

CASE 2280: Appli. of CONTINENTAL
for a non-standard gas proration
unit & unorth. gas well location.

Case No.

2280

Application, Transcript,
Small Exhibits, Etc.

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. 2280
Order No. R-1990

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A NON-STANDARD GAS
PRODUCTION UNIT AND AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 24, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, 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 29th day of June, 1961, the Commission, a ~~quorum~~ being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 by Administrative Order No. MSP-447, a 120-acre non-standard gas production unit in the Summit Gas Pool was established, consisting of the E/2 NE/4 and the NE/4 SE/4 of Section 17, Township 21 South, Range 37 East, NMPN, Lea County, New Mexico.
- (3) That the applicant, Continental Oil Company, seeks the establishment of a 240-acre non-standard gas production unit in the Summit Gas Pool, consisting of the above-described acreage plus the S/2 SE/4 and the SE/4 SW/4 of said Section 17.
- (4) That the above-described 240-acre non-standard gas production unit can reasonably be presumed to be productive of gas from the Summit Gas Pool.
- (5) That the above-described 240-acre non-standard gas production unit is to be dedicated to the Lockhart A-17 Well No. 2,

CASE No. 2280
Order No. R-1990

at an unorthodox location 1989 feet from the south line and 660 feet from the East line of said Section 17.

(6) That said well should be in balance before the effective date of this order, in order to protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 240-acre non-standard gas proration unit in the Eumont Gas Pool, consisting of the E/2 E/2, SW/4 SE/4 and the SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, NMPN, Lea County, New Mexico, is hereby established.

(2) That the allowable assigned to the above-described 240-acre non-standard gas proration unit shall bear the same ratio to a standard allowable in the Eumont Gas Pool as the acreage in said unit bears to the acreage in a standard gas proration unit in the Eumont Gas Pool.

(3) That an unorthodox location is hereby approved for the Lockhart A-17 Well No. 2, at a point 1989 feet from the south line and 660 feet from the East line of said Section 17.

(4) That Administrative Order No. NMP-447 is hereby cancelled.

(5) The subject well shall be shut-in until in balance, effective immediately. The Proration Manager of the Commission's Hobbs District Office shall then be notified of the date the subject well is brought into balance in order that the unit shall become effective on the first day of the month following the month in which the subject well is brought to a balanced status.

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

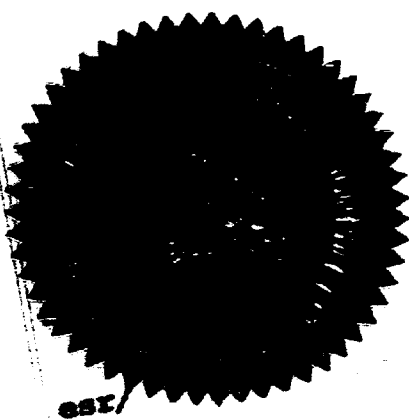
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Nichem
EDWIN L. NICHEM, Chairman

E. S. Walker
E. S. WALKER, Member

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



Case 2280

Heard 5-24-61

5-26-61

1. Grant Continental request for use
NSL and NSU for their Lockhart
A17 #2 located ~~to the~~ 1950/N, 660/E lines
of sec. 17-215-37 E
2. NSU to consist of E/2 E/2, SW/4
SE/4 and SE/4 SW/4 of sec. 17.
3. Cancel NSP 447

- x 4. Grant exception to Rule 5 (A)
of R-1670, The General R.R. for
proposed gas pools in SE N. Mex.

Trust

- * 5. Make unit effective 1st of
Month following the month
in which the well is in balance.

- ① 6. Shut well in until in
balance.

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 PRORATED GAS POOLS
OF SOUTHEAST NEW MEXICO CONTAINED IN
ORDER NO. R-1670 FOR THE ENLARGEMENT OF
THE PRESENTLY APPROVED 120-ACRE UNIT TO
A NON-STANDARD GAS PRORATION UNIT OF
240 ACRES CONSISTING OF E/2 E/2, SW/4
SE/4 AND SE/4 SW/4 SECTION 17, T21S,
R37E, NMPM, LEA COUNTY, NEW MEXICO TO
BE ALLOCATED TO ITS LOCKHART A-17 WELL
NO. 2, EUMONT GAS POOL

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 present 120-acre gas proration unit to one of 240 acres consisting of E/2 E/2, SW/4 SE/4 and SE/4 SW/4 of Section 17, T21S, R37E, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be allocated to its Lockhart A-17 No. 2 well located 1980 feet from the south line and 660 feet from the east line of said Section 17 and in support thereof would show:

1. That applicant is co-owner and operator of a lease designated as the Lockhart A-17 Lease, consisting of E/2 NE/4 and NE/4 SE/4 of Section 17, T21S, R37E, NMPM, Lea County, New Mexico.

2. That Tidewater Oil Company is owner and operator of a lease designated as the Percy Hardy Lease, consisting of the S/2 SE/4 of said Section 17, and that N.G. Fenrose, Inc. is owner and operator of a lease designated as the Hardy Lease consisting of the SE/4 SW/4 of said Section 17.

3. That this acreage contained in these two tracts will be communitized with the above mentioned Lockhart A-17 Lease to form a 240-acre non-standard gas proration unit consisting of E/2 E/2, SW/4 SE/4 and SE/4 SW/4 of said Section 17.

4. That applicant drilled and completed in June, 1947, its Lockhart A-17 No. 2 as a Drinkard oil well, located 1980 feet from the south line and 660 feet from the east line of said Section 17, and on April 21, 1959, the said well was dually completed in the Drinkard Oil and Eumont Gas Pools.

