

BEFORE THE
OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
JULY 25, 1956

IN THE MATTER OF:

CASE 1112: Application of Continental Oil Company for approval of a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order authorizing a 400 acre non-standard gas proration unit in the Eumont Gas Pool composed of the W/2 and W/2 of the E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico; said unit to be dedicated to applicant's Britt "B-15" Well No. 3 located 1980 feet from the South line and 330 feet from the West line of said Section 15.

BEFORE:

Mr. Daniel S. Nutter, Examiner.

P R O C E E D I N G S

MR. NUTTER: The next case on the docket is 1112.

MR. GURLEY: Application of Continental Oil Company for approval of a non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for the Eumont Gas Pool as set forth in Order R-520.

(Witness sworn.)

E. V. BOYNTON,

a witness on behalf of the applicant, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q State your name, please. A E. V. Boynton.

Q Are you the same E. V. Boynton who testified in cases 1110 and 1111? A I am.

MR. KELLAHIN: Are the witness' qualifications acceptable, Mr. Examiner?

MR. NUTTER: They are.

Q Are you familiar with the application in Case 1112, Mr. Boynton? A Yes, sir.

Q What is proposed to be done in that application?

A It is proposed to increase the present 320 acre proration unit to 480 acres.

Q To what well would that then be dedicated?

A To the No. 3.

Q Britt "B-15" Well No. 3? A That is correct.

Q Now, have you prepared an exhibit showing the ownership of the proposed unit?

A I have. It is an ownership structure contoured on top of the Yates Formation.

Q Exhibit No. 1?

A Exhibit No. 1, Case 1112. It shows the present proration unit outlined with the red dash line and proposed outlined with a solid line; subject well is encircled with red and offset proration units outlined in green, with offset gas wells encircled in green.

Q Where is the Britt "B-15" No. 3 located?

A 330 feet from the West line and 1980 feet from the South line, Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

Q Is there any other producing gas wells on the acreage which is proposed to be included in the acreage?

A No other producing, no.

Q Is there any other producing gas wells in that section?

A No, sir.

Q Is there any reason, Mr. Boynton, that it is not practical to create a unit of the E/2, E/2 and W/2 of the E/2?

A There is no -- the E/2 of the E/2 of that section is included in the Southeast Monument Unit; would be extremely difficult to communitize the E/2 of Section 15.

Q For that reason, you propose to include the W/2 of the E/2 in the expanded unit, is that correct? A That is correct.

Q Now, does Exhibit No. 1 show the structure contours of any formation? A It does.

Q What is that?

A On top of the Yates Formation.

Q Now, would you describe briefly the offsetting units and acreage dedicated to them? Is that on Exhibit No. 1?

A It is., Continental owns the acreage to the north and east and to the southeast of the proposed unit. In Section 14, we have 320 acres assigned to the Skaggs "B-14" No. 1. Amerada owns the 160 acres immediately west of the well, and Stanolind offsets the well to the south and southwest.

Q Getting back to this Skaggs No. 1, you said you expect to apply for a 430 unit; what would that include?

A West half of Section 14, 20S, 37E, and E/2 of the E/2 of Section 15.

Q And at which time, if that were approved and this were approved, all that acreage there would be then included within a unit?

A Yes.

Q Is it at the present time? A No.

Q Now, have you recently completed any wells offsetting this acreage? A Yes, sir.

Q With what results, Mr. Boynton?

A We recently completed the Skaggs "B-14" No. 1 east of the subject well, and the Britt "B-10" No. 3, which is northeast; those wells were completed for about 4,000,000.00 cubic feet of gas per day.

Q How do they compare to the Britt "B-15" No. 3 Well?

A It is approximately the same.

Q On that basis, is it reasonable to assume that all of the acreage which you propose to dedicate to the Britt "B-15" No. 3 Well is productive of gas? A It is.

Q Did you say those wells are approximately the same on structure?

A I didn't say that. I said the producing interval was approximately the same.

Q I will restate my question, then. How does the completion

depth of those wells compare with regards to structure?

A The Britt "B-15" No. 3 Well is considerably higher than any of the recent completions, approximately 75 to 100 feet.

Q How many?

A Seventy-five to one hundred feet.

Q Higher on the structure? A Yes.

Q On that basis, you would then assume that the acreage is productive of gas? A That's right, yes.

Q Now, you have available a radioactive log of the Britt "B-15" No. 3 Well?

A I do. I have a reproduction of the radioactive log.

Q Is that marked as Exhibit No. 2?

A Exhibit No. 2, prepared under my supervision, and it is essentially the same as the original log; shows the top of the various formations, completion interval of the Britt "B-15" No. 3.

Q What is the interval of total production?

A It's 3390 to 3590.

Q Is that wholly within the vertical limits of the Eumont Gas Pool? A It is.

Q Now, you have a record on the deliverability of the No. 3 Well?

A I do, yes, sir.

Q Is that marked as Exhibit No. 3? A Yes, sir.

Q Case 1112; and what does that show?

A It shows that the deliverability at the time the well was completed was 6,000,000.00 -- 6,500,000.00, and at 600 pounds, it

would deliver 4,733 MCF per day.

Q On the basis of that report, in the event the 480 acre unit were granted, could the well make its allowable?

A It can, yes.

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

A Exhibits Nos. 1 and 2 were prepared under my direction; No. 3 was prepared in 1949, but I believe it to be essentially correct.

Q That was prepared prior to your being located here?

A Yes, sir.

Q Is that a report which ordinarily is kept in the course of business of Continental Oil Company? A Yes, it is.

Q Taken from the files of the company here?

