

CASE 3659: Appli. of CONTINENTAL
OIL CO. for an amendment to ORDER
NO. R-3115.

Case No.

3659

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. 3659
Order No. R-3324

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN AMENDMENT TO ORDER NO. R-3115,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 27, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of October, 1967, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Order No. R-3115 authorized the applicant, Continental Oil Company, to institute the Eumont Hardy Unit Waterflood Project and the SEMU Eumont Lease Cooperative Waterflood Project in the Eumont Pool by the injection of water into the Yates, Seven Rivers, and Queen formations, Lea County, New Mexico.

(3) That the applicant, Continental Oil Company, now seeks amendment of Order No. R-3115 to substitute as a water injection well in its SEMU Eumont Lease Cooperative Waterflood Project its SEMU Well No. 56 located 1980 feet from the South line and 660 feet from the East line of Section 25, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, in lieu of its SEMU Well No. 55 located 1980 feet from the South line and 1980 feet from the East line of said Section 25.

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CASE No. 3659
Order No. R-3324

(4) That approval of the subject application will not violate correlative rights and should increase the efficiency of the SEMU Eumont Lease Cooperative Waterflood Project and result in greater ultimate recovery of oil, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That Order No. R-3115 is hereby amended by deleting from the water injection wells authorized for the SEMU Eumont Lease Cooperative Waterflood Project in the Eumont Pool the Continental Oil Company SEMU Well No. 55 and substituting as a water injection well the Continental Oil Company Well No. 56, located 1980 feet from the South line and 660 feet from the East line of Section 25, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.


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

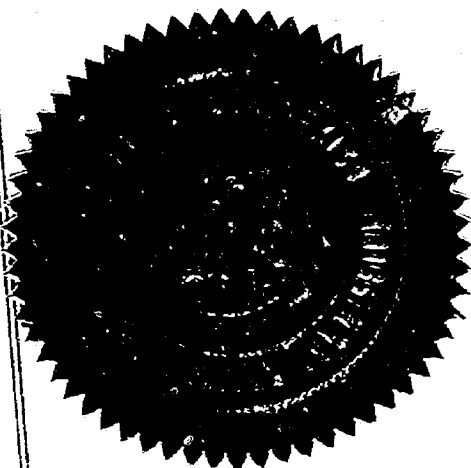
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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



esr/

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

October 4, 1967

C
O
P
Y

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

Dear Sir:

Enclosed herewith are two copies of Order No. R-3324 in Case No. 3659, substituting one well for another in Continental's Eumont Waterflood Project.

SEMU Well No. 56, newly authorized for injection shall be equipped with internally-coated tubing and a packer, said packer being set at approximately 3400 feet. The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or left open at the surface to permit detection of tubing or packer leaks.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Enclosures

3659

Heard 9-27-67

Rec. 9-27-67.

1. Grant Cont. an amendment to R-3115, whereby they be allowed to change SEMU #55 from injection well ~~for~~ to the SEMU #56, 1956/S, 660/S line 25-20S-37E.

Also Grant administrative approval provision for future injection well approval.

Must R.

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. 3429
Order No. R-3115

APPLICATION OF CONTINENTAL OIL COMPANY
FOR TWO WATERFLOOD PROJECTS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 19, 1966,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 15th day of September, 1966, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Continental Oil Company, seeks
permission to institute a waterflood project in the Eumont Hardy
Unit Area, Eumont Pool, by the injection of water into the Yates,
Seven Rivers, and Queen formations through 28 injection wells in
Sections 25 and 36, Township 20 South, Range 37 East, Section 1,
Township 21 South, Range 36 East, Section 31, Township 20 South,
Range 38 East, Sections 5 and 6, Township 21 South, Range 37
East, NMPM, Lea County, New Mexico.

(3) That the applicant also seeks permission to institute a
cooperative waterflood project on its SEMU Eumont Lease, Eumont
Pool by the injection of water into the Yates, Seven Rivers, and
Queen formations through two injection wells in Section 25, Town-
ship 20 South, Range 37 East, NMPM, Lea County, New Mexico.

CASE NO. 3429
Order No. R-3115

(3) That the wells in both project areas are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the projects should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to institute two waterflood projects in the Eumont Pool by the injection of water into the Yates, Seven Rivers, and Queen formations through the following-described wells in Lea County, New Mexico:

