

CASE 3818: Appli. of CONTINENTAL  
OIL CO. FOR AN EXCEPTION TO  
RULE 506, LEA COUNTY, N. MEX.

Case Number

3818

Application  
Transcripts.

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. 3818  
Order No. R-3482

APPLICATION OF CONTINENTAL OIL COMPANY  
FOR AN EXCEPTION TO RULE 506, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 24, 1968,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of September, 1968, 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 an  
exception to Rule 506 of the Commission Rules and Regulations to  
produce its Warren Unit Well No. 11, located in the NE/4 NE/4 of  
Section 35, Township 20 South, Range 38 East, NMPM, Warren-  
Drinkard Pool, Lea County, New Mexico, with a limiting gas-oil  
ratio in excess of 2,000 cubic feet of gas per barrel of oil.

(3) That by Order No. R-3472, effective September 1, 1968,  
a new pool, classified as an oil pool for Drinkard production, was  
created and designated as the East Warren-Drinkard Pool, consist-  
ing of the NE/4 of Section 35 and the NW/4 of Section 36, Township  
20 South, Range 38 East, NMPM, Lea County, New Mexico.

-2-

CASE No. 3818  
Order No. R-3482

(4) That by Administrative Gas-Oil Ratio Exemption Order No. 6, dated August 21, 1968, the aforesaid pool is exempted from the gas-oil ratio test requirements until further notice.

(5) That the subject well is located in the aforesaid pool and there is, therefore, no longer any necessity for the exception sought by the applicant.

(6) That Case No. 3818 should be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 3818 is hereby dismissed.

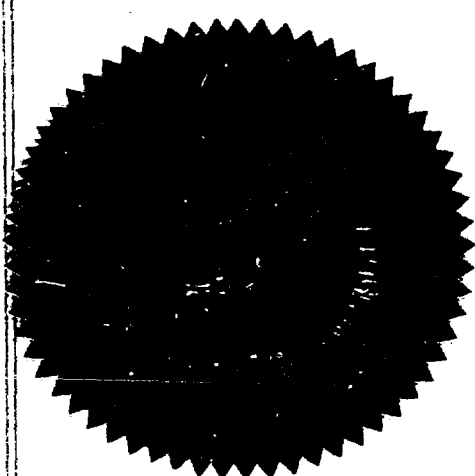
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
GUYTON B. HAYS, Member

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



CSR/

State of New Mexico  
Oil Conservation Commission



P. O. BOX 2088  
SANTA FE

**September 9, 1968**

3818 ✓ 3848  
3826 ✗ 3838  
3839 3817  
3840  
3842

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

Very truly yours,

ALP/ir.

Carbon copy of order also sent to:

Hobbs OCC       x        
 Artesia OCC   R-3483   & R-3489  
 Aztec OCC                     
 Other

Held and  
Dismiss after  
order is issued  
covering paragraphs  
(d) and (e) of  
Case No. 3836

SE nomenclature case  
for August regular

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 24, 1968

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

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The following cases will be heard before Daniel S. Nutter, Examiner, or  
A. L. Porter, Jr., Alternate Examiner:

CASE 3809: Application of Solar Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Travis Well No. 2 located in Unit J of Section 21, Township 23 South, Range 37 East, Lea County, New Mexico, to produce oil from the Teague-Blinebry and undesignated Tubb-Drinkard pools through parallel strings of tubing.

CASE 3810: Application of Bronco Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Saltmount Well No. 2 located in Unit O of Section 21, Township 23 South, Range 37 East, Lea County, New Mexico, to produce oil from the Teague-Blinebry and undesignated Tubb-Drinkard pools through parallel strings of tubing.

CASE 3811: Application of Charles B. Read for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill his Marathon State Well No. 1 at a location 1980 feet from the South line and 660 feet from the East line of Section 7, Township 19 South, Range 35 East, Scharb-Bone Springs Pool, Lea County, New Mexico, in exception to the pool rules which require the first well drilled on a unit to be located in the NE/4 or the SW/4 of the quarter section.

CASE 3812: Application of Tenneco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Southwest Henshaw (Premier) Unit Area comprising 1720 acres, more or less, of Federal lands in Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico.

CASE 3813: Application of Tenneco Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Southwest Henshaw (Premier) Unit Area by the injection of water into the Premier sand through nine injection wells in Sections 7, 8, 17, 18 and 19, Township 16 South, Range 30 East, West Henshaw-Grayburg Pool, Eddy County, New Mexico.

- CASE 3814: Application of Humble Oil & Refining Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Penrose zone of the Queen formation in the perforated interval from 3818 feet to 3838 feet in its New Mexico "G" State Well No. 17 located 330 feet from the South line and 1850 feet from the West line of Section 23, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico. If said Penrose zone does not prove satisfactory, then the applicant proposes to deepen said well and dispose into the San Andres formation.
- CASE 3815: Application of Humble Oil & Refining Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation in the interval from 5670 feet to 6030 feet in its Chalk Bluff Draw Unit (A) Well No. 19 located 990 feet from the South line and 1650 feet from the West line of Section 16, Township 18 South, Range 27 East, Empire Abo Pool, Eddy County, New Mexico.
- CASE 3816: Application of Humble Oil & Refining Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp formation in the interval from 10,199 feet to 10,530 feet in its H. A. Townsend Well No. 6 located 1980 feet from the North and East lines of Section 9, Township 16 South, Range 35 East, Townsend Wolfcamp Pool, Lea County, New Mexico.
- CASE 3817: Application of Continental Oil Company for reinstatement of cancelled underproduction, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the general rules and regulations for prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, to permit the reinstatement of underproduction accumulated by its Stevens A-35 Well No. 2 located in Unit J of Section 35, Township 23 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, cancelled December 31, 1967. Applicant requests that its Stevens A-35 Well No. 1 located in Unit L and its Stevens A-35 Well No. 2 located in Unit J, both in the aforesaid Section 35 and dedicated to the same non-standard gas proration unit, be permitted to produce the aforesaid cancelled underproduction.



