

Case No.

976

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 9, 1956

IN THE MATTER OF:

CASE 976

TRANSCRIPT OF PROCEEDINGS

NEW MEXICO OIL CONSERVATION COMMISSION
MABRY HALL - STATE CAPITOL
SANTA FE, NEW MEXICO

REGISTER

HEARING DATE January 9, 1956 TIME: 9:00 A.M.

NAME:	REPRESENTING:	LOCATION
Earl H. Johnson	Western Oil Fields Inc	Denver, Colo
Sam Miller	OCC	Santa Fe
Jim Turley	OCC	"

IN THE MATTER OF:

Applicant, in the above-styled case, seeks an order granting permission to produce a maximum of sixteen wells into a common tank battery on their State B-2148 lease, comprising the S/2 of Section 17 and the N/2 of Section 20, Township 17 South, Range 33 East, Maljamar Pool, Lea County, New Mexico.

BEFORE:

TRANSCRIPT OF HEARING

EARL JOHNSON

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

MR. MANKIN: Proceed, Mr. Johnson.

MR. JOHNSON: Western Oil Fields, in an exception to Rule 309-----

MR. MANKIN: Would you first state your-----I do not believe you have previously testified before the Commission, have you? Would you state your name?

MR. JOHNSON: Earl Johnson.

MR. MANKIN: And your qualifications and position, please.

MR. JOHNSON: I am the attorney for Western Oil Fields, Inc.

MR. MANKIN: And you have not previously testified before this Commission?

MR. JOHNSON: Yes, I have, about a year and a half ago.

MR. MANKIN: About a year and a half ago, as an attorney?

MR. JOHNSON: As a witness.

MR. MANKIN: And what position do you have with the-----

MR. JOHNSON: I am in charge of the legal department and the land department for Western Oil Fields.

MR. MANKIN: How long have you been with the company?

MR. JOHNSON: Since July of 1954.

MR. MANKIN: Alright, your qualifications are accepted, proceed.

MR. JOHNSON: Western Oil Fields requests an exception to Rule 309, permission to produce more than eight wells into the existing tank battery on Western Oil Fields lease 2148, in the S/2 of Section 17, and the N/2 of Section 20, 17 South, 33 East. In support of the request, Western Oil Fields states that all of the lease described has the same royalty interest that the existing battery on the lease-----

MR. GURLEY: Excuse me just a minute sir, what is that royalty

interest?

MR. JOHNSON: The working interest.

MR. GURLEY: I know, but I mean state land or-----

MR. JOHNSON: It is State.

MR. GURLEY: The State of New Mexico.

MR. JOHNSON: Yes. The existing battery on the lease now handles the production from eight Grayburg-San Andres wells. The ninth well has been commenced. The central tank battery will have adequate facilities to permit the taking of all of the required tests. I have here pictures of the separator, treater, and the tank battery, if you care to see these.

MR. MANKIN: Do you wish to introduce those as exhibits?

MR. JOHNSON: Yes, I do and at the same time I would like to introduce this map which we have prepared showing the location of the lease and the tank battery, the wells and the pipeline.

MR. MANKIN: Would you first identify that first exhibit you had in mind there.

MR. JOHNSON: Yes. This shows the central connections to the--- leading into the tank battery, the treater and separators. And this-----

MR. MANKIN: And would you like to identify that as Exhibit 1?

MR. JOHNSON: Yes.

MR. MANKIN: And then this second Exhibit No. 2 is, what is that?

MR. JOHNSON: Well, looking east at the tank battery.

MR. MANKIN: Just another picture of the same installation.

MR. JOHNSON: The same installation, this is a close up of the terminals leading into it. Now this map shows the-----

MR. MANKIN: Is that Exhibit 3 that you are speaking of Mr. Johnson?

MR. JOHNSON: Exhibit 3, it shows the location of the lease, the location of the wells, the tank battery and the terminals leading into it, the producing wells and the proposed locations for the future wells to be drilled. There will be, when the project is completed, a total of 16 wells on the lease. This is No. 9, which is shown as blacked in, which should not be as yet--I don't---It will be completed anytime, but I do not know what the test was, I haven't-----

MR. MANKIN: Well No. 9 is the well that has been commenced that you spoke of?

MR. JOHNSON: Yes, thats true.

MR. GURLEY: And what is the location on that, Mr. Johnson?

MR. JOHNSON: Of the 9?

MR. GURLEY: Yes.

MR. JOHNSON: That is in the NE/4 of the NE/4 of Section 20.

MR. MANKIN: That is Township 17 South, Range 33 East?

MR. JOHNSON: Range 33 East.

MR. GURLEY: Located in the center of a quarter quarter section?

MR. JOHNSON: Yes. Any one of these wells can be gauged by just turning the valve which you see here on this exhibit---I do not know which one it is---it is No. 1. Treated separately and gauged separately.

MR. MANKIN: Through test separators, and gauged separately?

MR. JOHNSON: Yes Sir. This one well is shown as a dry hole-----

MR. MANKIN: Would you identify that particular well.

MR. JOHNSON: That well that is shown as a dry hole is in the SW/4 SW/4 of Section 17, Township 17 South, Range 33 East, and it is the Phillips State deep test, which did not test the Grayburg and therefore it was considered a dry hole. We propose to drill along side of it to test the Grayburg and without a doubt---as little doubt as we have, we will get a producing well.

MR. MANKIN: The well which you have mentioned was previously dry-- was that drilled sometime ago?

