

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 23, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company for a 400-)
acre non-standard gas proration unit. Applicant)
in the above-styled cause seeks the establishment)
of a 400-acre non-standard gas proration unit in) CASE
the Eumont Gas Pool comprising the W/2 W/2 of) 2187
Section 22, all in Township 20 South, Range 37)
East, Lea County, New Mexico. Said unit is to be)
dedicated to the SEMU Eumont Well No. 65, located)
2363 feet from the South line and 0 feet from the)
West line of said Section 26.)

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2187.

MR. PAYNE: Case 2187: Application of Continental Oil
Company for a 400-acre non-standard gas proration unit.

MR. KELLAHIN: Jason Kellahin of Kellahin and Fox, Santa
Fe, New Mexico, appearing for the applicant. If the Examiner,
please, we will have one witness in this case and who will also
testify in cases 2190 and 2191. If we could have them called in
that order and then call 2188, it might save a little time.

MR. UTZ: Case 2190 and 2191?

MR. KELLAHIN: Just as to the order; I don't want to
consolidate the cases.



MR. UTZ: You want to skip 2188 and 2189 for time being?

MR. KELLAHIN: If the Examiner please, the letter was written, and I would like to move for a dismissal of Case 2189.

MR. UTZ: If there is no objection, Case 2189 will be dismissed.

(Witness sworn.)

MR. UTZ: Any other appearances in this Case? You may proceed.

EDWIN R. ANDERSON,
called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Edwin R. Anderson.

Q By whom are you employed and in what position?

A For Continental as a Production Engineer.

Q Where are you located?

A In Roswell, New Mexico.

Q Have you previously testified before the Oil Conservation Commission as a Petroleum Engineer and had your qualifications as a matter of record?

A Yes, I have.

MR. KELLAHIN: Were the qualifications acceptable?

MR. UTZ: Yes sir, they are.



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Q (By Mr. Kellahin) Are you familiar with the application of Continental in Case 2187?

A Yes sir.

Q Would you state what is proposed in this application?

A We propose to expand the presently non-standard proration assigned to No. 2165 expanded to include the 80 acres consisting of the East Half of the Southeast Fourth of Section 22, Township 20 South, Range 37 East.

Q Have you prepared the plat showing the area involved?

A Yes, I have.

(Marked Applicant's Exhibits
Numbers 1 & 2 for identification.)

Q Referring to what has been made as Exhibit Number 1, would you discuss the Exhibit?

A Exhibit Number 1 is an ownership plat. That can be seen at the East Half of the Southeast Quarter of Section 22 and is not presently dedicated for Eumont Gas Production. It is surrounded by Eumont Gas Wells and therefore reasonably assumed to be productive of gas. In order to allege it for production, Continental has applied for an expansion of the two 100 non-standard gas proration units established by Commission Order R-714 which is assigned to the SEMU Well No. 65, formerly the Meyer B-26 No. 1 and want to establish this unit to include the East Half of the Southeast Quarter of Section 22.

Q What does the cross-hatched area signify on that plat?



A The cross-hatched area signifies Continental operated acreage.

Q Is all the acreage which you propose to dedicate, on the No. 65, located in the Southeast Monument Unit?

A That's right.

Q Is there any other well to which the acreage; that is, the East Half of the Southeast Quarter of Section 22 could be dedicated too?

A Yes, there are other wells that could be dedicated.

Q For what reason do you not desire to make that type of a dedication?

A Well, to assign to any of the -- well, to any compensation without acreage without the Southeast Monumental Unit would complicate our accounting procedures.

Q I believe you stated that all the acreage offsetting the unit is dedicated to Eumont production?

A It is presently dedicated to Eumont production.

Q Referring to what has been marked for identification as Exhibit 2, would you discuss that Exhibit?

A Exhibit Number 2 is a four-point back pressure test taken on the SEMU Eumont Well No. 65, and from this test, you can -- the calibrated differentiability at 250 pounds per square inch back pressure, is 2,000 MCF of gas per say. This 250 pounds is the line pressure in the area. The 1960 daily Eumont gas allowable for a ~~400-acre non-standard was 383 MCF of gas per day.~~



Q On the basis of that, would well No. 65 produce enough gas for a 400-acre unit?

A It would be capable of using it, yes sir.

Q In your opinion, is the Pennsylvanian productive of gas from the Eumont?

A Yes sir.

Q On what do you base that?

A It is surrounded by Eumont gas wells in all directions.

Q In your opinion, would the granting of the application be in the interest of in any way protecting the relative rights; that is, to be dedicated on to any well at the time of Eumont?

A No sir.

Q Were Exhibits 1 and 2 prepared by you or under your supervision?

A Under my supervision.

MR. KELLAHIN: At this time, I would like to enter Exhibits 1 and 2 in the record.

MR. UTZ: Without any objections, Exhibits 1 and 2 will be entered in this Case.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Anderson, What is the completion interval of oil wells in Sections 23 and 22? Are those Eumont Oil Wells or some other Pool?

A In sections 23 and 22?



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Q Yes sir?