CASE 3818: Application of Continental Oil Company for an exception to Rule 506, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the statewide limiting gas-oil ratio of 2,000 feet of gas per barrel of oil as promulgated by Commission Rule 506 for its Warren Unit Well No. 11, located in Unit A of Section 35, Township 20 South, Range 38 East, Warren-Drinkard Pool, Lea County, New Mexico.

CASE 3819: Application of Cities Service Oil Company for the institution of gas prorationing in the Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the limitation of gas production from the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to reasonable market demand and to the capacity of gas transportation facilities, and that the subject pool be governed by the general rules and regulations for the prorated gas pools of Southeastern New Mexico insofar as said general rules and regulations are not inconsistent with the special rules and regulations governing the subject pool. Further, the applicant proposes that the allowable production from the pool be allocated among the wells in the pool on a 100% surface acreage basis.

CASE 3820: Application of El Paso Natural Gas Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Harvey "A" Well No. 3 at a point 390 feet from the South line and 1650 feet from the East line of Section 32, Township 27 North, Range 7 West, Blanco-Mesaverde Pool, Rio Arriba County, New Mexico, in exception to the pool rules which require locations to be in either the Northeast or Southwest quarter of the section.

CASE 3821: Application of Marathon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the SE/4 of Section 22, Township 20 South, Range 35 East, Lea County, New Mexico. Said acreage to be dedicated to a well to be drilled 660 feet from the South and East lines of said Section 22, and within one mile of the Southeast Lea-Wolfcamp Gas Pool.

Case 3822: Application of Aztec Oil & Gas Company for commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle San Andres production from its State "AJ" lease comprising the SW/4 and the W/2 NE/4 of Section 1 and its Amerada State lease comprising the N/2 NW/4 of Section 12, all in Township 18 South, Range 36 East, Arkansas Junction-San Andres Pool, Lea County, New Mexico, allocating production to each lease on the basis of periodic well tests.

CASE 3805: CONTINUED FROM THE JULY 10, 1968, EXAMINER HEARING

Application of Benson-Montin-Greer Drilling Corporation and Lloyd B. Taylor for Pressure Interference Tests and Back Allowable, San Juan County, New Mexico. Applicants, in the above-styled cause, seek authority to extend for an additional 60-day period from July 8, 1968, the shut-in test period authorized for one well in the La Plata Gallup Oil Pool, San Juan County, New Mexico, by Commission Order No. R-3399 and to also extend the back allowable make-up period for said well. Applicants further seek authority to drill three additional La Plata oil wells in Section 6 of Township 31 North, Range 13 West, and Sections 31 and 32, Township 32 North, Range 13 West, and to shut said wells in immediately after recovery of load oil and the establishment of initial potentials, for a period of up to 180 days for the purpose of conducting pressure interference tests, and to make-up the production lost during said test period at a later date. Applicants further seek a provision for administrative extension of the shut-in test period and the make-up period.

IN THE MATTER OF THE APPLICATION OF  
CONTINENTAL OIL COMPANY FOR EXCEPTION  
TO RULE 506 OF THE STATEWIDE RULES  
FOR ITS WARREN UNIT WELL NO. 11,  
PRODUCING FROM THE WARREN DRINKARD  
POOL IN SECTION 35, T20S, R38E, LEA  
COUNTY, NEW MEXICO.

Case 3818

JUN 26 PM 1 05

A P P L I C A T I O N

COMES NOW Continental Oil Company and respect-  
fully petitions the Commission for an exception to Rule  
506 of the Statewide Rules and Regulations for applicant's  
Warren Unit Well No. 11 producing from the Warren Drinkard  
Pool in Section 35, T20S, R38E, Lea County, New Mexico,  
and in support thereof would show:

1. Applicant is operator of the Warren Unit  
which, in addition to other lands, consists  
of Section 35, T20S, R38E, Lea County,  
New Mexico.
2. Applicant has heretofor drilled and completed  
in the Warren Abo Pool its Warren Unit Well  
No. 11 located 660 feet from north line and  
660 feet from the East line of Section 35,  
T20S, R38E.
3. Said well was recently plugged back and re-  
completed, on January 25, 1968, in the Warren  
Drinkard Pool through perforations from 6821 = 1,77  
to 7056 feet for initial potential of 45 barrels  
oil, 50 barrels water, and 1113 MCF gas per day.
4. Attempts to reduce the producing gas-oil ratio  
have been unsuccessful and the well is penalized  
to a point near the economic limit.
5. There is an assured market for the lease's gas  
production.

