

CASE 2404: Appli. of CONTINENTAL  
for a 272.38-acre non-standard gas  
proration unit -(State F-1 Well #6)

-asa//o.

2404

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plication, Transcript,  
all 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. 2404  
Order No. R-2107

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 o'clock a.m. on October 25, 1961, at Santa Fe, 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 1st day of November, 1961, 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, seeks the establishment of a 272.38-acre non-standard gas proration unit in the Eumont Gas Pool, comprising Lots 2, 3, 4, 5, 6, 7 and 8 of Section 1, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico; said unit is to be dedicated to the State F-1 Well No. 6, located 660 feet from the North line and 660 feet from the West line of said Section 1.

(3) That the proposed 272.38-acre non-standard gas proration unit can reasonably be presumed to be productive of gas from the Eumont Gas Pool.

(4) That a contingency exists that the State F-1 Well No. 2, located on Lot 8 of said Section 1, may become productive of oil rather than gas from the Eumont Gas Pool.

(5) That the Commission should order the deletion of Lot 8 of said Section 1 from the proposed 272.38-acre non-standard gas

-2-  
CASE No. 2404  
Order No. R-2107

proration unit at such time as it is apparent said State F-1 Well No. 2 is productive of oil rather than gas from the Eumont Gas Pool.

(6) That the establishment of the proposed non-standard gas proration unit will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 272.38-acre non-standard gas proration unit in the Eumont Gas Pool consisting of Lots 2, 3, 4, 5, 6, 7 and 8 of Section 1, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established. Said unit is to be dedicated to the State F-1 Well No. 6, located 660 feet from the North line and 660 feet from the West line of said Section 1.

PROVIDED HOWEVER, That the Commission may order the deletion of Lot 8 of said Section 1 from the non-standard gas proration unit at such time as it is apparent the State F-1 Well No. 2, located in Lot 8 of said Section 1, is productive of oil rather than gas from the Eumont Gas Pool.

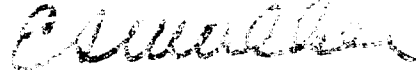
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

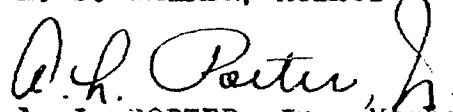
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



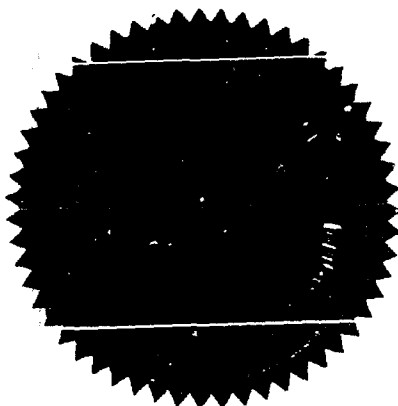
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/

GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER



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

P. O. BOX 871  
SANTA FE

November 1, 1961

Mr. Jason Kellahin  
Kellahin & Fox  
Box 1713  
Santa Fe, New Mexico

Re: Case No. 2404  
2405  
Order No. R-2107 & R-2108  
Applicant:  
Continental & Amerada

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

ir/

Carbon copy of order also sent to:

Hobbs OCC   x  

Artesia OCC           

Aztec OCC           

OTHER

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 10/27

CASE 2404

Hearing Date 4pm 10/25

DSN @ SF

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

Enter an order approving Contlo's request for a  
272.38 acre unit <sup>in the Eumont Gas Pool</sup> comprising Lots 2, 3, 4, 5, 6, 7, & 8  
of Sec 1, T 21 S, R 36 E Lea Co.

Provide that the Comm may require the deletion of  
Lot 8 in the event future production ~~should~~ and/or  
development should indicate this Lot to be productive  
of oil rather than gas from the Eumont.

NSP to be ded. to the State 7-1 Well No 6, 660'  
EOL & 660' FWL of Sec 1

Sam Kutter  
Examiner

No. 29-61

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 25, 1961

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

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

Cases 2413 through 2420 will not be heard before 1:00 P.M.

CASE 2403: In the matter of the hearing called by the Oil Conservation Commission to permit Henry W. Etz, Jr. and all interested parties to appear and show cause why the Rice Andrews Well No. 1, located in Unit C, Section 14, Township 14 South, Range 25 East, Chaves County, New Mexico, should not be replugged in accordance with a Commission-approved plugging program.

CASE 2404: Application of Continental Oil Company for a 272.38-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 272.38-acre non-standard gas proration unit in the Eumont Gas Pool, comprising Lots 2, 3, 4, 5, 6, 7 and 8 of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico; said unit is to be dedicated to the State F-1 Well No. 6, located 660 feet from the North and West lines of said Section 1.

CASE 2405: Application of Amerada Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Ida Wimberly Well No. 11, located in the NW/4 SW/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, as a dual completion in the Justis-Paddock and Justis-Blinbry Pools, with the production of oil from the Paddock zone to be through a tapered string of tubing of 2 3/8-inch and 2 1/16-inch diameter and the production of oil from the Blinbry zone to be through a tapered string of tubing of 2 3/8-inch and 1-inch diameter.