MR. JOHNSON: Yes, it was drilled sometime ago before we got that lease--as a matter of fact I believe that is why Phillips gave us the lease, if I am not mistaken. That was before my time.

MR. MANKIN: It was before they got the present fracturing methods and field methods?

MR. JOHNSON: Yes---and it did not test the Grayburg in which we are producing. The---- a granting of the application will of course save considerable steel, expense, waste of time, monies, labor and it effects no one in the State, or any of the interests in the lease whatsoever. Therefore Western Oil Fields respectfully requests that the permission be granted as an exception to Rule 309.

MR. MANKIN: Has a similar request been made to the New Mexico State Land Office?

MR. JOHNSON: No.

MR. MANKIN: I believe that you are aware of the fact that in exception to Rule 309, a request must be made to the State Land Office, the Royalty Section, requesting an exception to this. Its a matter of procedure which they will grant based upon your letter and they will likewise give us a copy of that request. Would

it be possible that upon returning to your office that you make such a request to the State Land Office, to the Royalty Section?

MR. JOHNSON: Yes. That will be done.

MR. MANKIN: And then they will give you approval, indicating of course, that you have had this hearing under this particular case on this date and of course they will tie that in with that particular request.

MR. JOHNSON: Yes.

MR. MANKIN: Do you have anything further, Mr. Johnson?

MR. JOHNSON: That is all.

MR. GURLEY: You understand, Mr. Johnson, that we can't take action on this hearing until we have that in our files.

MR. JOHNSON: Yes Sir, I will do that. That was certainly an oversight -- it should have been done before.

MR. MANKIN: That is, of course, a portion of this Rule 309, if you will recall the rules----that is necessary on State Lands.

MR. GURLEY: Would you send us a copy of your letter to the State Land Office?

MR. JOHNSON: I will do that.

MR. MANKIN: Mr. Nutter, did you have anything for Mr. Johnson?

MR. NUTTER: Yes, I would like to clear up something here. Now all of these wells that have been completed in this---first of all, this is one basic lease?

MR. JOHNSON: Yes.

MR. NUTTER: Although it crosses over the section lines---it is one basic lease----640-acre lease?

MR. JOHNSON: Yes.

MR. NUTTER: Alright, now all of the wells that have been completed on here are all producing from the Grayburg formation?

MR. JOHNSON: Yes.

MR. NUTTER: Now, with reference to your Exhibit No. 1 here, what are these two smaller vessels? Are these both separators?

MR. JOHNSON: From my understanding, they are-----I will admit my knowledge of the separators and treaters----between the two of them I am----

MR. NUTTER: I expect that these are both the separators and then you have a treater on the lease too?

MR. JOHNSON: Yes.

MR. NUTTER: Well, that is the treater then I imagine--the larger vessel in the background. Now, in other words you have got facilities there for producing 15 wells through one separator and testing the 16th well after you have your acreage all drilled up.

MR. JOHNSON: Yes, my understanding is that we can test them all from the same battery.

MR. NUTTER: Test any well?

MR. JOHNSON: Yes. By just turning an array of valves--it is rather a complicated procedure.

MR. NUTTER. It sorta seems to me that when the development is completed with 16 wells on the lease, that you might need more adequate facilities for testing. There might come a time when you will have to test two wells at the same time and need three separators.

MR. JOHNSON: That can be done. As I understand we can test two wells at the same time or three wells at the same time off of the same system.

MR. NUTTER: What kind of production do you get there? Is there very much gas with the oil?

MR. JOHNSON: That I don't know---whether there is or not.

MR. NUTTER: Are the wells producing any water to speak of?

MR. JOHNSON: Very little. Now my information came from our engineer who was down there setting this whole system up and he has informed me that by this system of terminals he can test any number of wells at the same time.

MR. NUTTER: Well, the question of being able to test any number at the same time. You might possibly be able to test two wells through the two separators and flow this other production into the tanks without getting a separation on it.

MR. MANKIN: In other words, your point, I believe Mr. Nutter, is that if you had any gas and oil that needed to be separated that you could-----

MR. NUTTER: You would have to run your production from the wells that were not being tested through one of those separators, and you would have one separator left for testing, and over a test period it might just be a little bit difficult to test 16 wells through one test separator.

MR. JOHNSON: Yes, I see your point. Now mine was that if in the case it came down to some sort of an altercation, he would shut in on whatever he had to, to run two at a time until he got a test.

MR. NUTTER: I see.

MR. MANKIN: In other words, I think Mr. Nutter's idea is that right now, with eight wells, there is not apparently too big a problem.

MR. NUTTER: You have adequate facilities there now.

MR. MANKIN: Yes, but at such a future time as the lease is completely developed with 16 wells, apparently you have two tanks, one---- possibly two separators and one treater and that it might be a little difficult to test more than one well and still flow your other wells or pump them, however as they might be and get your complete separation and so I think that Mr. Nutter's thought is that possibly we should have additional plans from you when that situation does arise--possibly the installation of another separator and possibly at least another tank.

MR. NUTTER: I would say, that any time you have more than 12 wells there, there should be another separator on that--in that battery. That is my own thought, and of course if testing schedules can be arranged so that you can spread them out and test one well at a time----

MR. JOHNSON: Well that is the idea of course, and under the lease there is the State and Western Oil Fields and Phillips has an override. Outside of that there is no other interest, you see, therefore from the interest holders in the lease I could conceive possibly of somebody coming and saying that we are not functioning properly, but it is speculative of course. Now, if it ever came to that, as I say they could just shut-in a well and say go ahead and run the test on the two or the one, whichever one you would like done. But it is all one basic lease is the idea that if anything should happen it should be on the whole lease.