5. That the $E/2$ $NE/4$ and $NE/4$ $SE/4$ of said Section 17 is presently assigned the said Well No. 2, but that the $S/2$ $SE/4$ and $SE/4$ $SW/4$ is not assigned to any Eumont gas well and that all of said acreage may reasonably be presumed to be productive of gas from the Eumont Pool and should be allocated to a gas well in the interests of the prevention of waste and the protection of correlative rights.

6. That the most practical and economical method of allocating said acreage for Eumont Pool gas production is to enlarge the existing 120-acre unit to a 240-acre non-standard gas proration unit for assignment to the Lockhart A-17 Well No. 2.

Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, in Santa Fe, 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 prorated gas pools of southeast New Mexico, contained in Order No. R-1670 for the non-standard gas proration unit described above.

Respectfully submitted,
CONTINENTAL OIL COMPANY

W. A. Mead

Wm. A. MEAD
Division Superintendent
of Production
New Mexico Division

WAM-sjk



CONTINENTAL OIL COMPANY

625 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

April 24, 1961

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

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

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

Re: CONTINENTAL OIL COMPANY'S
APPLICATION FOR EXCEPTION
TO RULE 5 (a) OF THE SPECIAL
RULES AND REGULATIONS FOR
PRORATED GAS POOLS OF SOUTH-
EAST NEW MEXICO CONTAINED
IN ORDER NO. R-1670 FOR THE
ENLARGEMENT OF THE PRESENTLY
APPROVED 120-ACRE UNIT TO A
NON-STANDARD GAS PRORATION
UNIT OF 240-ACRES CONSISTING
OF E/2 E/2, SW/4 SE/4 AND SE/4
SW/4 SECTION 17, T21S, R37E,
NMPM, LEA COUNTY, NEW MEXICO
TO BE ALLOCATED TO ITS LOCK-
HART A-17 WELL NO. 2-EUMONT
GAS POOL

Gentlemen:

We are attaching three copies of Continental Oil
Company's Application as described above.

We respectfully request that you set this matter for
hearing at the earliest possible date.

Yours very truly,

W. A. Mead

WAM-sk
cc: RGP HGD JRP JWK

*Booklet
Mailed
5-11-61*

*Case 2280
Set for
hearing
New Mexico
must send
in the
well
log.*

DOCKET: EXAMINER HEARING - WEDNESDAY, MAY 24, 1961

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

The following cases will be heard before Elvis A. Utz, examiner, or Daniel S. Nutter, as alternate examiner:

CASES 2291 through 2296 will not be heard before 1:30 p.m.

CASE 2280: Application of Continental Oil Company for a non-standard gas proration unit and for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 E/2, SW/4 SE/4 and the SE/4 SW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to its Lockhart A-17 Well No. 2, at an unorthodox location 1980 feet from the South line and 660 feet from the East line of said Section 17.

CASE 2281: Application of Continental Oil Company for an exception to Rule 309 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Maljamar Pool production from all wells presently completed or hereafter drilled on its Taylor Lease, comprising the SW/4 of Section 14, Township 17 South, Range 32 East, Lea County, New Mexico, and on its Federal Miller BX Lease, comprising the E/2 of said Section 14, after separately metering the production from each lease.

CASE 2282: Application of Continental Oil Company for an amendment of Order No. R-1602. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1602 changing the effective date thereof and making the provisions of said order effective as of March 1, 1960.

CASE 2283: Application of Skelly Oil Company for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Denton (Devonian) Pool production and the Denton-Wolfcamp Pool production on its Mexico "F" Lease comprising Lots 1, 2, 3, and 4, the SW/4 NE/4 and the SW/4 NW/4 of Section 2, Township 15 South, Range 37 East, Lea County, New Mexico, and to allocate the production to each well in each pool on the basis of periodic well tests.

CASE 2284:

Application of Skelly Oil Company for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the oil production from the Hare and Drinkard Pools with the distillate production from the Blinebry and Tubb Gas Pools on its E. A. Sticher Lease, consisting of the N/2 SW/4 of Section 4, Township 22 South, Range 37 East, Lea County, New Mexico, and to allocate the production to each well in each pool on the basis of periodic well tests.

CASE 2285:

Application of Texaco Inc., for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Tubb Gas Pool for its A. H. Blinebry NCT-1 Well No. 8, located 1980 feet from the North line and 330 feet from the West line of Section 33, Township 22 South, Range 38 East, Lea County, New Mexico.

CASE 2286:

Application of Aztec Oil & Gas Company for an exception to Rule 309 (a), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Totah-Gallup Pool production from the following-described leases, all in Township 29 North, Range 13 West, San Juan County, New Mexico.

Federal Lease No. SF 079065 in Sections 19, 20 and 29.

State Lease B-11017-23 comprising in pertinent part the SW/4 NW/4 of Section 20.

State Lease B-11017-21 comprising in pertinent part the NW/4 NW/4 of Section 20.

Smith-Eaton Lease comprising in pertinent part the NE/4 SE/4, SE/4 NE/4 and the E/2 NW/4 of Section 20.

Applicant proposes to commingle said production in a common tank battery located on the SW/4 of said Section 20 after separately metering the production from the State and fee leases only.

CASE 2287:

Application of Aztec Oil & Gas Company for an exception to Rule 309 (a), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the Totah-Gallup Pool production from five separate fee leases, all located in Section 18, Township 29 North, Range 13 West, San Juan County, New Mexico.

