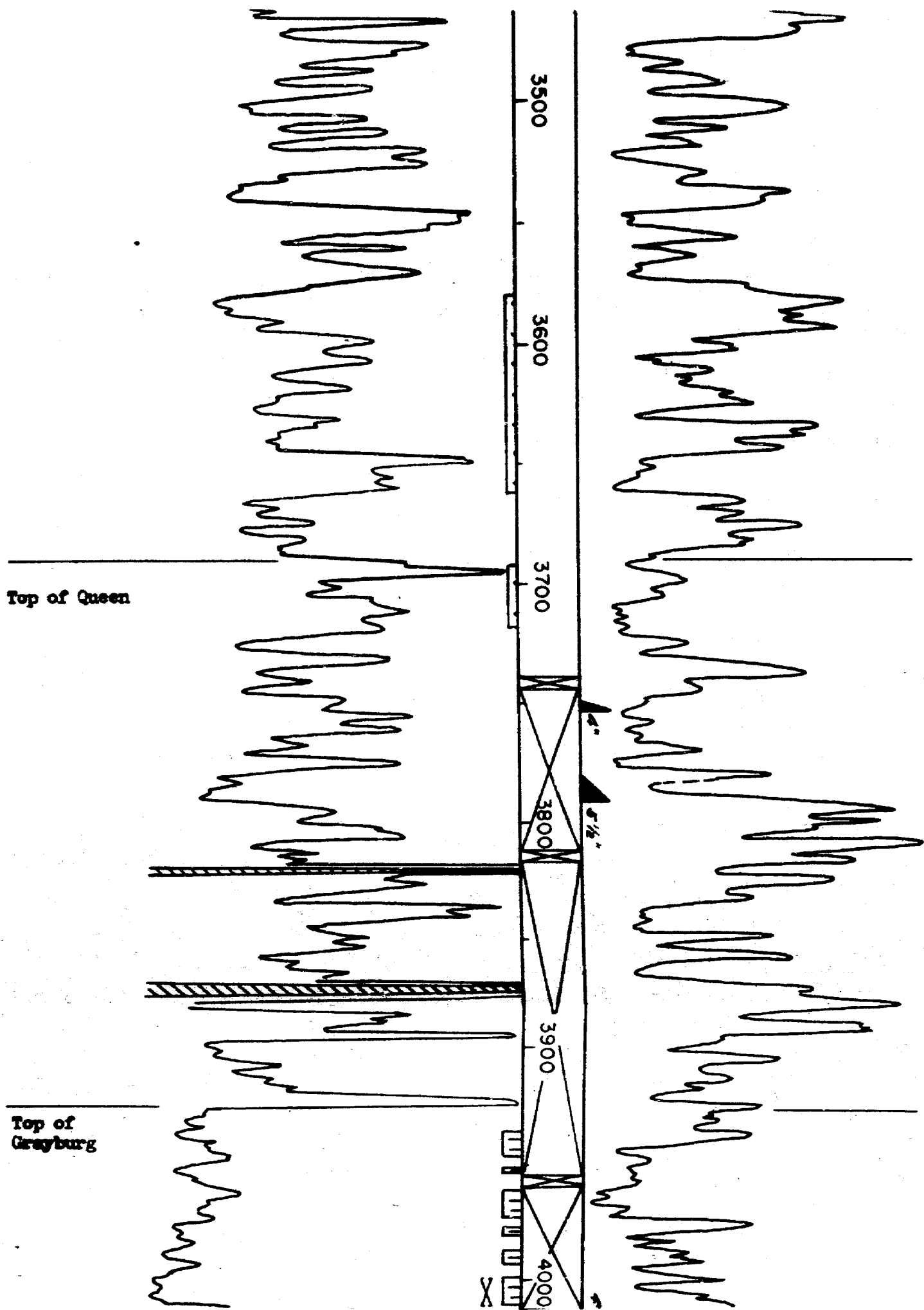
CONTINENTAL OIL COMPANY  
STATE C-20 NO.5

Elev: 3673'

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
*Conall* EXHIBIT No. 3  
CASE 1259







10 3/4" csg @ 100' w/75 sx  
 7 5/8" csg @ 1775' w/400 sx  
 5 1/2" csg @ 3797' w/400 sx

Completed 6/13/35 @ TD 3932' for IP of 150 BOPH thru 5 1/2" csg with 22,240 MCF gas.

In Nov., '47, well was deepened to TD 4015' and 4" liner set on bottom. After selectively perforating, well was recompleted thru perforations from 3938' to 3954'.

In July, '49, retainer was set @ 3813' with 50 sx. Well was again selectively perforated and retainers set @ 3880' w/25 sx, @ 3855' w/25 sx & @ 3740' w/25 sx.

Casing was perforated with 1 shot/ft:

3690-3720	3360-3375
3580-3663	3210-3330.

