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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION HOBBS, NEW MEXICO

CASE NO. 1153

TRANSCRIPT o f PROCEEDINGS

SEPTEMBER 26, 1956

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

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION HOBBS, NEW MEXICO SEPTEMBER 26, 1956

IN THE MATTER OF:

CASE NO: 1153: Application of Continental Oil Company for an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5 (a) of the Special Rules and Regulations for said pool as set forth in Order R-520. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SE/4 of Section 10 and the SW/4 of Section 11, Township 20, South, Range 37 East, Lea County, New Mexico. Said unit to be dedicated to Applicant's Britt "B-10" Well No. 3 located 660 feet from the South and East lines of said Section 10.

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT o f PROCEEDINGS

MR. NUTTER: The hearing will come to order. The next case on the Docket is 1153.

MR. COOLEY: Application of Continental Oil Company for an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool in exception to Rule 5(a) of the Special Rules and Regulations for said pool as set forth in Order R-520.

MR. KELLAHIN: Jason Kellahin, representing Continental Oil Company. I would like to call Mr. Boynton as a witness.

(Witness sworn.)

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E. V. BOYNTON

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a witness, called 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 By whom are you employed?

A Continental Oil Company.

Q In what position? A District Engineer.

Q Have you testified before the Oil Conservation Commission in the past and had your qualifications accepted?

A I have.

MR. KELLAHIN: Are they accepted?

MR. NUTTER: They are.

Q Mr. Boynton, are you familiar with the application in Case 1153? A Yes, I am.

Q What is proposed under that case?

A It is proposed to enlarge the present gas proration unit which includes the Southeast Quarter of Section 10, Township 20 South, Range 37 East, to include the Southwest Quarter of Section 11, Township 20 South, Range 37 East.

Q What well would that acreage then be dedicated to?

A The acreage would be dedicated to the Britt "B-10" No. 3 Gas Well.

Q Where is the Britt "B-10" located?

A 660 from the South and East lines of Section 10, Township 20 South, Range 37 East.

Q Referring to what is marked for identification as No. 1, Mr. Boynton, what does that show?

A Exhibit No. 1 is an ownership plat on which have been drawn contours on top of the Yates Formation; it shows the present proration unit, and the proposed proration unit outlined in red. It also shows the offset proration units and offset gas wells circled in yellow.

MR. NUTTER: Do you have some extra copies of those exhibits?

A Excuse me. Yes, I do.

Q Now, referring to the contours shown on that Exhibit, Mr. Boynton, what does that reflect as to the location of the well?

A The contours show that the Britt "B-10" No. 3 Well is located in the Southeast Quarter of Section 10, and that the western and eastern extremity of the proposed gas unit are higher structurally than the well location.

Q Was there any acreage in Section 10 that could be attributed to that well not now dedicated to a unit?

A No.

Q Referring to what has been marked for identification as Exhibit No. 2, what is that?

A Exhibit No. 2 is a radioactive log of the Britt "B-10" No. 3, upon which have been drawn the perforation tops and the interval open to production as shown in blue.

Q Where is the well completed?

A In the Lower Queen, or Penrose Formation.

Q Now, referring to what has been marked as Exhibit No. 3, Mr. Boynton, what is that?

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A Exhibit No. 3 is a calculated open flow potential of the gas well taken on June 2nd, 1956; it shows it to be 4,250,000 cubic feet per day with a deliverability at 600 pounds of 2,860,000 cubic feet per day; this is also a graphic illustration of the open flow potential and the deliverability of the well. This illustrates that the well will produce for the proposed 320-acre proration unit.

Q Would it make the allowable of a 320-acre unit at the present rates?

A Yes, sir, it will.

Q Now, in your opinion, Mr. Boynton, will the Britt "B-10" Well No. 3 effectively drain the acreage proposed to be dedicated to it? A It will, yes.

Q May all that acreage be reasonably presumed to be productive of gas?

A Yes. That was illustrated on Exhibit No. 1 from the structural position of the well.

Q Is it lower than the remaining portion of the lease? A It is.

MR. KELLAHIN: That is all the questions I have.

MR. NUTTER: What does the cross-hatched area on Exhibit

1 indicate?

A That indicates acreage operated by Continental Oil Company. MR. NUTTER: Does anyone have any questions of the witness? MR. KELLAHIN: I would like to offer in evidence Exhibits

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1 through 3, inclusive.

MR. NUTTER: Without objection they will be received. Does anyone have anything further in this case, any statements? If not, the witness may be excused and we will take the case under advisement.

MR. KELLAHIN: May I add something to this? Mr. Boynton, is the acreage proposed to be dedicated to this well included in one basic lease, or --

A No, the Southwest Quarter of Section 11 is divided into 240-acre tracts, being the H. M. Britt on the west, and the J. M. Skaggs on the east.

Q (By Mr. Kellahin) Has the United States Geological Survey given approval to the pooling of those leases for the purpose of forming a unit? A Yes.

Q Referring to Exhibit No. 4, what is that?

A A letter from John A. Anderson, Regional Oil and Gas Supervisor, stating until the communitization procedures are consumated, they have no objection to our forming a 320 acre gas proration unit consisting of the Britt and Skaggs leases.

Q Where is the original of that letter?

A In our files in Roswell, New Mexico.

MR. KELLAHIN: I would like to offer in evidence Exhibit

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No. 4.

MR. NUTTER: Without objection it will be received. Any extension of the acreage in this proration unit will be contingent upon receipt of the communitization affidavit.

If there is nothing further in this case, we will take it 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 before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct transcript to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal, this, the 8th day of October, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

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My Commission Expires: April 3, 1960.