CASE 2288:

Application of Southwest Production Company for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of two non-standard gas proration units in the Basin-Dakota Gas Pool, San Juan County, New Mexico, described as follows:

(1) W/2 of Section 7, Township 30 North, Range 11 West, except the 3.39-acre tract therein owned by Harold M. Brimhall and Maleta Y. Brimhall, comprising the sum total approximately 327.01 acres.

(2) E/2 of Section 7, Township 30 North, Range 11 West, except the S/2 SW/4 SE/4; comprising in sum total approximately 300 acres.

CASE 2289:

Application of Aspen Crude Purchasing Company for three non-standard oil proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard oil proration units in and adjacent to the Cha Cha-Gallup Oil Pool:

(1) Lot 1 and the S/2 SE/4 of Section 7, Township 28 North, Range 13 West;

(2) Lot 5 and the SE/4 SW/4 of said Section 7; and

(3) Lots 2, 3 and 4 of said Section 7, and 40.81 acres located between said Section 7 and Section 36, Township 29 North, Range 14 West;

all in San Juan County, New Mexico.

CASE 2290:

Application of Aspen Crude Purchasing Company for three non-standard oil proration units and for an unorthodox well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of the following-described non-standard oil proration units adjacent to the Totah-Gallup Oil Pool in Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico:

(1) Lots 1 and 2 and the SE/4 SE/4, comprising 97.78 acres, to be dedicated to a well at a non-standard location 263 feet from the North line and 700 feet from the East line of said Section 11.

CASE 2290: (Cont.)

(2) Lots 3 and 4 and the SW/4 SW/4, comprising 97.58 acres.

(3) SW/4 SE/4 and the SE/4 SW/4, comprising 80 acres.

The following cases will not be heard before 1:30 p.m.

CASE 2291: Application of Pan American Petroleum Corporation for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle, prior to measurement, the Paddock, Brunson and Wantz-Abo pool production from all wells on its Hugh Corrigan Lease, comprising the NE/4 SE/4 of Section 33, Township 21 South, Range 37 East, Lea County, New Mexico, and to allocate production to each well in each pool on the basis of periodic well tests.

CASE 2292: Application of Humble Oil & Refining Company for permission to take interference tests and transfer allowables in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to take interference tests in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, by shutting in its Navajo Tribe "L" Well No. 4, located in the SW/4 SE/4 of Section 26, Township 29 North, Range 14 West, and transferring its allowable to other wells on the same basic lease in such a manner that no well will produce more than 125% of its monthly allowable.

CASE 2293: Application of Great Western Drilling Company for approval of the Grain Queen Unit Agreement, for permission to institute a waterflood project therein, for special rules governing said waterflood project including a provision for special allowables, and for permission to commingle the production from all leases in said unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Grain Queen Unit Agreement, which unit embraces 200 acres of State and fee lands in Township 13 South, Range 32 East, Lea County, New Mexico, described as follows:

CASE 2293: (Cont.)

Section 5: SE/4 NW/4, NE/4 SW/4 and the S/2 SW/4
Section 8: NE/4 NW/4

Applicant further seeks permission to institute a waterflood project in said Grain Queen Unit Area and seeks the promulgation of special rules governing said project including a provision for special allowables. Applicant further seeks permission to commingle the utilized substances produced from all leases in said Grain Queen Unit Area without separate measurement in tanks on each individual lease.

CASE 2294:

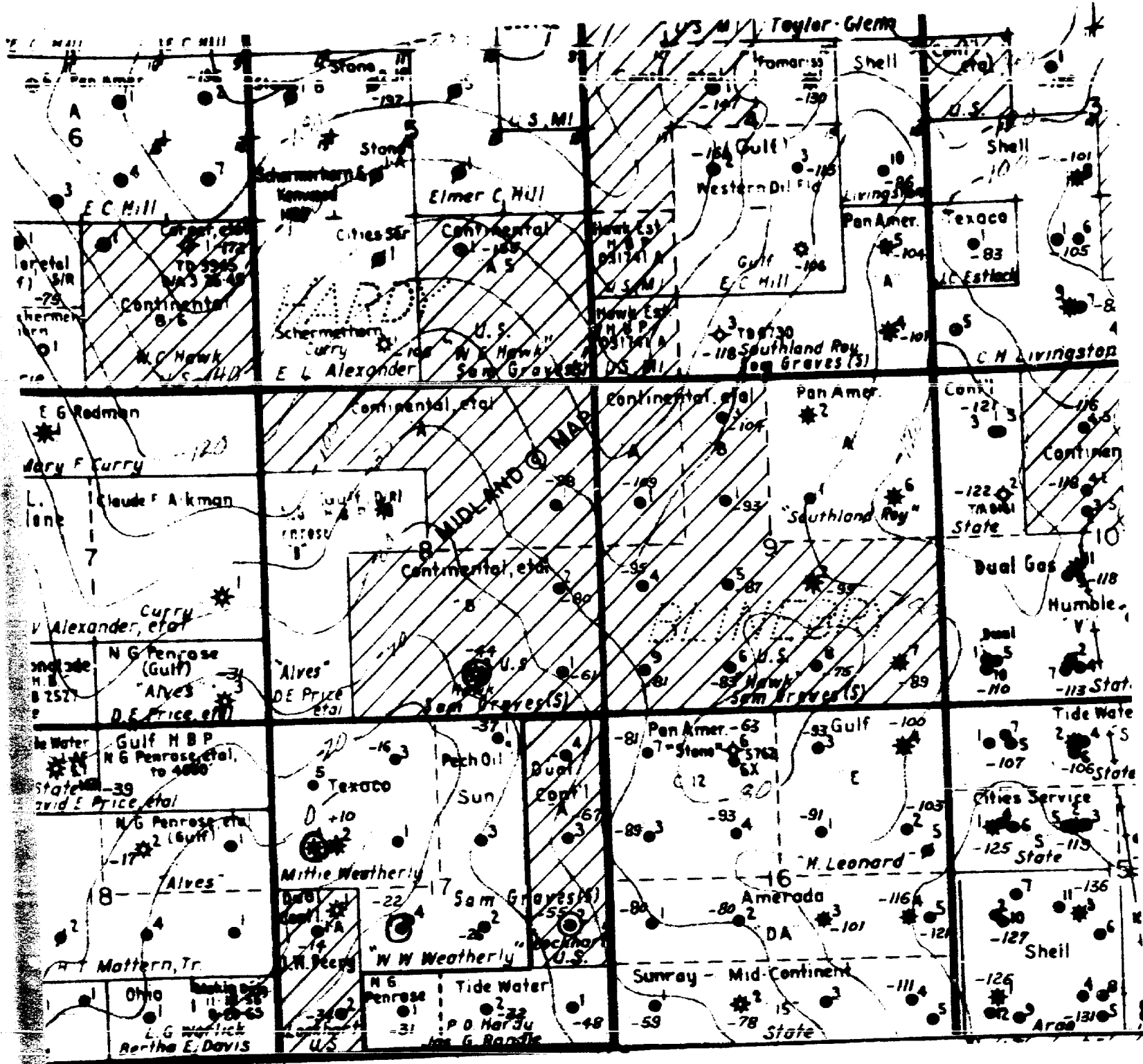
Application of El Paso Natural Gas Company for authorization to conduct maximum pressure build-up tests. Applicant, in the above-styled cause, seeks authorization to conduct maximum pressure build-up tests in the Blanco-Mesaverde Gas Pool, the Aztec-Pictured Cliffs Gas Pool, the Ballard-Pictured Cliffs Gas Pool, the Fulcher Kutz-Pictured Cliffs Gas Pool, and the South Blanco-Pictured Cliffs Gas Pool, San Juan and Rio Arriba Counties, New Mexico. Applicant further seeks establishment of special rules governing said tests including a provision authorizing the non-cancellation and/or transfer of allowables from wells to be shut-in in each pool and including a provision allowing substitute tests by administrative approval.

CASE 2295:

Application of Consolidated Oil & Gas, Inc. for a dual completion, a non-standard gas proration unit and for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 325.23-acre non-standard gas proration unit in the Basin-Dakota Gas Pool and in the Blanco-Mesaverde Gas Pool consisting of the S/2 of Section 34, Township 32 North, Range 13 West, San Juan County, New Mexico, said unit to be dedicated to its Robinson Brothers Well No. 1, proposed to be dually completed in said pools at an unorthodox gas well location for said pools at a point 1235 feet from the South line and 760 feet from the East line of said Section 34.

CASE 2296:

Application of Consolidated Oil & Gas Inc., for an order force-pooling a standard 320-acre proration unit in the Basin-Dakota Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 10, Township 31 North, Range 13 West, San Juan County, New Mexico, to form a standard 320-acre gas proration unit.



Continental Oil Company

Contoured on the Top of Penrose

Contour Interval: 20'

Scale: 1" = 2000'