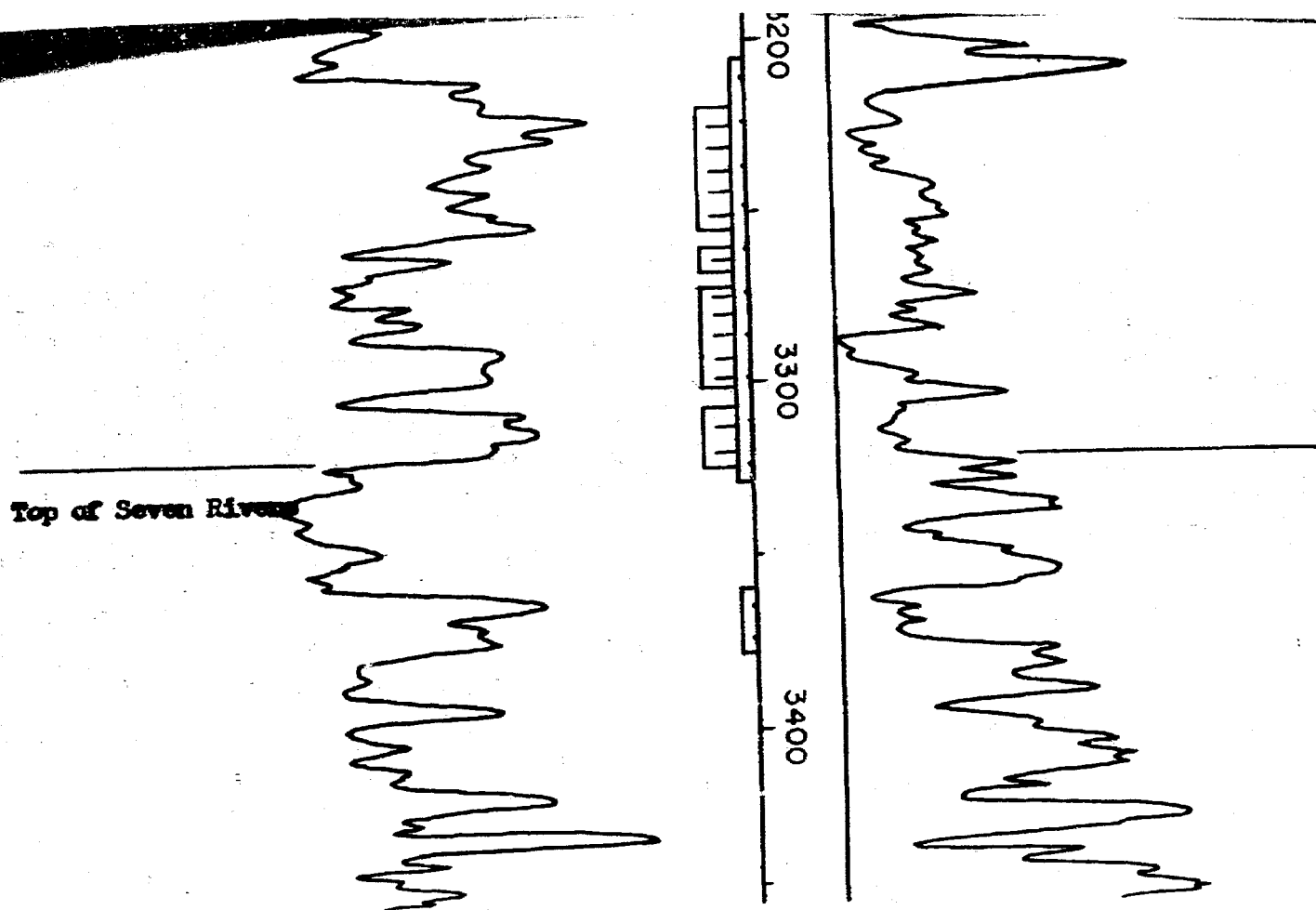
with 4 shots/ft:

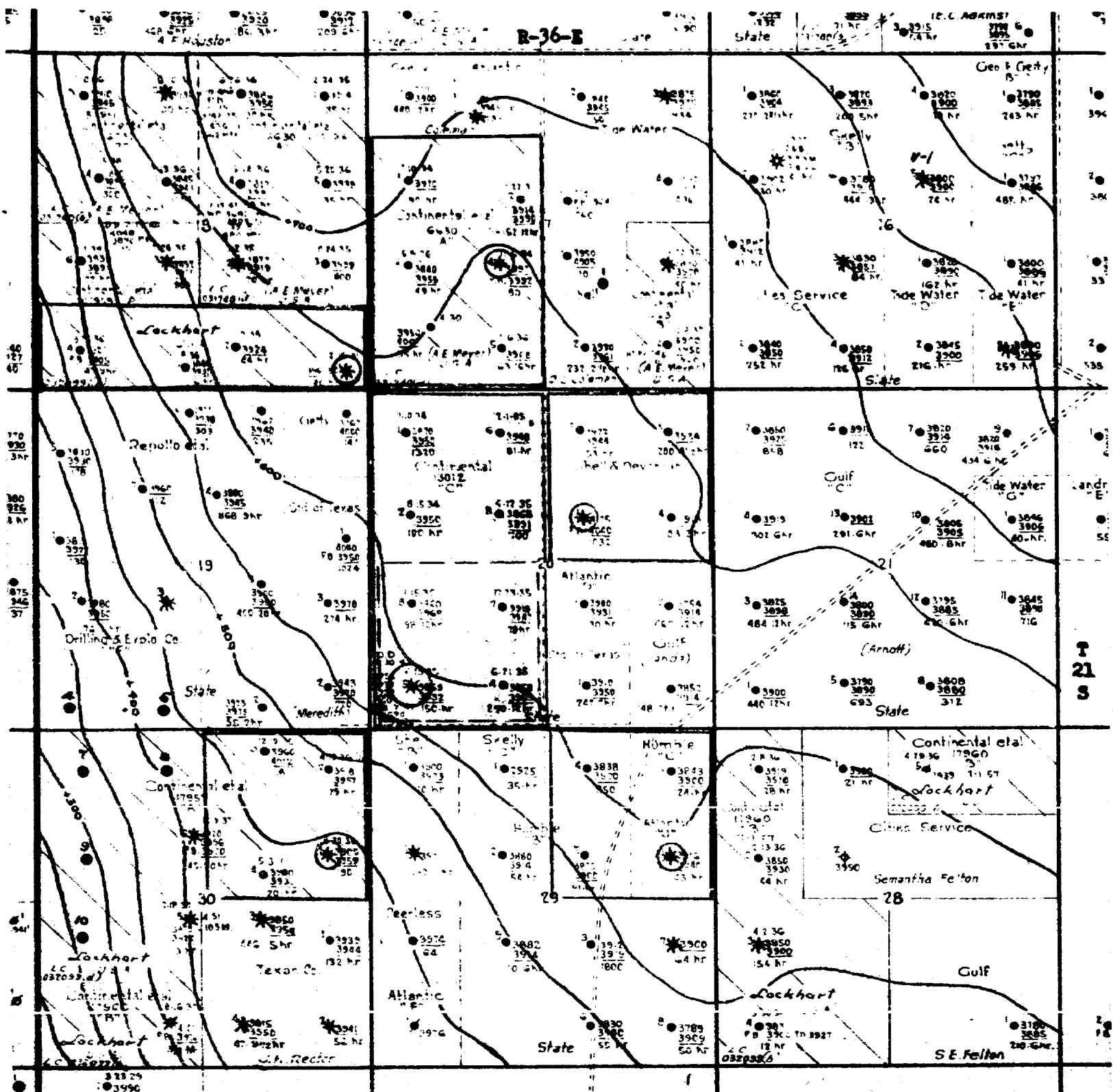
3307-3325	3262-3268
3272-3302	3220-3256.

Recompleted @ PB 3740' as gas well for IP of 2520 MCF sweet gas per day, with SIP 1165.2 psi.

Work completed: 7-24-49.

Back-pressure test: 7-29-49.





CONTINENTAL OIL COMPANY  
STRUCTURE MAP - EUMONT AREA

Contoured on top of Yates

Contour Int: 50'  
Scale: 1" = 2000'

○ Offset Gas Well  
— Offset Gas Unit

○ Subject Gas Well  
— Present Gas Unit  
— Proposed Gas Unit

April, 1957.

1259 CASE  
EXHIBIT

## MULTI-POINT BACK PRESSURE TEST FOR GAS WELLS

Pool Summit Formation Yates - 7 Rivers County Lee  
 Initial X Annual \_\_\_\_\_ Special \_\_\_\_\_ Date of Test 10-15-36  
 Company Continental Oil Company Lease State O-30 Well No. 9  
 Unit M Sec. 20 Twp. 21 Rge. 36 Purchaser \_\_\_\_\_  
 Casing 5 1/2 Wt. \_\_\_\_\_ I.D. 17 Set at 3797 Perf. \_\_\_\_\_ To \_\_\_\_\_  
 Tubing None Wt. \_\_\_\_\_ I.D. \_\_\_\_\_ Set at \_\_\_\_\_ Perf. \_\_\_\_\_ To \_\_\_\_\_  
 Gas Pay: From 3210 To 3720 L 3210 x G .657 BBL 2109 Bar. Press. 13.2  
 Producing Thru: Casing X Tubing \_\_\_\_\_ Type Well Single  
 Single-Bradenhead - J. or J. G. Dun.  
 Date of Completion: 7-24-49 Packer None

No.	Flow Data			Tubing Data			Duration	
	Flow Line Size	Choke Orifice Size	Press. psia	Press. psia	Temp. °F.	Press. psia	Temp. °F.	Rate of Flow hr.
1.	2 x .250		666		76		1016	72
2.	2 x .375		409		77		666	24
3.	2 x .500		249		75		409	24
4.	2 x .625		157		74		249	24
5.							157	24

No.	Coefficient (24-Hour)	$\sqrt{h_{wD}}$	Pressure psia	Flow Temp. Factor $F_T$	Gravity Factor $F_g$	Factor $F_p$	Rate of Flow 24-Hour * 14.7/psia
1.	1.4090		679.2	.9850	.9571	1.066	958
2.	3.0691		422.2	.9840	.9571	1.037	1,265
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Gas Liquid Hydrocarbon Ratio \_\_\_\_\_ Mol/Liq.  
 Gravity of Liquid Hydrocarbons \_\_\_\_\_ leg.  
 Specific Gravity Separated Gas \_\_\_\_\_  
 Specific Gravity Flowing Fluid \_\_\_\_\_  
 P. 1029.2 1059.3

No.	$P_w$ (psia)	$P_2$	$P_2^2 - P_1^2$	$F_{pD}$	$(F_{pD})^2$	$(F_{pD})^2 / (P_2^2 - P_1^2)$	$P_2$	$P_2^2$
1.	679.2	461.3	598.0	.918	.8427	.1138	461.4	597.9
2.	422.2	178.3	881.0	1.21	1.464	.1976	178.5	880.8
3.	262.2	68.7	990.6	1.34	1.796	.2425	68.9	990.4
4.	170.2	29.0	1030.3	1.31	1.716	.2317	29.2	1030.1