MR. NUTTER: Well now, what size tanks do you have?

MR. JOHNSON: 500 barrels.

MR. NUTTER: And how many tanks are there?

MR. JOHNSON: Two of them apparently.

MR. NUTTER: Two fives?

MR. MANKIN: Two fives, apparently, according to the picture,
Mr. Johnson.

MR. JOHNSON: I think there is four five hundreds.

MR. MANKIN: Maybe there are two in the rear that you can't see.

MR. JOHNSON: There are two in the rear here. There are four five
hundred barrel tanks on the lease.

MR. MANKIN: So there is apparently four tanks?

MR. JOHNSON: Yes, there is four.

MR. MANKIN: Which should be adequate tankage for this production.
But, I think Mr. Nutter's only question is possibly that sometime in the future
it may require additional installations.

MR. JOHNSON: That is true.

MR. MANKIN: As prudent operator, you would probably see fit to do
so.

MR. JOHNSON: Yes, if it came to that.

MR. MANKIN: If that situation arose.

MR. JOHNSON: And of course, as I said we don't expect any one
particular well to be singled out, actually.

MR. NUTTER: That is all I have.

MR. MANKIN: Did you have anything further, Mr. Johnson?

MR. JOHNSON: That is all.

MR. MANKIN: If not, as I say, we would like to have as soon as possible,
your request to the State Land Office and of course their approval will be forthcoming
immediately upon your request, and with that we will act upon the case as soon as we

have received that permission from the State Land Office. If there is nothing further, we will take the case under advisement and the hearing is adjourned.

MR. GURLEY: Mr. Examiner, I do not believe that the exhibits were officially entered as exhibits. Would you wish to do that at this time Sir?

MR. JOHNSON: Yes. I request that Exhibit No. 1, as showing the separator, treater and manifold be entered as an exhibit. I request that Exhibit No. 2, showing the tank battery be entered as an exhibit. I request that Exhibit No. 3, showing the location of the producing wells, the proposed locations, the location of the tank battery, and the shaded section of the lease be entered as Exhibit 3.

MR. MANKIN: Is there objection to the entering of these exhibits in evidence? If not they will be so entered in evidence and if there is nothing further, we will take the case under advisement and the hearing is adjourned.

STATE OF NEW MEXICO)
 : ss
COUNTY OF SANTA FE)

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

Dated at Santa Fe, New Mexico this 11th day of January, 1956.

Joan Hadley

TO BE HELD AT 1:30 O'CLOCK P. M., ON NOVEMBER 8, 1955, MABRY HALL, STATE CAPITOL,
SANTA FE, NEW MEXICO, BEFORE WARREN W. MANKIN, EXAMINER.

October 7, 1955

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

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

CASE 976

Re: Application of Western Oil
Fields, Inc., for an excep-
tion to Rule 309 to apply to
their State Lease #B-2148,
Grayburg-San Andres Oil Pool,
Maljamar, Area, Lea County
New Mexico

Gentlemen:

Western Oil Fields, Inc., 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 (8) wells into the existing tank battery on Western Oil Field's, Inc. State Lease B-2148 in the Grayburg-San Andres Oil Pool composed of S/2 of Section 17, N/2 of Section 20, Twp. 17 S., R. 33 E. In support of this request Western Oil Fields, Inc., states the following:

1. That all of the lease described above has the same royalty interest.
2. That the existing battery on the lease now handles production from eight Grayburg-San Andres wells.
3. A ninth well will be commenced on October 15, 1955.
4. That the central tank battery will have adequate facilities to permit taking of all required tests.
5. That the granting of this application will result in substantial savings in steel, reduce the cost of operation and maintenance and protect correlative rights.

Therefore, Western Oil Fields, Inc., 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 tank batteries for storage, for production for the ninth well and future wells which may be drilled upon the above-mentioned lease, the maximum to be sixteen wells.

Yours truly,

Earl H. Johnson
Attorney

NEW MEXICO OIL & GAS ENGINEERING COMMITTEE
HOPE, NEW MEXICO
October 14, 1955

OIL • GAS

WESTERN OIL FIELDS, INC.

1827 GRANT STREET
POST OFFICE BOX 1139 DENVER, COLORADO
TELEPHONE MAIN 3-0226

October 7, 1955

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

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

Re: Application of Western Oil Fields,
Inc., for an exception to Rule 309
to apply to their State Lease #
B-2148, Grayburg-San Andres
Oil Pool, Maljamar Area, Lea
County, New Mexico

Gentlemen:

Western Oil Fields, Inc., 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 (8) wells into the existing tank battery on Western Oil Fields, Inc. State Lease B-2148 in the Grayburg-San Andres Oil Pool composed of S/2 of Section 17, N/2 of Section 20, Twp. 17 S., R. 33 E. In support of this request Western Oil Fields, Inc., states the following:

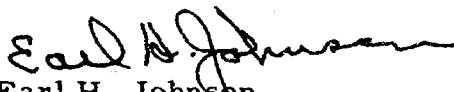
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2. That the existing battery on the lease now handles production from eight Grayburg-San Andres wells.
3. A ninth well will be commenced on October 15, 1955.
4. That the central tank battery will have adequate facilities to permit taking of all required tests.

