

CASE 1174: Application of OCC for
exception to Rule 502 I (a), Caprock-
Queen Pool, Lea & Chaves Counties.

Case No.

1174

Application, Transcript,
Small Exhibits, Etc.

FILED OCT 1 1956

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1174

TRANSCRIPT OF PROCEEDINGS

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

November 13, 1956

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
November 13, 1956

IN THE MATTER OF:

Application of the Oil Conservation Commission upon its
own motion for an order granting exception to Rule 502
I (a) of the Commission Statewide Rules and Regulations
for all wells in the Caprock-Queen Pool, Chaves and Lea
Counties, New Mexico. Applicant, in the above-styled
cause, seeks an order granting exception to Rule 502 I
(a) in permitting production greater than 125% of the
daily allowable for all wells in the Caprock-Queen Pool.

BEFORE:

Mr. A. L. Porter
Mr. E. S. (Johnny) Walker

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: We will proceed to Case No. 1147.

MR. GURLEY: Case 1174, application of the Oil Conserva-
tion Commission upon its own motion for an order granting exception
to Rule 502 I (a) of the Commission Statewide Rules and Regulations
for all wells in the Caprock-Queen Pool, Chaves and Lea Counties,
New Mexico.

MR. ADKINS: Grant Adkins, representing Union Oil Company
of California.

MR. PORTER: Did you bring your witness?

MR. ADKINS: Yes, sir, Mr. W. D. Owens.

(Witness sworn.)

W. D. OWNES

a witness, of lawful age, having been first duly sworn on oath,
testified as follows:

DIRECT EXAMINATION

BY: MR. ADKINS:

Q State your name, please.

A W. D. Ownes.

Q All right, by whom are you employed and in what capacity?

A Union Oil Company of California, Division Engineer.

Q Where did you go to school and what degree did you obtain?

A Colorado School of mines, Petroleum Engineer.

Q You graduated when?

A 1945.

Q What have you been doing in the oil industry subsequent
to that date?

A I worked in the oil industry for nine years, the last
eight of which have been with Union Oil Company of California.

Q You said you are Union's division engineer?

A Yes.

Q Do you have charge of the Union's production in the Cap-
rock Queen Pool?

A Yes, I do.

MR. ADKINS: Is the witness qualified?

MR. PORTER: Yes, sir.

Q What is the allowable in the Caprock-Queen Field?

A The normal daily unit allowable is thirty-nine barrels of oil per calendar day with a production tolerance of 125% of the daily unit allowable, and this application is to increase the daily unit allowable tolerance from 125% to a minimum of 200%.

Q Now, do you mean the monthly tolerance is to remain unchanged?

A Yes.

Q But the daily production tolerance would be increased from 125% to 200%?

A Yes, sir.

Q What is the necessity for this daily tolerance increase?

A The crude oil in the Caprock-Rock Queen Field has an unusual viscosity condition and production from many of the wells in the field is erratic because of the extreme paraffin difficulties. Periodic treatment with hot fluid is required, and sucker rods equipped with paraffin control devices are essential. Periodically, the wells may head up and flow and produce considerably in excess of the daily allowable tolerance.

Q How does the viscosity of the Caprock-Queen crude compare with other crudes?

A We have prepared a chart showing the temperature viscosity relationship of the Caprock-Queen crude and other typical crude oils in the area. At normal temperatures, the Caprock-Queen crude has many times the viscosity of the normal crude.

MR. ADKINS: We would like to introduce this chart in evidence.

MR. PORTER: Is it specified as Exhibit No. 1?

MR. ADKINS: No, sir, I haven't marked it as yet. I would like to have it marked as Exhibit A or 1.

(Exhibit No. A marked for identification.)

MR. ADKINS: I would like to offer in evidence Exhibit A.

MR. PORTER: Is there an objection to the admittance of this exhibit? It will be admitted.

Q How have you attempted to control this paraffin condition?

A We have equipped all of our wells with sucker rods and paraffin scrapers, and all of our pumping installations are equipped with electric motors and time clocks so that we can operate the pump part time. We have attempted to control our pumping cycles so that the present daily tolerance will be produced in a twenty-four hour period, but the wells flow either through the tubing or the casing after the pumping action is stopped and we have not been successful in controlling within the 125% tolerance.

Q Do you mean the well continues to flow after the pump has ceased to operate?

A Yes. With a normal crude oil, many of these wells would be flowing wells and installation of pumping equipment would not be necessary. Because of the paraffin condition, we have installed pumping equipment.

Q Do you know whether the pump action can be stopped when the pump ceases?

A We have attempted the use of chokes on the flow line without much success because of the aggravation of the paraffin problem. We are unable to operate with shut in casing because of gas lock difficulties with our pumps. We are currently attempting to establish a short pumping cycle followed by a long idle period in an effort to keep the wells from flowing.

Q All right, is there any way, any economically feasible way by the use of automatic controls that you can limit this production within the daily tolerance?

A Not to my knowledge.

Q Is there any way that the wells can be held to their present daily tolerance?

A Only by having a pumper stand by to open the flow line so that the daily tolerance can be produced and then close the valve.

Q Is this practical from an economic standpoint?

A No, sir.

Q Is there any other reason why a 200% tolerance should be allowed by the Commission?