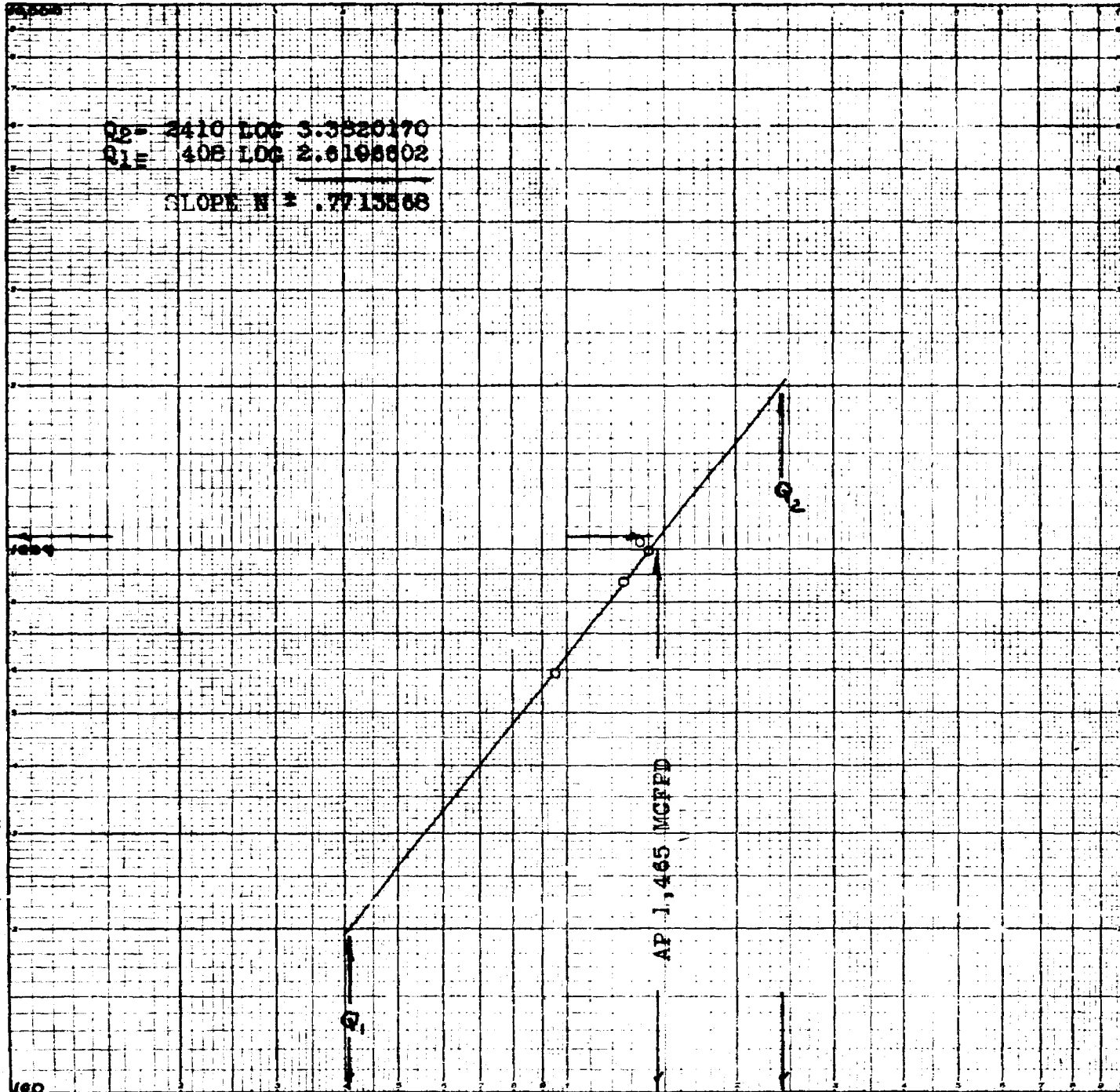
Wellhead Potential: 1,465 MCFPD:  $\theta$  52.5 ;  $n_t$  .771  
 at Potential: 1,465 MCFPD:  $\theta$  52.5 ;  $n$  .771  
 Conducted by: Littlefield & South  
 Witnessed by: \_\_\_\_\_  
 Calculated by: Littlefield & South

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 STATE C-20 NO. 5  
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CODER BOOK COMPANY, INC. NORWOOD, MASSACHUSETTS  
 PRINTED IN U.S.A.