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Date 7-11-68

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Application

Page 2

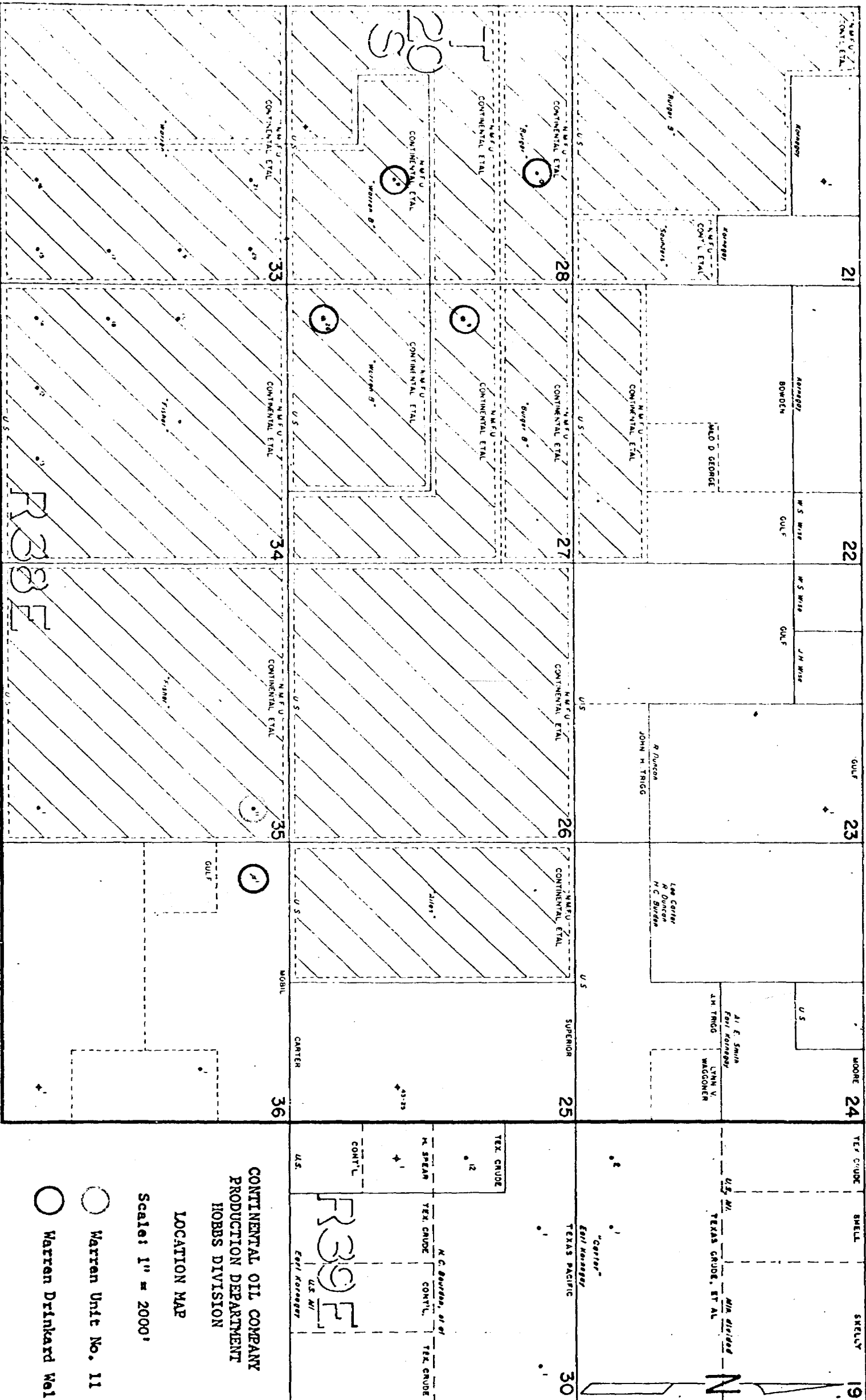
6. There is no producing well from this reservoir within one mile.
7. The granting of this application will not result in waste nor impair the correlative rights of any party.

WHEREFOR, Applicant respectfully requests that this matter be set for hearing before the Commission's duly appointed examiner and upon hearing, an order be entered granting exception to Rule 506 of the Commission's Statewide Rules and Regulations for applicant's Warren Unit No. 11 as described above.