New Mexico Oil Conservation Commission - 10/7/55

5. That the granting of this application will result in substantial savings in steel, reduce the cost of operation and maintenance and protect correlative rights.

Therefore, Western Oil Fields, Inc. 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 tank batteries for storage, for production for the ninth well and future wells which may be drilled upon the above-mentioned lease, the maximum to be sixteen wells.

Yours truly,


Earl H. Johnson
Attorney

EHJ/jr

OIL • GAS

WESTERN OIL FIELDS, INC.

1827 GRANT STREET
POST OFFICE BOX 1139 DENVER, COLORADO
TELEPHONE MAIN 3-0226

November 14, 1955

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

CASE 976


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

Re: Application of Western Oil
Fields, Inc., for an excep-
tion to Rule 309 to apply to
their State Lease #B-2148,
Grayburg-San Andres Oil
Pool, Maljamar Area,
Lea County, New Mexico

Gentlemen:

Western Oil Fields, Inc. respectfully requests that a date
be set for the hearing of the above-captioned case.

Yours truly,


Earl H. Johnson
Attorney

EHJ/jr

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 25, 1955

C
O
P
Y

Mr. Earl H. Johnson, Attorney
Western Oil Fields, Inc.
P.O. Box 1139
Denver, Colorado

Re: Case 976

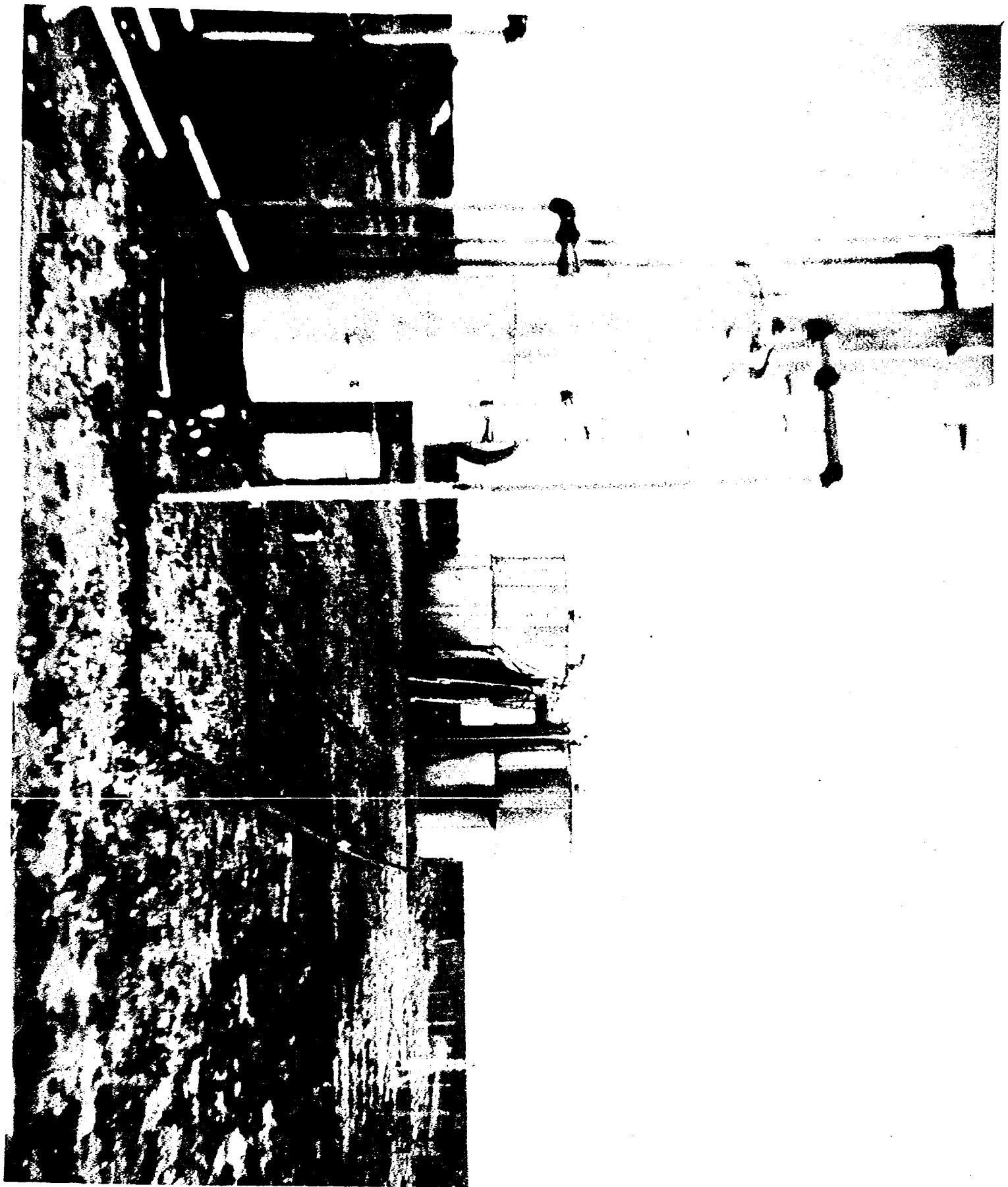
Dear Sir:

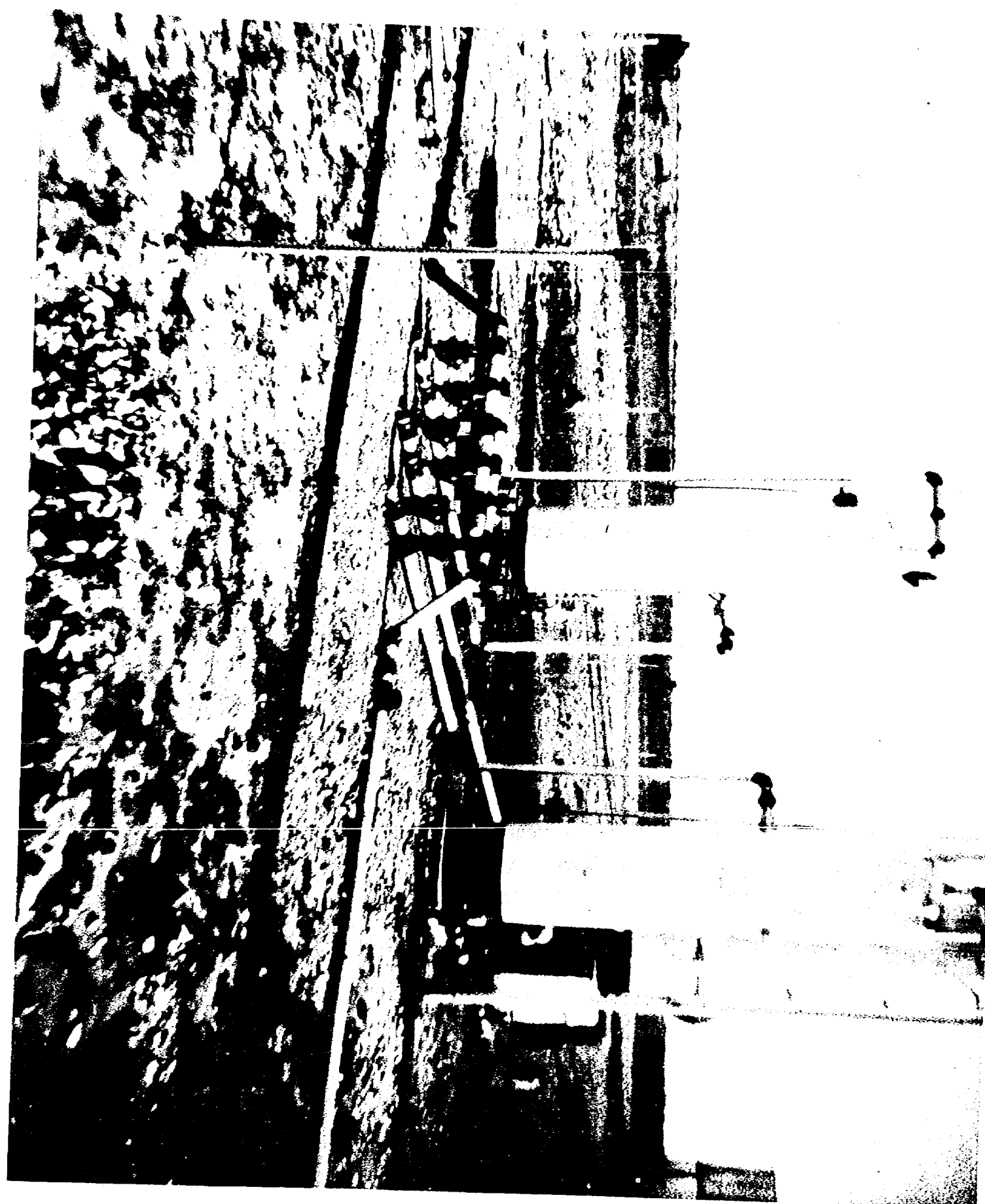
The above-captioned case has been set for an Examiner
Hearing at 9:00 a.m. on December 19, 1955, Mabry Hall, State
Capitol, Santa Fe, New Mexico.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp





Western Oil Fields, Inc.

RECEIVED
STATE LAND OFFICE
JAN 12 9 11 AM '56
SANTA FE, N.M.

January 10, 1956

RE: State of New Mexico
Oil and Gas Lease #B-2148
Oil Conservation Commission
Case #976

Commissioner of Public Lands
P. O. Box 791
Santa Fe, New Mexico

Dear Sir:

This letter is to advise you that Western Oil Fields, Inc., has appeared before the New Mexico Oil Conservation Commission and requested permission to produce a maximum of sixteen wells into a common tank battery on State Lease #B-2148 comprising the S/2 of Section 17 and the N/2 of Section 20, T. 17 S., R. 37 E., Maljamar Pool, Lea County, New Mexico, which is in exception to Rule #309 of the Commission's Rules and Regulations.

If you have no objection to the granting of the order, please so indicate by signing the enclosed copy of this letter in the space provided and forwarding it to Mr. Warren W. Mankin, New Mexico Oil Conservation Commission, State Capitol, Santa Fe, New Mexico.

Yours truly,

Earl H. Johnson
Earl H. Johnson

EHJ/nw

cc: Warren W. Mankin

APPROVED BY:

E. W. Crook
by *Shirley Crook*

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

December 27, 1955

Mr. Earl H. Johnson
Western Oil Fields, Inc.
P.O. Box 1139
Denver, Colorado

Re: Case 976

Dear Sir:

Reference is made to your letter of December 13th requesting postponement of the above-captioned case, originally set for December 19th. The Commission continued Case 976 until 9:00 a.m. on January 9, 1956. I hope that this date will meet with your approval.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp

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OIL • GAS

WESTERN OIL FIELDS, INC.