NO. 31.291 LOGARITHMIC: 1 BY 2 3/4-INCH CYCLES (BASE SHORT WAY)

$P_i^2 - P_w^2$  (THSND)S

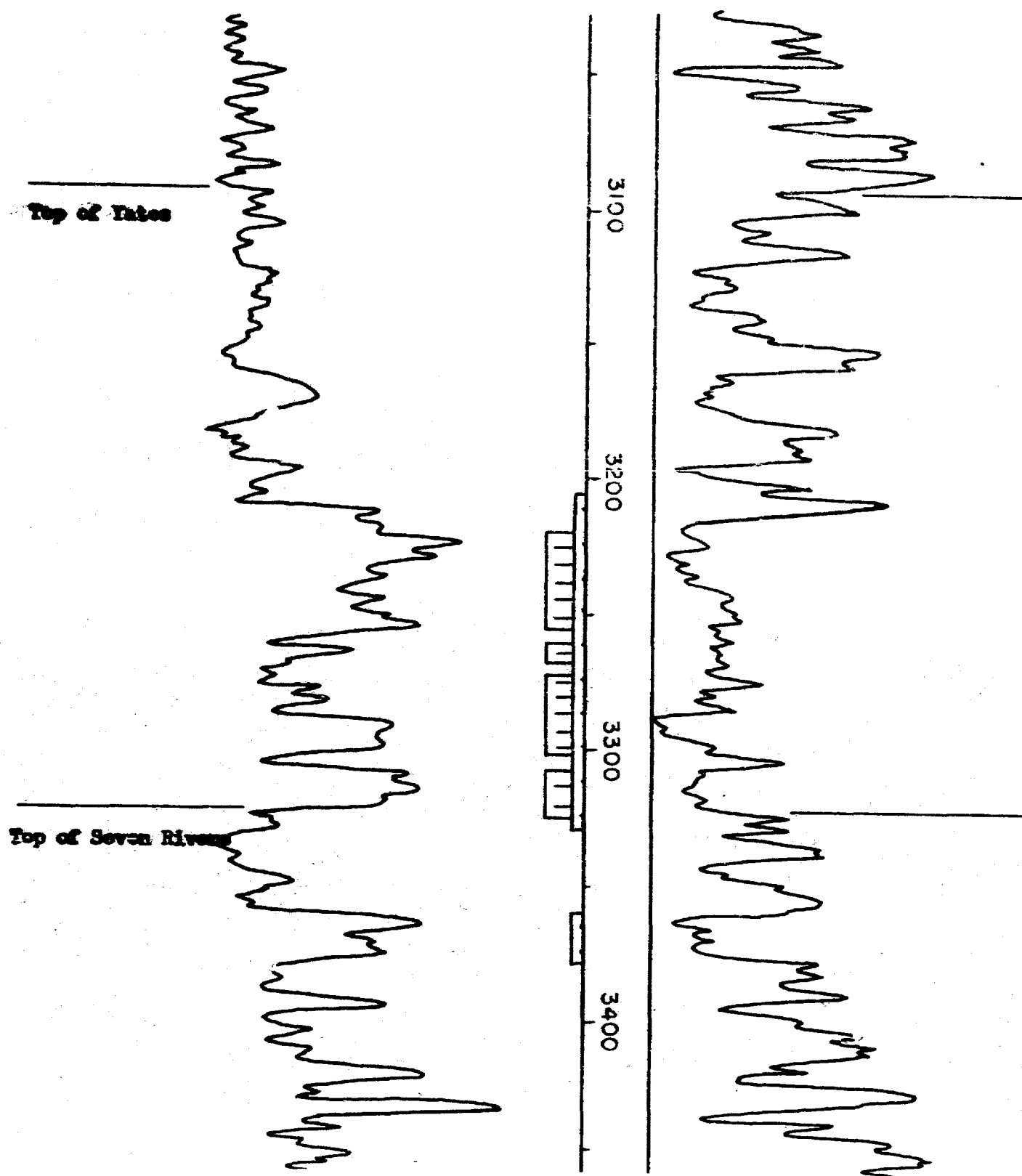


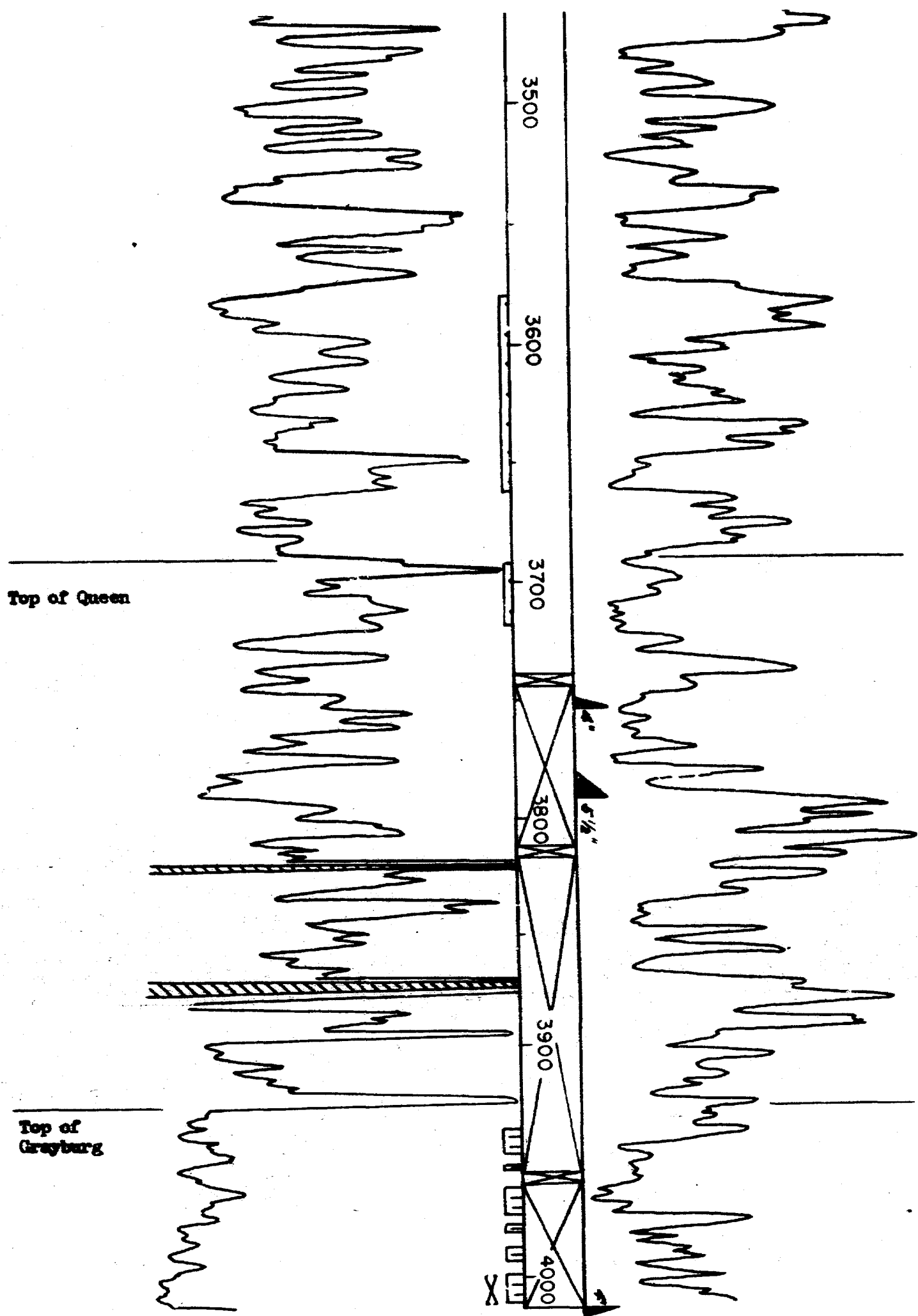
Q - MCFPD

Case 1259  
Exhibit 3

CONTINENTAL OIL COMPANY  
STATE C-20 NO.5

Elev 3673'





10 3/4" csg @ 100' w/75 sx  
 7 5/8" csg @ 1775' w/400 sx  
 5 1/2" csg @ 3797' w/400 sx

Completed 6/13/35 @ TD 3932' for IP of 150 BOFH thru 5 1/2" csg with 22,240 MCF gas.

In Nov., '47, well was deepened to TD 4015' and 4" liner set on bottom. After selectively perforating, well was recompleted thru perforations from 3938' to 3954'.

In July, '49, retainer was set @ 3813' with 50 sx. Well was again selectively perforated and retainers set @ 3880' w/25 sx, @ 3855' w/25 sx & @ 3740' w/25 sx.

Casing was perforated with 1 shot/ft:

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3580-3663	3210-3330.

with 4 shots/ft:

3307-3325	3262-3268
3272-3302	3220-3256.

Recompleted @ PB 3740' as gas well for IP of 2520 MCF sweet gas per day, with SIP 1165.2 psi.

Work completed: 7-24-49.

Back-pressure test: 7-29-49.



DOCKET: EXAMINER HEARING MAY 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 1258: Application of Great Western Drilling Company for approval of a 52-acre non-standard oil proration unit in the Carter-San Andres Pool, Lea County, New Mexico. in exception to Rule 104 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order authorizing a 52-acre non-standard oil proration unit in the Carter-San Andres Pool consisting of Lots 4 and 5 of Section 5, Township 18 South, Range 39 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Effie Carter No. 1 Well located 1650 feet from the South line and 330 feet from the East line of said Section 5.