Respectfully submitted,  
CONTINENTAL OIL COMPANY

LPT-MCH

  
L. P. Thompson

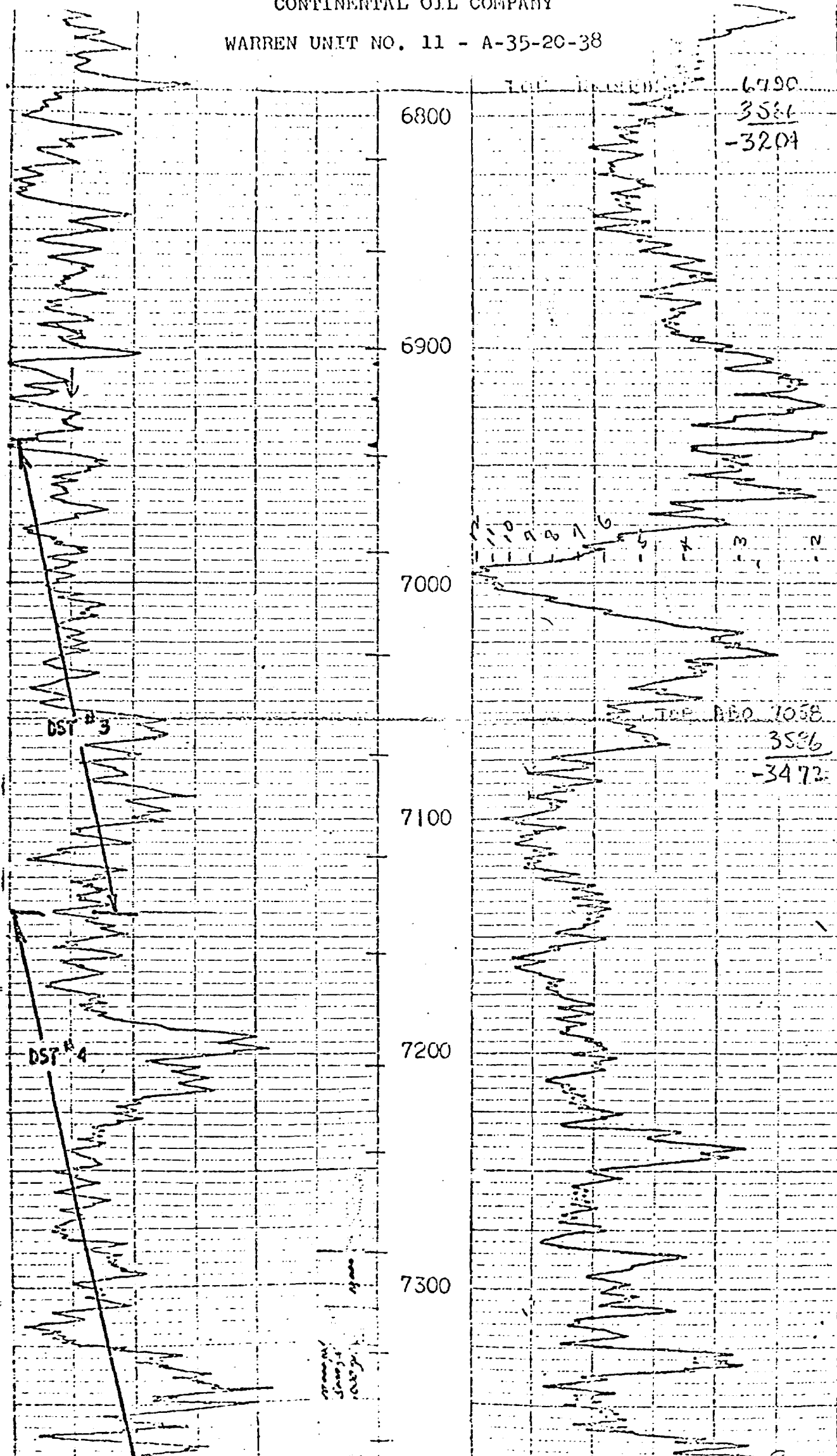


Class 3818



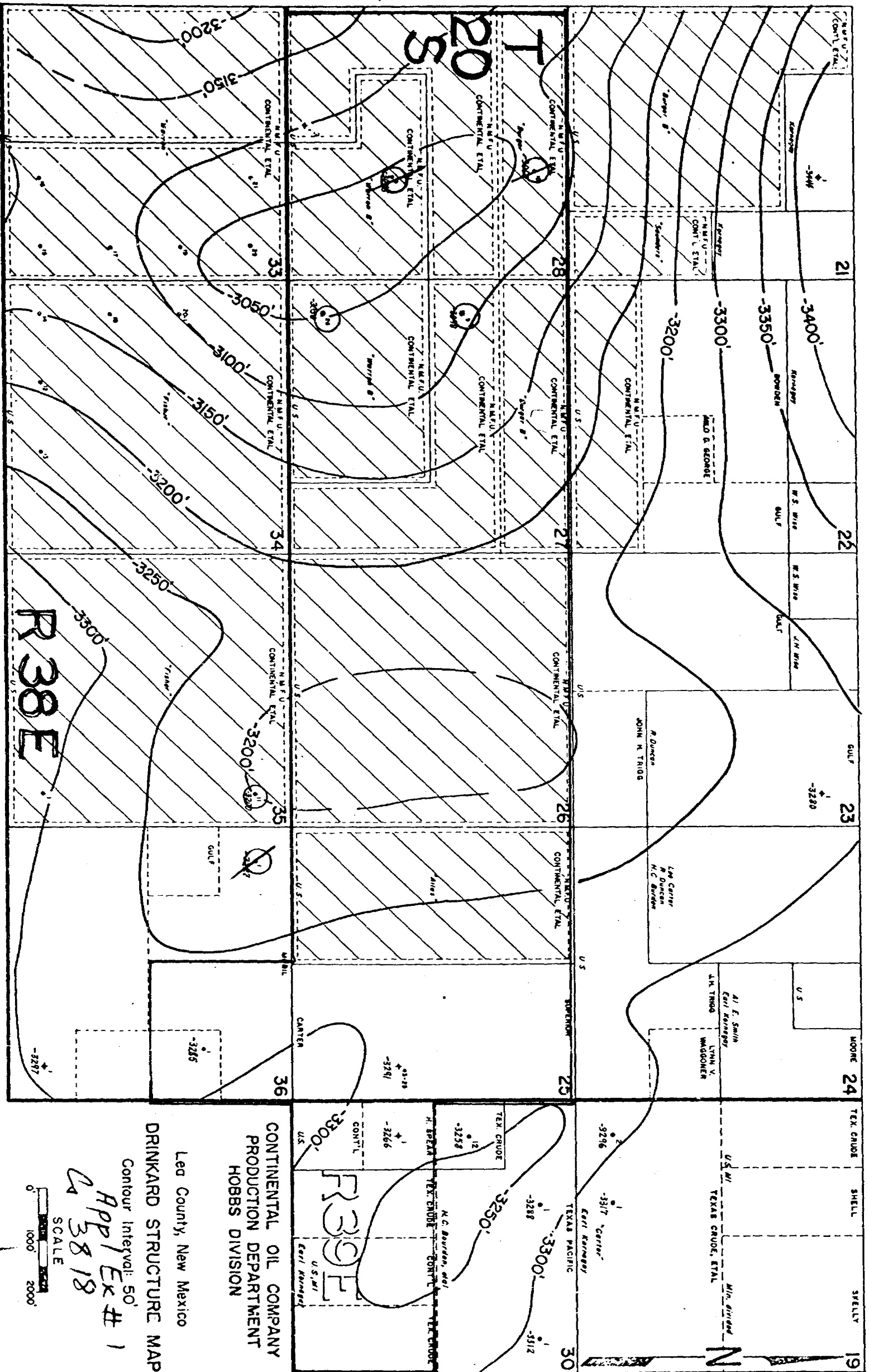
CONTINENTAL OIL COMPANY

WARREN UNIT NO. 11 - A-35-20-38









WARREN UNIT NO. 11

SUMMARY OF OPERATIONS

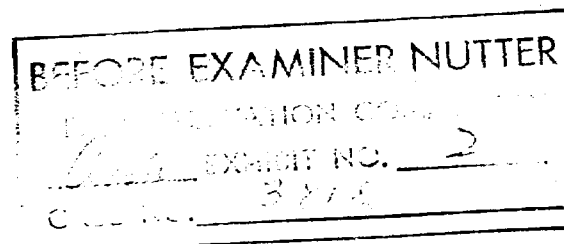
1. Set wireline cement retainer at 7066'.
2. Ran 2 7/8" OD tubing - squeezed Abo perforations 7077'-7746' (overall) with 100 sacks Class "C" Cement with 0.6% Halad 9 through retainer.

3. Perforated Drinkard with one JSPP at

6821'	6942'	7000'
26	45	02
37	51	04
75	54	06
84	62	24
6900	68	34
10	90	37
14	92	43
30	94	49
34	96	53
		56'

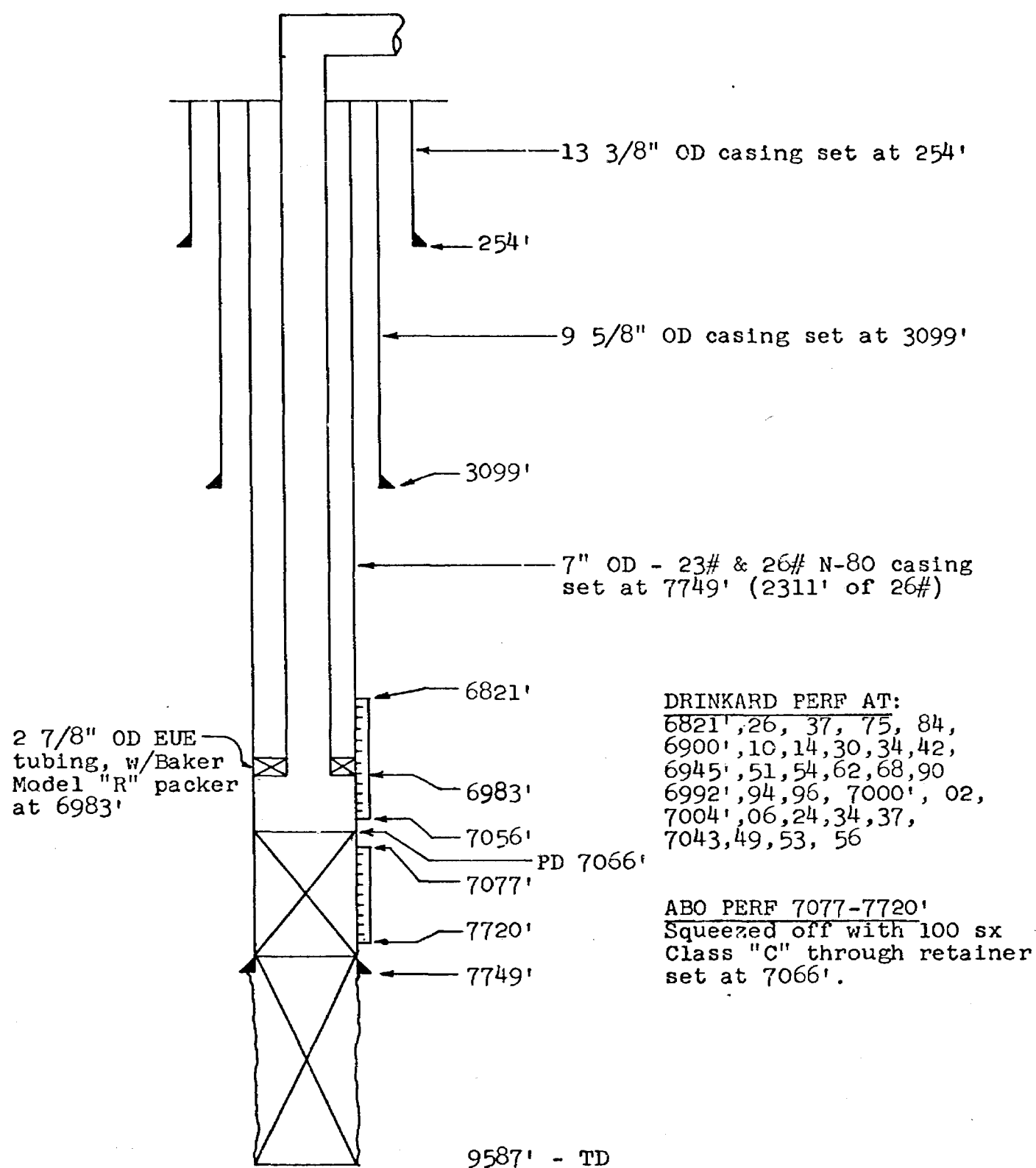
4. Ran tubing with packer and bridge plug, treated perforations 6990-7056' with 2000 gallons acid and 16 ball sealers and with 30,000 gallons gelled brine water and 30,000# sand at 4300-4900 psi, treated perforations 6821-6968' with 2000 gallons acid, 15 ball sealers than with 30,000 gallons gelled brine water and 30,000# sand, at 4000-5100 psi. Pulled frac tubing. Swabbed well in.
5. Ran 2 7/8" OD tubing with Baker Model "R" packer and set packer at 6751'.
6. Tested well - 1-25-68/2-12-68
7. Took BHP build-up survey.
8. Test 3-12-68 - F45 BOPD, 50 BWPD, 1113 MCFPD (GOR 24,733) through 22/64" choke (all perforations)
9. Moved packer to 6903' to test perforations 6910-7056. Test 3-27-68 - F 36 BOPd - 16 BWPD on 24/64" choke w/ GOR 27,700. TP 505#, CP 715#.
10. Moved packer to 6983' to test perforations 6990-7056.

