Oct 20 hearing



MAIN OFFICE OCC

CONTINENTAL OIL COMPANY 15 M 0:35

FAIR BUILDING FORT WORTH 2. TEXAS

H. L. JOHNSTON REGIONAL MANAGER OF PRODUCTION SOUTHWESTEEN REGION

September 13, 1954

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

Attention of: Mr. W. B. Macey, Secretary

Re: Applications for exceptions to Rule 10, Page 4 of Order No. R-520 in regard to flaring of casinghead gas.

Gentlemen:

We are forwarding herewith applications for exceptions to Rule 10, Page 4 of Order No. R-520 for certain of Continental Oil Company's lesses in the following pools:

Cooper-Jal Oil PoolEaves Oil PoolPenrose-Skelly Oil PoolSouth Eunice Oil Pool

A separate application is being submitted for each of the pools in which Continental has leases that are flaring or venting gas.

Yours very truly,

HLJ-MN Carbon copies to: Original & 1 NMOCC, Santa Fe BCC-SWT-EWW-HGD-RLA(2)

Su No 97 through No 146 And No 183.

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CONTINENTAL OIL COMPANY

FAIR BUILDING FORT WORTH 2, TEXAS

H. L. JOHNSTON REGIONAL MANAGER OF PRODUCTION SOUTHWESTERN REGION

September 29, 1954

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

Attention: Mr. W. B. Macey

Gentlemen:

Re: Applications for exceptions to Rule 10, page 4, of order No. R-520 in regard to flaring of casinghead gas.

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Several wells were inadvertently omitted from the applications on the above matter forwarded to you by our letter of September 13, 1954. We are, therefore, forwarding herewith amended applications on the following pools:

> Cooper-Jal Oil Pool 2/ Eaves Oil Pool / C South Eunice Oil Pool / 2

It is respectfully requested that the amended applications be set for hearing on the regular October hearing date and that notice thereof be issued accordingly.

Yours very truly,

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CONTINENTAL OIL COMPANY

Hobbs, New Mexico November 22, 1954

New Mexico Oil Conservation Commission Santa Pe, New Mexico

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Re: Grder No. R-520 "No Flare" Order

Gentlemen:

Attached hereto is additional information and data supplementing Continental Oil Company's application for exception to the recent "No Flare" Order No. R-520 in Case No. 767, in order that the Oil Conservation Consission may approve this application administratively.

Dellem N. A. RICKMAN

Dist. Supt., New Mexico District West Texas-New Mexico Division Production Department

CERTIFICATION

I, N. A. Rickman, do hereby certify that all the attachments hereto, exhibits 1 through 6, are true and correct to the best of my belief and knowledge. These are presented herewith to sugment Continental Oil Company's application with regard to the "No Flare" Order R-520, specifically in Case No. 767, in order that the Oil Conservation Commission may approve the application administratively.

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Subscribed and sworn to before me, a Notary Public, this 22nd day of November 1954.

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Notarized:

My Commission Expires 5-17-57.

EXHIBIT #1

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Lease, Location and Pool: Lynn A-28 Lease, 28-23-36, Cooper-Jal

riCF Per Day Produced: 18 MCF

MCF Per Day Sold: None

HCF Per Day Used on Lease: None

MCF Per Day Vented: 18 MCF

Daily Oil Production: 42 bbls. F.

Gas Oil Ratio: 432

Logical Markets: EPNG

Distance to Nearest Tie-Ins: 3000 feet

Cost of Tie-In: \$3,300

Reason for venting or no tie-in: Low volume does not economically justify a connection.

This information is from the most recent GOR test.

Lease, Location and Pool: Sholes A-13 Lease, 13-25-36 Cooper-Jal

MCF Per Day Produced: 120

MCF Per Day Sold: None

MCF Per Day Used on Lease: None

MCF Per Day Vented: 120

Logical Markets: EPNG

Distance to Nearest Tie-Ins: 5,000*

Cost of Tie-In: \$7,000

Payout: 8.5 years

Reason for venting or no tie-in: Low volume - No contract This lease contains one well which was sandfraced on September 6, 1954, at which time its capacity was increased from 3 barrels oil per day to 26 barrels oil per day. Experience has indicated that the capacity will decline and the economics do not justify an expenditure of \$7,000 to connect this well. Prior to sandfracing this well was being considered for abandonment.