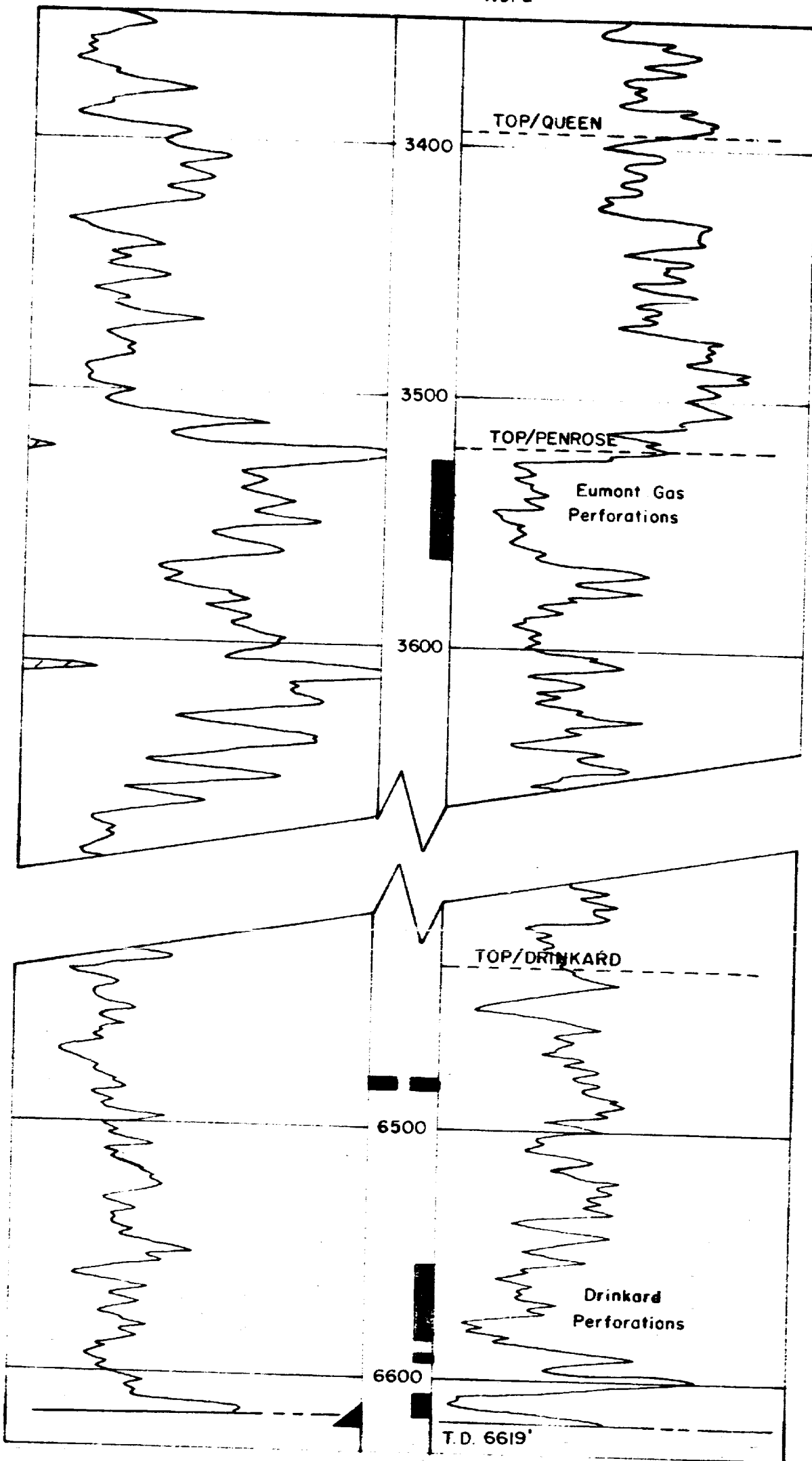
Lockhart A-17 No. 2 ○

Proposed Gas Proration Unit —

2280
X 2

CONTINENTAL OIL COMPANY

Lockhart A-17 No. 2



2280
#3

Well File

RECEIVED

MINIMUM CONTRACT TEST

Form 15-30R (Rev. 2-59)

BGS

9-30/10-7-60

Company Continental Oil Company

Lockhart A-17 No. 2

Unit I Sec. 17 Twp. 21 Rge. 37 Lea

Sumont

Type Well O. O. Dual

X

3525

13.2

ON

Date of Previous Minimum Contract Test

Date of Previous Back Pressure Test

61-078-

.75

3-11/18-60

.499

FLOW DATA

Time Size	Surface Size	Static Pressure P _{stg}	D.H.	Temp. F.	TUBING Pressure P _{stg}	CASING Pressure P _{stg}	DURATION OF TEST IN HOURS
4	x 1.250	239	44.89	82		271	24

VOLUME CALCULATIONS

Gravity .678

Coefficient (24-Hour) P _{1g}	Meter Extension hwp	Pressure P _{stg}	Flow Temp Factor F _t	Gravity Factor F _g	Compress Factor F _c	Flow of Gas Q _{sc} (MCF/D) at 14.7 P _{stg}
9.643	106.40		.9795	.9407	1.022	966.2

SHUT-IN DATA

DURATION	TUBING	CASING
24 Hour		414
48 Hour		422
72 Hour		426

$$D_1 = Q \frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} = \frac{113.2 \text{ Psia} - 113.2 \text{ Psia}}{613.2 \text{ Psia} - 863.2 \text{ Psia}}$$

$$P_c^2 = 192.9$$

$$P_d^2 = 12.8$$

$$P_t^2 = 80.8$$

$$\frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} = B = 1.607$$

$$\frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} = B = 1.607$$

- n₁ = Slope of Wellhead Deliverability Curve (P_{stg} - P_{stg}) vs Q
- Q = Actual flow at end of Flow Period at Wellhead Press. P_{stg}
- P_c = Maximum Shut-in Pressure Observed in a 72-hour Shut-in
- P_d = Flowing Wellhead Pressure (tubing or flowing thru tubing and size vessel) P_{stg}
- P_d = Deliverability Pressure
- D₁ = Wellhead Deliverability - Deliverability Pressure (P_d) MCF/Day

$$113.2 \text{ Psia} \times \frac{\log B}{C} = \frac{.206016 \times .499}{.966.2} = \frac{.102802}{1.224} \text{ Antilog } B^{D_1} = 1.267$$

$$\frac{613.2 \text{ Psia}}{863.2 \text{ Psia}} \times \frac{\log B}{C} = \frac{.206016 \times .499}{.966.2} = \frac{.102802}{1.224} \text{ Antilog } B^{D_1} = 1.267$$

Witnessed By (Name)

