

BEFORE THE
Oil Conservation Commission

~~SINCE EXTENSION~~
Hobbs, New Mexico
October 17, 1955

Examiner Hearing

IN THE MATTER OF:

CASE NO. 969

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
October 17, 1955

IN THE MATTER OF:

Application of Continental Oil Company for
approval of a 120-acre non-standard gas
proration unit in the Jalmat Gas Pool, to
consist of S/2 SE/4 of Section 20, SW/4 SW/4 } Case No. 969
of Section 21, Township 24 South, Range 37 }
East, Lea County, New Mexico, and to be }
dedicated to applicant's Jack A-21 Well No. }
1, located 660' from the South and West }
lines of said Section 21. }

BEFORE:

Warren W. Mankin, Examiner

TRANSCRIPT OF HEARING

HEARING EXAMINER MANKIN: Proceed with Case 969.

MR. KELLAHIN: Mr. Examiner, I would like to call Mr. Lannen
as a witness in Case 969.

HEARING EXAMINER MANKIN: These gentlemen were all sworn in
previously, were they not?

MR. KELLAHIN: Yes, sir.

R. C. L A N N E N ,

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

DIRECT EXAMINATION

By MR. KELLAHIN:

Q Will you state your name, please?

A Richard Lannen.

Q Will you spell that for the record?

A L-A-N-N-E-N.

Q Were you sworn in this case, Mr. Lannen?

A Yes.

Q By whom are you employed?

A Continental Oil Company.

Q And what is your position?

A District Engineer, Eunice District.

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

A No, sir.

Q What education do you have as an engineer, Mr. Lannen?

A I am graduated from New Mexico School of Mines in 1951 as petroleum engineer and have been employed by Continental Oil Company for the past four and a half years.

Q What degree did you secure from School of Mines?

A Petroleum Engineer.

Q BA?

A Bachelor of Science in Petroleum Engineering.

Q When did you go to work for Continental?

A June, 1951.

Q In what capacity have you worked for Continental?

A Production engineer, field engineer and at present, district engineer.

Q And where are you located at the present time, Mr. Lannen?

A Eunice, New Mexico.

Q And how long have you been in that position?

A Three months.

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

HEARING EXAMINER MANKIN: They are.

Q Are you familiar with Continental's application in Case 969?

A Yes, sir.

Q Will you state what that covers?

A It covers an application to the New Mexico Oil Conservation Commission by Continental Oil Company for enlargement of a present non-standard 40-acre gas unit to a non-standard 120 acre unit in the Jalmat Gas Pool to consist of the southwest quarter of the southwest quarter of Section 21, Township 24 South, Range 37 East, and the south half of the southeast quarter of Section 20, Township 24 South, Range 37 East.

Q Have you prepared an exhibit showing that location, Mr. Lannen?

A Yes, sir.

(Marked Continental Oil Company Exhibits
Nos. 1 through 4, for identification.)

Q Referring to Exhibit Number 1, will you state what that is?

A Exhibit Number 1 is the location and ownership plat, with the boundaries of the proposed unit enclosed in red, and the proposed unit gas well encircled in red. The location printed on the map and the boundary of the offset unit encircled in green and the offset gas wells in green.

Q Now, referring to the offset gas wells, Mr. Lannen, is there gas production in the vicinity of the proposed unit?

A Yes, sir, the proposed unit is practically surrounded by gas wells.

Q Is there production to the north?

A Yes, sir, there is production to the north of the proposed

unit on Jack A-20 Lease No. 4; there is production to the northeast of the Texas Black Number 2; and on the east from the El Paso Natural Gas Company Shell-Blake No. 2; to the south on the Stanolind's Woolworth No. 4 and on the south by the Continental Jack A-29 No. 3.

Q Now, I notice you didn't mention west. Referring to Exhibit Number 2, would you state to the Commission what that shows?

A Exhibit Number 2 is a structure plat with all the surrounding gas wells encircled in green; the proposed unit encircled in red and colored in yellow. Based on these surrounding gas wells, this acreage is assumed to be reasonably productive of gas. The Loite Oil Company Louis Thomas No. 1, located to the northwest of the proposed acreage is located below contour, plus 400, which is -- which runs across the proposed acreage, and to the south, the Continental Jack A-29 Number 3 is located structurally lower than the proposed acreage in the unit.

Q And on that basis, would you say that the acreage which you seek to assign to this well may be reasonably presumed to be productive of gas?

A Yes, sir.

Q Now, referring to Exhibit Number 3, Mr. Lannen, will you state what that is?

A Exhibit Number 3 is a radio-activity log of the Jack A-21, No. 1, which is a proposed unit gas well.

Q What does it show in regard to that well?

A It shows the zone in which the well is producing, which is in the Yates, in the Jalmat Gas Pool.

Q And would you state what portion of the hole is open?