A In Section 22, there are two Eumont Oil Wells, and there is one -- I am not sure of the interval of completion.

Q Which?

A This No. 5 Well is Pan American acreage.

Q Yes sir, is that Eumont Oil?

A No sir, No's. 4, 7 and 22 are Eumont gas wells. I am not sure about the No. 5 Well, but I can get that information if you need it.

Q The only thing that I would like to know if it's a Eumont or completed in some other Pool. How about the oil wells in Section 23?

A There are no other Eumont oil wells or gas wells in Section 23 other than the well No. 68 shown circled which is a Eumont gas well.

Q The No. 3 and No. 7 are oil wells completed in what Pool?

A I am not sure of the completion of the Pool that they are in. I can get the information for you later and send it to you.

Q Yes, I request that you give us a letter stating the completion interval of all oil wells in Sections 23 and 22, too, and what Pool they are completed in. Now, the No. 68 has 640 acres dedicated of the entire Section 23 and Reserve B is outside of the SEMU Unit?

A That is correct.



Q And have what, 200 acres or 240 acres dedicated to it?

A 240 acres.

Q What about the West Half -- or East Half, rather -- of the Northeast Quarter of Section 22; is it dedicated to anything?

A No sir, it isn't.

Q Where was that dry hole dry in?

A It was deep tested at intervals down to better than 8,000 feet.

Q Dry all the way?

A Yes sir, it was not dedicated in the Eumont gas zone. In fact, I think the Eumont gas development came at a later date.

Q That well was drilled about when?

A I am not sure of the date. I can get that information for you if you like.

Q At any rate, you are sure it was drilled and abandoned before the Eumont was drilled and discovered?

A That's right.

Q What do you intend to do with that 80 acres?

A I intend to assign it to another well on another hearing.

MR. KELLAHIN: We have another case.

MR. UTZ: Another case?

MR. KELLAHIN: Yes sir, Case 2190.

MR. UTZ: Any other questions of the witness?

CROSS EXAMINATION

BY MR. PAYNE:



Q Mr. Anderson, does your SEMU Well No. 65, which you propose to dedicate to a non-standard unit, make any liquid?

A It's a dry gas well.

Q Dry gas well? Now, has this well been dropping off in producing capacity at a relatively slow rate?

A I am not familiar with the past tests on the well.

Q How long do you think it will be able to make a 400 allowable for the Eumont?

A Oh, as long as the other wells in the area are producing, I think it can keep up with the rest of it.

Q Was it drilled at approximately the same time as the 64 Well and 68 Well?

A Yes sir.

MR. PAYNE:

RE-CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Anderson, can you give any explanation as to why you couldn't get a relatively good point alignment in the 4-point test shown in Exhibit 2?

A No sir, I couldn't give a good explanation.

Q Do you suppose the fact that there is no tube in this ~~well~~ had anything to do with it? You did test through eight and a half inch casing, didn't you?

A Yes sir, eight and a half inch casing.

Q And the flow rates are around four or six hundred which



eight and a half inch casings wouldn't lift much, would it?

A No sir.

Q That is probably why you were unable to test this well?

A I didn't understand?

Q That is the reason you were unable to get a good test on this well, wouldn't you say?

A Well, we considered it a good test; it might be I am proofing per cubic minute.

Q The point alignment isn't too good, is it?

A Oh, we had to use a slope of one.

Q But the ~~well~~^{well} wasn't producing any liquids? Did you try to measure the liquids?

A I don't believe there was any attempt to measure the liquids while producing this test.

Q If the liquids weren't coming up, the well bore could have caused this test to be a bad test, right?

A That is generally the reason for a bad test, I believe.

Q That usually is the reason.

MR. UTZ: Any other questions? Any other statements in this case? I would like to ask a question about your request, sir.

Q (By Mr. Utz) About all of the wells in Sections 22 and 23, did you check with just the pool they were completed in, or the actual intervals of completion?

A Just the pool.

Q Just the pool?

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A Yes sir, so the verticals would be unnecessary to give the information on that.

MR. PAYNE: Unless they are completed in the Eumont, then we would like to know the interval.

MR. ANDERSON: I see.

MR. UTZ: The case will be taken under advisement. The witness can be excused.

(Witness excused.)

STATE OF NEW MEXICO)
: SS
COUNTY OF BERNALILLO)

I, LA VERNE E. JAMES, 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 13th day of March, 1961.

La Verne E. James
Notary Public - Court Reporter

My commission expires:

January 6, 1965.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2182, heard by me on Feb. 23, 1961.

Thurman D. Miner
New Mexico Oil Conservation Commission



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Santa Fe, New Mexico
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MR. ANDERSON: I see.

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(Witness excused)

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COUNTY OF BERNALILLO)

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IN WITNESS WHEREOF I have affixed my hand and notarial seal this 1st day of March, 1961.

La Verne E. James
Notary Public - Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2187, heard by me on Feb. 23, 1961.

My Commission expires:
January 6, 1965.

James H. Smith
Examiner
New Mexico Oil Conservation Commission

