

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO

CASE NO. 1216

TRANSCRIPT OF HEARING

FEBRUARY 27, 1957
DEARNLEY-MEIER AND ASSOCIATES
COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
HOBBS, NEW MEXICO
FEBRUARY 27, 1957

IN THE MATTER OF: :

CASE NO. 1216: Application of Continental Oil Company for a :
320-acre non-standard gas proration unit in :
the Jalmat Gas Pool in exception to Rule 5 :
(a) of the Special Rules and Regulations for :
said pool. Applicant, in the above-styled :
cause, seeks an order approving a 320-acre :
non-standard gas proration unit in the Jal- :
mat Gas Pool consisting of the N/2 of Sect- :
ion 17, Township 24 South, Range 37 East, :
Lea County, New Mexico. Said unit to be :
dedicated to applicant's Jack "B-17" Well :
No. 3 located 990 feet from the North and :
East lines of said Section 17. :

BEFORE:

Warren W. Mankin, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. MANKIN: Next and last case on the docket today is
1216.

MR. COOLEY: Application of Continental Oil Company for a
320-acre non-standard gas proration unit in the Jalmat Gas Pool in
exception to Rule 5 (a) of the Special Rules and Regulations for
said pool.

MR. KELLAHIN: Jason Kellahin representing Continental
Oil Company. We have one witness, Mr. Lannen. We ask that he be
sworn, please.

(Witness sworn.)

R. C. LANNEN

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please? A Richard Lannen.

Q By whom are you employed, Mr. Lannen?

A Continental Oil Company.

Q What is your position with Continental Oil Company?

A District Engineer, Eunice District.

Q Have you testified previously before this Commission as an expert and had your qualifications accepted? A Yes, sir.

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

MR. MANKIN: Yes.

Q (By Mr. Kellahin.) Mr. Lannen, are you familiar with the application which has been filed in Case No. 1216?

A Yes, sir.

Q And what does that cover?

A Well, it covers Continental Oil Company Jack B-17 No. 3, located 990 feet from the north line and 990 feet from the east line, Section 17, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, which is presently producing for a 160-acre gas allocation in the Jalmat Pool. The NE/4 of this Section 17, Township 24 South, Range 37 East, the application requests an enlargement of this acreage to 320-acre.

Q Could you give the Commission a brief history of the Jack "B-17" Well No. 3?

A The Jack "B-17" No. 3 was drilled as a Jalmat gas well total depth 3,050 feet, completed on 8/25/51 for IP of 6,000 MCF gas per day. With a shut-in pressure of 1162 psia, the cumulative gas production to January 1st, 1957 was 1,415,888 MCF. Proration status of December 31st, 1956 was 51,511 MCF overproduced.

Q Now, in connection with the application, you are asking that the north half of Section 17 be dedicated to the well. Is the north half of Section 17 common ownership?

A Yes, sir, it is common Federal -- ownership and common royalty.

Q On referring to what has been marked as No. 1, Mr. Lannen, what does that show?

A Exhibit No. 1 is a location and lease ownership plat showing presently established gas unit for the Jack "B-17" No. 3 circumscribed in yellow. And the proposed 320-acre unit circumscribed in red with the Jack "B-17" Well no. 3 circled in red, offset wells and acreage allocation circumscribed in green. The Jack "B-17" lease contains two other wells, 1 and 2 located SW/4 and NW/4 NW/4 Section 17. And they are located on this plat. Both of these wells are Langlie-Mattix Pool oil wells. Based on the surrounding gas wells and their acreage allocations, it is readily shown that the NW/4 of Section 17, the unallocated acreage, is productive of gas from the Jalmat Pool.

Q Now, referring to what has been marked for identification as Exhibit No. 2, state what that is.

A Exhibit No. 2 is radioactivity log of the Continental Oil Company - Jack "B-17" No. 3, showing total depth, casing point, producing interval, and formation tops. From this exhibit it is shown that the Jack "B-17" No. 3 Well is producing from within the vertical limits of the Jalmat Pool only.

Q Now, Mr. Lannen, in the event that the Commission should approve this application, is it your opinion that the Jack "B-17" Well No. 3 would be capable of draining and producing the gas underlying the proposed unit?

A Yes, sir.

Q Could it make an allowable to be assigned to 320 acres?

A Yes, sir.

Q You have cumulative figures on production of that well for the past year?

A Yes, sir, month by month.

Q And --

A These cumulative figures are actually, they are produced figures, taken by El Paso. They fluctuate from month to month, but as can be shown by them, I will read them off, and it is, they will show that the well is capable of producing for 320-acre allocation; in January, 1956, take was 5,825 MCF, in February, 52,229 MCF, in March, 21,778 MCF, April, 14,665, May, 32,680, in June, 13,596, July, 34,285, August, 19,546, September, 11,571, October, 42,976, November, 6,445, December 12,117. The takes by El Paso fluctuates

very radically, but as indicated by February production, May production, July's production and October's production, the well is capable of producing a 320-acre gas allocation.

Q In your opinion, is all of the north half to be reasonably presumed to be productive of gas? A Yes, sir.

MR. KELLAHIN: That is all the questions.

MR. MANKIN: Mr. Lannen, do you have any knowledge whether the Jack 1 and 2 on the NW/4, Section 17 showed gas production when drilled through the Yates?

A Well, they were drilled with rotary tools and the hole was mudded up, there were no drill stem tests of the well, so there is no definite indication that they were gas productive, based on the surrounding allocations permitted by the Commission, why, the area is presumed to be gas productive.

MR. MANKIN: That was my next question. The wells to the north and west, north and south are likewise producing from the same area, and you could reasonably assume that the entire north half would be gas productive? A Yes.

MR. KELLAHIN: We would like to offer in evidence Exhibits 1 and 2.

MR. MANKIN: Is there objection to entering Exhibits 1 and 2 in this case? If not, they will be so entered.

MR. KELLAHIN: That is all we have.

MR. MANKIN: Are there any further questions of the witness? If there are no further questions of the witness, the witness