A Yes, the pipe line deliveries are erratic because of viscous crude oil and overloaded lines. For instance, due to the viscosity of the oil, it has taken as long as forty-eight hours to empty the storage facilities into the pipe line when ordinarily the tanks should be emptied in about one day. Therefore, in order to produce the monthly allowable with reasonable storage facilities, it may be necessary to over produce the 125% daily tolerance.

Q Why did you recommend a 200% tolerance rather than another figure?

A We were granted temporary permission to produce at 200% tolerance and we find that we can operate within this limit, but that it is impractical to operate with less than 200% tolerance.

Q If this tolerance is granted, will it effect in any way the ultimate recovery of oil from the reservoir?

A I don't believe it will be effective.

MR. ADKINS: I believe that's all the questions I have.

MR. PORTER: Does any one have a question of the witness?

MR. MANKIN: I do.

MR. PORTER: Mr. Mankin.

CROSS EXAMINATION

BY: MR. MANKIN:

Q Mr. Owens, you indicated considerable trouble in the Caprock-Queen Pool for pipeline capacities. Is it true that most of the pipelines operate on a gravity system?

A I believe that is correct, sir. The pipeline that we are connected to is the Artesia pipeline.

Q In other sites it is necessary to use pumps to transfer it to trucks or some other facility, rather than the private system, is that true?

A Yes, sir. Artesia has provided portable pumps which they set at your battery and we have provided one of our own pumps for that purpose, to facilitate the movement from the tank to the pipeline.

Q Is it also true that in this particular pool, the major pipeline, of the field which we are speaking of, caused the heating of oil to go into effect October 1st of this particular year?

A Yes, sir, We have only two leases with them, and they are provided with heating facilities.

Q Do you know of any other pool in New Mexico that requires such handling and treatment?

A No, sir, I don't.

Q Do you have anything on the actual viscosity of this oil the year round or at the present time, the viscosity? What is the viscosity in degrees, or what is the viscosity at the present time?

A Well, sir, the figure we had on the Caprock-Queen crude was down to 60 degrees, and I believe the viscosity was 200 ordinary centipoises.

Q The oil has to be kept above, approximately, 50 degrees to be able to move the oil?

A Oh, we have cases where it has moved at 50 degrees from the tank into the pipeline.

Q And there is considerable problem on paraffin, which requires hot oil treatment, scrapers, and other things?

A Yes, sir. It is aggravated by a salt problem. In some cases we use hot water instead of hot oil.

Q You use hot oil or hot fluid, depending on the conditions?

A Yes, sir. You also have the paraffin and have the salt.

Q Do you feel that the 200% which has been granted you as a temporary measure, that you can live with it throughout the winter?

A Our fieldmen say that they can, yes, sir.

Q Do you have any other knowledge of what the operators might feel that they might live with during the winter in regard to the

200% capacity?

A Not an accurate figure. I have talked to other operators, and it is a common field problem, but I don't have recommendations on a percentage tolerance.

Q You are aware that you made an application for an exception, which was granted temporarily pending this hearing?

A Yes, sir.

Q And the Commission set it on their own motion, feeling that this was a field-wide problem, is that true?

A Yes, sir.

MR. MANKIN: That is all.

MR. PORTER: Does anyone have a question of the witness?
The witness may be excused.

(Witness excused.)

MR. PORTER: Does anyone have a statement? Mr. Motter.

MR. MOTTER: E. J. Motter, with Cities Service. If the Commission please, I prepared a statement on the views of my company.

Cities Service Oil Company is an operator of oil producing properties in the Caprock-Queen Pool and wishes to offer the following statements in support of Case No. 1174, regarding the daily producing rate of wells at daily rates in excess of 125% of the daily allowable for the following reasons:

1. Viscous crude oil during the winter months and overloaded pipeline facilities lead to erratic pipeline deliveries. The pipeline company since October 1, 1956, refuses to accept crude oil if the temperature in the tanks is less than 50 degrees. It will take up to 24 hours to heat this oil to a temperature where it will be accepted by the pipeline company. Lease storage is insufficient to absorb this fluctuation without occasional shut down of production.

2. Extreme paraffin difficulties cause fluctuating production. Paraffin control measures such as hot oiling, chemical treatment and scraper rods are only a partial solution to this problem.

3. Several wells frequently head and flow either through the casing, tubing or both and when this occurs, a well may greatly exceed its allowable.

4. Salt deposition on down hole and surface equipment causes fluctuating production and considerable down time.

5. Sand produced from the unconsolidated formations cause pumping difficulties and plug surface equipment. As a result production fluctuates and much down time occurs.

6. Electric power failures during electrical storms and the windy season causes a loss of production.

From the preceding statements we urge the Oil Conservation Commission to grant an exception to Rule 5021 (a) permitting

production greater than the 125% of the daily allowable for all wells in the Caprock-Queen Pool.

MR. PORTER: Anyone else have a statement? Mr. Walker.

MR. WALKER: Walker, with Gulf Oil. We too are operators in this pool, and have encountered similar difficulties as outlined by the witness, and we would like to endorse the request for the exception to the rule requiring only 125% of the daily allowable, and I understand, I don't have any evidence, that our troubles are restricted to the winter time.

MR. PORTER: Anyone else have a statement? Mr. Kell.