- CASE 2406: Application of Shell Oil Company for an exception to Rule 502-I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 502-I to increase from 25 percent to 100 percent the daily production tolerance applicable to all of its wells located in the Hobbs, Eunice-Monument, Vacuum-Abo and Vacuum-San Andres Pools, Lea County, New Mexico.
- CASE 2407: Application of Shell Oil Company for approval of the Cabezon Unit Agreement, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cabezon Unit Agreement embracing 22,743 acres, more or less, of State, fee and Federal lands in Townships 16 and 17 North, Ranges 2, 3 and 4 West, Sandoval County, New Mexico.
- CASE 2408: Application of Texaco, Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its V. M. Henderson Well No. 6, located in Unit C, Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion adjacent to the Paddock, Blinebry, and Drinkard Pools, with production of oil from the Paddock and Drinkard zones to be through parallel strings of 2 1/16-inch tubing and the production of gas from the Blinebry Gas Pool to be through the tubing-casing annulus.
- CASE 2409: Application of Texaco Inc. for a quintuple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its G. L. Erwin "b" NCT-2 Well No. 2, located in Unit J, Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, as a quintuple completion (tubingless) in undesignated Ellenburger, McKee, Fusselman, Siluro-Devonian and Drinkard pools, with the production of oil from the McKee, Fusselman, Siluro-Devonian and Drinkard zones to be through parallel strings of 2 3/8-inch tubing and the production of oil from the Ellenburger-zone to be through a string of 2 7/8-inch tubing, all strings of tubing to be cemented in a common well bore.
- CASE 2410: Application of Hondo Oil & Gas Company for permission to directionally drill and for an unorthodox bottom hole location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to directionally drill a well in Section 26, Township 17 South, Range 28 East, Eddy County,

CASE 2410: (Cont.)

New Mexico, the surface location to be 2310 feet from the North line and 1980 feet from the East line of said Section 26 and the bottom hole location to be in the Empire-Abo Pool at a situs 2540 feet from the North line and 1980 feet from the East line of said Section 26.

CASE 2411:

Application of Socony Mobil Oil Company, Inc., for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303 (a) to permit the commingling of the production from the Anderson Ranch-Devonian and the Anderson Ranch-Wolfcamp Pools on its New Mexico "S" lease, which includes Lot 2 of Section 2, Township 16 South, Range 32 East, Lea County, New Mexico. Applicant proposes to meter the production from one pool only, and to allocate production to the other pool according to the subtraction method; the API gravity of the Anderson Ranch-Devonian crude is greater than 45°.

CASE 2412:

Application of Val R. Reese & Associates, Inc., for an unorthodox gas well location and a non-standard gas unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate its Benn Well No. 1-9 at an unorthodox gas well location in an undesignated Gallup pool, 2210 feet from the North line and 330 feet from the East line of Section 9, Township 23 North, Range 7 West, Rio Arriba County, New Mexico, said well to be dedicated to a 152.02-acre non-standard gas unit comprising the NE/4 of said Section 9.

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The following cases will not be heard before 1:00 P.M.

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CASE 2413:

Application of Aspen Crude Purchasing Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Totah-Gallup Oil Pool for a well to be drilled 1190 feet from the South line and 2210 feet from the East line of Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico.

CASE 2414:

Application of Southwest Production Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox

CASE 2414: (Cont.)

gas well location in an undesignated Mesaverde pool for a well located 2360 feet from the South line and 830 feet from the West line of Section 26, Township 30 North, Range 12 West, San Juan County, New Mexico. Said well is to serve as the unit well for a 160-acre gas proration unit comprising the SW/4 of said Section 26.

CASE 2415:

Application of Southwest Production Company for an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 14, Township 30 North, Range 12 West, San Juan County, New Mexico. Interested parties include the unknown heirs of Abas Hassan, deceased, the unknown heirs of D. M. Longstreet, deceased, and Robert E., Alice L., and Samuel Glenn Goodwin, and/or their unknown heirs.

CASE 2416:

Application of Southwest Production Company for an order pooling all mineral interests in an undesignated Mesaverde gas pool in the E/2 of Section 22, Township 30 North, Range 12 West, San Juan County, New Mexico.

CASE 2417:

Application of Scanlon Engineering Company for an order fixing the spacing of wells, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks an order fixing the spacing of wells producing from the Mesaverde formation in Sections 21, 22 and 27, all in Township 20 North, Range 9 West, McKinley County, New Mexico. Applicant recommends the establishment of two and one-half acre well spacing.

CASE 2418:

Application of Humble Oil & Refining Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its State BM Well No. 1, located in Unit I, Section 2, Township 25 South, Range 37 East, Lea County, New Mexico, as a dual completion (Tubingless) in undesignated Fusselman and Ellenburger pools, with the production of oil from the Fusselman zone through 2 7/8-inch casing and the production of oil from the Ellenburger zone through 2 3/8-inch casing cemented in a common well bore.

CASE 2419:

Application of Leonard Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Federal Ginsberg Well No. 11, located in Unit E, of Section 31, Township 25 South, Range 38 East, Lea County, New Mexico, as a triple completion (conventional) in the Justis Blinbry Pool, in an undesignated

CASE 2419: (Cont.)