Latest test 4-8-68 - F 19 BOPD - 10 BWPD, 24/64" choke, 1070 MCFPD - GOR 53,000. TP 495# CP 710#.

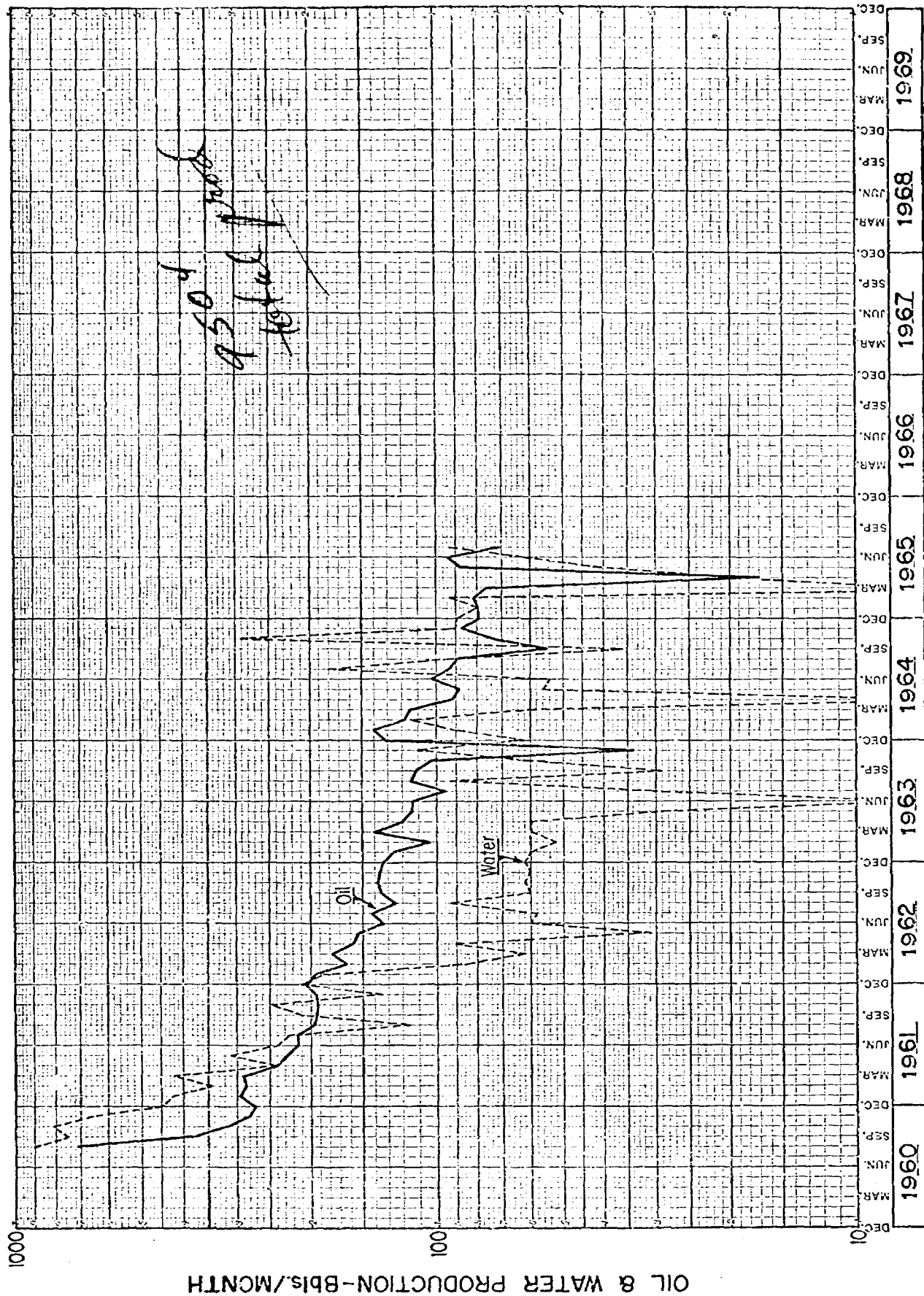


WARREN UNIT NO. 11

Unit "A" - 660' FNL & 660' FEL - Section 35, 20S, 38E  
Elev - 3585' DF (12' AGL)



MOBIL OIL CORP.  
NEW MEXICO "F" NO. 1  
WEIR DRINKARD



EXAMINED WATER

3



dearnley-meier reporting service, inc.