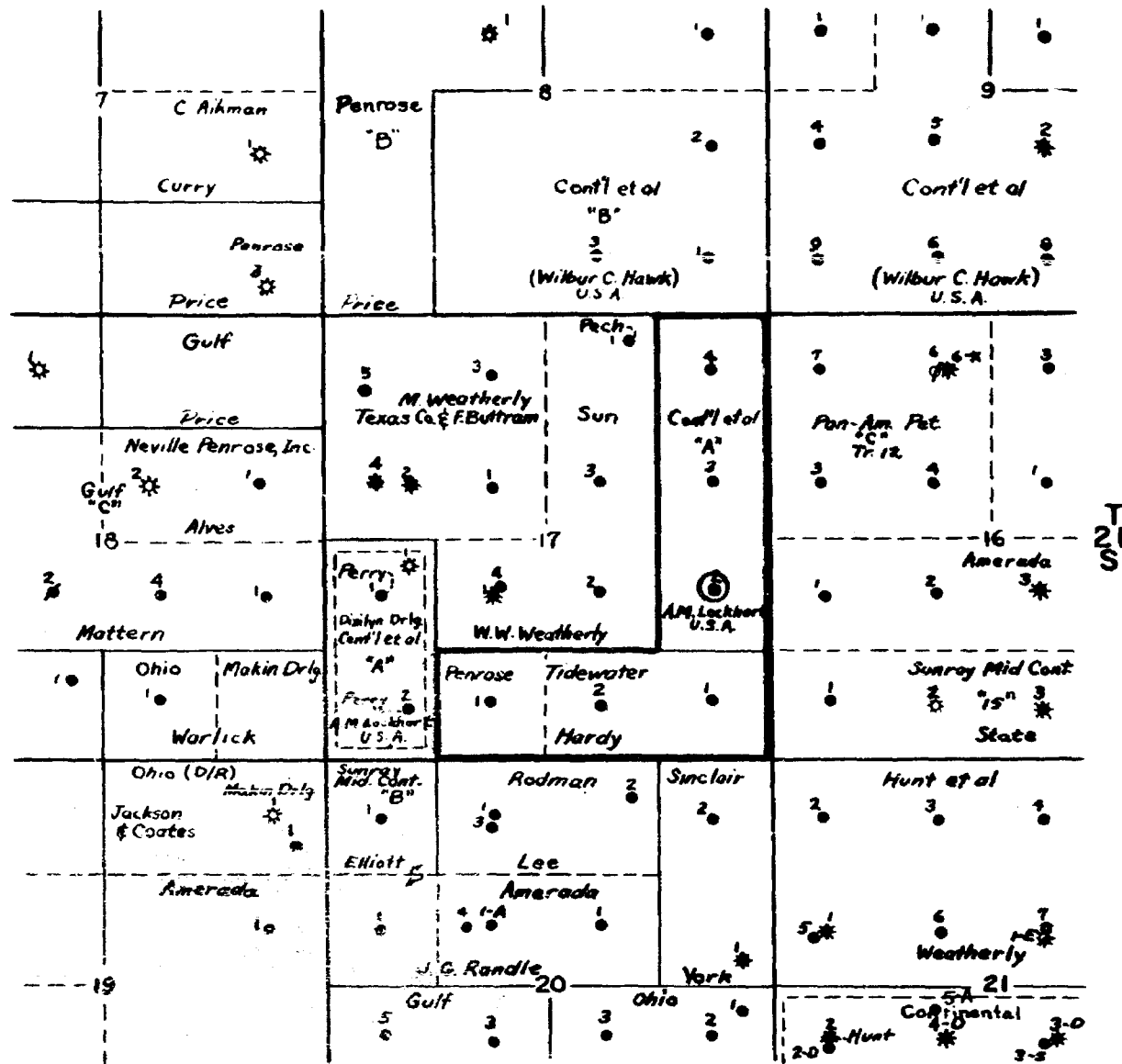
Tested By Jack T. Littlefield

Company

Calculated By Jack T. Littlefield

Jack T. Littlefield

R 37E



LOCATION AND OWNERSHIP PLAT

CONTINENTAL OIL COMPANY

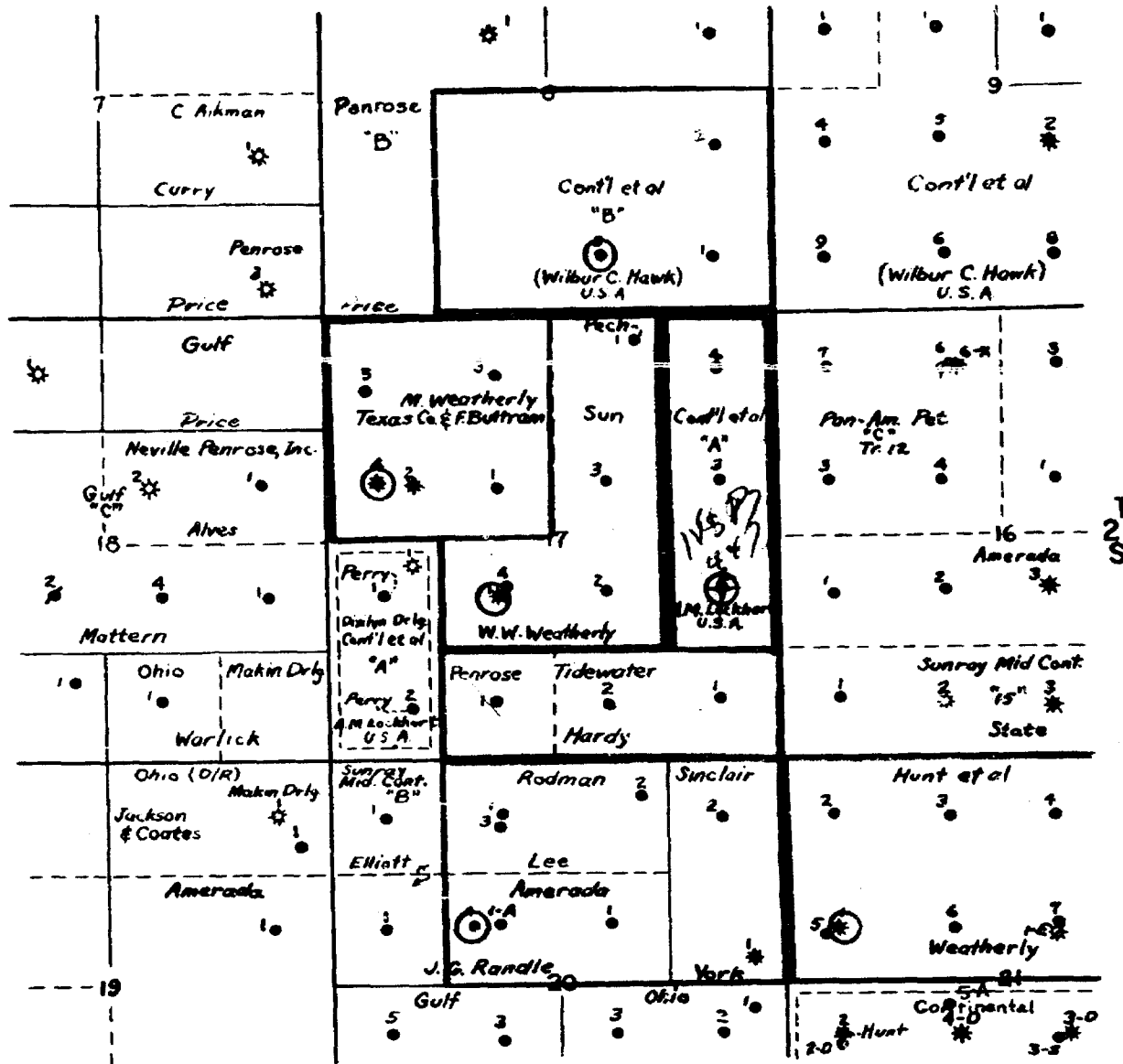
LOCKHART A-17 LEASE AREA

Lockhart A-17 No. 2 ○

Proposed Gas Proration Unit —

Continental

R 37E



LOCATION AND OWNERSHIP PLAT
 CONTINENTAL OIL COMPANY
 LOCKHART A-17 LEASE AREA

Lockhart A-17 No. 2 ○

Proposed Gas Proration Unit —

Approved Gas Unit Well ○

Approved Gas Unit —

2280
 #1

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
May 24, 1961

EXAMINER HEARING

IN THE MATTER OF:

CASE 2280

TRANSCRIPT OF HEARING

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MAY 24, 1961

EXAMINER HEARING

IN THE MATTER OF: :

CASE 2280 Application of Continental Oil Company for a :
non-standard gas proration unit and for an :
unorthodox gas well location, Lea County, New :
Mexico. Applicant, in the above-styled :
cause, seeks the establishment of a 240-acre :
non-standard gas proration unit in the Eumont :
Gas Pool consisting of the E/2 E/2, SW/4 SE/4 :
and the SE/4 SW/4 of Section 17, Township 21 :
South, Range 37 East, Lea County, New Mexico, :
to be dedicated to its Lockhart A-17 Well No. :
2, at an unorthodox location 1980 feet from :
the South line and 660 feet from the East :
line of said Section 17. :

BEFORE:

Elvis A. Utz, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: The hearing will come to order. We will call
Case 2280.

MR. MORRIS: Case 2280. Application of Continental Oil
Company for a non-standard gas proration unit and for an unorthodox
gas well location, Lea County, New Mexico. Applicant, in the
above-styled cause, seeks the establishment of a 240-acre non-
standard gas proration unit in the Eumont Gas Pool consisting of
the E/2 E/2, SW/4 SE/4 and the SE/4 SW/4 of Section 17, Township

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-4691

ALBUQUERQUE, NEW MEXICO



21 South, Range 37 East, Lea County, New Mexico, to be dedicated to its Lockhart A-17 Well No. 2, at an unorthodox location 1980 feet from the South line and 660 feet from the East line of said Section 17.

