

Case No.

808

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 808
Order No. R-580

THE APPLICATION OF GULF OIL
CORPORATION FOR AN EXCEPTION
TO RULE 309 IN UTILIZATION OF A
SINGLE TANK BATTERY FOR PRO-
DUCTION FROM A MAXIMUM OF TEN
(10) WELLS DRILLED TO THE DRINKARD
FORMATION ON ITS HARRY LEONARD "G"
LEASE IN THE DOLLARHIDE-DRINKARD
OIL POOL COMPRISING THE W/2 NW/4
AND SW/4 OF SECTION 33, TOWNSHIP
24 SOUTH, RANGE 38 EAST, AND THE
NW/4 OF SECTION 4, TOWNSHIP 25 SOUTH,
RANGE 38 EAST, NMPM, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on January 13, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 9th day of February, 1955, the Commission, a quorum being present, having considered the testimony adduced, the exhibits received at said hearing and being fully advised in the premises,

FINDS:

1. That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

2. That applicant, Gulf Oil Corporation, is the owner of an oil and gas lease in Lea County, New Mexico, consisting of the following acreage:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
W/2 NW/4, SW/4 of Section 33

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM
NW/4 of Section 4

3. That for reasons of efficiency and economy, applicant desires to use common tankage for the storage and measurement of oil produced from the Dollarhide-Drinkard Pool, underlying the above-described lease.

4. That the central tank battery has suitable and adequate facilities for the storage and handling of the production from the ten (10) wells on the above-described lease, and that suitable equipment is installed whereby the production from each well on the above-described land may be accurately determined as prescribed by the Rules and Regulations of the Commission.

5. That the above described acreage is of one common royalty interest, the same being the State of New Mexico.

6. That by reason of practical convenience and economy, and in absence of objection by the Commissioner of Public Lands of New Mexico, exception to Rule 309 should be granted.

7. That no objection by the Commissioner of Public Lands has been entered.

IT IS THEREFORE ORDERED:

That the application of Gulf Oil Corporation for an exception to Rule 309 be, and the same hereby is approved and Gulf Oil Corporation be and it hereby is authorized to establish, maintain and operate a central tank battery to receive production from ten (10) wells completed in the Dollarhide-Drinkard pool on the following described acreage:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
W/2 NW/4, SW/4 of Section 33

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM
NW/4 Section 4

PROVIDED HOWEVER, That adequate tankage and proper equipment be installed and maintained so as to permit specific production tests of each connected well at reasonable intervals or upon request of the Commission, or of the Commissioner of Public Lands, and

PROVIDED FURTHER, That no well now or hereafter connected to such tank battery be permitted to produce at a rate in excess of top allowable as now or hereafter may be fixed for the Dollarhide-Drinkard Pool.

IT IS FURTHER ORDERED: That jurisdiction of this case is hereby retained for the purpose of revocation and modification under changed conditions.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

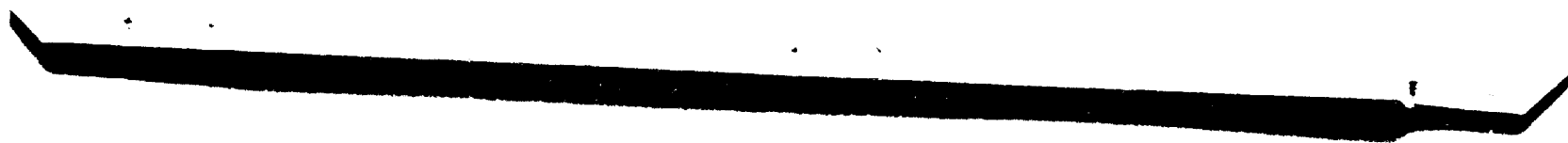
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary





BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
January 13, 1955

IN THE MATTER OF:

CASE NO. 808 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 13, 1955

IN THE MATTER OF:

Application of Gulf Oil Corporation for an
exception to Rule 309 in utilization of a
single tank battery for production from a
maximum of 10 wells drilled to the Drinkard
formation on its Harry Leonard 'G' Lease in
33-24S-38E and 4-25S-38E, Lea County, New
Mexico, in the Dollarhide-Drinkard Pool.