1827 GRANT STREET
POST OFFICE BOX 1139 DENVER, COLORADO
TELEPHONE MAIN 3-0226

December 13, 1955

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

CASE 976


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

Re: Application of Western Oil
Fields, Inc., for an excep-
tion to Rule 309 to apply to
their State Lease #B-2148,
Grayburg-San Andres Oil
Pool, Maljamar Area,
Lea County, New Mexico

Gentlemen:

Western Oil Fields, Inc. respectfully requests that the
hearing set for December 19, 1955, on the above-captioned
case be postponed until a later date.

Yours truly,


Earl H. Johnson
Attorney

EHJ/jr

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 27, 1956

C
O
P
Y

Mr. Earl H. Johnson
Western Oil Fields, Inc.
P.O. Box 1139
Denver, Colorado

Dear Sir:

We enclose a copy of Order R-744 issued January 27, 1956,
by the Oil Conservation Commission in Case 976, which was heard
on January 9th.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Encls.

Open 26 35 Open	Humble Humble No. 163153 "E" T-23-N R-5-W 640 AC. (2560 AC IN LSE.) Jicarilla Apache Tribe Of Indians Humble "B"	Humble 25 30 36 31 Humble 1 6 Humble
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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
Humble Oil & Refining Co.
EXHIBIT No. 1
CASE 103

THIS APPLICATION FOR WELL NO. _____

JICARILLA APACHE TRIBE OF INDIANS
"E" LSE. NO. 163153, SEC. 36 T-23-N R-5-W
SANDOVAL CO., NEW MEXICO

HUMBLE OIL & REFINING COMPANY
CIVIL ENGINEERING DIVISION
MIDLAND, TEXAS

DRAWN <u>D.L. MCKIBBIN</u>	SCALE <u>1" = 1000'</u>
CHECKED <u>E.T. Shahan</u>	DATE <u>7-10-55</u>
APPR. _____	REVISED _____

FILE NO.
WT-A 1935

25 MILES N.W. CUBA NEW MEXICO NORTH CUBA FIELD

HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

January 10, 1956

J. W. HOUSE

Re: Amended Application,
Exception to Rule 309, Jicarilla
Apache Tribe of Indians "B" and
"E" Lease, Sandoval County, New
Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

We recently obtained permission from the United States Department of the Interior, Geological Survey, to commingle the production from our Jicarilla Apache Tribe of Indians "B" and "E" Leases. Mr. P. T. McGrath, District Engineer for the Geological Survey at Farmington, New Mexico, granted this permission by his letter of December 21, 1955, a copy of which has been furnished you. We would appreciate your scheduling an examiner hearing at Hobbs, New Mexico, on February 7, 1956, to consider our request for an exception to Rule 309. In support of this request we furnish the following information.

Jicarilla Apache Tribe of Indians "B" Lease, Jicarilla Contract No. 49, Co. Lease No. 163717, contains 2498.78 acres, being Sections 1 and 12, T-22-N, R-5-W, and Sections 6 and 7, T-22-N, R-4-W, Sandoval County, New Mexico. We have one oil well producing on this lease from an undesignated field.

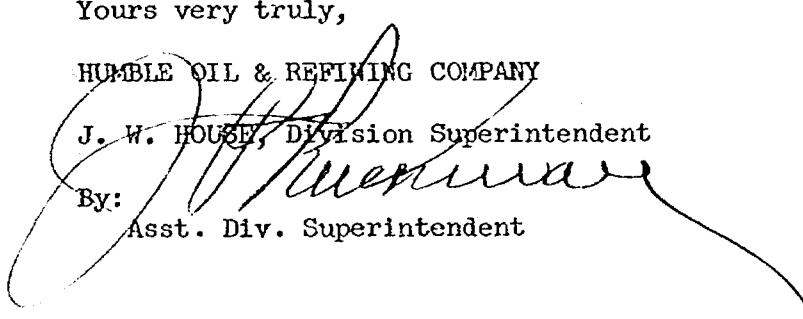
Jicarilla Apache Tribe of Indians "E" Lease, Jicarilla Contract No. 48, Co. Lease No. 163153, contains 2560 acres, being Sections 25 and 36, T-23-N, R-5-W, and Sections 30 and 31, T-23-N, R-4-W, Sandoval County, New Mexico. We have one producing oil well on this lease that produces from the same undesignated field as our Jicarilla "B" No. 1.

1. The production from each lease will be estimated and allocated back on a reasonably accurate basis.
2. The production is from the same zone and of the same quality.
3. The production from each lease is in paying quantities.