Tubb Pool and in the Justis Fusselman Pool, with production of oil from the Tubb and Fusselman zones to be through parallel strings of 2 3/8-inch tubing and the production of oil from the Blinbry zone through a string of 2 1/16-inch tubing.

CASE 2420:

Application of Zapata Petroleum Corporation for authority to inject water into the Maljamar Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to inject water into the Maljamar Pool (Grayburg and San Andres formations) through eight wells located in Sections 17, 18 and 19, all in Township 17 South, Range 33 East, Lea County, New Mexico, for the purpose of secondary recovery.

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 R-1670 FOR THE ENLARGEMENT OF THE  
PRESENTLY APPROVED 160-ACRE UNIT TO A NON-  
STANDARD GAS PRODUCTION UNIT OF 272.38 ACRES  
CONSISTING OF LOTS 2, 3, 4, 5, 6, 7 and 8 OF  
SECTION 1, T-21S, R-36E, NMPM, LEA COUNTY,  
NEW MEXICO, TO BE ALLOCATED TO ITS STATE F-1  
WELL NO. 6, EUMONT GAS POOL.

*Case 2404*

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 160-acre gas production unit to one of 272.38 acres consisting of Lots 2, 3, 4, 5, 6, 7 and 8 of Section 1, T-21S, R-36E, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be allocated to its State F-1 No. 6 well located 660 feet from the north line and 660 feet from the west line of said Section 1 and in support thereof would show:

1. That Applicant is owner and operator of a lease designated as the State F-1 Lease consisting of Section 1, T-21S, R-36E, NMPM, Lea County, New Mexico.
2. That Applicant drilled and completed as a gas well its State F-1 Well No. 1 located 660 feet from the south and west lines of Section 1.
3. That Applicant acquired by purchase from John M. Kelly, a well now designated as State F-1 No. 6 located 660 feet from the north and west lines of Section 1.
4. That the lease acreage is currently allocated for Eumont gas production purposes in the following manner:  

Well No. 1 - 640 acres, consisting of Lots 9, 10, 11, 12, 13, 14, 15 and 16 and the S $\frac{1}{2}$ .

Well No. 6 - 160 acres, consisting of Lots 2, 4, 5 and 6.
5. That Lot 1 is allocated for Eumont oil to State F-1 Well No. 4.
6. That Applicant proposes to enlarge the production unit for Well No. 6 so that the enlarged unit will be 272.38 acres, consisting of Lots 2, 3, 4, 5, 6, 7, and 8 of said Section 1.
7. That the proposed re-allocation is in the interest of the prevention of waste and the protection of correlative rights.

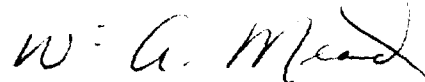
Wherefore, Applicant prays that this application be set for hearing before the Commission's duly appointed examiner, that appropriate action thereof be given, and that upon hearing, an order be entered granting Applicant an exception to Rule 5(a) of the special rules and regulations for the protected gas pools of southeast New Mexico, contained

New Mexico Oil Conservation Commission  
Page -2-

in Order No. R-1670 for the non-standard gas proration unit described above.