		<u>EUMONT HARDY UNIT WATERFLOOD PROJECT</u>			
<u>COMPANY AND LEASE</u>	<u>WELL NO.</u>	<u>FOOTAGE</u>	<u>LOCATION</u>		
			<u>SECTION</u>	<u>TOWNSHIP</u>	<u>RANGE</u>
			<u>NMPM</u>		
Continental Oil Company					
State 25	2	660' FSL & 660' FEL	25	20 South	37 East
State 25 "A"	1	660' FSL & 1980' FWL	25	20 South	37 East
State A-36	1	660' FSL & 660' FEL	36	20 South	37 East
State A-36	4	660' FSL & 1980' FWL	36	20 South	37 East
State A-36	5	660' FNL & 1980' FEL	36	20 South	37 East
State A-36	8	1980' FSL & 1980' FEL	36	20 South	37 East
State A-36	9	1980' FNL & 660' FEL	36	20 South	37 East
State A-36	11	660' FSL & 660' FWL	36	20 South	37 East
State A-36	12	1980' FSL & 660' FWL	36	20 South	37 East
State A-36	1	1980' FNL & 1980' FWL	36	20 South	37 East
State KK-36	1	2310' FNL & 990' FWL	36	20 South	37 East
State KK-36	2	700' FNL & 660' FWL	36	20 South	38 East
State KM-36	1	1980' FSL & 660' FWL	31	20 South	38 East
Meyer B-31	1	660' FNL & 660' FWL	31	20 South	38 East
Meyer B-31	3	660' FNL & 660' FEL	1	21 South	36 East
State F-1	2	1980' FNL & 660' FEL	1	21 South	36 East
State F-1	3	3300' FNL & 660' FEL	1	21 South	36 East
State F-1	4	660' FNL & 660' FEL	1	21 South	36 East

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CASE No. 3429
Order No. R-3115

<u>Anadarko</u>					
Mae Currie	1	2310' FSL & 2310' FWL	6	21 South 37 East	
<u>Pan American</u>					
Hill "A"	2	3300' FNL & 660' FEL	6	21 South 37 East	
Hill "A"	4	3300' FSL & 1980' FEL	6	21 South 37 East	
Hill "A"	6	2970' FNL & 1980' FWL	6	21 South 37 East	
Hill "C"	3	660' FNL & 440' FWL	5	21 South 37 East	
Hill "C"	4	1980' FNL & 1980' FWL	5	21 South 37 East	
<u>Skelly Oil Company</u>					
Hill	1	1980' FNL & 1980' FEL	6	21 South 37 East	
Hill	3	1980' FNL & 660' FWL	6	21 South 37 East	
Hill	5	608.3' FNL & 1867' FWL	6	21 South 37 East	
<u>Gulf Oil Company</u>					
Bell Ramsey	1	660' FSL & 660' FWL	25	20 South 37 East	
<u>Two States</u>					
Hill	2	660' FSL & 1980' FWL	31	20 South 38 East	

SEMU EUMONT LEASE COOPERATIVE WATERFLOOD PROJECT

COMPANY AND LEASE	WELL NO.	FOOTAGE	LOCATION SECTION TOWNSHIP RANGE NMPM
Continental Oil Company			
SEMU	52	1980' FNL & 1980' FWL	25 20 South 37 East
SEMU	55	1980' FSL & 1980' FEL	25 20 South 37 East

(2) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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CASE No. 3429
Order No. R-3115

(4) 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

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/

C O N T I N E N T A L O I L C O M P A N Y

P. O. Box 460
Hobbs, New Mexico
September 1, 1967

Case 3459

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico

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

Re: Application of Continental Oil
Company for Authority to Inject
Water into SEMU Well No. 56 in
Section 25, Township 20 South,
Range 37 East, Lea County, New
Mexico

Gentlemen:

Order No. R-3115 of the New Mexico Oil Conservation Commission authorized the institution of a waterflood project in the Yates, Seven Rivers and Queen formations in the Eumont Hardy Unit and, on a cooperative basis, the offsetting wells in the Southeast Monument Unit. Said order authorized the conversion of SEMU Well No. 55, located 1980' from the south line, and 1980' from the east line of Section 25, Township 20 South, Range 37 East, for water injection.

Since the issuance of said order, SEMU Well No. 56, located 1980' from the south line, and 660' from the east line of said Section 25, has become flooded out from water injected into the Queen and Grayburg formations in SEMU Well No. 26, a northeast diagonal offset and an injection well in the Skaggs Pool Waterflood project. Since the producing zone in Well No. 56 no longer produces oil, it is proposed to inject water into said Well No. 56 and leave Well No. 55 as a producer.

In support of this request and as required by Rule 701-B, the following exhibits are attached hereto:

1. A plat showing the location of the proposed injection well and all wells within a radius of two miles therefrom, the formation from which


each well produces and the ownership thereof.

2. A log of the proposed injection well.
3. A diagrammatic sketch of the proposed injection well including casing setting depth, cement tops, producing interval and proposed tubing and packer setting depths.