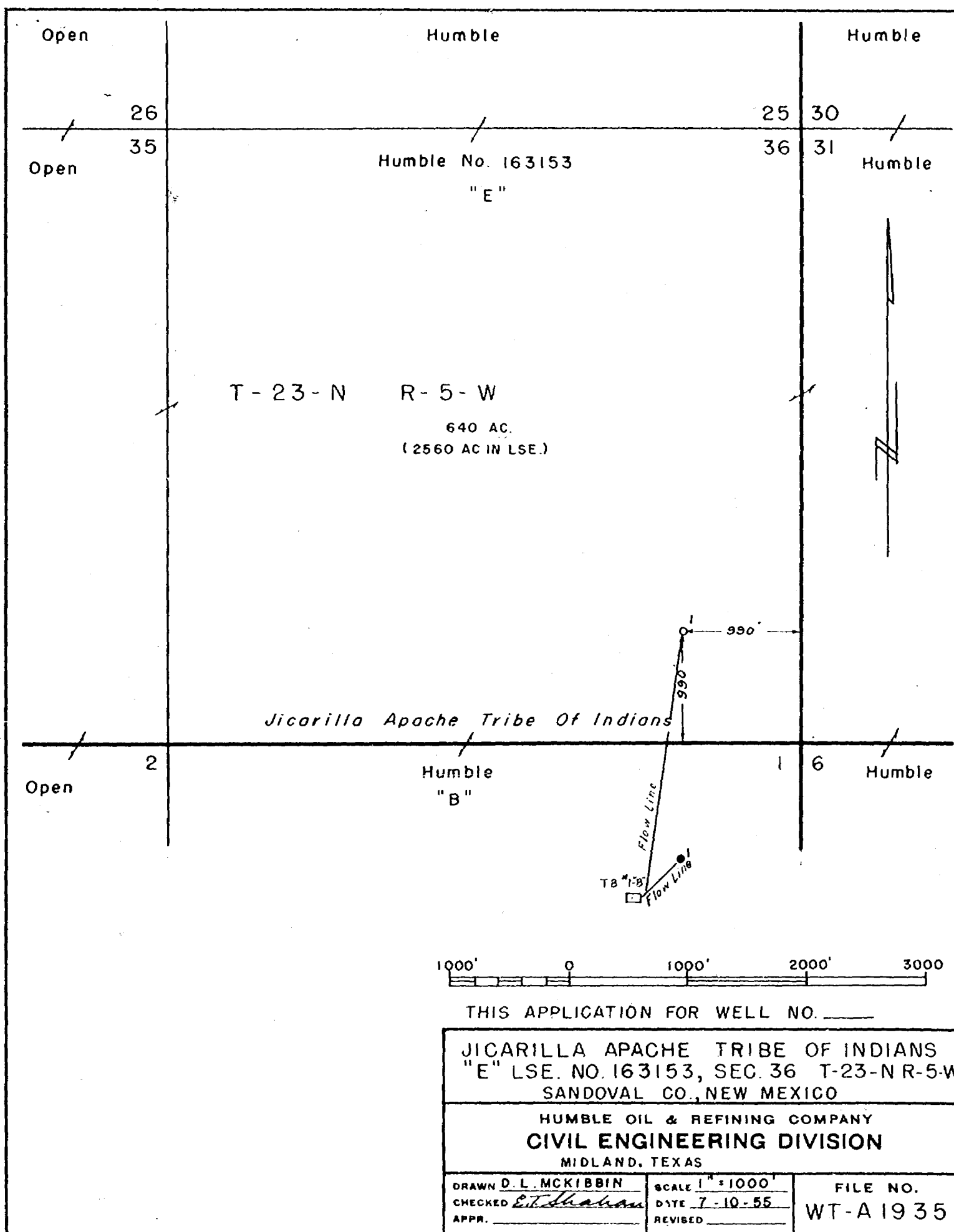
Yours very truly,

HUMBLE OIL & REFINING COMPANY

J. W. HOUSE, Division Superintendent

By: 
Asst. Div. Superintendent

AJT/se



25 MILES N.W. CUBA NEW MEXICO NORTH CUBA FIELD

WBM 4/21/56
RAT
BUREAU

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

Case No. 1013

January 25, 1956

C
O
P
Y

Humble Oil and Refining Company
P. O. Box 1600
Midland, Texas

Attention: Mr. R. S. Dewey

Gentlemen:

Reference is made to your request for temporary approval of an exception to Rule 309 (a) of the Commission's Statewide Rules and Regulations for permission to commingle production from the Mancos Shale Formation from an Undesignated Oil Pool. The leases from which production is to be commingled are the Jicarilla Apache Tribe of Indians "B" Lease (Contract No. 49) and "E" Lease (Contract No. 48) and comprises: Sections 1 and 12, Township 22 North, Range 5 West; Sections 6 and 7, Township 22 North, Range 4 West; Sections 25 and 36, Township 23 North, Range 5 West; and Sections 30 and 31, Township 23 North, Range 4 West, NMPM, all in Sandoval County, New Mexico.

You are hereby granted temporary permission to commingle the above-described leases in an Undesignated Oil Pool producing from the Mancos Shale Formation, into a common tank battery until such time as Case No. 1013 has been heard and a proper order of the Commission can be entered.

Very truly yours,

W. B. Macey
Secretary-Director

WBM:jh

cc: Oil Conservation Commission, Aztec
U. S. Geological Survey, Farmington
El Paso Natural Gas Products Company, El Paso

OK. corrected

Wm
2/16/56

J. W. HOUSE

HUMBLE OIL & REFINING COMPANY

MIDLAND, TEXAS

February 2, 1956

Case No: 1013

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

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

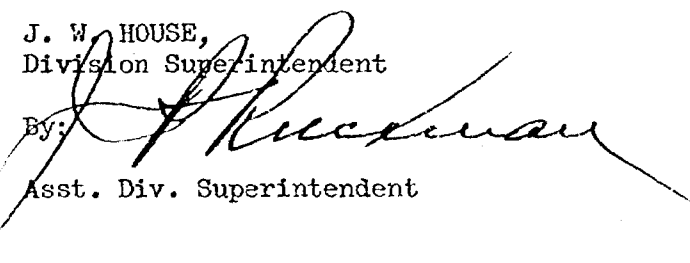
Gentlemen:

Reference is made to your letter of January 25, 1956, granting Humble Oil & Refining Company temporary approval of an exception to Rule 309-A of the Commission's Statewide Rules and Regulations for permission to commingle production from the Mancos Shale formation from an undesignated oil pool. Your letter states that the leases from which production is to be commingled, are the Jicarilla Apache Tribe of Indians "B" Lease (Contract No. 49) and "F" Lease (Contract No. 48). We believe that your letter has a typographical error in showing Jicarilla Apache Tribe of Indians "F" Lease and should be corrected to read Jicarilla Apache Tribe of Indians "E" Lease. We have made the necessary corrections and request that you also correct your copy of letter to reflect the correct lease name.

Yours very truly,

HUMBLE OIL & REFINING COMPANY

J. W. HOUSE,
Division Superintendent

By: 
Asst. Div. Superintendent

AJT/se



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Box 965
Farmington, New Mexico

December 21, 1955

Humble Oil & Refining Company
Box 1600
Midland, Texas

Gentlemen:

We are in receipt of your letter of December 9, 1955 requesting permission to comingle oil from your Jicarilla Tribe of Indians "B" and "E" leases. This office has no objection to producing wells on these two leases into a common tank battery so long as the oil is from the same zone and of the same quality.

A close estimate should be made of the amount of oil produced from each separate lease.

Very truly yours,

P. T. McGrath
District Engineer

PTMcGrath:ac
cc: Humble Oil Co, Farmington
Roswell

cc: W E Hubbard
cc: L. H. Thompson
cc: R C Barbours
cc: D. F. Haynes

BEFORE THE
OIL CONS. COMMISSION
SANTA FE, NEW MEXICO
Humble EXHIBIT No. 2
CASE 1013

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 976
Order No. R-744

THE APPLICATION OF WESTERN OIL
FIELDS, INC., FOR AN EXCEPTION
TO RULE 309 (a) OF THE STATEWIDE
RULES AND REGULATIONS OF THE
NEW MEXICO OIL CONSERVATION
COMMISSION TO PERMIT THE PRO-
DUCTION OF A MAXIMUM OF SIXTEEN
WELLS INTO A COMMON TANK BATTERY
ON APPLICANT'S STATE LEASE B-2148,
CONSISTING OF THE S/2 OF SECTION 17,
N/2 OF SECTION 20, TOWNSHIP 17 SOUTH,
RANGE 33 EAST, NMPM, MALJAMAR POOL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 1:30 p. m. on November 3, 1955 and again at 9:00 a. m. on January 9, 1956, at Santa Fe, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, in accordance with Rule 1214 of Order No. R-681.

NOW, on this 27th day of January 1956, the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission", a quorum being present, having considered said application, the transcript of testimony and record and the recommendations of the Examiner, Warren W. Mankin, 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 case and the subject matter thereof.
- (2) That the applicant, Western Oil Fields, Inc., is the owner and operator of State Lease B-2148 in the Maljamar Pool consisting of the S/2 of Section 17 and the N/2 of Section 20, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico.
- (3) That there are at present eight wells producing from the Maljamar Pool into an existing tank battery located on the applicant's state lease, B-2148. A ninth well will be completed in the near future.

(4) That for reasons of efficiency and economy, applicant desires to use the existing tank battery for the storage and measurement of oil produced from a maximum of sixteen oil wells in the Maljamar Pool underlying the above described lease.

(5) That the central tank battery will have suitable and adequate facilities for the storage and handling of the production from a maximum of sixteen oil wells in the above described acreage and that suitable equipment will be installed whereby the production from each well on the above described land may be adequately determined as prescribed by the rules and regulations of the Commission.

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

(7) That by reason of practical convenience and economy and in absence of objection by the Commissioner of Public Lands of New Mexico, application for order granting exception to Rule 309 (a) should be granted.

(8) That no objection by the Commissioner of Public Lands has been entered.

IT IS THEREFORE ORDERED:

That the application of Western Oil Fields, Inc., for an order granting an exception to Rule 309 (a) of the Oil Conservation Commission's Statewide Rules and Regulations be and the same is hereby granted and approved.

That Western Oil Fields, Inc., be and the same is hereby authorized to maintain and operate its existing central tank battery located on its State Lease B-2148; said lease consisting of the S/2 of Section 17, and N/2 of Section 20, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico, said battery to receive production from a maximum of sixteen oil wells in the Maljamar Pool, eight of which are presently in production, the remainder to be completed on the above described lease.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 19, 1955

IN THE MATTER OF:

CASE NO. 976

TRANSCRIPT OF PROCEEDINGS

IN THE MATTER OF:

Case No. 976

HEARING EXAMINER MANKIN: The hearing will come to order. We have only one case today, Case 976, which is the application of Western Oil Fields, Inc., for an exception to Rule 309. The applicant has requested by letter dated December 13th, 1955, that the hearing be continued. This case will be continued and heard at 9 a.m. on January 9th, 1956. Hearing is adjourned.

STATE OF NEW MEXICO)
 : ss
COUNTY OF SANTA FE)

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

Dated at Santa Fe, New Mexico this 1st day of February, 1956.

Bobby Postlewaite