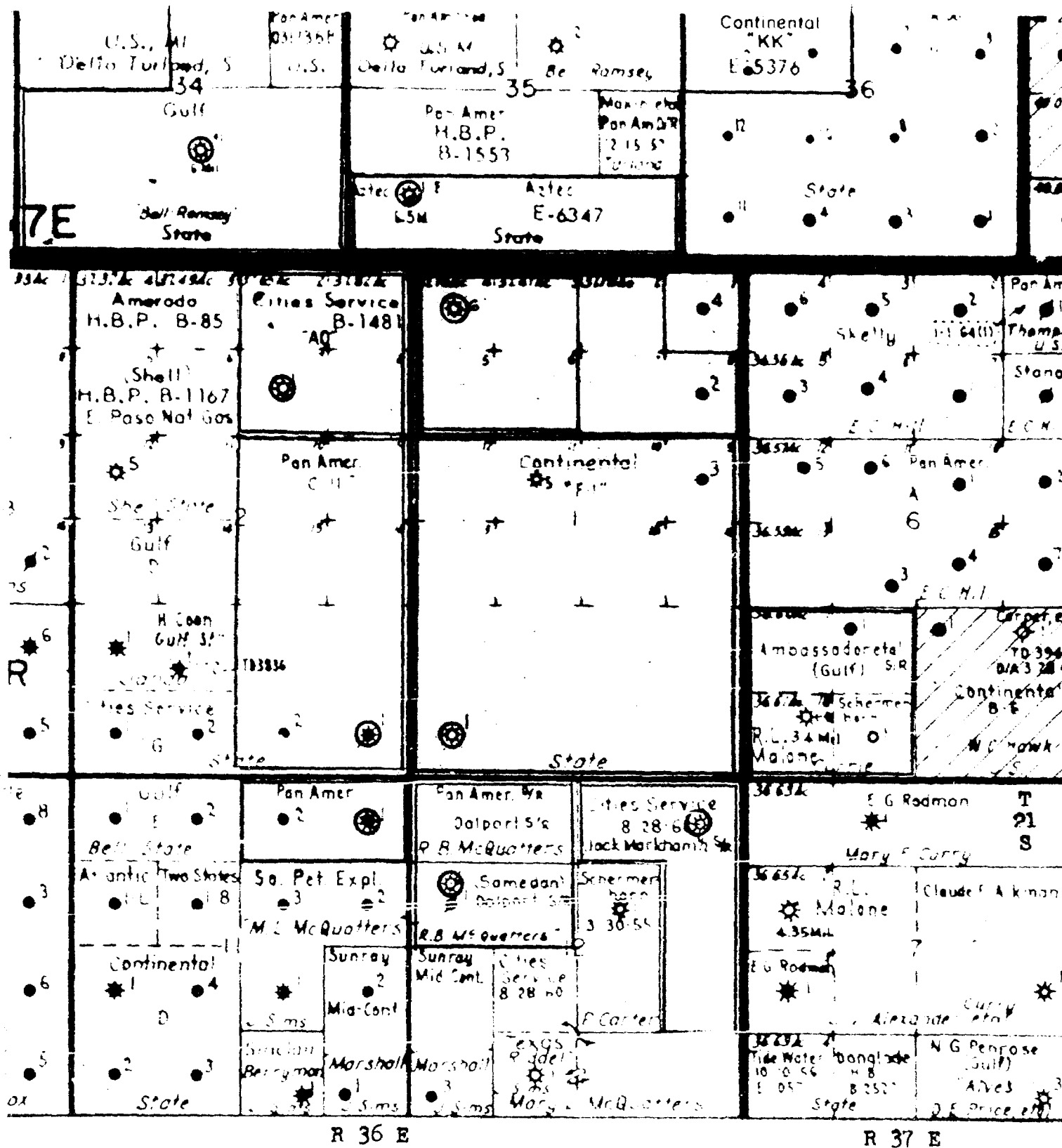
Respectfully submitted,

CONTINENTAL OIL COMPANY



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

WAM-BFH



CONTINENTAL OIL COMPANY  
LOCATION AND OWNERSHIP PLAT  
STATE F-1 LEASE  
EUMONT POOL  
SCALE 1" 2000'

Proposed Gas Proration  
Unit - \_\_\_\_\_

Proposed Unit Well - (○)

Presently Approved Gas Unit - \_\_\_\_\_

Offsetting Eumont Gas Well - (○)

Case 2464



# CONTINENTAL OIL COMPANY

P. O. BOX 1377

ROSWELL NEW MEXICO

September 14, 1961

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

825 PETROLEUM BUILDING  
TELEPHONE: MAIN 2-4202

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

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

Gentlemen:

Re: CONTINENTAL OIL COMPANY  
APPLICATION FOR ENLARGED GAS  
PRORATION UNIT FOR ITS STATE  
F-1 NO. 6, SECTION 1, T21S,  
R36E, N4PM, EUMONT GAS POOL,  
LEA COUNTY, NEW MEXICO

Attached herewith are three copies of subject application by Continental Oil Company requesting the presently approved 160-acre non-standard gas proration unit for its State F-1 No. 6 be enlarged to a non-standard gas proration unit of 272.38 acres.

It is respectfully requested that the subject application be set for hearing at your earliest convenience.

Yours very truly,

*W. A. Mead*

WAM-sm  
Attachments

*Reckert  
10-11-61*

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 R-1670 FOR THE ENLARGEMENT OF THE  
PRESENTLY APPROVED 160-ACRE UNIT TO A NON-  
STANDARD GAS PRORATION UNIT OF 272.38 ACRES  
CONSISTING OF LOTS 2, 3, 4, 5, 6, 7 and 8 OF  
SECTION 1, T-21S, R-36E, NMPM, LEA COUNTY,  
NEW MEXICO, TO BE ALLOCATED TO ITS STATE F-1  
WELL NO. 6, EUMONT GAS POOL.

*Index 2404*

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 160-acre gas proration unit to one of 272.38 acres consisting of Lots 2, 3, 4, 5, 6, 7 and 8 of Section 1, T-21S, R-36E, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be allocated to its State F-1 No. 6 well located 660 feet from the north line and 660 feet from the west line of said Section 1 and in support thereof would show:

1. That Applicant is owner and operator of a lease designated as the State F-1 Lease consisting of Section 1, T-21S, R-36E, NMPM, Lea County, New Mexico.
2. That Applicant drilled and completed as a gas well its State F-1 Well No. 1 located 660 feet from the south and west lines of Section 1.
3. That Applicant acquired by purchase from John M. Kelly a well now designated as State F-1 No. 6 located 660 feet from the north and west lines of Section 1.
4. That the lease acreage is currently allocated for Eumont gas proration purposes in the following manner:  

Well No. 1 - 640 acres, consisting of Lots 9, 10, 11, 12, 13, 14, 15 and 16 and the S $\frac{1}{2}$ .