WELL NO.	HUW PROLUCED	ROPD	GOR	PROLUCED MOTO	FLARED MCFD
1	F	42	287	12	12
2	F	26	4207	108	108

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Lease, Location and Pool: Sholes A-24 Lease, P 24-25-36, Cooper-Jal

MCF Per Day Produced: 37.4

MCF Per Day Sold: None

MCF Per Day Used on Lease: None

MCF Per Day Vented: 37.4

Daily Oil Production: 183

Logical Markets: EPNG

Distance to Nearest Tie-Ins: 1,500"

Cost of Tie-In: \$2,000

Payout: 6.9 years

Reason for venting or no tie-in: No contract - low volume

Reason for Venting:

A connection to this lease cannot be economically justified due to the small volume of produced gas. Information from most recent GOM test:

	HOW			MCPD	MCFD	LEASE
WELL NO.	Phod.	<u>BOPD</u>	GUR	PRODUCED	FLAKED	FUEL
1	F	45	290	13	13	0
2	F	46	281	13	13	0
3	F	46	182	8.4	8.4	0
4	F	46	65	3	3	0

Lease, Location and Pool: Sholes-Hammond B-13 No. 2, C 13-25-36 Cooper-Jal MCF Per Day Produced: 413 MCF Per Lay Sold: None MCF Per Day Used on Lease: 15 MCF/Day used to pump wells A-11 No. 1 and Sholes B-13 No. 2 MCF Per Day Vented: 398 Daily Oil Production: 32 - F Gas-Oil Ratio: 12,906 Logical Markets: EPNG Distance to Nearest Tie-Ins: 2,500" Cost of Tie-In: \$4,000 Payout: 1.3 years Possible Solutions for Selling Gas: EPNG Tie-In. Present Status of Negotiations: Now being negotiated. Reason for Venting or No Tie-In: No contract - Collecting performance data. Sandfraced 8-5-54. Before test 8-2-54 - 2 barrels oil, Gas TSTM, GUR TSTM. After Test 8-15-54 - 32 barrels oil, 413 MCF, GUR 12,906.

Experience has indicated that the capacity will decline and the economics do not justify an expenditure of \$4,000 to connect this well. Prior to sandfracing, this well was being considered for abandonment.

Lease, Well, Location and Pool: Sholes B-13 No. 2, D 13-25-36, Cooper-Jal MCF Per Day Produced: TSTM MCF Per Day Sold: None MCF Per Day Used on Lease: None MCF Per Day Vented: TSTM Daily Oil Production: 14 barrels - P Gas-Oil Ratio: TSTM Logical Markets: EPNG Distance to Nearest Tie-Ins: 4500' Cost of Tie-In: \$5,000 Reason for Venting or No Tie-In: No contract - No volume.

This information is from the most recent GOR test.

Lease, Well, Location and Pool: Sholes B-19 Lease, 19-25-36, Cooper-Jal

MCF Per Day Produced: 1,323

MCF Per Day Sold: None

MCF Per Day Used on Lease: None

MCF Per Day Vented: 1,323

Daily Oil Production: 49 - F

Logical Markets: EPNG

Distance to Neerost Tie-Ins: 5,000' for well No. 3, well No. 2 already connected.

Cost of Tie-In: \$7,000

Payout: 9 years

Possible Solutions for Selling Gas: Furchaser to increase plant horsepower.

Reason for Venting: Lack of horsepower at E.P.N.G. No. 4 plant for well No. 2. Well No. 3 not under contract. EPNG unable to secure right-of-way to this well.

Well No.	How Produced	BOPD	GOR	MCF/D Produced	MCF/D <u>Flared</u>	Lease <u>Fuel</u>
2	r	13	66,632	1,23 4	1, 234	0
3	F	49	1,817	89	89	0

Lease, Location and Pool: Sholes B-25 Lease, 25-25-36, Cooper-Jal

MCF Per Day Produced: 170.5

MCF Per Day Sold: None

MCF Per Day Used on Lease: None

MCF Per Day Vented: 170.5

Daily Oil Production: 138

Logical Markets: EPNG

Distance to Nearest Tie-Ins: 1,000'

Cost of Tie-In: \$1,500

Reason for No Tie-In: Too sour - Too low GPM - No contract

Wall No.	How Produced	BOPD	GOR	Produced MCF/D	Flared MCF/D
1	F	49	247	12	12
2	F	43	3,188	137	137
3	P	46	520	21.5	21.5

Lease, Well, Location and Pool: Wells A-1 No. 1, M 1-25-36, Cooper-Jal

MCF Per Day Produced: 183

MCF Per Day Sold: None

MCF Per Day Used on Lease: None

MCF Per Day Vented: 183

Daily Oil Production: 39 barrels - F

Gas-Oil Ratio: 4733

Logical Markets: EPNG

Distance to Nearest Tie-Ins: 5,000"

Cost of Tie-In: \$7,500

Payout: 5.6 years

Possible Solutions for Selling Ges: EPNG Tis-In

Reason for No Tie-In: No contract - Due to large volume of water and present decline of production, the economics of tying in this well indicates a long payout.