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

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
July 24, 1968

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company  
for an exception to Rule 506,  
Lea County, New Mexico.

)  
)  
)  
) Case No. 3818  
)  
)

BEFORE: Daniel S. Nutter  
Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We'll call the next case, 3818.

MR. HATCH: Case 3818. Application of Continental Oil Company for an exception to Rule 506, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin of Kellahin & Fox, appearing for the Applicant. We have one witness. I'd like to have him sworn, please.

MR. NUTTER: The record will show he's still under oath.

(Whereupon, Applicant's Exhibits Numbers 1 through Five, inclusive, were marked for identification.)

VICTOR T. LYON

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Victor T. Lyon.

Q Are you the same Mr. Lyon that testified in the previous case?

A The same.

Q Mr. Lyon, are you familiar with the application of Continental Oil Company in Case 3818?

A Yes, sir.

Q What is proposed by Continental Oil Company in this case?

A Case Number 3818 is the application of Continental Oil Company for exception to Rule 506 of the Statewide Rules for its Warren Unit Well Number 11 producing from the Warren-Drinkard Pool in Section 35, Township 19 South, Range 38 East, Lea County, New Mexico -- No, that was 27. I beg your pardon. Township 27.

Q Referring to what has been marked as Exhibit Number 1, would you identify that exhibit, please?

A Exhibit Number 1 is a structure plat showing the configurations of the top of the Drinkard Pool in the area of our Warren Unit Well Number 11. It shows in red the outline of the presently designated Warren-Drinkard Pool. Encircled in red is the Warren Unit Well Number 11 which is located 660 feet from the north line, 660 feet from the east line of Section 35, Township 20 South, Range 38 East, Lea County, New Mexico.

Other wells which are producing or have produced from the Warren-Drinkard Pool are circled in green. Now, there are three wells that are so circled that have a green slash through them. That indicates that the wells have been plugged back and recompleted in overlying formation.

Q They're not presently producing from the Drinkard



Formation, is this correct?

A That's correct.

Q The subject well would not appear to be inside the Warren-Drinkard Pool, is that correct?

A This is correct.

Q But it's located within less than a mile from the pool boundaries?

A That is correct.

Q Now, referring to what has been marked as Exhibit Number 2, would you identify that exhibit?

A Exhibit Number 2 is a summary of the operations and the recompletion of this well, Warren Unit Number 11 when it was plugged back from the Warren-Abo Pool for recompletion in the Drinkard Formation, in the Warren-Drinkard Pool.

As shown, we set a cement retainer at 7,066 feet and squeezed the Abo perforations. Incidentally, the second page of this exhibit is a schematic diagram of the well so that you can see pictorially the location of the work that was done.

The Drinkard was perforated and then treated with 30,000 gallons of gel brine water, 30,000 pounds of sand in two stages. The intervals were treated in two separate intervals and each of the intervals had 30,000 gallons of gelled brine, 30,000 pounds of sand treatment.

The well was then swabbed and tested. When all the perforations were tested together, the well indicated a gas-oil ratio of approximately 25,000 cubic feet per barrel. We then moved the packer between sets of perforations and tested, and we still had an excessive ratio. The packer was moved again and the well exhibited a still higher gas-oil ratio.

Each time that the packer was set between sets of perforations, the casing went on a vacuum and it was evident that we had communication behind the pipe.

Q Now, has any effort been made to stop the communication behind the pipe?

A No. It has been our experience in an area where you have to treat with high pressures that in better than half of the cases, after you have squeezed a set of perforations with cement, reperforated and restimulated, that you either reopen the channel or you create another one. Should this happen in this well, we would be back at the same place where we are. We would have spent a considerable sum of money, probably about as much as the reserves are worth.

Q Now, in your opinion, will any waste result as a result of this communication behind the pipe?

A No, sir, I do not see how it can. All the evidence we have indicates that the oil and gas are coming from the Drinkard Formation.

Q Referring to what has been marked as Exhibit Number 3, would you identify that exhibit?

A Exhibit Number 3 is a decline curve of the Mobil Oil Corporation New Mexico F Number 1, which is a direct offset to this well, but has subsequently been plugged back to the Blinebry Formation. The curve depicts its performance as a Drinkard producer. The well was plugged back after having produced, I believe it was 9,504 barrels of oil.

Q And did the Mobil well have similar characteristics to the Warren Unit Well Number 11?

A No. The well had completely different characteristics. It had a relatively low gas-oil ratio and had to be pumped, I believe, throughout its entire producing history.

Q It's not now producing, though?

A No, it's not.

Q Not from the Drinkard. What's the closest Drinkard production to the subject well?

A The closest Drinkard production, to my knowledge, at least in the Warren Drinkard Pool, and I have not checked Drinkard Pools outside of this area, are the two wells in Section 27. Both of them are Warren Unit Wells.

Incidentally, the cross hatching on Exhibit 1 indicates the acreage included in the Warren Unit. But these wells are

located in excess of a mile and a half from this well.

Q Actually, approximately two miles, aren't they or very close to it?

A Close to that.

Q Have you made any inquiry as to the ability of gas purchaser to take any additional gas from the well?

A Yes, sir. We wrote to Skelly Oil Company who is the gas purchaser and asked them if they could take the additional gas which would be available if the well could produce unrestricted, and they replied by letter dated May 13th, 1968, to the effect that they could purchase this additional gas.