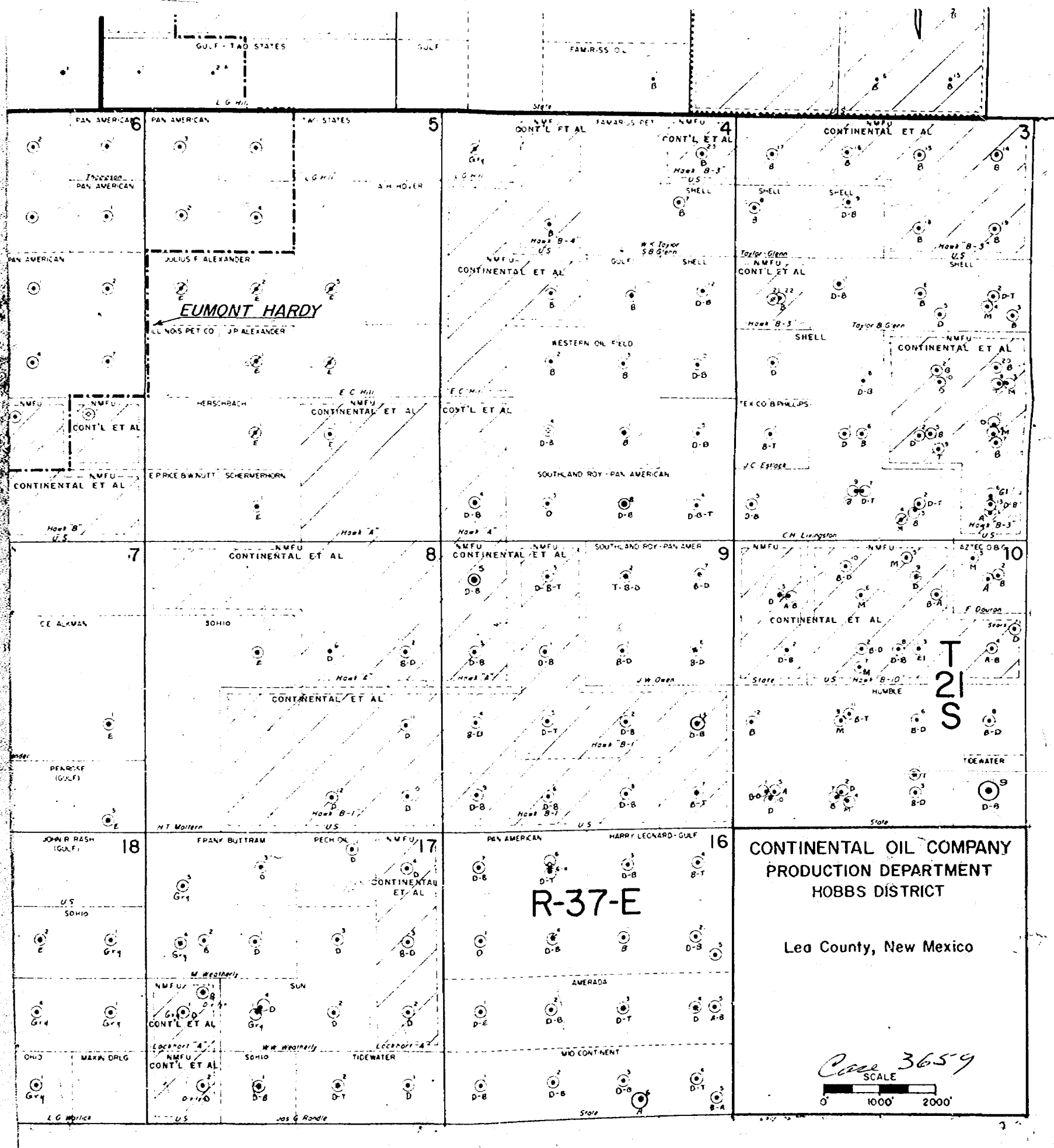
The information about source and volumes of water previously submitted concerning Well No. 55 will apply to No. 56.

In view of the facts set out above, it is respectfully requested that the Commission enter an order approving injection of water into Continental Oil Company's SEMU Well No. 56 as described above.