MR. KELLAHIN: KELLAHIN & FOX, Santa Fe, representing the Applicant. We'll have one witness, Mr. Lyon.

(Witness sworn.)

VICTOR T. LYON,

called as witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A Victor T. Lyon.

Q By whom are you employed and in what position?

A Continental Oil Company as District Engineer.

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

A Yes I have.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. UTZ: Yes, they are.

Q (By Mr. Kellahin) Are you familiar with the application of Continental Oil Company in Case Number 2280?

A I am, sir.

Q Will you state briefly what is proposed in the application?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-1891

ALBUQUERQUE, NEW MEXICO



A This is an application of Continental Oil Company for the enlargement of non-standard gas proration unit presently approved for its Lockhart A-17 Well No. 2, to one of 240 acres which consists of the east half of the east half of the southwest quarter of the southeast quarter and the southeast quarter of the southwest quarter of Section 17, Township 21 South, Range 37 East, Eumont Gas Pool.

Q 37 East?

A 37 East.

Q Have you an exhibit showing the location and ownership of the land in this area?

A Yes.

(Whereupon, Applicant's Exhibit 1 marked for identification.)

Q (By Mr. Kellahin) I hand you what has been marked Exhibit 1. Would you discuss that exhibit, please?

A Exhibit 1 is a location ownership plat of the area around Section 17, Township 21 South, Range 37 East. It shows the Lockhart A-17 lease, which is shown in yellow. It shows the Lockhart A-17 two well which is the well to which the acreage is to be allocated circled in red. It shows the Eumont Gas Well circled in green and acreage allotted to them outlined in green. Also lined in red is the proposed unit which I described before consisting of 240 acres.

Q Does that exhibit likewise show the offsetting proration

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



unit?

A Yes, sir, outlined in green.

(Whereupon, Applicant's Exhibit 2 marked for identification.)

Q (By Mr. Kellahin) I refer you to what has been marked as Exhibit Number 2. Would you discuss the information shown on that exhibit?