Case No. 808

BEFORE:

Honorable John Simms, Jr.
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 808.

W. G. SINCLAIR,

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

DIRECT EXAMINATION

By MR. UPCHURCH:

Q State your name, please?

A W. G. Sinclair, Junior.

Q You have just previously testified in Case 807, have you
not?

A Yes, I have.

Q This Case 808 involves Gulf's application for the use of a
single tank battery for production from a
producing a maximum of ten wells from this particular lease into

a single battery, does it not?

A That is correct.

Q What is the description of the property covered by this particular lease?

A This lease is composed of the north half of the northwest quarter and the ^Swouthwest quarter of Section 33, Township 24 South, Range 38 East, and the northwest quarter of Section 4, Township 25 South, Range 38 East, Lea County, New Mexico.

Q This is a part of the same base lease as the lease involved in Case 807?

A Yes.

Q The State lease and royalty ownership is all in the State?

A Yes, sir.

Q How many wells on this property at the present time?

A There are nine wells producing from the Dollarhide-Drinkard Pool at the present time.

Q All nine of these wells are being produced into a single battery?

A That is correct.

Q Is that under a temporary commission of the Commission?

A Yes, sir, it is.

Q Do you have a plat of this particular lease, the Harry Leonard G, which you might furnish the Commission, showing the location of these wells?

A Yes, sir, I do.

MR. UPCHURCH: We would like to introduce this as Gulf's Exhibit 1.

(Marked Gulf's Exhibit No. 1, for identification.)

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

MR. MACEY: Any objection to the introduction of Exhibit 1 in Case 808? If not it will be received.

Q Mr. Sinclair, referring to the Exhibit which was just introduced, how many possible additional locations could be made under the spacing rules for the wells to be drilled into the Dollarhide-Drinkard Oil Pool?

A Only one possible location.

Q A maximum of ten wells producing into the one battery, should the Commission grant this application?

A Yes.

Q At the present time is the battery of sufficient capacity to handle the production from all ten wells?

A Yes, sir, it is.

Q What disposition is being made for the casinghead gas being produced in this particular lease?

A The casinghead gas is being purchased by El Paso Natural.

Q Should the Commission grant this application, how many days of production could be held in storage under present allowables from a maximum of ten wells?

A Slightly in excess of three days.

Q Would there be adequate facilities to permit the taking of the required tests?

A Yes, sir, there would be.

Q In other words, this would involve the taking of the tests on two additional wells?

A That is correct.

Q It would be done in the same manner as the tests are now being taken?

A Same manner.

Q Will the granting result in substantial savings, both in steel and money, and reduce the cost of operation and maintenance, prevent waste and protect correlative rights?

A Yes.

MR. UPCHURCH: That is all.

MR. MACEY: Any questions of the witness? If not the witness may be excused.


(Witness excused.)

MR. MACEY: We will take the case under advisement.