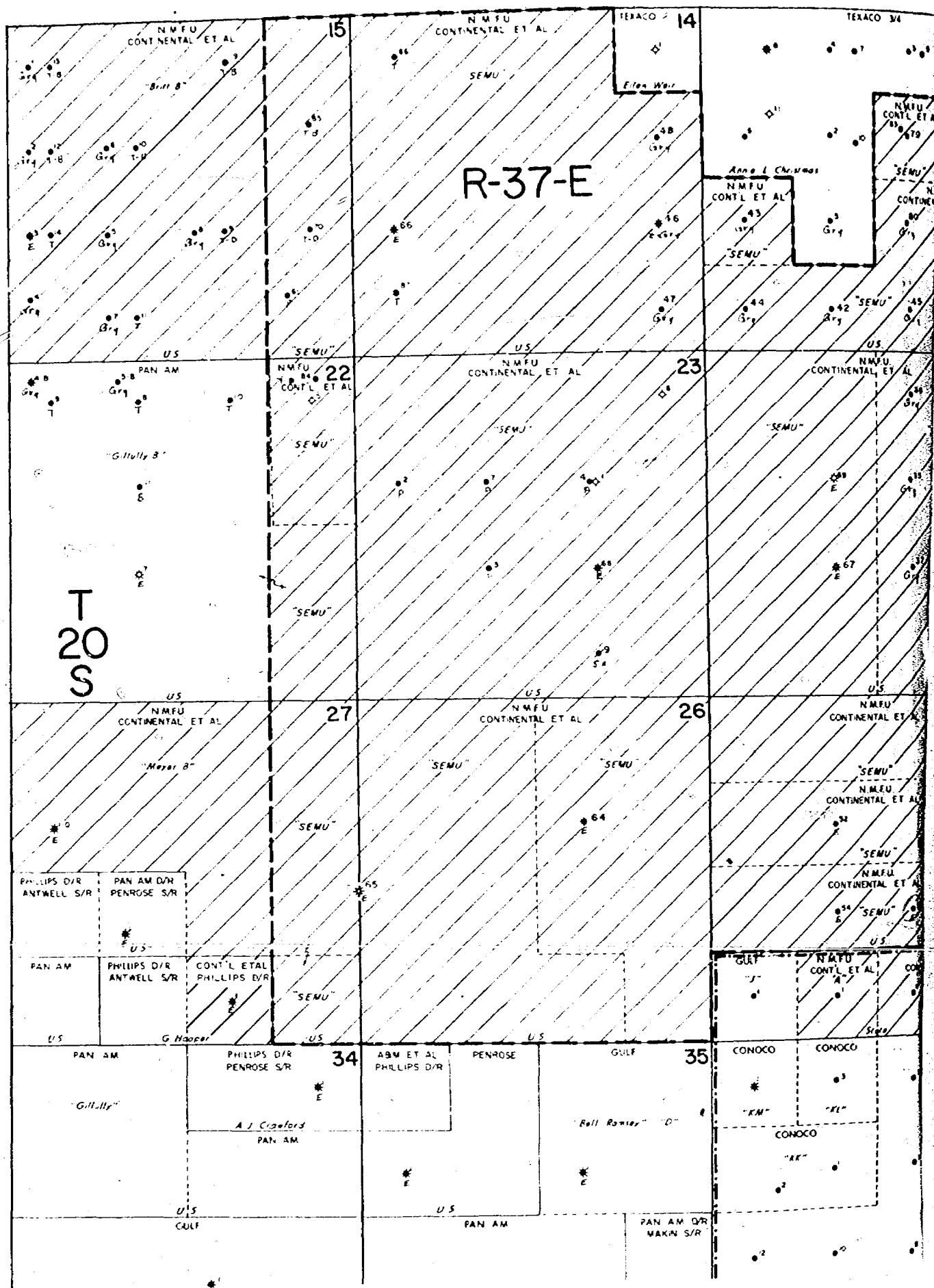
Respectfully submitted,


G. C. JAMIESON
Asst. Division Manager

GCJ-JS

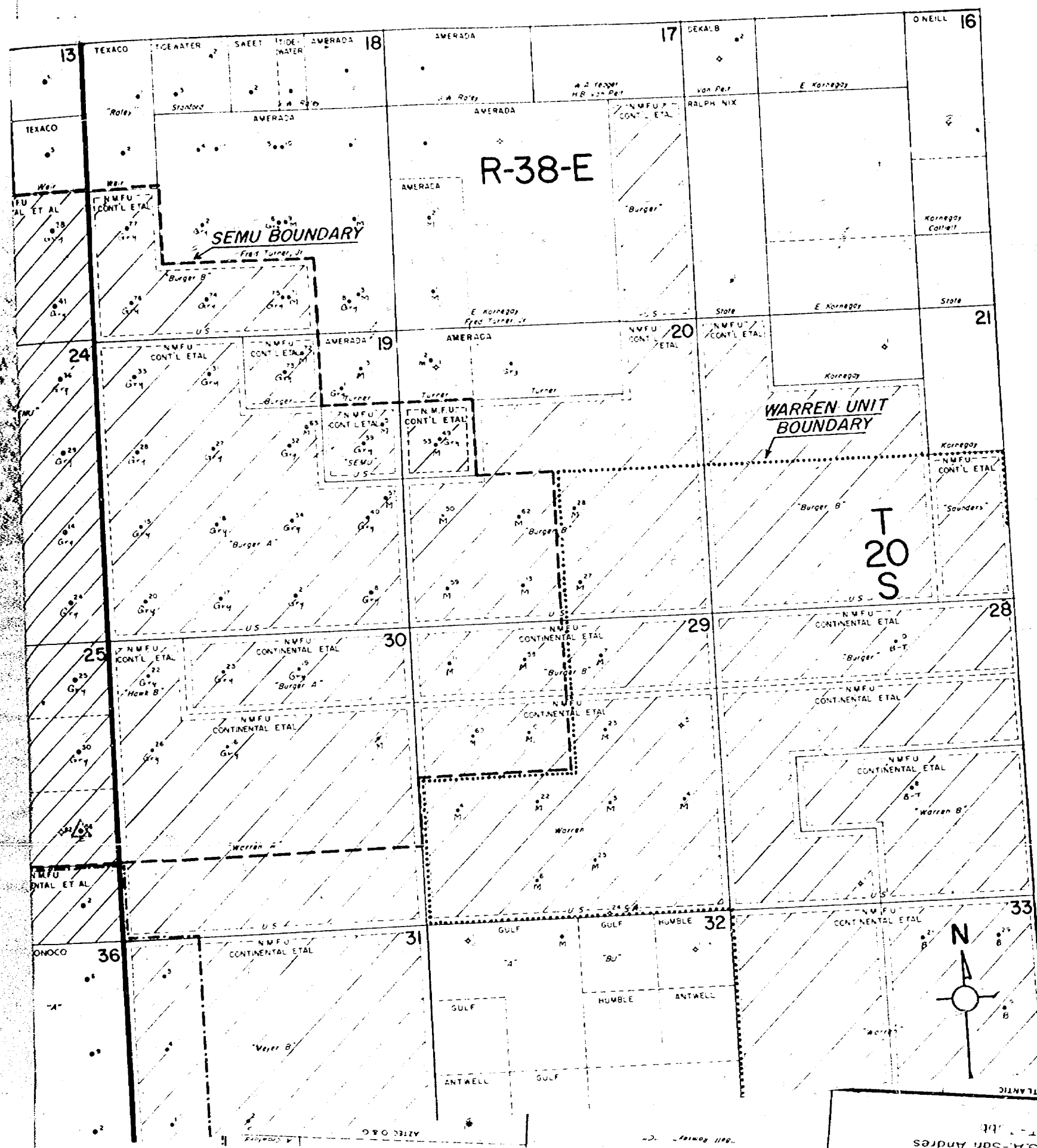


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LEGEND

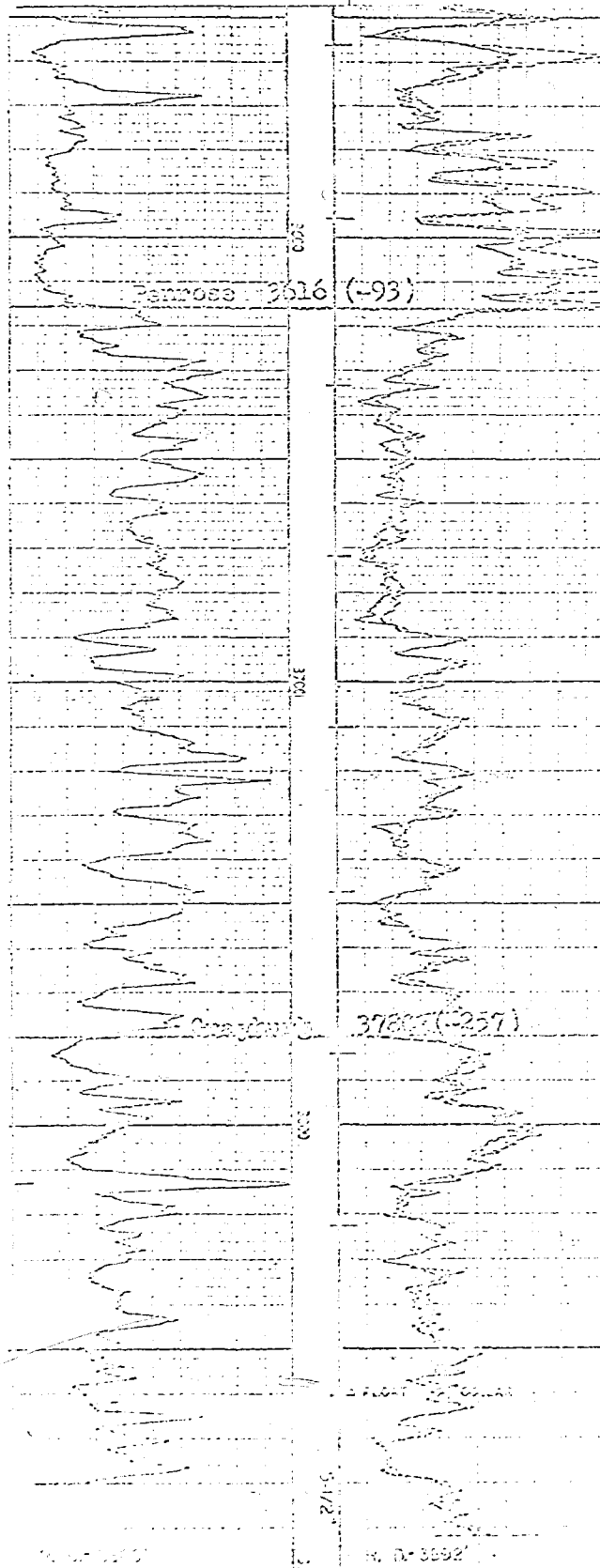
- A-Aho
- B-Bliebry
- D-Drinkard
- E-Eumcni
- El-Ellenburger
- Gl-Glorieta
- Gry-Grayburg
- M-McKee



FILE NO.	100-100000-100000
DATE	100-100000-100000
TIME	100-100000-100000
LOCATION	100-100000-100000
COMPANY	100-100000-100000
WELL	100-100000-100000
FIELD	100-100000-100000
COUNTY	100-100000-100000
STATE	100-100000-100000
LOCATION	100-100000-100000

[illegible]

CASING RECORD				CORE LOG			
		Interval				Interval	
WT. - LB.	WT. - LB.	FROM WELL LOG	TO WELL LOG	WT. - LB.	FROM WELL LOG	TO WELL LOG	WT. - LB.
5 3/8		0	To 300'		12 3/4	To	To
			To			To	To
5 1/2	21.0	0	To 325'		7 7/8	To	To
			To			To	To



Car 3659

CONTINENTAL OIL COMPANY

SEMUR Eumont No. 56

1980' FSL & 660' FEL;
Sec. 25, T-20S, R-37E

Type log for proposed EUMONT
HARDY UNIT, EUMONT POOL,
LEA COUNTY, NEW MEXICO

Run on February 3, 1957.