MR. KELL: C. L. Kell with Standard Oil and Gas Company. As an operator in that pool, we too have also run into the same difficulty, and we would like to endorse the application and the statements made by the previous companies.

MR. PORTER: Are there any more statements in this case?
The case will be taken under advisement.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me; and that same is a true and correct record to the best of my knowledge, skill, and ability.

WITNESS my Hand and Seal, this, the 26th day of November, 1956, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


NOTARY PUBLIC

My Commission Expires:

October 5, 1960

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. 1174
Order No. R-927

APPLICATION OF THE OIL CONSERVATION
COMMISSION OF NEW MEXICO UPON ITS
OWN MOTION FOR AN ORDER GRANTING
EXCEPTION TO RULE 502 I (a) OF THE
COMMISSION STATEWIDE RULES AND
REGULATIONS FOR ALL WELLS IN THE
CAPROCK-QUEEN POOL, CHAVES AND
LEA COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

THIS cause came on for hearing at 2 o'clock a.m. on
November 13, 1956, at Santa Fe, New Mexico, before the Oil Con-
servation Commission of New Mexico, hereinafter referred to as
the "Commission".

NOW, on this 27th day of November, 1956, the Commission,
a quorum being present, having considered the testimony presented
and the exhibits received at said hearing and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the viscosity of oil produced from the Caprock-
Queen Pool is such as to render it impracticable to produce the
wells therein within the 125% daily tolerance established by State-
wide Rule 502 I (a).

(3) That the maximum permissible daily rate of oil
production for wells in the Caprock-Queen Pool should be increased
to 200% of the daily ton unit allowable for said pool in order to
permit the efficient operation thereof.

(4) That there is no necessity for increasing the
monthly tolerance for said pool.

IT IS THEREFORE ORDERED:

1. That all oil wells in the Caprock-Queen Pool, Chaves
and Lea Counties, New Mexico, be and the same are hereby excepted

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Case No. 1174
Order No. R-927

from the provisions of Rule 502 I of the Commission Rules and Regulations.

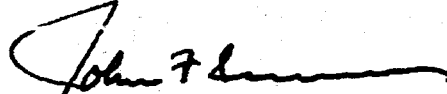
2. That the maximum daily rate of oil production for wells in the Caprock-Queen Pool be and the same is hereby established at 200% of the daily top unit allowable for said pool; provided, however, that the monthly tolerance, as established by Rule 502 II of the Commission Rules and Regulations, shall under no circumstances be exceeded.

IT IS FURTHER ORDERED:

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste or protection of correlative rights.

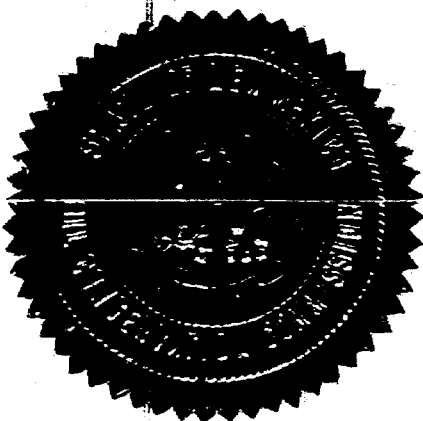
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


A. L. PORTER, Jr., Member & Secretary



ir/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 11/15/52

CASE 1174

Hearing Date 9 am on 11/13/52 SK

My recommendations for an order in the above numbered cases are as follows:

OK to write approval of excepts.
to Rule 502 I (a) for Cawrock
Queen Fort in Lea & Chaves Counties.

Exc to not affect monthly balance
" " not exceed 200 %

Wanell Markin
Staff Member

DOCKET: REGULAR HEARING NOVEMBER 13, 1956

Oil Conservation Commission 9:00 a.m., Mabry Hall, State Capitol, Santa Fe

- ALLOWABLE:**
- (1) Consideration of the oil allowable for December, 1956.
 - (2) Consideration of the allowable production of gas from designated pools in Lea County, New Mexico, for December, 1956, and also presentation of purchasers' nominations for the 6-month period beginning January 1, 1957; also consideration of the gas allowable for December, 1956, for the prorated pools in San Juan and Rio Arriba Counties, New Mexico.

NEW CASES

- CASE 727: (Readvertisement) Application of the Oil Conservation Commission upon its own motion as provided for in Order R-610-C, to hear testimony and receive evidence regarding the amending, revising or abrogating existing Rules and Regulations of the Oil Conservation Commission, and/or promulgating rules and regulations relating to gas pool delineation, gas proration and other related matters affecting or concerning the Blinebry Gas Pool, Blinebry Oil Pool and Terry-Blinebry Oil Pool.
- CASE 861: (Readvertisement) Application of El Paso Natural Gas Company for an order amending the well spacing and drilling unit provisions of Commission Order R-639 and establishment of gas proration units and allocation of gas production in the Crosby-Devonian Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order amending the Special Rules and Regulations for the Crosby-Devonian Gas Pool as set forth in Order R-639 insofar as well spacing and drilling unit provisions and the wells to be excepted thereto. Applicant further seeks to establish standard gas proration units consisting of not less than 632 acres nor more than 648 acres and further seeks to establish the allocation of gas production in the proportion that the acreage assigned to each well multiplied by its well-head pressure after 72 hours shut-in bears to the sum of said product for all wells and proration units in the Crosby-Devonian Gas Pool or in accordance with such other method for allocating production as the Commission shall deem necessary and proper.
- CASE 1102: (Rehearing) Application of the Ohio Oil Company for rehearing in Case 1102, Order R-892 which established pool rules for the Dean Permo-Pennsylvanian and Dean-Devonian Pools, Lea County, New Mexico. Applicant, in the above-styled cause, seeks reconsideration by the Commission of the spacing and allowable provisions for the Dean Permo-Pennsylvanian Pool with particular attention to the allowable for existing wells on 40-acre tracts. Applicant contends that such wells should retain the normal 40-acre allowable rather than one-half of the normal 80-acre allowable as established by Order R-892.