Lease, Well, Location and Pool: Wells A-11 No. 1, H 11-25-36, Cooper-Jal

MCF Per Day Produced: TSTM MCF Per Day Sold: 0 MCF Per Day Used on Lease: 0 MCF Per Day Vented: TSTM Daily Oil Production: 17 barrels - P Gas-Oil Ration: TSTM Logical Markets: EPNG Distance to Nearest Tie-Ins: 4000' Cost of Tie-In: \$4,300 Reason for No Tie-In: No contract - No volume

This information is from the most recent GOR test.

Lease, Well, Location and Pool: Wells A-12 No. 3, D 12-25-36, Cooper-Jal

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MCF Per Day Produced: TSTM MCF Per Day Sold: 0 MCF Per Day Used on Lease: 0 MCF Per Day Vented: TSTM Daily Oil Production: 15 barrels - P Gas-Oil Ratio: TSTM Logical Markets: EPNG Distance to Nearest Tie-Ins: 3000' Cost of Tie-In: \$3,300 Reason for No Tie-In: No contract - No volume

This information is from the most recent GOR test.

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INLIVILUAL WELL DATA Group, Location and Pool: 18 wells, Eaves Pool, Secs. 19, 30, 31, T.26S, R.37E. Sec. 24, T.26S, R.36E Producing from Yates & Seven Rivers. MCF Per Day Produced: 97 MCFD MCF Per Lay Sold: None MCF Per Day Used on Lease: 76 MCFD used on leases for 13 pumping units MCF Per Day Vented: 21 Daily Oil Production: 592 Logical Markets: EPNG Distance to Nearest Tie-Ins: 10,000' from central point to trunk line Cost of Gathering System and Trunk line. Approximately 3 miles 3" line & 2 miles 4" line @ 5**,600** 3 \$7,600 \$ 34,000 Payout: 46 years Possible Solutions for Solling Gas: Gather gas to central point and transmit to EPNG trunk line.

CONTINENTAL OIL COMPANY

EXHIBIT #2

Reason for Venting or no Tie-In: Too low volume - No contract

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Lease, Location and Pool: Eaves A-19 Lease, Eaves Pool, 19-26-37 NCF Per Day Produced: 76 NCF Per Day Sold: None NCF Per Day Used on Lease: All produced gas is utilized as prime mover fuel NCF Per Day Vented: None

Kell No.	How Produced	DOPD	GOR	MCFD
1	Ţ	46	919	42
2	P	48	TSIM	TSTM
3	P	43	TSTM	TSTM
L,	ą	lşlş.	TSTM	TSTM
5	F	49	308	15
6	P	44	TSTM	TSTM
7	P	46	195	9
8	F	43	224,	9.6

Lease, Location and Pool: Eaves A-30 Lease, Eaves pool, 30-26-37 MCF Per Day Produced: TSTM MCF Per Day Sold: None MCF Per Day Used on Lease: Mone MCF Per Day Vented: TSTM

<u>Well No</u> .	How Produced	BOPD	COR	MCFD
1	P	18	TSTN	TSTM
2	Р	20	TSTM	TSTM
3	P	30	TSTM	TSTM

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Lease, Location and Pool: Eaves B-19 Lease, Eaves pool, 19-26-37

MCF Per Day Produced: 21

MCF Per Day Sold: None

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MCF Per Day Used on Lease: None

MCF Per Day Vented: 21

Well No.	How Produced	BOPD	GOR	MCFD
1	F	48	441	21
2	P	38	TSTM	TSTM

Lease, Location and Pool: Eaves B-30 Lease, Eaves pool, 30-26-37 MCF Per Day Produced: TSTM MCF Per Day Sold: None MCF Per Day Used on Lease: None MCF Per Day Vented: TSTM

Well No.	How Produced	BOPD	GOR	MCFD
1	P	19	TSTM	tstm
2	P	7	TSTM	Tstm

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Lease, Location, and Pool: Eaves B-31 Lease, Eaves Pool, 31-26-37

MCF Fer Day Produced: TSTM

MCF Per Day Sold: None

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MOF For Day Used on Lease: None

MCF Per Day Vented: TSTM

Well No.	Now Produced	BOPD	GOR	HCFD
1	P	10	TSTM	TSTM

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Lease, Location, and Pool: McAllister A-24, Eaves Pool, 24-26-36