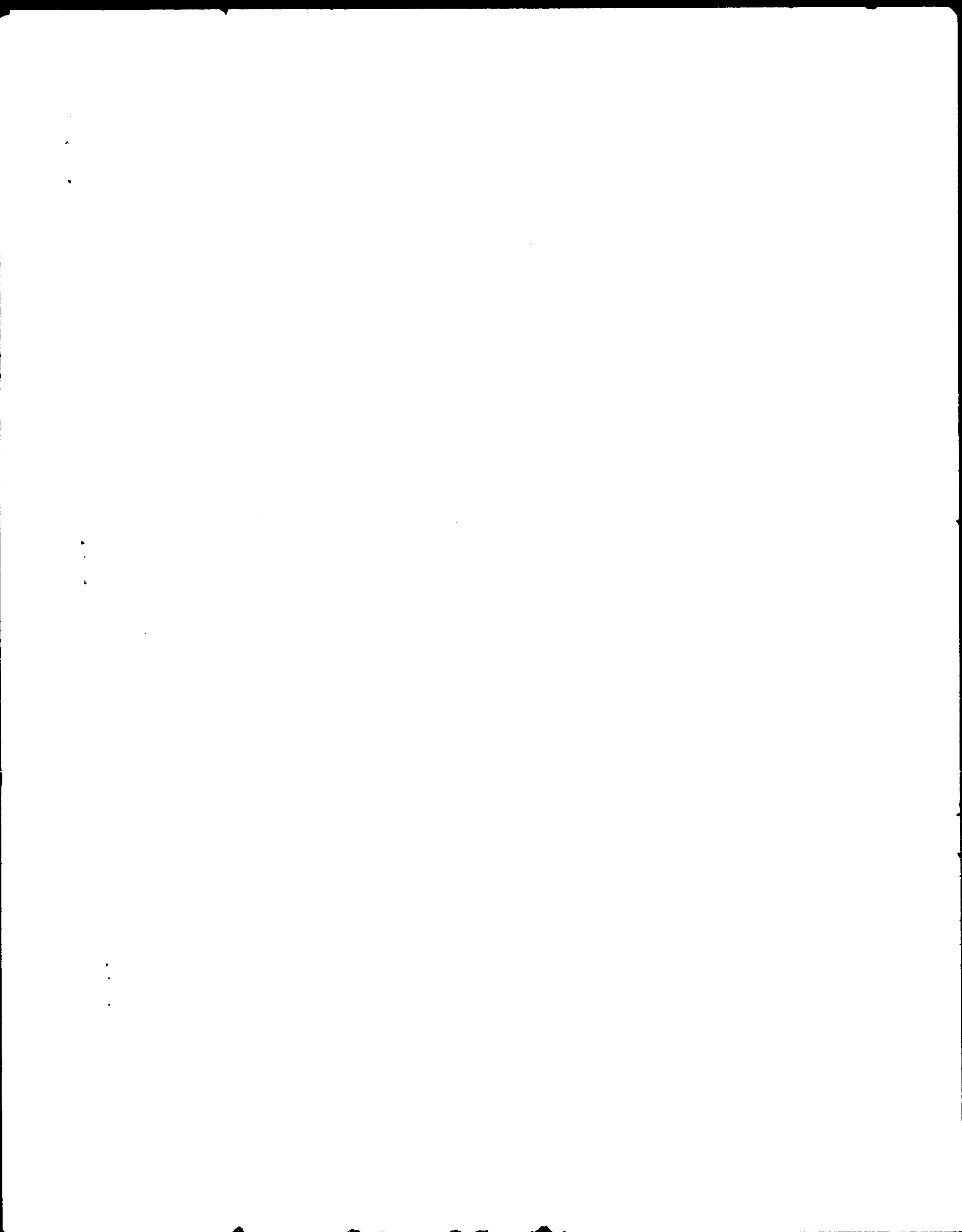
STATE OF NEW MEXICO)
 : SS.
COUNTY OF BERNALILLO)