CASE 1259: Application of Continental Oil Company for a 320-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool. Applicant, in the above-styled cause, seeks an order authorizing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the W/2 of Section 20, Township 21 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's State "C-20" Well No. 5 located 660 feet from the South and West lines of said Section 20.

CASE 1260: Application of Cities Service Oil Company for a 320-acre non-standard gas proration unit in the Jalmat Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool. Applicant, in the above-styled cause, seeks an order authorizing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the W/2 of Section 20, Township 22 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated jointly to the applicant's Closson "B" No. 3 Well located 660 feet from the North line and 330 feet from the West line of said Section 20 and to the Closson "B" No. 6 Well located 1980 feet from the North line and 660 feet from the West line of said Section 20.

ir/

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 6/7/57

CASE 1259

Hearing Date May 28 1957

See D. H. H. 1:00 PM

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

Enter an order granting Continental  
Oil Co. the requested 320-non-std  
gas proration unit ~~segs~~ comprising  
the W $\frac{1}{2}$  Sec 20 T 21 S R 36 E.  
Applicant currently has a 160-acre  
unit comprising the SW $\frac{1}{4}$  of said  
section, seeks to add the NW $\frac{1}{4}$ .

Vaughn D. Miller  
Staff Number  
Examiner

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

July 1, 1957

C  
O  
P  
Y

Mr. V. T. Lynn  
Continental Oil Company  
323 Petroleum Building  
Roswell, New Mexico.

Dear Sir:

We enclose a copy of Order R-1015 issued June 28th by the Oil Conservation Commission in Case 1259, which was heard May 28th at Hobbs.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encl.