Continental - SEMU Eumont No. 56

Perf. 3226-3769' (overall)

1. Tag bottom tally out. Clean out to 3899'.
2. Run tubing w/packer to be set at 3400'.
3. Connect up well for injection down tubing.

Case 365-9

Docket No. 30-67

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 27, 1967

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, Alternate Examiner:

CASE 3622: (Continued from the July 26, 1967 Examiner Hearing)

Application of Ryder Scott Management Company for a waterflood buffer zone, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the N/2 NE/4, SW/4 NE/4 of Section 20, Township 18 South, Range 28 East, Eddy County, New Mexico, as waterflood buffer zone in the Artesia Pool offsetting its waterflood project in Section 21 and Cima Capitan's waterflood project in Section 17 of the same township.

CASE 3658: Application of Continental Oil Company for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a 240-acre non-standard gas proration unit comprising the NE/4 NW/4, NW/4 NE/4, and E/2 E/2 of Section 10, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Sanderson B-1 Well No. 2 at a non-standard location 1650 feet from the North line and 330 feet from the East line of said Section 10.

CASE 3659: Application of Continental Oil Company for an amendment to Order No. R-3115, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3115 to substitute its SEMU Well No. 56 located in Unit I of Section 25, Township 20 South, Range 37 East, Eumont Pool, Lea County, New Mexico, as a water injection well in its Eumont Hardy Waterflood Project in lieu of SEMU Well No. 55 located in Unit J of said Section 25.

CASE 3660: Application of Tenneco Oil Company for a waterflood project and for an exception to Rule 104 C-I, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Upper Sand of the South Hospah Upper Sand Oil Pool on its Hospah Lease through five wells located in Units A, B, F, G, and H of Section 12, Township 17 North, Range 9 West, McKinley County, New Mexico, and on its Hospah "A" Lease through one well located in Unit L of said Section 12. Applicant, further seeks an exception to the well location requirements of Rule 104 C-I to permit the drilling of more than one well on a 40-acre tract, said wells being located closer than 660 to each other and with each 40-acre tract being subject to a single 40-acre allowable. The above exceptions, for the South Hospah Upper Sand Oil Pool and the South Hospah Lower Sand Oil Pool, would be applicable to Tenneco's leases comprising the SE/4 of Section 11 and all of Section 12, Township 17 South, Range 9 West.

September 27, 1967 Examiner Hearing
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Docket No. 30-67

CASE 3513: (Reopened)

Application of Midwest Oil Corporation for an amendment to Order No. R-3179, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3179 which order denied 160-acre spacing for the Vada-Pennsylvanian Pool, Lea County, New Mexico, and established 80-acre spacing on a temporary basis. Applicant seeks the reopening of Case 3513 on the basis of new information not available at the time of the original hearing and the promulgation of temporary rules for said pool, including a provision for 160-acre proration units.



CONTINENTAL OIL COMPANY

P. O. Box 460
HOBBS, NEW MEXICO 88240

1001 NORTH TURNER
TELEPHONE 393-4141

PRODUCTION DEPARTMENT
HOBBS DIVISION
L. P. THOMPSON
Division Manager
G. C. JAMIESON
Assistant Division Manager

September 1, 1967

Case 3659

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

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

Re: Application for Authority to
Inject Water into SEMU No. 56
I-25-20-37, Lea County, New
Mexico

Gentlemen:

Forwarded herewith is our application for authority to convert SEMU No. 56 for water injection purposes in our Eumont Hardy Waterflood project. This project was authorized by Order No. R-3115 and we are uncertain whether this well substitution can be authorized administratively. Continental Oil Company operates all offset properties. A copy of this application is being forwarded to the State Engineer.

If administrative approval is not available for the application, please set this matter for hearing on your September 27th docket.

Yours very truly,

G. C. Jamieson

SEP 5 AM 8 13

DOCKET MAILED

Date 9-14-67

GCJ JS
cc: RLA GW JWK
State Engineer (Certified Mail)
Capitol Building
Santa Fe, New Mexico

PIONEERING IN PETROLEUM PROGRESS SINCE 1875

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 27, 1967

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental
Oil Company for an amendment
to Order No. R-3115, Lea County,
New Mexico.

Case No. 3659

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 3659

MR. HATCH: Application of Continental Oil Company for an amendment to Order No. R-3115, Lea County, New Mexico.

MR. KELLAHIN: If the examiner please, Jason Kellahin appearing for the applicant. We have one witness I would like to have sworn.

(Witness sworn.)

(Applicant's Exhibits 1, 2, and 3 marked for identification.)

BILLY T. NELSON

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name please.

A Billy T. Nelson.

Q By whom are you employed and in what position,

Mr. Nelson?

A I am employed as a reservoir engineer for Continental Oil Company.

Q Where are you located?

A Hobbs, New Mexico.

Q Have you ever testified before the Oil Conservation Commission of New Mexico?

A No, sir. I have not.

Q For the benefit of the examiner would you outline your education and experience as a petroleum engineer.