Q Now, their reply has been marked as Exhibit Number 4, is that correct?

A That's correct.

Q Now, your application indicates that Continental is requesting an exception to Rule 506. What gas-oil ratio do you think would be proper?

A Under the circumstances, since there is no offset production and there is a ready market for the gas, I see no reason to place any limitation at all on the gas-oil ratio.

Q Referring to what has been marked as Exhibit Number 5, would you identify that please?

A Exhibit Number 5 is a copy of that portion of the radioactivity log on the Warren Unit Number 11 which covers the

area under discussion.

Q Now, is there any question of waste involved in this application, Mr. Lyon?

A Well, at the present penalized allowable of the well, we are producing at virtually the economic limit and if there is not some relief given, it would be necessary, in my opinion, to plug the well prematurely in which case there would be physical waste.

Q In the event that the application is approved, would any waste occur?

A I do not know of any waste that would occur, in my opinion.

Q Would the fact that you are producing at a higher GOR, for example, result in a reduction in the amount of oil produced from the pool?

A I do not think so. This is, essentially, a depletion drive reservoir from all the evidence that we have available, and producing rate has very little to do with efficiency of oil recovery in such a reservoir.

Q Would the correlative rights of any other operator be affected if the application is approved?

A I do not see how any correlative rights could be impaired.

Q Are there any offset operators that would be affected?

A There are no producing offsets.

Q Now, were Exhibits 1 through 5 prepared by you or under your supervision?

A Yes, they were.

MR. KELLAHIN: At this time, I offer in evidence Exhibits 1 through 5.

MR. NUTTER: Applicant's Exhibits 1 through 5 will be admitted in evidence.

MR. KELLAHIN: That's all I have, Mr. Nutter.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Lyon, referring to Exhibit Number 1, the plat and the contour map, this is contoured on top of the Drinkard pay, is this correct?

A I believe that is correct.

Q And you got your perforations in this well right up at the top of the Drinkard pay, apparently, from Exhibit Number 5. The top of the Drinkard is given as 6730, and the uppermost perforation is at -- or 6790.

A Right.

Q And the first perforation is 6820, so you're pretty

high in the Drinkard with your top perforation.

A That's true.

Q You know where these other two wells over to the west are perforated with respect to the Drinkard Formation?

A No, sir, I'm sorry. I did not look into that. I can, if you want.

Q Because, structurally, they're considerably higher.

A Yes.

Q But I was wondering if they're perforated much lower in the formation.

A I really couldn't say. I have not looked at those well records.

Q Well, would you find out where those are perforated with respect to the top of the Drinkard?

A Yes, sir, I'll be glad to.

Q And let me know. I think what may be the solution to this thing, Dick, will be to not grant this application, but to separate this. It looks like, to me, there's another pool over here, and separate it and give us -- as a separate Drinkard pool, an east Warren Drinkard, and set a high GOR limit for it.

A Would we have to have a hearing to set --

Q We can do this ourselves on a nomenclature here.

A That would be perfectly satisfactorily if we could.

Q Because, I don't know of any case where we have a single well in a pool that has a GOR exception, and it might be a bad precedent to set here.

A Right.

Q And it looks like this is so far removed from these and there's no intervening development in there, it's unlikely that they're producing from the same reservoir.

A It certainly appears that way.

Q What are the GORs over here?

A I'm sorry. I don't have any data with me that would indicate this.

Q They're not real high, I don't imagine. The Drinkard is traditionally pretty high.

A Right. The proration schedule would have it, but I neglected to bring my copy with me.

Q And the red line is the boundary of the Warren-Drinkard Pool?

A According to the R. W. Barron report.

Q I wonder why it extends over here into Section 30. It appears that there's never been any wells over there.

A Well, I wondered the same thing when I was reading those things out and drawing this outline. I just don't understand.

Q But if you'll let us know what the perforated interval



is in these other wells and where it is, structurally, and if it looks like there's a difference, and I believe there is, we can probably separate this well out and give it a GOR of its own then.

A Fine. That would be very satisfactory.

Q Now, we'll be advertising our nomenclature this week. Are you going to be going home, when?

A I'll be going home Sunday.

Q So you wouldn't be able to give us that this week, would you?

A I can ask for it by telephone.

MR. KELLAHIN: We can get it by phone.

MR. NUTTER: Okay. If we could have that so we can get this on for the August hearing.

MR. KELLAHIN: If the Examiner please, I think that's probably a proper solution to the problem, because it certainly would appear that that is a separate pool.

MR. NUTTER: I'd rather do it that way than to set a precedent.

MR. KELLAHIN: I can see your point.

MR. NUTTER: Do you have anything further in this case, Mr. Kellahin?

MR. KELLAHIN: That's all I have, Mr. Nutter.

MR. NUTTER: The witness may be excused, and the exhibits have been entered, the Docket is complete, and we'll adjourn the hearing.

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
VICTOR T. LYON	
Direct Examination by Mr. Kellahin	2
Cross Examination by Mr. Nutter	9

E X H I B I T S

<u>Number</u>	<u>Marked for Identification</u>	<u>Received in Evidence</u>
Applicant's Exhibits 1 through 5	2	9

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

I, CHARLOTTE MACIAS, 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 September, 1968.

  
 Notary Public

My Commission Expires:

February 10, 1971.

I do hereby certify that the foregoing is  
 a true and correct copy of the original  
 the same is a true and correct copy of the original  
 New Mexico Oil Conservation Commission  
 7/24 3818 68  