**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. 1250  
Order No. R-1015**

**APPLICATION OF CONTINENTAL OIL  
COMPANY FOR A 320-ACRE NON-STANDARD  
GAS PRORATION UNIT IN THE KUMONT GAS  
POOL, LEA COUNTY, NEW MEXICO.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

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

NOW, on this 28<sup>th</sup> day of June, 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 cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, is the owner of a State of New Mexico oil and gas lease covering the W/2 of Section 20, Township 21 South, Range 30 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the owner and operator of the State "C-23" Well No. 5, located 660 feet from the South line and 660 feet from the West line of said Section 20, which well is presently completed in the Kumont Gas Pool on a 320-acre non-standard gas proration unit consisting of the W/2 of said Section 20.

(4) That the applicant proposes to dedicate the entire W/2 of said Section 20 to its aforementioned State "C-23" Well No. 5.

(5) That approval of the subject application will not cause waste nor impair correlative rights.

-2-  
Case No. 1259  
Order No. R-1015

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company for a 320-acre non-standard gas proration unit consisting of the W/2 of Section 20, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby approved, said unit to be dedicated to the applicant's State "C-20" Well No. 5, located in the SW/4 SW/4 of said Section 20.

(2) That the applicant's State "C-20" Well No. 5 be granted an allowable in the proportion that the above-described acreage bears to a standard proration unit for the Eumont Gas Pool, subject to the provisions of Rule 8 of the Special Rules and Regulations concerning increase in dedicated acreage for the Eumont Gas Pool as set forth in Order R-520.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*

EDWIN L. MECHEM, Chairman

*M. E. Morgan*

MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*

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



ir/

BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF CONTINENTAL OIL COMPANY FOR AN  
EXCEPTION TO RULE 5 (A) OF THE  
SPECIAL RULES AND REGULATIONS FOR  
THE EUMONT GAS POOL CONTAINED IN  
ORDER NO. R-520 IN ENLARGEMENT TO  
320 ACRES OF THE PRESENTLY APPROVED  
160-ACRE NON-STANDARD GAS PRORATION  
UNIT ALLOCATED TO ITS STATE C-20  
WELL NO. 5; SAID ENLARGED UNIT TO  
CONSIST OF W/2 OF SECTION 20,  
T-21-S, R-36-E, NMPM, LEA COUNTY,  
NEW MEXICO

A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and petitions the Commission for an order enlarging the gas proration unit allocated to its State C-20 well No. 5 from the presently approved 160-acre unit, consisting of the SW/4 of Section 20, T-21-S, R-36-E, NMPM, Lea County, New Mexico, to a 320-acre unit consisting of W/2 of said Section 20; and in support thereof would show:

1. That applicant is the owner and operator of a lease designated the State C-20 lease, consisting of the W/2 of Section 20, T-21-S, R-36-E, NMPM, Lea County, New Mexico.

2. That applicant drilled the State C-20 well No. 5 at a location 660 feet from the South line and 660 feet from the West line of said Section 20, and completed it June 13, 1935, as an oil well.

3. That said well was recompleted July 29, 1949, as a gas well producing from formations now designated as the Eumont Pool.

4. That for gas proration purposes the well is presently allocated to the SW/4 of said Section 20; that the NW/4 has never been allocated to any gas well for gas proration purposes; that the entire area sought to be allocated to said well is gas productive and should be allocated to a gas well in the interests of the prevention of waste and the protection of correlative rights.

5. That the most practical and economical method of allocating said acreage for Eumont Pool gas production is to establish a 320-acre non-standard gas proration unit as described

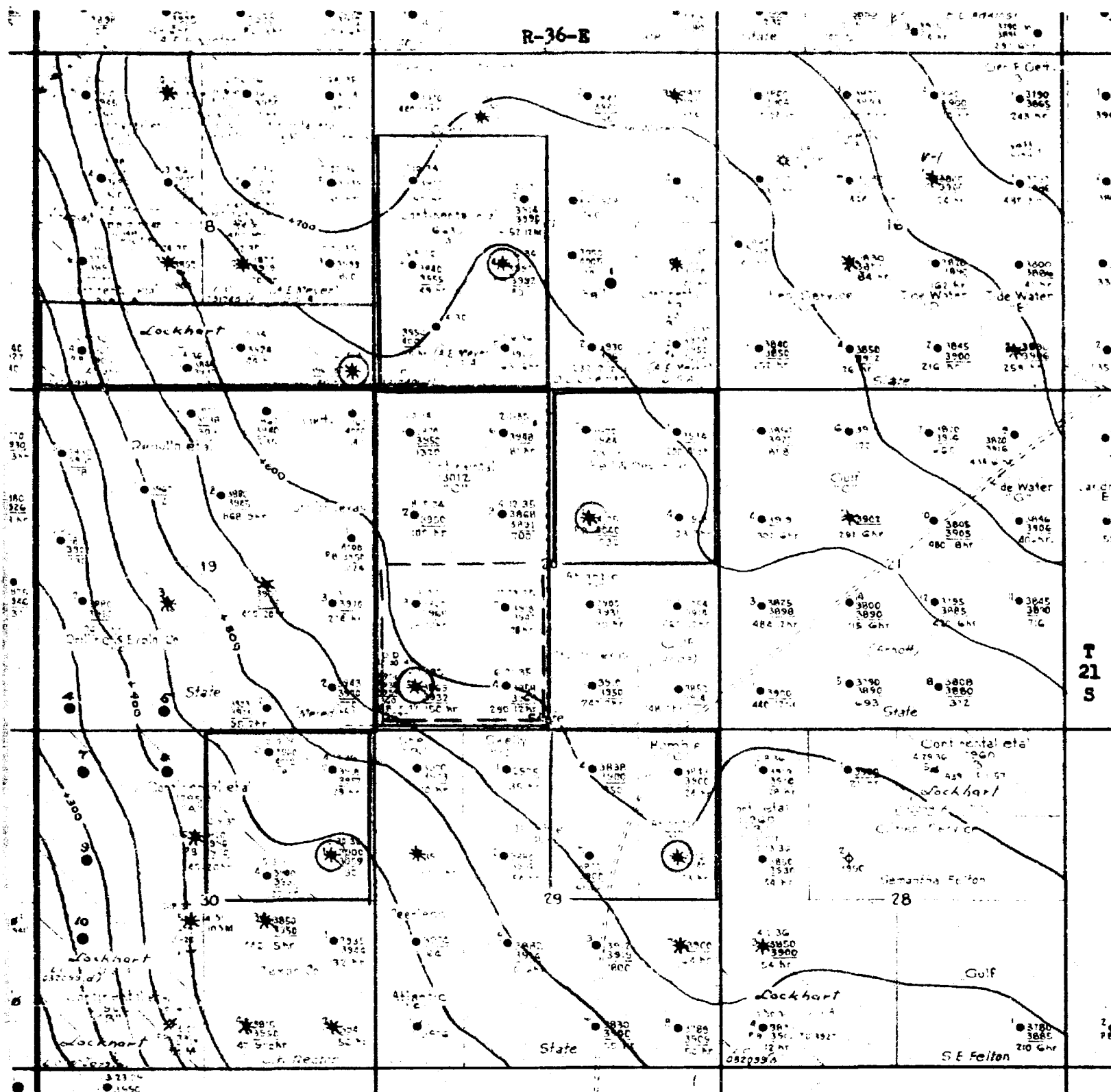
above for assignment to the State C-20 No. 5.

Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, in Hobbs, New Mexico, that appropriate notice thereof be given, and that upon hearing, an order be entered granting applicant an exception to Rule 5 (a) of the special rules and regulations for the Eumont gas pool contained in order No. R-520 for the non-standard gas proration unit described above.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "R. L. Adams".

CONTINENTAL OIL COMPANY



CONTINENTAL OIL COMPANY  
STRUCTURE MAP - EUMONT AREA  
Contoured on top of Yates  
Contour Int: 50'  
Scale: 1" = 2000'

○ Offset Gas Well  
— Offset Gas Unit

○ Subject Gas Well  
— Present Gas Unit  
- - - Proposed Gas Unit

April, 1957.

CASE  
EXHIBIT



100-1957



EX. Hg.  
@ Hobbs  
before  
DSN  
7-8/57  
on 5/21/57

# CONTINENTAL OIL COMPANY

PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

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

May 3, 1957

New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

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

Re: Continental Oil Company's  
application for enlargement  
of the non-standard gas  
proration unit allocated  
to its State C-20 well No.  
5, Eumont Pool, Section 20,  
T-21-S, R-36-E

Gentlemen:

We forward herewith application in triplicate for approval of the enlargement of the present 160-acre unit allocated to our State C-20 well No. 5 to a 320-acre non-standard unit. It is respectfully requested that this matter be set for hearing before an examiner in Hobbs, New Mexico, at the earliest convenient date.

Yours very truly,

*R. L. Adams*

RLA-BC

.cc: HLJ (2), FTE, JK

Enough  
draft  
WJC/ir  
June 10

ap 6/11

6/11

WJC 6/11/57

EAU 6-15

ALP 6-17

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. 1259  
Order No. R-1015  
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APPLICATION OF CONTINENTAL OIL  
COMPANY FOR A 320-ACRE NON-  
STANDARD GAS PRORATION UNIT IN  
THE EUMONT GAS POOL, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this \_\_\_\_\_ day of June, 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 cause and the  
subject matter thereof.

(2) That the applicant, Continental Oil Company, is  
the owner of a State of New Mexico oil and gas lease covering  
the W/2 of Section 20, Township 21 South, Range 36 East, NMPM, Lea  
County, New Mexico.

(3) That the applicant is the owner and operator of  
the State "C-20" Well No. 5, located 660 feet from the South line  
and 660 feet from the <sup>West</sup> South line of said Section 20, which well  
is presently completed in the Eumont Gas Pool on a 160-acre non-  
standard gas proration unit consisting of the SW/4 of said Section  
20.

-2-  
Case No. 1259  
Order No. R-

(4) That the applicant proposes to dedicate the entire W/2 of said Section 20 to its aforementioned State "C-20" Well No. 5.

(5) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Continental Oil Company~~X~~ for a 320-acre non-standard gas proration unit consisting of the W/2 of Section 20, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, be and the same is hereby approved~~X~~, said unit to be dedicated to the applicant's State "C-20" Well No. 5, located in the SW/4 SW/4 of said Section 20.

(2) That the applicant's State "C-20" Well No. 5/ be granted an allowable in the proportion that the above-described acreage bears to a standard proration unit for the Eumont Gas Pool, ~~subject to the provisions of~~ *concerning increase in dedicated acreage* ~~in accordance with Rule 8 of the Special Rules and Regulations~~ *Wm* for the Eumont Gas Pool as set forth in Order R-520.

DONE etc.