A The zone from 3,000 to 3,200.

Q Is that open-flow or perforated?

A It is perforated in five and a half inch casing.

Q Does that area that is open lie wholly within the vertical limits of the Jalmat Gas Pool?

A Yes, sir.

Q Does the surface area which you propose to dedicate to that well lie wholly within the Jalmat Gas Pool?

A Yes, sir.

Q Now, referring to Exhibit Number 4, will you state what that shows?

A Exhibit Number 4 is a back pressure test on the Jack A-21, No. 1, and shows a calculated complete openflow potential of 2200 MCF per day, and deliverability at 600 pounds at 985 MCF per day. A deliverability at 150 pounds of 2130 MCF per day, with the four hours shut-in pressure of 819.2 pounds per square inch absolute.

Q Attached to Exhibit Number 4, you have the manner in which these figures have been calculated?

A Yes, sir, we have deliverability curve, and calculated open-flow potential.

Q Does this well produce any liquids?

A No, sir.

MR. KELLAHIN: I move for the introduction of Exhibits No. 1 through 4, inclusive.

HEARING EXAMINER MANKIN: Is there any objection to the entering of Exhibits 1 through 4 inclusive, in this case? If not, they will be so entered.

Q Now, referring back to your Exhibit No. 2, Mr. Lannen,

there appears to be two wells, Number 6 and your Number 2 on that plat. Will you state what the present situation is as to Well No. 6?

A Yes, sir. Well Number 6 is presently shut in and not producing. It has been shut in for the past several years.

Q And in what formation was it completed?

A The Well Number 6 is open in the Queen and the Seven Rivers. Casing is set on the top of the Seven Rivers, leaving part of the vertical limits of the Jalmat Gas Pool open.

Q You say a part of the vertical limits of the Jalmat?

A Yes, sir.

Q Is open in the Number 6 Well?

A Yes, which is not producing, is a shut-in.

Q And what part of it is open?

A The Seven Rivers.

Q Now, referring to Well Number 2. Would you state what the present situation is as to that well?

A The Number 2 is completed in a similar manner. The casing is set at the top of the Seven Rivers; and the Seven Rivers which is within the vertical limits of the Jalmat Gas Pool is open to production.

Q Is the well producing at the present time?

A Yes, the well is producing four barrels of oil per day, and twenty-two -- an average of 22.8 gas per day. For the gas-oil ratio information, 5714, producing by gas-lift.

Q Is that high pressure gas?

A No, sir.

Q Will you state what the pressure on that well is?

A The flowing tubing pressure is 25 pounds, and the shut-in

casing pressure is approximately 100 pounds.

Q Now, what portion of the Jalmat Gas Pool is open in that area -- in that well?

A The upper part of the Seven Rivers.

Q Are you familiar with the characteristics of the upper part of the Seven Rivers in that area?

A Yes, sir.

Q And what are they?

A It is a rather dense dominant lime which is not considered productive in that locality.

Q Have you made a study of this particular well.

A Yes, sir.

Q In your opinion, is it productive of oil from vertical limits of the Jalmat Pool?

A No, sir.

Q Is it productive of gas from the vertical limits of the Jalmat Pool?

A In the Number 2 Well?

Q Yes.

A No, sir.

Q Now, based upon your study of the potentials, and openflow characteristics of the Jack A No. 21 Well, in your opinion, would it make allowables to be assigned to 120 acres in the Jalmat Pool, in the event this application is approved?

A Definitely, yes, sir.

MR. KELLAHIN: That is all. Do you have anything you want to add, Mr. Lannen?

A No, sir.

HEARING EXAMINER MANKIN: Mr. Lannen, on the Well No. 2, the Jack A-21 Well No. 2, you indicated it was not productive of gas or gas production from the vertical limits of the Jalmat Pool, but you did indicate it was oil productive. From what zone do you --

A The Queen Formation is open.

HEARING EXAMINER MANKIN: Which is it, which pool?

A That is the Langlie-Mattix Oil Pool.

HEARING EXAMINER MANKIN: How is that well presently classified?

A It is a Langlie-Mattix Oil Pool Well.

HEARING EXAMINER MANKIN: Are there any questions of the witness? If not the witness may be excused.

(Witness excused.)

HEARING EXAMINER MANKIN: Are there any statements in this Case 969?

MR. KELLAHIN: If the Commission Examiner please, that completes the presentation of the three cases. I don't believe it is necessary to add anything to it, particularly in view of the lateness of the hour.

HEARING EXAMINER MANKIN: We will take the case under advisement.

STATE OF NEW MEXICO)
 : SS
COUNTY OF BERNALILLO)

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

DATED at Albuquerque, New Mexico, this 31st day of October, 1955.

Amado Trujillo
ADA DEARNLEY & ASSOCIATES Court Reporter
STENOTYPE REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691