Well No. 6 - 160 acres, consisting of Lots 3, 4, 5 and 6.
5. That Lot 1 is allocated for Eumont oil to State F-1 Well No. 4.
6. That Applicant proposes to enlarge the proration unit for Well No. 6 so that the enlarged unit will be 272.38 acres, consisting of Lots 2, 3, 4, 5, 6, 7, and 8 of said Section 1.
7. That the proposed re-allocation is in the interest of the prevention of waste and the protection of correlative rights.

Wherefore, Applicant prays that this application be set for hearing before the Commission's duly appointed examiner, 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 proration of oil and gas of northeast New Mexico, contained

in Order No. R-1670 for the non-standard gas proration unit described above.

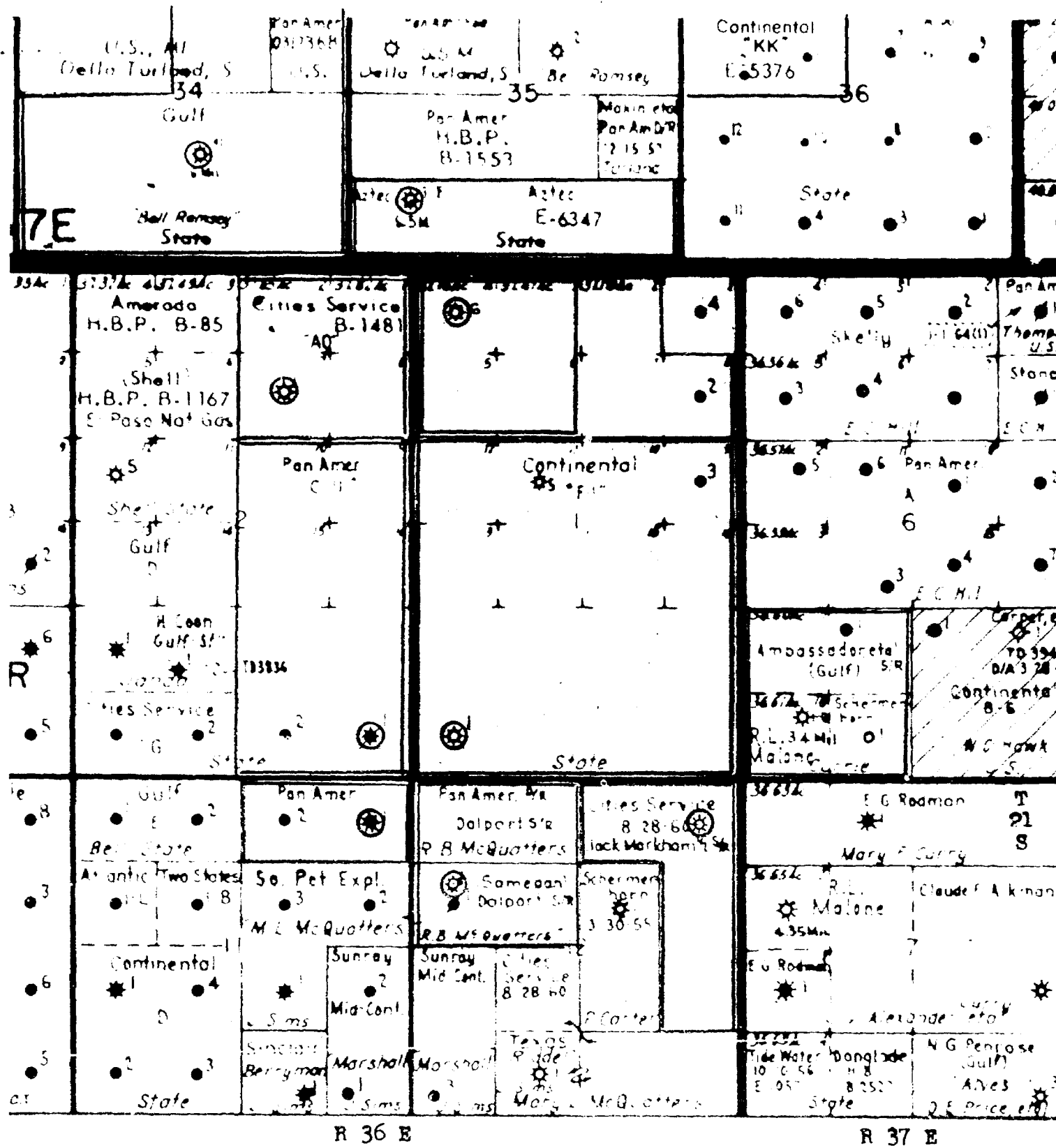
Respectfully submitted,

CONTINENTAL OIL COMPANY

*W. A. Mead*

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

WAM-BFH



CONTINENTAL OIL COMPANY  
LOCATION AND OWNERSHIP PLAT  
STATE F-1 LEASE  
EUMONT POOL  
SCALE 1" 2000'

Proposed Gas Proration  
Unit -

Proposed Unit Well -

Presently Approved Gas Unit -

Offsetting Eumont Gas Well -

2104

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 25, 1961

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.  
FARMINGTON, N. M.  
PHONE 325.1182

IN THE MATTER OF:

Application of Continental Oil Company  
for a 272.38-acre non-standard gas  
proration unit, Lea County, New Mexico.  
Applicant, in the above-styled cause,  
seeks the establishment of a 272.38-  
acre non-standard gas proration unit  
in the Eumont Gas Pool, comprising  
Lots 2, 3, 4, 5, 6, 7 and 8 of Section  
1, Township 21 South, Range 36 East,  
Lea County, New Mexico; said unit is  
to be dedicated to the State F-1 Well  
No. 6, located 660 feet from the North  
and West lines of said Section 1.

