

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
July 14, 1955

IN THE MATTER OF:

CASE NO. 928

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 14, 1955

IN THE MATTER OF:)
)
)

Application of Continental Oil Company for an)
exception to Rule 303 to permit the commingling)
of oil produced from wells located on its)
Lockhart B-31 lease, Section 31, Township 21)
South, Range 36 East, Lea County, New Mexico,)
into a common tank battery, the wells present-)
ly producing from the Jalmat Gas Pool and the)
South Eunice Oil Pool.)

Case 928

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 928.

MR. KELLAHIN: We have one witness. This is an application
for approval of commingling of oil into a common tank battery, oil
being produced from the Jalmat Gas Pool and the South Eunice Oil
Pool. The situation, as the Commission knows, resulted from the
reclassification of wells located on Continental Oil Company's
Lockhart B-31 lease.

T. B. BOYNTON, JR.

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

DIRECT EXAMINATION

By MR. KELLAHIN:

Q Would you state your name, please?

A T. B. Boynton, Jr.

Q By whom are you employed?

A Continental Oil Company.

Q In what position?

A Petroleum engineer.

Q You have never testified before this Commission before?

A No.

Q What educational qualifications do you have?

A I graduated from Texas Technological College in February, 1948, with a B.S. degree in petroleum engineering.

Q Following your graduation from school, by whom were you employed?

A I was employed by Continental Oil Company during April, 1948, in the capacity of a petroleum engineer and have had that job since.

Q You have been with Continental ever since 1948?

A That is right.

Q As a petroleum engineer?

A I was employed as a trainee and I spent until August, 1949, on a trainee program; since August, 1949, as a petroleum engineer.

Q What is your present position with Continental?

A District petroleum engineer.

MR. KELLAHIN: Are the witness' qualifications acceptable to the Commission?

MR. MACEY: They are.

Q Mr. Boynton, are you familiar with Continental's Lockhart B-31 lease?

A I am.

Q Have you prepared a plat showing the location of the wells on the lease, on the B-31 lease?

A Yes, sir, I have. I have here a plat of the lease showing the locations of the wells and the tank battery.

(Continental's Exhibit No. 1
marked for identification.)

Q Is that exhibit marked as Exhibit No. 1?

A Yes, Exhibit No. 1.

Q That also shows the location of the tank battery?

A Yes, sir.

Q Do you have more than one tank battery on that lease?

A No, sir.

Q Referring to the wells, can you tell me what they were classified as, what pool they were classified as producing from at the time they were drilled?

A From the South Eunice Pool, with the exception of No. 6. It was drilled last year and was placed in the Jalmat.

Q It was drilled subsequent to the adoption of Commission's Order R-520?

A Yes, sir.

Q Do you know what wells on that plat have been reclassified by the Commission?

A Wells No. 1, 5, and 2 have been reclassified.

Q How were they reclassified?

A They were taken from the South Eunice Pool and placed in the Jalmat as oil wells producing from the gas reservoir.

Q There was no change in the completion of the well, or no workovers involved?

A No, sir.

Q Approximately what date were they reclassified?

A Effective April 1st, 1955, I believe.

Q Are all of those wells at the present time producing into the common tank battery?

A They are.

Q By what authority? Did you secure permission from the Commission on a temporary basis?

A We did.

Q Then the present status of the wells, would you just outline to the Commission by number the wells which are Jalmat wells and the wells which are South Eunice wells?

A Wells No. 1, 6, 5 and 2 are Jalmat wells; Wells No. 3 and 4 are South Eunice wells.

(Continental's Exhibit No. 2 marked for identification.)

Q Referring to what has been marked Continental's Exhibit No. 2, Mr. Boynton, would you take Well No. 1 and give us the date of completion and the producing interval in that well?

A It was completed March 21, 1929, the pay was called from 3825 to 3970 feet.

Q Is that measured from the surface?

A That is, yes, sir.

Q What interval is open?

A The well produces from the open hole from 3344 to 3990 feet.

Q Could you give us any information on the production from that well?

A It was completed for initial potention of 250 barrels of oil per day and with 500 MCF of gas and no water. During May the well produced, on May 9th, 1955, it tested with 29 barrels of water;

465 MCF, gas oil ration of 27,353. Its allowable during May was 4 barrels of oil per day.

Q Referring to Well No. 2, would you give us the same information on that well?