CASE 1172: Application of Magnolia Petroleum Company for an order granting exception to paragraph 2 of the Special Rules and Regulations of the Dean Permo-Pennsylvanian Pool as set forth in Order R-892 and further for an extension of the horizontal limits of the Dean Permo-Pennsylvanian Pool. Applicant, in the above-styled cause, seeks an order granting the establishment of an 80-acre non-standard proration unit comprising the NE/4 SE/4 of Section 27, and the NW/4 SW/4 of Section 26, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico; said acreage to be dedicated to its Cone No. 1 Well, located in the NW/4 SW/4 of said Section 26 and further applicant requests the extension of the horizontal limits of the Dean Permo-Pennsylvanian Pool to include the SE/4 of said Section 27.

CASE 1173: Application of Skelly Oil Company for an order granting approval of its proposed Sombero Unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order granting approval of its proposed Sombero Unit containing 640 acres comprising the E/2 of Section 11 and the W/2 of Section 12, Township 16 South, Range 33 East, Lea County, New Mexico. The unit consists entirely of State of New Mexico lands.

CASE 1174: Application of the Oil Conservation Commission upon its own motion for an order granting exception to Rule 502 I (a) of the Commission Statewide Rules and Regulations for all wells in the Caprock-Queen Pool, Chaves and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks an order granting exception to Rule 502 I (a) in permitting production greater than 125% of the daily allowable for all wells in the Caprock-Queen Pool.

CASE 1175: Southeastern New Mexico nomenclature case calling for the creation of new pools and the extension of and deletion of certain areas from existing pools in Lea and Eddy Counties, New Mexico:

- (a) Create a new pool for Pennsylvanian production, designated as the Anderson-Pennsylvanian Gas Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 30 EAST
Section 18: NW/4

- (b) Create a new pool for Pennsylvanian production, designated as the Duffield-Pennsylvanian Gas Pool, and described as:

TOWNSHIP 16 SOUTH, RANGE 27 EAST
Section 21: SW/4

- (c) Create a new pool for Devonian production, designated as the Four Lakes-Devonian Pool, and described as:

TOWNSHIP 12 SOUTH, RANGE 34 EAST
Section 1: NW/4
Section 2: NE/4

- (d) Create a new pool for Wolfcamp production, designated as the Four Lakes-Wolfcamp Pool, and described as:

TOWNSHIP 12 SOUTH, RANGE 34 EAST
Section 1: NW/4
Section 2: NE/4

- (e) Create a new pool for Pennsylvanian production, designated as the Fren-Pennsylvanian Gas Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 31 EAST
Section 15: SW/4
Section 21: E/2
Section 22: NW/4

- (f) Create a new pool for Seven Rivers production, designated as the High Lonesome-Seven Rivers Pool, and described as:

TOWNSHIP 16 SOUTH, RANGE 29 EAST
Section 15: NW/4

- (g) Create a new pool for Pennsylvanian production, designated as the Ranger Lake-Pennsylvanian Pool, and described as:

TOWNSHIP 12 SOUTH, RANGE 34 EAST
Section 23: SE/4

- (h) Create a new pool for Yates production, designated as the Saladar-Yates Pool, and described as:

TOWNSHIP 20 SOUTH, RANGE 28 EAST
Section 33: SW/4

- (i) Create a new pool for Delaware production, designated as the Wye-Delaware Pool and described as:

TOWNSHIP 22 SOUTH, RANGE 27 EAST
Section 29: NW/4

- (j) Extension of the Aid Pool to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST
Section 19: SW/4

- (k) Extension of the Atoka Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 26 EAST

Section 10: E/2 and E/2 W/2

Section 11: S/2

Section 13: W/2 W/2

Section 21: NE/4

Section 22: NE/4

- (l) Extension of the Dean Permo-Pennsylvanian Pool to include therein:

TOWNSHIP 15 SOUTH, RANGE 36 EAST

Section 23: S/2 SE/4

- (m) Extension of the Dos Hermanos Yates-Seven Rivers Pool to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST

Section 32: E/2 NE/4

- (n) Extension of the North Gladiola-Devonian Pool to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST

Section 5: W/2

- (o) Extension of the High-Lonesome Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST

Section 21: E/2 and SW/4

Section 28: All

- (p) Extension of the Hobbs Pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST

Section 26: E/2 NE/4

- (q) Extension of the Roberts Pool to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST

Section 8: NE/4

- (r) Extension of the Townsend-Wolfcamp Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST

Section 1: Lots 9, 10, 15 & 16

Section 8: NE/4 SW/4

- (s) Extension of the Jalmat Gas Pool to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST

Section 11: SE/4

- (t) Deletion from the Terry-Blinebry Oil Pool the following:

TOWNSHIP 21 SOUTH, RANGE 37 EAST
Section 3: Lots 6, 10, 11 & 12

- (u) Extension of the Blinebry Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST
Section 3: Lots 6, 10, 11 & 12

- (v) Extension of the Blinebry Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST
Section 3: Lots 6, 10, 11 & 12

CASE 1176: Northwestern New Mexico nomenclature case calling for the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico:

- (a) Extension of the Ballard-Pictured Cliffs Pool to include therein:

TOWNSHIP 26 NORTH, RANGE 7 WEST
Section 30: SW/4

- (b) Extension of the Aztec-Pictured Cliffs Pool to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST
Section 2: W/2

- (c) Extension of the Otero-Pictured Cliffs Pool to include therein:

TOWNSHIP 24 NORTH, RANGE 6 WEST
Section 36: S/2

- (d) Extension of the Tapcito-Pictured Cliffs Pool to include therein:

TOWNSHIP 26 NORTH, RANGE 3 WEST
Section 33: E/2

TOWNSHIP 26 NORTH, RANGE 4 WEST
Section 3: S/2
Section 4: S/2
Section 10: N/2

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Docket No. 37-56

- (e) Extension of the West Kutz-Pictured Cliffs Pool
to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST
Section 10: NE/4

- (f) Extension of the Bisti Lower Gallup Oil Pool to
include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST
Section 7: SE/4

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

October 15, 1956

Union Oil Company of California
Midland, Texas

Exception to Rule 502 I (a)

Attention: Mr. W. D. Owens

Gentlemen:

Reference is made to your application for approval of an exception to paragraph I (a) of Rule 502 of the Commission's Rules and Regulations for all of your wells in the Caprock-Queen pool of ~~Unaves and Los Comanches~~, ~~New~~ Mexico. Said wells are located in Sections 3, 8, 17 and 31, Township 15 South, Range 31 East; Sections 14 and 28, Township 14 South, Range 31 East and Section 16, Township 12 South, Range 32 East.

In view of the extenuating circumstances of your case with regards to oil viscosity, individual well problems and pipeline capacities affecting said wells, I feel that a temporary exception should be granted. Therefore, by authority granted me under Rule 502 I (b) of the Commission's Rules and Regulations, you are hereby authorized to produce your Caprock-Queen Pool Wells at a daily production rate not to exceed 200% of each well's daily allowable. In no case shall the monthly tolerance as established by Rule 502 II be exceeded.

It is understood that this exception is granted temporarily and that the Commission shall call this matter for hearing on November 13, 1956 to consider an exception to Rule 502 I (a) for the entire pool.

Very truly yours,

A. L. FORTNER, JR.
Secretary-Director

WAM:mc

cc: OCC, Hobbs
NM Oil & Gas Engr. Comm., Hobbs

C
O
P
Y

Can file Union Oil Company of California

M I D L A N D T E X A S

4601
October 2, 1956

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

Union Oil Company of California, as operator of oil producing properties in the Caprock Queen Field, hereby requests without formal hearing an exception to New Mexico Oil Conservation Commission Rule 302 I(a) regarding the rate of producing wells.

As recognized by the provisions of Rule 302 I(b), it is sometimes necessary to produce certain wells at daily rates in excess of 125% of the top daily unit allowable for the pool in which such wells are located. The reasons for this with regard to Union's Caprock Queen wells are as follows:

1. Pipeline deliveries are erratic because of viscous crude oil and over-loaded lines. In order to produce the monthly allowable with reasonable storage facilities, it may be necessary occasionally to over-produce the daily tolerance.
2. Individual well production is erratic because of the extreme paraffin difficulties. Periodic treatment with hot fluid is required and sucker rods equipped with paraffin central scrapers are essential. Periodically the wells may build up pressure and purge themselves of an accumulated deposit, and a normal 49 barrel pumpout might flow oil in excess of the daily allowable.

Union Oil Company of California will diligently attempt to adhere to the normal daily tolerance as provided in Rule 302; but to account for the existing conditions as listed above, we respectfully request an exception.

We have provided every operator in the Caprock Queen Field with a copy of this application.

Very truly yours

UNION OIL COMPANY OF CALIFORNIA

W. D. Owens
Division Engineer

WDO:HN

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED DATE 10/1/01 BY 60322

✓ ~~Oil Company~~
Box 344
Midland, Texas

✓ ~~Veranda Petroleum Corporation~~
~~Veranda Life Building~~ Drawer D
Veranda, Texas Monument, N.M.