CASE NO.  
2404

BEFORE: Dan S. Nutter, Examiner.

TRANSCRIPT OF HEARING

EXAMINER NUTTER: We'll call Case No. 2404.

MR. MORRIS: Application of Continental Oil Company  
for a 272.38-acre non-standard gas proration unit, Lea County,  
New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, represent-  
ing the Applicant. We will have one witness I would like to have  
sworn.

(Witness sworn.)

JOHN A. QUEEN

called as a witness by and on behalf of the Applicant, having been



first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please.

A John A. Queen.

Q By whom are you employed and in what position?

A Continental Oil Company as division engineer, New Mexico division.

Q Mr. Queen, in your position as division engineer for Continental Oil Company, have you testified before this Commission as an expert and had your qualifications made a matter of record?

A I have.

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

EXAMINER NUTTER: Yes, sir.

Q (By Mr. Kellahin) Are you familiar with the application of Continental Oil Company in Case No. 2404?

A Yes, I am.

Q Would you state briefly what is proposed in this application?

A This is the application of Continental Oil Company for the enlarging of a gas proration unit to the State F-1 Well No. 6 from the present 160 acres to one of 272.38 acres consisting of Lots 2, 3, 4, 5, 6, 7 and 8 of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.  
 FARMINGTON, N. M.  
 PHONE 325-1192  
 ALBUQUERQUE, N. M.  
 PHONE 243-6691

Q Do you have a plat showing the area involved in this application?

A I do have. I might add I'd like to pass out copies of all three exhibits to the Commission.

Q Referring to what has been marked Exhibit No. 1 would you state what is shown on that?

A Exhibit No. 1 is a location ownership plat showing the State F-1 lease and the surrounding area. As shown the lease consists of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico. The No. 6 well to which the enlarged unit is to be dedicated for gas proration purposes is circled in red and is located 660 feet from the north and west lines of Section 1, Township 21 South, Range 36 East. The proposed 272.38 acres consists of Lots 2, 3, 4, 5, 6, 7 and 8 is shown outlined in red. The Eumont gas wells are shown circled in green and the acreage allocated to them is shown in green. The proration unit consisting of Lots 3, 4, 5, and 6 presently assigned to the No. 6 well is also outlined in green. Not all of the Eumont gas proration unit lying on Exhibit 1 is outlined.

Q Referring to Exhibit 2, would you discuss the information shown on that Exhibit?

A Yes, sir. Exhibit 2 is a structural plat contoured showing the State F-1 lease and surrounding area. The No. 6 well to which Lots 2, 3, 4, 5, 6, 7 and 8 of Section 1 are proposed to be allocated for gas proration purposes is shown in red again and



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325.1182

ALBUQUERQUE, N. M.  
PHONE 243.6691

acreage proposed to be allocated to No. 6 is also in red. The offset Eumont gas wells are in green and as indicated from this Exhibit the formation extends under the State F-1 lease which is proven by other wells to be gas productive.

Q Now, referring to what has been marked Exhibit No. 3, would you discuss the information shown on that Exhibit?

A Exhibit 3 is a copy of El Paso Natural Gas form 15-30R, showing the most recent minimum contract test on the State F-1 No. 6. It is quite evident that the well is capable of producing a 272.38 acre allowable which we are requesting.

Q What is the status of the State F No. 1, No. 2 well?

A The well was completed as an oil well but reclassified as a gas well because of accessive GOR. This well, because of producing characteristics, is unable to produce in the gas transmission line. It is proposed to allocate Lots 2, 7 and 8 of Section 1 to the State F-1 No. 6 for the proposed enlarged gas proration unit in order to prevent draining and loss of revenue from the State F-1 lease.

Q Now, the No. 2 well, as I understand your testimony, is productive of gas, is that correct?

A That's correct.

Q On the basis of the fact that the No. 2 well is productive your well test as shown by Exhibit No. 3 and the information of the structure and offsetting well as shown by your Exhibit in your opinion is all of the area you propose to dedicate



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productive of gas from the Eumont?

A It is, in my opinion.

Q Were Exhibits 1, 2 and 3 prepared by you or under your supervision?

A They were.

MR. KELLAHIN: At this time I would like to offer in evidence Exhibits 1 through 3.

EXAMINER NUTTER: They will be admitted in evidence.

MR. KELLAHIN: That's all we have.

EXAMINER NUTTER: Are there any questions of Mr. Queen?

EXAMINATION

BY EXAMINER NUTTER:

Q What is the ratio of the No. 2?