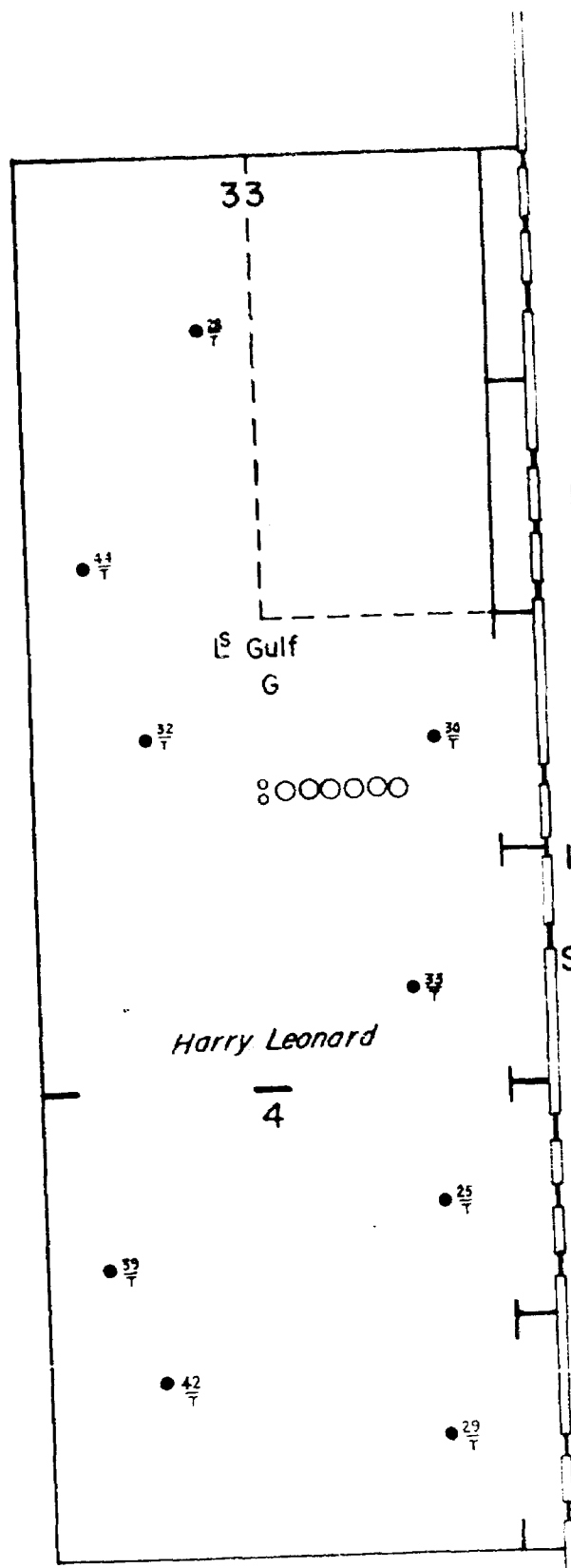
I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 17th day of January, 1955.


Notary Public, Court Reporter

My Commission Expires:
June 19, 1955





PROPOSED EXCEPTION TO RULE 309
FOR TANK BATTERY INSTALLATION

HARRY LEONARD G LEASE
DOLLARHIDE-DRINKARD OIL POOL

LOCATION-SECTION 33, T-24-S, R-38-E
SECTION 4, T-25-S, R-38-E
SOUTHEASTERN LEA COUNTY, NEW MEXICO

GULF OIL CORP.
FT. WORTH, TEX.

CASE NO. 808
JAN. 13, 1955

SCALE 1"=1000'

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

EXHIBIT No. 1
CASE 808



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 8290 FORT WORTH 1, TEXAS

GORDON H. FISHER
DIVISION PRODUCTION MANAGER

December 15, 1954

FORT WORTH
PRODUCTION DIVISION

New Mexico Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Attention: Mr. W. B. Macey, Secretary-Director

Re: Application of Gulf Oil Corporation for
an Exception to Rule 309 to Apply to
their Harry Leonard G Lease, Dollarhide-
Drinkard Oil Pool, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for an exception to Rule 309 of the Rules and Regulations of the New Mexico Oil Conservation Commission requesting permission to produce more than eight wells into the existing tank battery on Gulf's Harry Leonard G Lease in the Dollarhide-Drinkard Oil Pool, composed of the W/2 of the NW/4, and the SW/4 of Section 33, T-24-S, R-38-E, and the NW/4 of Section 4, T-25-S, R-38-E. In support of this request, Gulf Oil Corporation states the following:

- (1) That all of the Harry Leonard G Lease described above has the same royalty interest.
- (2) That the existing battery on the Harry Leonard G Lease now handles production from nine Drinkard wells, temporary approval of which was granted by Commission letter dated September 27, 1954. A possible tenth and final well will be drilled in the near future.
- (3) That the central tank battery will have adequate facilities to permit taking of all required tests.
- (4) That the granting of this application will result in substantial savings in steel, reduce the costs of operation and maintenance, prevent waste, and protect correlative rights.

December 15, 1954

Therefore, Gulf Oil Corporation respectfully requests that the New Mexico Oil Conservation Commission set a certain day upon which this matter may be heard, and after said hearing grant permission for applicant to utilize the existing battery for storage of production from the ninth well completed October 14, 1954, and a tenth and final well which may be drilled on the above mentioned lease.

Yours very truly,

G. H. Fisher

G. H. FISHER