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MCF Per Day Produced: TSTM

MCF Per Day Sold: None

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MCF Per Day Used on Lease: None

MCF Per Day Vented: TSIM

Well No.	Row Produced	BOPD	GOR	MID
2	P	17	TSTM	tsim
3	₽	12	TSTM	TSTM

EXHIBIT# 3

CUNTINENTAL OIL COMPANY INDIVIDUAL WELL DATA

Group, Location and Pool: 12 wells, South Eunice Pool, and 3 Farney A-5 wells in the Cooper-Jal Pool, Sec. 22,32, 33, R. 22, T.36., Sec. 5, R.23, T.36 Producing from the Yates and Seven hivers

MCF Per Day Produced: 2,869 (Incl. 296 MCF dry gas for gas lift)

MCF Per Day Sold: None

MCF Per Day Used on Lease: 75

MCF Per Day Vented: 2,794

Daily Oil Production: 235

Logical Markets: El Paso Natural

Distance to Nearest Tie-Ins: 34,000' South to 16" line from central point.

Cost of Gathering & Transmission System: \$161,000

Payout: 7.3 years

Possible Solutions for Selling Gas: Gather to Central Point from Farney A-5, Meyer B-33, State A-32 and Meyer B-22; then transmit to EPNG trunk line thru big inch line or by booster compressor and little inch line.

Reason for Venting or no Tie-In: No contract - Remote location

Group, Location and Pool: 12 wells, South Eunice Pool and Farney A-5 Wells in Cooper-Jal Pool, Sec. 22, 32, 33, R.22, T.36, Sec. 5, R.23, T.36 Producing from Yates & Seven Rivers.

MCF Per Day Produced: 2,869 (Incl. 296 MCF dry gas for gas lift)

MCF Per Day Sold: None

MCF Per Day Used on Lease: 75

MCF Per Day Vented: 2,794

Daily Oil Production: 235

Logical Markets: United Carbon

Distance to Nearest Tie-Ins: B-22- - - - UC = 10,000' Central Point - - - UC 16,000'

Cost of Gathering & Transmission System: \$82,000

Payout: 3.7 years

Possible Solutions for Selling Gas: Gather to Central Point from Farney A-5, Meyer B-33 and State A-32 and transmit to U.C. on State E-17. Gather from s-22 & transmit to U.C. on State E-17.

Reason for Venting or no Tie-In: No contract

Lease, Location and Pool: Meyer B-22 Lease, South Eunice, 22-22-36

MCF Per Day Produced: 306 MCF Per Day Sold: None MCF Per Day Used on Lease: None MCF Per Day Vented: 306 Daily Oil Production: 88 bbls. F Logical Markets: E.P.N.G. and Un. Carb. Distance to Nearest Tie-Ins: E.P.N.G. - 47,000° Un. Car. - 9,000° Cost of Tie-In: E. P. N.G. - \$60,000 Un. Carb. - \$20,000 Payout: E. P. N. G. - 25.6 years Un. Garb. - 8.7 years.

Possible Solutions for Selling Gas: Install gathering system to central point - sell to E. P. N. G. or Un. Carb.

Reason for no tie-in:

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No contract - remote location

Well No.	How Produced	BOPD	GOR	MCFD
2	F	46	2314	107
3	F	42	4738	199

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Lease, Location and Pool: Meyer B-33 Lease, South Eunice Pool, 33-22-36 MCF Per Day Produced: 390 MCF Per Day Sold: None MCF Per Day Used on Lease: None MCF Per Day Vented: 390 Daily Oil Production: 27 barrels Logical Markets: EPNG - United Carbon Distance to Nearest Tie-Ins: E.P. - 34,000', U.C. - 17,000 Cost of Tie-In: EPNG - \$34,000. U.C. - \$17,000* Payout: EPNG - 11.4 years. U.C. - 5.7 years. Possible Solutions for Selling Gas: Install 4" line to sell to EPNG or United Carbon Reason for No Tie-In: No contract - remote location Information from most recent GOR test: Well No. How Produced חסתם 000

HELL NO.	now rroduced	BOPD	uun	MIFU
2	F	27	14,661	3 90

Lease, Location, and Pool: State A-32 Lease, South Eunice, 32-22-36

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MOF Par Day Produced: 502 MOF Par Day Sold: None MOF Par Day Used on Lease: 63 MOF Par Day Vented: 439 Daily Oil Production: 90 Logical Markets: EPNG & United Carbon Distance to Nearest Tic-Ins: (Entire Lee.) E.P. - 41,000', U.C. - 23,000' Cost of Tic-In: E.P. -\$83,000, U.C. - \$32,000 Payout: E.P. - 18 years, U.C. - 7.0 years.