✓ Morris R. Antwell
Box 1858
Hobbs, New Mexico

✓ Cities Service Oil Company
Box 97
Hobbs, New Mexico

✓ Barney Cockburn
Box 185
Artesia, New Mexico

✓ J. D. Collier
Box 798
Artesia, New Mexico

✓ Continental Oil Company
Box 427
Hobbs, New Mexico

✓ Crest Oil Company
2107 Atlantic Avenue
Long Beach 2, California

✓ Delfern Oil Company
1706 14th Street
Lubbock, Texas

✓ ~~Granridge Corporation~~
Box 334
Granridge, Texas

✓ ~~Great Western Drilling Company~~
Box 1859
Midland, Texas

✓ ~~Hall Oil Corporation~~
Box 1417
Hobbs, New Mexico

✓ ~~Hiscox Drilling Company~~
2115 Petroleum Life Building
Midland, Texas

✓ Major L. B. Hodges
Box 671
Roswell, New Mexico

✓ ~~Kerr-McCoy Oil Industries, Inc.~~
Box 1876
Midland, Texas

✓ ~~Landa Oil Company~~
5738 North Central Expressway
Dallas, Texas

✓ ~~Late Oil Company~~
Box 670
San Angelo, Texas

✓ ~~M. A. Machris~~
Midland Tower Building
Midland, Texas

✓ ~~Magnolia Petroleum Company~~
Box 662
Roswell, New Mexico

✓ ~~Monsanto Chemical Company~~
Box 1742
Midland, Texas

✓ ~~Joseph I. O'Neill, Jr.~~
209 North Big Spring Street
Midland, Texas

✓ ~~Phillips Petroleum Company~~
Box 2105
Hobbs, New Mexico

✓ ~~W. E. Pittman~~
Box 283
Midland, Texas

✓ ~~A. H. Poole~~
Box 959
Edinburg, Texas

✓ ~~Rock Development Co.~~
Box 6633
Roswell, New Mexico

✓ ~~Pure Oil Company~~
Box 1224
Roswell, New Mexico

✓ *Neville G. Penno, Jr.*
P.O. Box 988
Edinburg, N.M.

ILLEGIBLE

- | | |
|---|---|
| ✓ Resler Oil Company
Carper Building
Artesia, New Mexico | ✓ John M. Trigg
Box 6429
Roswell, New Mexico |
| ✓ Salsich, McGrath and Smith
Petroleum Life Building
Midland, Texas | ✓ Vickers Petroleum Company, Inc.
Box 744
Roswell, New Mexico |
| ✓ Ross Sears
Box 727
Artesia, New Mexico | ✓ Watson Drilling Company
Box 549
Artesia, New Mexico |
| ✓ Bill A. Shelton
Lovington, New Mexico | ✓ 1301 Wealey Company, Inc.
Continental Life Building
Fort Worth 2, Texas |
| ✓ Sinclair Oil and Gas Company
Box 1927
Hobbs, New Mexico | ✓ White-Glover Oil Corporation
1846 East Broadway
Tucson, Arizona |
| ✓ Shelly Oil Company
Box 38
Hobbs, New Mexico | ✓ George Williams
207 West Avenue B
Lovington, New Mexico |
| ✓ William Spurr
Box 744
Roswell, New Mexico | ✓ R. R. Wealey
709 South Main Street
Artesia, New Mexico |
| ✓ Stanaland Oil and Gas Company
Box 62
Hobbs, New Mexico | ✓ Union Oil Co of California
619 West Tenth St
Midland, Texas |
| ✓ Sundry Mid-Continent Oil Company
Box 125
Hobbs, New Mexico | ✓ Western Drilling Co, Inc.
901 Hubbard Natl Bank Bldg
Hubbard, Texas |
| ✓ The Superior Oil Company
Andrews Highway
Midland, Texas | |
| ✓ The Texas Company
Box 77
Hobbs, New Mexico | |
| ✓ Texas Pacific Coal and Oil Company
Box 1688
Hobbs, New Mexico | |
| ✓ Tidewater Oil Company
Box 547
Hobbs, New Mexico | |

Total 366

ILLEGIBLE

OIL CONSERVATION COMMISSION
P. O. BOX 871
Santa Fe, New Mexico

Memo. 40-56

To: All Operators in the Caprock-Queen Pool.
From: A. L. Porter, Jr., Secretary-Director
Subject: Case 1174.

Case 1174, called on the Commission's own motion to consider the granting of an exception to Rule 502 1 (a) (daily production tolerance rule) of the Statewide Rules and Regulations for all wells in the Caprock-Queen Pool, will be heard on November 13, 1956. It has been brought to the attention of the Commission that operators are having difficulty in producing the total monthly allowable without, in some instances, exceeding the daily production tolerance of 125%. It has been indicated that the production problems encountered are due to paraffin and the low viscosity of the oil in this pool.

Cities Service Oil Company has indicated that they will present some testimony in this case. Other interested parties should also consider offering testimony.

No consideration will be given to increasing the monthly production tolerance.

November 2, 1956

MAIN OFFICE OCC

TEXAS-NEW MEXICO PIPE LINE COMPANY

EST. JUL 11 1956
P. L. WHITAKER, JR.
DIVISION MANAGER

July 24, 1956

P. O. BOX 1510
MIDLAND, TEXAS

THIS SPACE USED FOR LEASE
NAME AND DESCRIPTION

ADDRESSEE

Gentlemen:

You are probably familiar with the fact that during the winter months when atmospheric temperatures are low, the characteristics of the Caprock Queen Crude change materially. This change of flow characteristics is so severe that in some instances the fluid becomes a semi-solid, and will only move slowly out of your tanks, if at all. It is extremely difficult for us to pump, and in fact, last winter we had some lines that became completely plugged and remained so for some time.