A I was graduated from the University of Oklahoma in 1963 with a BS degree in petroleum engineering and I have been employed by Continental Oil Company in Southeastern New Mexico since that time.

Q In connection with your duties at Continental Oil Company, have you handled reservoir engineering problems?

A Yes, sir.

Q Is the area involved in the application in Case No. 3659 within your province as a petroleum engineer?

A Yes, sir, it is.

Q Have you done any work in connection with this particular reservoir?

A Yes, sir.

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

MR. UTZ: Yes, sir, they are.

Q (By Mr. Kellahin) Are you familiar with the application of Continental Oil Company in Case 3659?

A Yes, sir. This is the application of Continental Oil Company for amendment of Order No. 3115 in order to authorize the injection of water into SEMU 56 located in Unit I of Section 25, Township 20 South, Range 37 East, Eumont Pool, Lea County, New Mexico.

Q Referring to what has been marked as Exhibit No. 1, would you identify that exhibit and discuss the information shown?

A Exhibit No. 1 is a location and ownership plat showing the Eumont Hardy Unit and SEMU Eumont Lease cooperative waterflood project and the area within a radius of at least two miles. SEMU Well No. 56 is shown within a red triangle and is located 1980' from the south line, 660' from the east line, Section 25, T-20S, R-37E. Order No. R-3115 authorized the injection of water into wells in the Eumont Hardy Unit and the Eumont oil wells within the Southeast Monument Unit on a cooperative basis. The Eumont Hardy Unit Area is shown on this exhibit by the alternate dot-dash line. The Southeast Monument Unit is shown by the dashed line. The original order authorized injection of water into SEMU Well No. 52, located in Unit F and Well No. 55, located in Unit J of Section 25, T-20S, R-37E. There is also in progress within the Southeast Monument Unit a waterflood in the Skaggs

Grayburg Pool. This waterflood has been expanded to full scale and one of the injection wells in SEMU No. 26, located in Unit E, of Section 30, T-20S, R-38E, which is a diagonal northeast offset to SEMU No. 56. SEUM No. 56 has become flooded out by injection into Well No. 26 and now produces 100% water. Since No. 56 now produces only water, it is logical to use it as an injection well and leave No. 55 as a producer. This is an edge location and this change in the injection pattern should have no adverse effect on the sweep efficiency of the waterflood. As a matter of fact, since No. 56 has been flooded out, the substitution should result in greater efficiency.

Q Do you mean that the waterflood project has already started in the Eumont Hardy Unit?

A No, sir, it has not.

Q There has been no injection of water in the Eumont Hardy Unit?

A That is correct.

Q The well has been flooded out by an offsetting waterflood. Is this the situation?

A That is correct.

Q In order to protect the Eumont Hardy Unit, is it necessary to get approval for injection of water for the

No. 56 well in your opinion?

A Yes, sir.

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

A Exhibit No. 2 is a copy of the radioactivity log of SEMU No. 56. The top of the Penrose Sand is shown at 3616' in depth. The top of the Grayburg formation is shown at 3780' in depth.

Q Is this the same zone that is being flooded in the offsetting waterflood project?

A No, sir, not primarily. The offset flood is primarily concerned with the Grayburg formation. However, casing is set high enough so that both the Eumont zone and the Grayburg zones are open in the No. 26 wells in the Skaggs flood.

Q And they are apparently taking water as evidenced by the fact No. 56 well has been flooded out?

A Yes, sir.

Q Referring to what has been marked as Exhibit No. 3 would you explain the information shown on that exhibit?

A Exhibit 3 is a diagrammatic sketch of the tubular goods run in the well. As shown, the well was drilled to a total depth of 3900' and 5 1/2" casing was set at 3899',

cemented to surface with 1580 sacks cement. 8 5/8" O.D. surface casing was set at 300' and cemented to surface with 325 sacks cement. It is proposed to set a retrievable packer at approximately 3400' and inject water through the perforations 3626-3769 through 2 3/8" O.D. internally coated tubing.

Q Is a source of the water and the volumes to be injected for this well identical with the data that was presented in Case 3429 which resulted in Order R-3115?

A Yes it is.

Q At the time of the hearing in Case No. 3429 was Continental Oil Company aware of the conditions which prompted this application?

A No, sir, we were not.

Q Is it possible that other circumstances will arise in the future which will make a change in the injection pattern desirable for that waterflood project?

A Yes, sir, this is quite possible.

Q In the interest in saving time and the expense of additional hearing did Continental Oil Company desire the addition of a provision in the order for administrative approval of such changes?

A Yes, sir. Such a provision would probably save the

Commission and Continental considerable time in the future.
I recommend that such a provision be included in the amended order.

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

A Yes, sir, they were.

MR. KELLAHIN: I would like to offer Exhibits 1, 2, and 3.

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

(Exhibits 1, 2, and 3 entered in evidence)

MR. KELLAHIN: That's all we have on direct examination, Mr. Utz.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Nelson is the zone you intend to inject water into in the No. 56 the same as you were going to inject and on which you got approval to inject into on the No. 55?

A Yes, sir.

Q Mechanical completion in this well is comparable or the same as you made the application for on the 55?