Possible Solutions for Selling Gas: Install gathering system to central point - sell to E.P. or U.C.

Reason for no Tie-In: No contract - remote location

Information from most recent GOR Test:

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Well No,	How Produced	BOPD	GOR	MCFD
1	P	15	TSTM	TSTM
4	F	7	57,081	399
5	P	42	TSTM	TSTM
6	P	27	3843	103

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Lease, Location and Pool: Farmey A-5 Lease, 5-23-36, Cooper-Jal

MCF Per Day Produced: 1671 (Includes 296 MCF gas injected for gas lift)

MCF Per Day Sold: None

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MCF Per Day Used on Lease: 12 - Heater treater and chemical pump on lease Furnished equally by well Nos. 3 & 4.

MCF Per Day Vented: 1659

Daily Oil Production: 30

Logical Markets: E.P.N.G. and Un. Carb.

Distance to Nearest Tie-Ins: E.P.N.C. - 38,500^o Un. Carb. - 20,500^o

Cost of Tie-In: E.P.N.G. - \$79,000 Un. Carb. - \$50,000

Paycut: E.P.N.G. - 6.2 Years Un. Carb. - 3.9 Years

Possible Solutions for Selling Gas: Gather to central point and sell to E.P.N.G. or United Carbon.

Reason for venting or no tie-in:

No contract - remote location.

Information from most recent GOR test

Well No.	How Produced	BOPD C	MCFD OR Produced	Injected MCFD
3	F	9 131	.,150 90 5	
Ĺ;	GL	11 4	,182 402	178
5	GL	10 12	,367 364	118

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Note: Recommendation for pumping units replacing gas lift has been initiated.

EXHIBIT #A

CONTINENTAL OIL COMPANY INDIVIDUAL WELL DATA

Lease, Location and Pool: State E-16 No. 1, South Eunice, 16-22-36 Ave. MCF Per Day Produced: 153 (includes 153 MCFD Gas Lift Gas) Ave. MCF Per Day Sold: 163 MCF Per Day Used on Lease: None MCF Per Day Vented: None Daily Oil Production: 3 barrels - GL Logical Markets: United Carbon Possible Solutions for Selling Gas: United Carbon increase plant capacity to take our casinghead instead of other

Present Status of Negotiations: Pending

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Reason for Venting: Contracted and tied-in but United Carbon periodically venting on pro rata basis as of August 1954.

company's dry gas.

This information is from the most recent GOR tests:

Since submitting this application for exception, venting by the purchaser has ceased

Lease, Location and Pool: State E-17 Lease, South Eunice, 17-22-36

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MCF Per Day Produced: 1407 (includes 439 MCFD Gas Lift Gas)

MCF Per Day Sold: 1578.4*

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MCF Per Day Used on Lease: 12.5

MCF Per Day Vented: 80.1

Daily Oil Production: 26

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Logical Markets: United Carbon

Possible Solutions for Selling Gas: United Carbon increase plant capacity or take our casinghead gas instead of other companies dry gas.

Present Status of Negotiations: Pending.

Reason for Venting: Contracted and tied-in but United Carbon periodically venting on pro-rata basis as of August 1954.

Well No.	Information How <u>Produced</u>	BOPD	GOR	OR Test: Produced MCFD *	Flared MCFD	Lease Fuel	Injected	MCFD <u>Sold</u> *
1 2 3 6	GL GL F GL	6 6 2 12	TSTM TSTM 379,000 18,679	45 177 758 427	31.6 28.5 0 20	0 12.5 0	19 225 0 195	13 .4 136 1022 407

"Note: United Carbon reported average gas sale in best GOR test available.

Since submitting these applications for exception, this venting by purchaser has ceased.

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Lease, Well, Location and Pool: Gates A-27 No. 1, P 27-24-36, Cooper-Jal

MCF per Day Produced: TSTM

MCF Per Day Sold: Exemption erroneously applied for.

MCF Per Day Used on Lease: Gas is contracted and tied-in by EPNG

EXHIBIT #5

Lease, Location and Pool: Elliott B-17 No. 1, A 17-22-37, Penrose - Skelly

MCF Per Day Produced: 28

MCF Per Day Sold: 28

MCF Per Day Used On Lease: None

MCF Per Day Vented: None

Market: Skelly

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Note: At the time application was submitted for exception to Order R-520 for this well, the pressure of the gas at the separator was too low to buck Skelly's 40 pound gathering system pressure. Since then, Skelly has lowered the gathering pressure to 20 pounds and this gas was turned into the Skelly system October 10, 1954.