It was pointed out to producers last winter that the only solution was for each producer to heat the oil in his tank. The response to our suggestion has been limited.

The practice of producers heating oil in the winter is not new. It is common practice in Montana, Wyoming, and Colorado. In these areas steam coils are necessary. It will probably not be necessary to install steam coils in the tanks in the Caprock Queen Pool; however, heat will be required.

Beginning October 1, 1956, and extending through the month of March, we will not be able to receive this type of crude oil into our system if the temperature of the crude in lease tanks is lower than 50° F.

Yours very truly,

JEW, Jr.:meo

Union Oil Company of California

M I D L A N D T E X A S

October 22, 1956

Mr. A. L. Porter, Jr.
Secretary - Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

Union Oil Company of California, as operator of oil producing properties in the Caprock Queen Field, has submitted a request dated October 2, 1956, for an exception to New Mexico Oil Conservation Commission Rule 502 I(a) regarding the rate of producing wells. At the time of the request it was believed that the problem was of a local nature and it was believed that the exception could be most easily handled without a formal hearing. Further investigation has shown the problems to be field wide. These problems should be considered by all operators in the Caprock Queen Field, and we respectfully request that we be granted a temporary exception without formal hearing and that a formal hearing be scheduled in the near future.

Very truly yours,

UNION OIL COMPANY OF CALIFORNIA

W. D. Owens

W. D. Owens

WDO:dr

DOCKET: REGULAR HEARING NOVEMBER 13, 1956

Oil Conservation Commission 9:00 a.m., Mabry Hall, State Capitol, Santa Fe

- ALLOWABLE: (1) Consideration of the oil allowable for December, 1956.
- (2) Consideration of the allowable production of gas from designated pools in Lea County, New Mexico, for December, 1956, and also presentation of purchasers' nominations for the 6-month period beginning January 1, 1957; also consideration of the gas allowable for December, 1956, for the prorated pools in San Juan and Rio Arriba Counties, New Mexico.

NEW CASES

CASE 727: (Readvertisement) Application of the Oil Conservation Commission upon its own motion as provided for in Order R-610-C, to hear testimony and receive evidence regarding the amending, revising or abrogating existing Rules and Regulations of the Oil Conservation Commission, and/or promulgating rules and regulations relating to gas pool delineation, gas proration and other related matters affecting or concerning the Blinebry Gas Pool, Blinebry Oil Pool and Terry-Blinebry Oil Pool.

CASE 861: (Readvertisement) Application of El Paso Natural Gas Company for an order amending the well spacing and drilling unit provisions of Commission Order R-639 and establishment of gas proration units and allocation of gas production in the Crosby-Devonian Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order amending the Special Rules and Regulations for the Crosby-Devonian Gas Pool as set forth in Order R-639 insofar as well spacing and drilling unit provisions and the wells to be excepted thereto. Applicant further seeks to establish standard gas proration units consisting of not less than 632 acres nor more than 648 acres and further seeks to establish the allocation of gas production in the proportion that the acreage assigned to each well multiplied by its well-head pressure after 72 hours shut-in bears to the sum of said product for all wells and proration units in the Crosby-Devonian Gas Pool or in accordance with such other method for allocating production as the Commission shall deem necessary and proper.

CASE 1102: (Rehearing) Application of the Ohio Oil Company for rehearing in Case 1102, Order R-892 which established pool rules for the Dean Permo-Pennsylvanian and Dean-Devonian Pools, Lea County, New Mexico. Applicant, in the above-styled cause, seeks reconsideration by the Commission of the spacing and allowable provisions for the Dean Permo-Pennsylvanian Pool with particular attention to the allowable for existing wells on 40-acre tracts. Applicant contends that such wells should retain the normal 40-acre allowable rather than one-half of the normal 80-acre allowable as established by Order R-892.

CASE 1172: Application of Magnolia Petroleum Company for an order granting exception to paragraph 2 of the Special Rules and Regulations of the Dean Permo-Pennsylvanian Pool as set forth in Order R-892 and further for an extension of the horizontal limits of the Dean Permo-Pennsylvanian Pool. Applicant, in the above-styled cause, seeks an order granting the establishment of an 80-acre non-standard proration unit comprising the NE/4 SE/4 of Section 27, and the NW/4 SW/4 of Section 26, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico; said acreage to be dedicated to its Cone No. 1 Well, located in the NW/4 SW/4 of said Section 26 and further applicant requests the extension of the horizontal limits of the Dean Permo-Pennsylvanian Pool to include the SE/4 of said Section 27.

CASE 1173: Application of Skelly Oil Company for an order granting approval of its proposed Sombero Unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order granting approval of its proposed Sombero Unit containing 640 acres comprising the E/2 of Section 11 and the W/2 of Section 12, Township 16 South, Range 33 East, Lea County, New Mexico. The unit consists entirely of State of New Mexico lands.

CASE 1174: Application of the Oil Conservation Commission upon its own motion for an order granting exception to Rule 502 I (a) of the Commission Statewide Rules and Regulations for all wells in the Caprock-Queen Pool, Chaves and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks an order granting exception to Rule 502 I (a) in permitting production greater than 125% of the daily allowable for all wells in the Caprock-Queen Pool.