A Number 2 is a structure plat which shows the structural configuration of the top of the Penrose section of the Queen formation which is the main producing zone in this area for the Eumont Gas Pool. Continental Oil is cross-X'd in yellow. The proposed unit is outlined in red. The well is show circled in red, and the offsetting Eumont Gas producers are shown circled in green. As you can see from the location of the offsetting well, the structural location is, I think -- it's obvious that the proposed additional acreage is productive of gas from the Eumont Pool.

Q Mr. Lyon, the exhibit likewise shows five additional wells on that unit. What is the confliction of those wells?

A In the Penrose, I believe that is a hearty well, located in Unit N of Section 17, and Tidewater Hardy, No. 1 and 2, located in Unit T and O respectively. All produced from the Drinkard formation. On Continental Oil Company's Lockhart A-17 lease, No. 4 is a dual completion in the Drinkard and the Tubb. Well No. 3 is a Blinebry oil well and well 2 is a dual completion in the Drinkard and Eumont.

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Q This application will not involve any dedication of acreage in the Eumont, will it?

A No, sir.

(Whereupon, Applicant's Exhibit 3 marked for identification.)

Q (By Mr. Kellahin) Referring to what has been marked as Exhibit Number 3, would you discuss the information shown on that exhibit?

A Exhibit 3 is a tracing of the radioactivity log on this well showing the intervals to this well and is completed in both the Drinkard and the Eumont. The perforations are shown block colored in red, the location of the packer is shown by appropriate symbols colored in green; the casing points, the top of the Queen, Penrose, the top of the Drinkard and intervening formations between the Penrose and the Drinkard are cut out.

Q Dual completion of this well has been previously approved by the Commission, has it not?

A Yes, it has.

(Whereupon, Applicant's Exhibit 4 marked for identification.)

Q (By Mr. Kellahin) Now, referring to what has been marked Exhibit 4, would you discuss the information on that exhibit, please?

A Exhibit Number 4 is a photostatic copy of the most recent test which was run by the producer, El Paso Natural Gas Company. It shows that the well is capable of delivering into their line

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at a pressure of one hundred pounds, one million two hundred twenty-four thousand cubic feet of gas per day.

Q In your opinion, would the well make the allowable to be assigned to the proposed unit if approved?

A Yes, I think the well could produce the allowable without difficulty.

Q To sum up your testimony, Mr. Lyon, is all the acreage you propose to dedicate to the well available for dedication and not presently dedicated to the Eumont?

A Yes, sir, it is.

Q Is it productive of gas in your opinion?

A Yes, sir.

Q Is the approval of this application in your opinion in the interest of protecting correlative rights and preventing waste?

A Yes.

Q Were Exhibits 1 through 4 prepared by you or under your supervision with the exception of 4 which is a copy of a well test?

A Yes, sir.

Q Have you examined Exhibit 4 and is it in your opinion accurate?

A Yes, I believe it is.

MR. KELLAHIN: At this time I'd like to offer in evidence Exhibits 1 through 4 inclusive.

MR. UTZ: Without objection, Exhibits 1 through 4 will be entered into the records of this case.

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MR. KELLAHIN: That's all the questions I have of this witness.

BY MR. UTZ:

Q The acreage that you now propose to dedicate to Lockhart No. 2, has this previously been dedicated to any unit at all?

A I'm not real certain of that, Mr. Utz, I don't believe it has, because so far as I can tell these wells produce only from the Drinkard.

Q And what pressure line will this well be located?

A Well, the pressure, the static pressure shown on Exhibit Number 4 is two hundred thirty-nine pounds which is, I believe, approximately the pressure of the line which the well is producing.

Q Well, then, the well would be somewhat less than 1267 as against the two hundred thirty-nine pounds, rather than the hundred pound line?

A Yes, sir, it produced 960.2 MCF gas production.

Q Do you know offhand what the allowable would be in this side unit?

A I haven't made an investigation recently, but as I recall, it would be somewhere around a half million cubic feet a day.

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

MR. MORRIS: Yes.

BY MR. MORRIS:

Q Do you have the order number available that authorized the one hundred twenty acre unit that presently exists?

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A NST-447.

Q Now, that order, does that give you any exception for an unorthodox location?

A No, I don't believe one was necessary because it was less than 160 acres.

Q You don't believe an unorthodox location was necessary because the unit contained less than 160 acres?

A It was 660 feet from the nearest boundary and therefore would be entitled to have granted to it at least 160 acres.

Q I believe, Mr. Lyon, that when we look at Rule 167C that if you have a hundred forty proration unit in the pool, then you are bound by the district requirement that would be applicable to the pool itself rather than the acreage that you have dedicated to any particular well.

A I don't believe you can locate this well nineteen hundred eighty feet --

Q If you will assume for the moment that I am correct in my assumption.

A All right.

Q You would agree that you need an unorthodox location for this well, would you not?

A Well, if you interpret it that way, that's true.

Q And you say there is no location in your proposed unit that would be a standard location according to the Rule?

A No, sir, I don't believe we could find a standard location

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on this one.

Q Because of the size and shape of your unit, then?

A Yes, sir; and really, I think it's more or less accidental but we have gotten the well fairly well located centrally in the unit. It's much better than having it on one end.

MR. MORRIS: I have no further questions; thank you.

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

THE WITNESS: I believe I forgot to read into the record the location of this well.

MR. KELLAHIN: It's in the advertising.

THE WITNESS: All right.

MR. UTZ: If there are no further questions, the witness may be excused. The case will be taken under advisement.

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, THOMAS F. HORNE, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 12th day of June 1961, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Thomas F. Horne
NOTARY PUBLIC

My Commission expires:

May 4, 1965

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2289 heard by me on May 4, 1961.
Thomas A. [Signature], Examiner
New Mexico Oil Conservation Commission

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