A In excess of one hundred thousand. The well is producing from the State 6. I do not have the exact production. It would not produce into the gas line so rather than flare it out over long period of time to ascertain accurately the well test, we have not produced at that rate.

Q Well, is it producing at all?

A No, it's shut in.

Q Do you contemplate leaving it shut in?

A Yes, sir, we do.

Q Is it completed in the Queen sand?

A It is completed in that interval. In the Eumont Pool.

Q Mr. Queen, in looking at your Exhibit No. 2 I don't see



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any of these wells circled in green which would be gas wells in the Eumont Pool which are located as close as the No. 2 structurally. Are there any gas wells producing as gas wells?

A There is a gas well located in the southwest quarter of Section 6 which lies between the minus one hundred and minus seventy-five contour intervals and is gas productive and has a unit assigned to it. I cannot locate the exact number of the well and its proration unit and therefore it was left off of the Exhibit.

Q Is that the one marked minus eighty-four?

A Yes.

Q Is there a gas unit there?

A Yes. Also, the No. 2 well, the State F-1 No. 2 well is known to produce gas and this, in our opinion, is reasonable proof that this acreage is productive of gas.

Q What about the No. 4 well in Lot 1 of Section 1?

A That is a Eumont oil well. The majority of the wells to the east of Section 1 are Eumont oil wells and since there might have been some question as to the dual dedication and where some of the oil zone and part of the gas zone are open in that well, we left it out of our request for acreage dedication. The Eumont Pool could considerably affect things in the Yates to the base of the Queen. The zone of production in the oil wells and the gas zones are not necessarily in all cases the same. In many instances these zones are not even connected within the limits of



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the reservoir.

EXAMINER NUTTER: Are there any further questions of the witness?

EXAMINATION

BY MR. MORRIS:

Q Mr. Queen, does your No. 2 well carry an over or under produced status at the present time? Have you ever produced it as a gas well?

A No, sir, we have not.

MR. MORRIS: Thank you.

EXAMINER NUTTER: Are there any further questions of the witness?

The witness may be excused.

(Witness excused.)

MR. KELLAHIN: That's all we have.

EXAMINER NUTTER: The case will be taken under advisement.



STATE OF NEW MEXICO )  
 ) SS  
 COUNTY OF SAN JUAN )

I, THOMAS F. HORNE, Court Reporter, in and for the County of San Juan, 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.

*Thomas F. Horne*  
 Notary Public

My Commission expires:

10-3-65

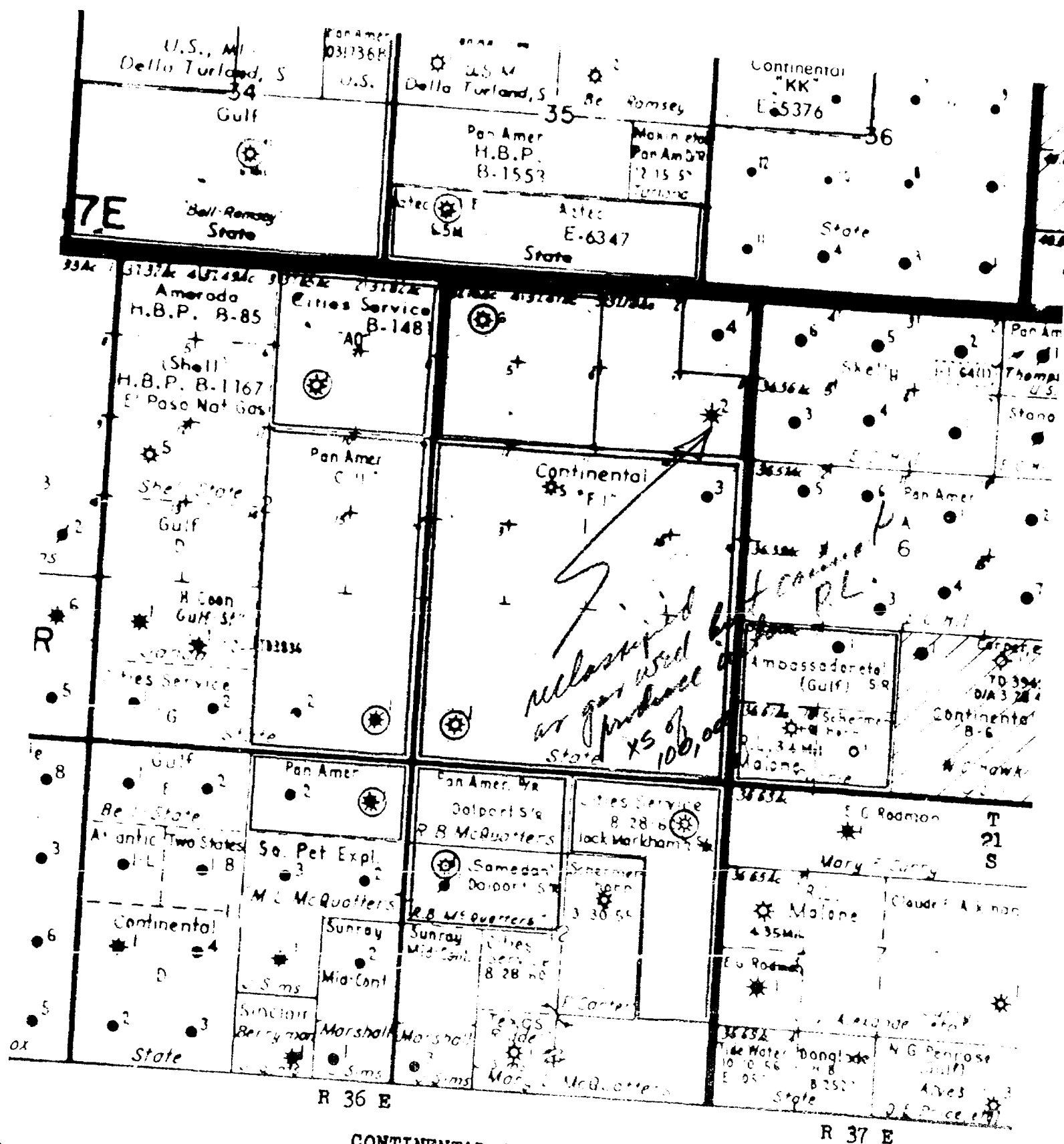
I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2424 heard by me on 10/25, 1964.  
*Asst. Examiner*, Examiner  
 New Mexico Oil Conservation Commission