A That is correct.

MR. KELLAHIN: We offer in evidence Exhibits 1, 2, and 3 in Case 1112.

MR. NUTTER: Is there any objections to the introduction of these exhibits in this case? If not, they will be received.

MR. KELLAHIN: That is all the questions I have of the witness.
BY MR. NUTTER:

Q Mr. Boynton, what did you say the E/2 of the E/2 of that is dedicated to?

A It isn't dedicated at the present.

Q Didn't you say it belonged to some Monument --

A Southeast Monument. This is some which we operate for ourselves

and three partners.

Q And this well that is in the SW/4 of Section 14, what acreage is dedicated to it?

A At present it is 320 acres.

Q The W/2 of Section 14?

A That's correct.

Q That is going to leave the E/2 of that Section without dedication to any well, isn't it?

A Well, no, sir. We have applied for the E/2 of the E/2 of the Section to be assigned to the well in Section 14.

Q I see. Another thing, when you mentioned the perforated interval, as shown on the log, Exhibit No. 2, I think you said 3390 to 3590?

A That is approximate depth, yes, sir -- oh, I beg your pardon. About 3370.

Q To 3585?

A That's right.

MR. NUTTER: Does anyone else have any questions of the witness?

BY MR. REEDER:

Q Mr. Boynton, I don't believe I understood your answer to the question of the reason for this unit creation, or the increase in the size of this unit from its present 320 acres to the proposed 430 acres.

A The reason for the increasing the acreage is to increase the allowable of the well.

Q You believe it will drain the acreage to be dedicated to it?

A I think so, yes.

Q Would it have any adverse effect to any acreage offsetting it?

A I don't see how they can if they keep their wells to the top allowable; as long as they are willing to produce at the top allowable, they get their fair share of the gas.

Q Is there a gas well draining State acreage in the NE/4 of Section 16?

A I don't believe there is.

BY MR. GURLEY:

Q Isn't it a fact, Mr. Boynton, that it will be forcing the people that own the NE/4 of Section 16 to drill a gas well in order to obtain their fair share of the gas?

A Well, no more than they are already forced.

Q In other words, you think they would have been forced on the original granting of the 320 in the same manner?

A I think so.

Q Except that now you are getting 480 acres, if this is allowed, 480 acre allowable, where you were just drawing 320?

A That is true.

Q A little more force in this case? A Increased force.

MR. NUTTER: Does this well presently have a pipeline connection?

A That's right.

MR. NUTTER: It is over produced?

A It is over produced.

Q (By Mr. Gurley) When was this well drilled?

A 1938, I believe.

Q And it was converted or drilled back, plugged back, to a gas well -- that is going to look good on the record -- plugged back to a gas well at what time?

A 1949, I believe. I don't have the exact time.

MR. GURLEY: I see.

MR. NUTTER: Does anyone else have any further questions of the witness?

BY MR. KELLAHIN:

Q Mr. Boynton, in response to a question by Mr. Reeder, you said the reason for asking for the increase was to increase the allowable; there is a further reason in regards to the problems of communitization of the E/2 of that Section?

A Well, we have no well to assign the W/2 of the E/2 of that Section, and it would remain undedicated.

Q And would there be any difficulty in communitizing the W/2 of the E/2 and the E/2 of the E/2?

A Yes, sir, there would.

Q Because of this --

A Southeast Monument.

Q -- Southeast Monument Unit?

A Yes, sir.

Q In regards to this question of drainage, Mr. Boynton, you presently have 320 acres dedicated to the well; how long has that existed?

A Since proration.

Q In your opinion, is that formation sufficiently porous that

anyone that produces the top allowable, they will produce their fair share without drainage?

A I believe that to be true.

MR. GURLEY: In response to Mr. Kellahin's question, what do you mean if anyone would produce their wells at top allowable?

MR. KELLAHIN: Do you want me to explain it?

MR. GURLEY: Yes. I didn't understand your question.

MR. KELLAHIN: I asked him if the formation was of such a nature that anyone who produces will get their fair share according to the acreage.

MR. NUTTER: In other words, are most of the wells in the area top allowable wells for their acreage?

MR. KELLAHIN: That was the way you understood the question, was it not, Mr. Boynton?

A That is true.

MR. KELLAHIN: And that was the basis for your answer?

A Yes.

MR. NUTTER: Does anyone else have any further questions of the witness in this case?

MR. KELLAHIN: I will now offer the exhibits.

MR. NUTTER: The record will show that if there is no objection the exhibits will be accepted.

Is there anything further in this case?

MR. ABBOTT: W. G. Abbott, Amerada Petroleum Corporation.

We object to this proposed increase in acreage from 320 to 480

acres; we have the state lease west of this, offsetting this No. 3 Well. Their well is 330 feet from our leaseline, and we feel that Rule R-520 should be the guidance in this, which says the maximum acres for a well in this location should be 320 acres.

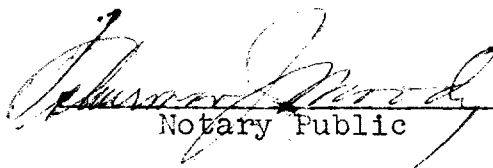
MR. NUTTER: Is there any further statements to be made by anyone? If not, we will take the case under advisement.

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STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

I, THURMAN J. MOODY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings was reported by me in stenotype and later reduced to typewritten transcript by me and/or under my personal supervision, and that same is a true and correct transcript to the best of my knowledge, skill and ability.

WITNESS MY HAND AND SEAL, this, the 7th day of August, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


Notary Public

My Commission Expires:

April 3, 1960.