A It was completed September 30, 1937. The pay in the open hole was 3788 to 3872. The section opened to production was 3774 to 3872 total depth. It has been recently reclassified as a gas well, May 8, 1955. The test showed it to be making one barrel of oil per day with 2,115 MCF gas, with a trace of water.

Q You say it has been classified as a gas well? It has also been placed in the Jalmat Gas Pool, has it not?

A That is right.

Q Referring to Well No. 3, give us the completion dates and other information.

A It was completed November 17, 1937. It was completed as a shut in gas well. There was difficulty completing the well and it was eventually whipstocked and completed at a total depth of 3967 feet. The pay is from 3790 to 3967 feet.

Q What are the production figures on that well?

A On May the third, 1955, it tested three barrels of oil with 12 barrels of water per day, 58.7 MCF gas, gives a ratio of 1,600 to 1.

Q Referring to Well No. 4, would you give us the same information on that well?

A It was completed November 29, 1938 at total depth of 3874 feet; the open hole from 3796 to 3874. In April, 1953, it was plugged back to 3848 feet and after being acidized with 500 gallons of acid, it was shut in and remains shut in at this time.

Q That well is not now being produced?

A That is correct.

Q Is the well partially completed, then, in the Queen formation?

A Yes.

Q And in the lower feet of the Seven Rivers?

A Yes, sir.

Q Well No. 5, would you give us the information on that well?

A It was completed June 2, 1949, plugged back depth of 3868 feet, through perforation from 3814 to 3864 feet. On May 4, 1955, the test showed it to be making 17 barrels of oil per day and one barrel of water, with 136 MCF per day. The May production was 15 barrels of oil per day and one barrel of water.

Q Referring now to Well No. 6, give us the information on that?

A It was completed the second of February, 1954, total depth of 3780 for an initial potention of 76,000 MCF of gas per day. The pay is in the Seven Rivers, from 3595 to 3780 feet. The May allowable was 6,739 MCF. It produced during May 2,929 MCF gas.

Q With reference to the producing horizon, Mr. Boynton, on these wells, can you say which of the wells are producing from both the Jalmat, or at least are open in both the Jalmat and South Eunice Pools as defined by the Commission?

A Well No. 3 is opened in both Pools.

Q It is open in both Pools?

A Yes.

Q Is that the only one?

A That is the only one.

Q Have you prepared a contour map of this area?

A I have prepared a contour map showing the Lockhart B-31 lease

and offset operators ownership plat.

(Continental's Exhibit No. 3
marked for identification.)

Q Is that contoured to the top of the Yates?

A It is.

Q In your opinion, does the top of the Yates accurately reflect the underlying formations as to the contour intervals?

A The shallow formations, very closely.

Q Your contour interval shown on Exhibit 3 is adjusted to subsea datum?

A It is.

Q In contrast to the figures given on Exhibit 2, which are from the surface?

A That is correct.

Q By reference to Exhibit 3, using the figures in Exhibit No. 2 and adjusting them accordingly, you could determine the subsea depth of the individual completions?

A That is true.

Q Have you figured any costs in connection with the setting of an additional tank battery, Mr. Boynton?

(Continental's Exhibit No. 4
marked for identification.)

A I have. It is labelled Exhibit No. 4, which represents the minimum cost of material to install the tank battery for producing.

Q What would the total cost of another tank battery amount to?

A Approximately \$4300.

Q Considering the production from these wells which you have given, and the cost of setting an additional tank battery, in your

opinion would it be economical for Continental to set another tank battery to take care of the production from the two different Pools?

A No, sir, it would not.

Q The present tank battery has been in use for how long, do you know?

A To the best of my knowledge, since No. 1 well was drilled in 1929, March of 1929.

Q The production into the common tank battery has been in complete conformance with the rules and regulations of this Commission until such time as the Commission reclassified the wells involved here, is that true?

A Yes.

Q Do you have anything further you want to add?

A I believe not.

MR. KELLAHIN: That is all. At this time, I would like to offer Exhibits No. 1 through 4 inclusive.

MR. MACEY: Without objection they will be received. Any questions of the witness? No questions of the witness, the witness may be excused.

(Witness excused.)


MR. MACEY: If nothing further, we will take the case under advisement.

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

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 25th day of July, 1955.



Notary Public, Court Reporter

My Commission Expires:

June 19, 1959.