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Proposed Gas Proration  
Unit -                     

Proposed Unit Well - O

Presently Approved Gas Unit - \_\_\_\_\_

Offsetting Eumont Gas Well - ○

CONTINENTAL OIL COMPANY  
LOCATION AND OWNERSHIP PLAT  
STATE F-1 LEASE  
EUMONT POOL  
SCALE 1" 2000'

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 1  
CASE NO. 2404



El Paso Natural Gas Company  
**MINIMUM CONTRACT TEST**  
 Form 15-30R (Rev. 3-59)

**RECEIVED**  
 EDWICE DIST. OFFICE

**AUG 3 1961**  
 5-19/26-61

Company  
**John M. Kelly**  
 Unit **D** Sec **1** Twp **21** Rge **36** County **Lea**  
 Type Well **Single**  
 Date of Previous Minimum Contract Test  
**3-3/10-61**

Lease  
**RAM**  
 Post  
**Continental State No. 1 #6**  
**Bumont**

Tubing Casing Top of Pay Static Pressure Compressor  
**I** **3500** **13.2**  
 Date of Previous Back Pressure Test Meter Size No. Area Factor  
**1.000** **60-456** **1.00**

Line Size	Orifice Size	Static Pressure Psig.	Diff. h <sub>w</sub>	Temp. °F	Tubing Pressure Psig.	Casing Pressure Psig.	DURATION OF FLOW HOURS
<b>4 x 1.250</b>		<b>268</b>	<b>33.64</b>	<b>71°</b>	<b>307</b>	<b>315</b>	<b>24</b>

**VOLUME CALCULATIONS**

Coefficient (24 - Hour)	Flow	Motor Extension	Pressure Psia.	Flow Temp. Factor F <sub>t</sub>	Gravity Factor F <sub>g</sub>	Compressor Factor F <sub>cp</sub>	Rate of Flow Q-MCFPD 15.025 Psia.
<b>9.643</b>	<b>71.6</b>	<b>97.26</b>		<b>.9896</b>	<b>.9407</b>	<b>1.027</b>	<b>896.7</b>

**SHUT-IN DATA**

DURATION	TUBING	CASING
24 Hour	<b>355</b>	<b>436</b>
48 Hour	<b>359</b>	<b>453</b>
72 Hour	<b>361</b>	<b>461</b>

$$D_i = Q \frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} N_T$$

	Pd	Pd	Pd
	113.2 Psia.	613.2 Psia.	863.2 Psia.
Pc <sup>2</sup> =	<b>224.9</b>		
Pd <sup>2</sup> =	<b>12.8</b>		
Pt <sup>2</sup> =	<b>102.5</b>		

$$\frac{P_c^2 - P_d^2}{P_c^2 - P_t^2} = 1.733 = R$$

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

- n<sub>1</sub> = Slope of Wellhead Deliverability Curve (Pc<sup>2</sup> - Pt<sup>2</sup> vs. Q)
- Q = Actual flow at end of Flow Period at Wellhead Pressure, Pt
- Pc = Maximum Shut-in Pressure Observed in a 72 Hour Period
- Pt = Flowing Wellhead Pressure (tubing if flowing thru tubing and vice versa) Psia
- Pd = Deliverability Pressure
- D<sub>i</sub> = Wellhead Deliverability - Deliverability Pressure (Pd), MCF Day

Log B	X	Antilog
113.2 Psia	<b>1.000</b>	
	<b>1.733</b>	<b>1.554</b>

Log B	X	Antilog
613.2 Psia		
863.2 Psia		

**WITNESS**  
 Antilog **1.733**  
 EXHIBIT NO. **3**  
 CASE NO. **2404**

Witnessed By (Name)  
 Tested By  
**Jack T. Littlefield**  
 Calculated By