A Yes, sir.

Q Was your tubing going to be internally coated?

A Yes, sir, it will be.

MR. UTZ: Are there any other questions of the witness? The witness may be excused.

(Witness excused.)

MR. UTZ: Any statements? The case will be taken under advisement.

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
BILLY T. NELSON	
Direct Examination by Mr. Kellahin	2
Cross Examination by Mr. Utz	8

<u>EXHIBIT</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
Applicant's 1, 2, and 3	2	8

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 20th day of October, 1967.

Ada Dearnley
 NOTARY PUBLIC

My Commission Expires:

June 19, 1971

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 365-9
 heard by me on *Sept 27*, 1967.
[Signature] Examiner
 New Mexico Oil Conservation Commission

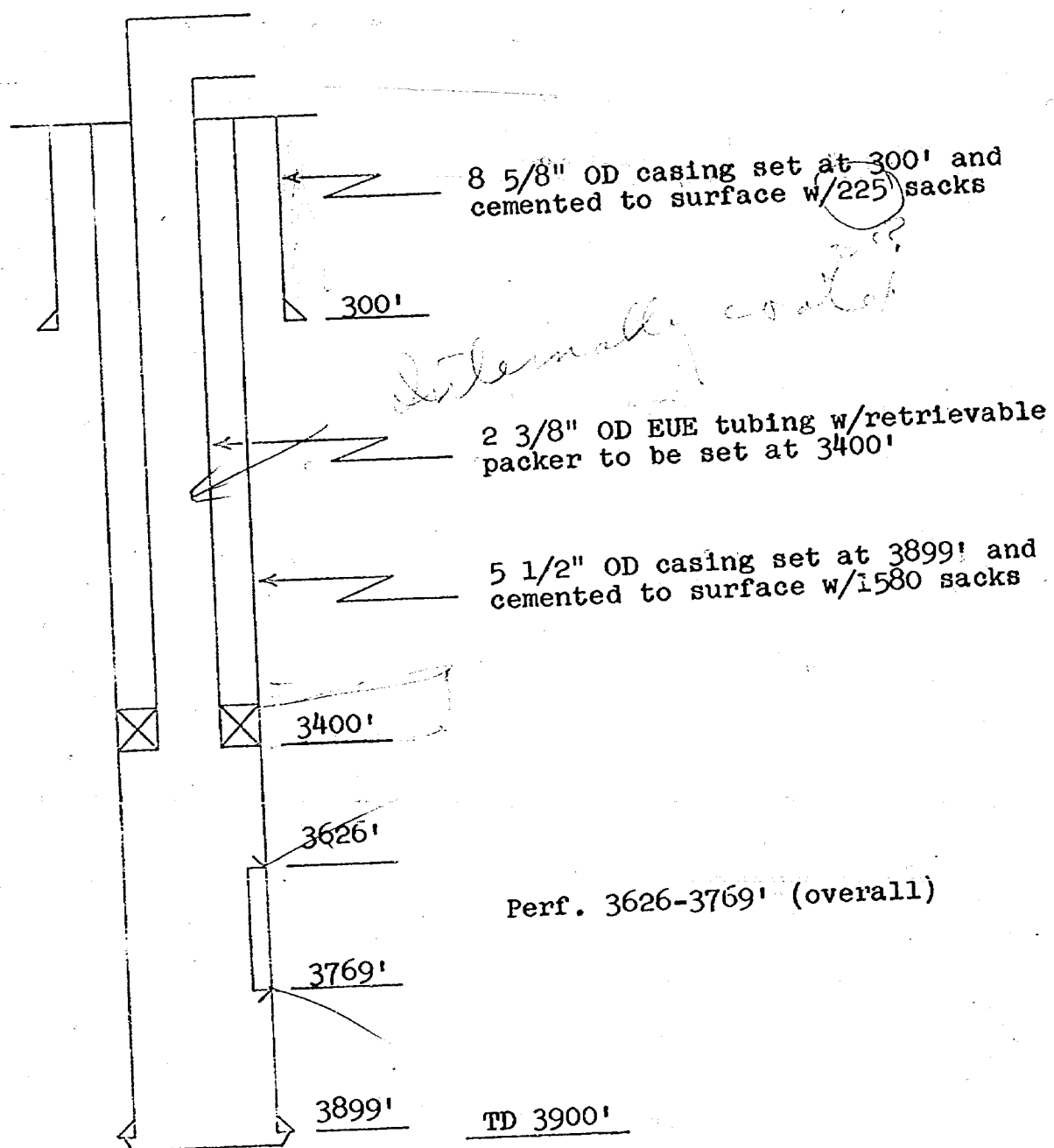
3700

3700 (259)

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Appel EXHIBIT NO. 2
CASE NO. 3659

EXHIBIT NO. 2

WATER INJECTION WELL DATA
CONTINENTAL - SEMU EUMONT NO. 56
 Elev. - BHF - 3523'



Proposed Procedure

1. Tag bottom tally out. Clean out to 3899'.
2. Run tubing w/packer to be set at 3400'.
3. Connect up well for injection down tubing.

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO. <u>3</u>	
CASE NO. <u>3659</u>	