CASE 1175: Southeastern New Mexico nomenclature case calling for the creation of new pools and the extension of and deletion of certain areas from existing pools in Lea and Eddy Counties, New Mexico:

- (a) Create a new pool for Pennsylvanian production, designated as the Anderson-Pennsylvanian Gas Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 30 EAST
Section 18: NW/4

- (b) Create a new pool for Pennsylvanian production, designated as the Duffield-Pennsylvanian Gas Pool, and described as:

TOWNSHIP 16 SOUTH, RANGE 27 EAST
Section 21: SW/4

- (c) Create a new pool for Devonian production, designated as the Four Lakes-Devonian Pool, and described as:

TOWNSHIP 12 SOUTH, RANGE 34 EAST

Section 1: NW/4

Section 2: NE/4

- (d) Create a new pool for Wolfcamp production, designated as the Four Lakes-Wolfcamp Pool, and described as:

TOWNSHIP 12 SOUTH, RANGE 34 EAST

Section 1: NW/4

Section 2: NE/4

- (e) Create a new pool for Pennsylvanian production, designated as the Fren-Pennsylvanian Gas Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 31 EAST

Section 15: SW/4

Section 21: E/2

Section 22: NW/4

- (f) Create a new pool for Seven Rivers production, designated as the High Lonesome-Seven Rivers Pool, and described as:

TOWNSHIP 16 SOUTH, RANGE 29 EAST

Section 15: NW/4

- (g) Create a new pool for Pennsylvanian production, designated as the Ranger Lake-Pennsylvanian Pool, and described as:

TOWNSHIP 12 SOUTH, RANGE 34 EAST

Section 23: SE/4

- (h) Create a new pool for Yates production, designated as the Saladar-Yates Pool, and described as:

TOWNSHIP 20 SOUTH, RANGE 28 EAST

Section 33: SW/4

- (i) Create a new pool for Delaware production, designated as the Wye-Delaware Pool and described as:

TOWNSHIP 22 SOUTH, RANGE 27 EAST

Section 29: NW/4

- (j) Extension of the Aid Pool to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST

Section 19: SW/4

- (k) Extension of the Aloka Pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST

Section 10: E/2 and E/2 W/2

Section 11: S/2

Section 13: W/2 W/2

Section 21: NE/4

Section 22: NE/4

- (l) Extension of the Dean Permo-Pennsylvanian Pool to include therein:

TOWNSHIP 15 SOUTH, RANGE 36 EAST

Section 23: S/2 SE/4

- (m) Extension of the Dos Hermanos Yates-Seven Rivers Pool to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST

Section 32: E/2 NE/4

- (n) Extension of the North Gladiola-Devonian Pool to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST

Section 5: W/2

- (o) Extension of the High-Lonesome Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST

Section 21: E/2 and SW/4

Section 28: All

- (p) Extension of the Hobbs Pool to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST

Section 26: E/2 NE/4

- (q) Extension of the Roberts Pool to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST

Section 8: NE/4

- (r) Extension of the Townsend-Wolfcamp Pool to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST

Section 1: Lots 9, 10, 15 & 16

Section 8: NE/4 SW/4

- (s) Extension of the Jalmat Gas Pool to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST

Section 11: SE/4

- (t) Deletion from the Terry-Blincbry Oil Pool the following:

TOWNSHIP 21 SOUTH, RANGE 37 EAST
Section 3: Lots 6, 10, 11 & 12

- (u) Extension of the Blincbry Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST
Section 3: Lots 6, 10, 11 & 12

- (v) Extension of the Blincbry Oil Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST
Section 3: Lots 6, 10, 11 & 12

CASE 1176: Northwestern New Mexico nomenclature case calling for the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico:

- (a) Extension of the Ballard-Pictured Cliffs Pool to include therein:

TOWNSHIP 26 NORTH, RANGE 7 WEST
Section 30: SW/4

- (b) Extension of the Aztec-Pictured Cliffs Pool to include therein:

TOWNSHIP 29 NORTH, RANGE 10 WEST
Section 2: W/2

- (c) Extension of the Otero-Pictured Cliffs Pool to include therein:

TOWNSHIP 24 NORTH, RANGE 6 WEST
Section 36: S/2

- (d) Extension of the Tapicito-Pictured Cliffs Pool to include therein:

TOWNSHIP 26 NORTH, RANGE 3 WEST
Section 33: E/2

TOWNSHIP 26 NORTH, RANGE 4 WEST
Section 3: S/2
Section 4: S/2
Section 10: N/2

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Docket No. 37-56

- (e) Extension of the West Kutz-Pictured Cliffs Pool to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST
Section 10: NE/4

- (f) Extension of the Bisti Lower Gallup Oil Pool to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST
Section 7: SE/4

ir/

COMPARISON OF VISCOSITY

TEMPERATURE RELATION OF CAPROCK QUEEN CRUDE
WITH AVERAGE WEST TEXAS CRUDE OILS
(GAS FREE)

BEFORE THE
FEDERAL COMMISSION
ON MEXICO
SA
Union of Calif.
1174

EUGENE D. STEVENSON, JR.
ATTORNEY AT LAW

NO. 5408-20 DIETZGEN GRAPH PAPER
20 X 20 PER INCH

