

Case No.

1528

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Application, Transcript,  
Small Exhibits, Etc.

CASE 1534: Tennessee Gas Transmission  
Co. application to commingle oil from 3  
state leases from Kernatta-Walcamp &  
[redacted] 21 & 28-16S-34E

*Indians -  
need spec  
lbr of [unclear]*

**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. 1528  
Order No. R-1274**

**APPLICATION OF TENNESSEE GAS  
TRANSMISSION COMPANY FOR PERMISSION  
TO COMINGLE THE PRODUCTION FROM  
TWO SEPARATE OIL POOLS FROM THREE  
STATE LEASES IN LEA COUNTY, NEW  
MEXICO.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on October 22, 1958, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 5<sup>th</sup> day of November, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 applicant, Tennessee Gas Transmission Company, is the owner and operator of the following-described State of New Mexico Leases:

|            |                    |
|------------|--------------------|
| State "B", | NW/4 of Section 21 |
| State "C", | SW/4 of Section 21 |
| State "D", | NW/4 of Section 28 |

all in Township 16 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That by Administrative Order CTB-24, dated February 5, 1958, applicant was authorized to commingle the oil produced from the above-described leases in the Kemnitz-Wolfcamp Pool.

-2-  
Case No. 1528  
Order No. B-1274

(4) That the applicant now seeks an order authorizing it to commingle the oil produced from the Kennitz-Wolfcamp and Kennitz-Cisco Pools from wells located on the above-described leases after the production from each of said pools has been separately measured by means of positive displacement meters.

(5) That the wells in the above-described leases should be tested monthly in order to determine the individual production from each.

(6) That approval of the subject application will not cause waste nor impair correlative rights.

**IT IS THEREFORE ORDERED:**

(1) That the applicant be and the same is hereby authorized to commingle the oil produced from the Kennitz-Wolfcamp and Kennitz-Cisco Pools from wells located on the following-described state leases:

|            |                    |
|------------|--------------------|
| State "B", | NW/4 of Section 21 |
| State "C", | SW/4 of Section 21 |
| State "D", | NW/4 of Section 28 |

all in Township 16 South, Range 34 East, NMPN, Lea County, New Mexico.

**PROVIDED HOWEVER,** That production from each of said pools shall be separately measured by means of positive displacement meters prior to being commingled, and

**PROVIDED FURTHER,** That said meters shall be checked for accuracy at intervals and in a manner satisfactory to the Commission.

(2) That the wells on the above-described leases shall be tested monthly in order to determine the individual production from each.

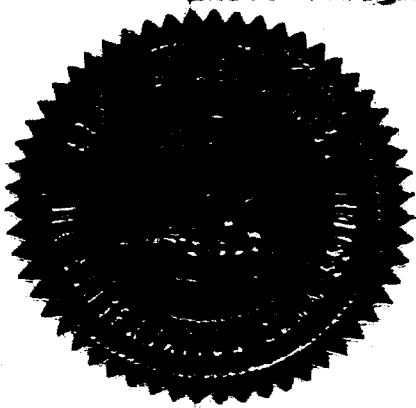
**DONE** at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*  
EDWIN L. MECHAM, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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



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

November 10, 1958

C  
O  
P  
Y

Mr. J. F. Carnes  
Tennessee Gas Transmission Co.  
P.O. Box 307  
Hobbs, New Mexico

Dear Mr. Carnes:

We enclose two copies of Order R-1274 issued November 5, 1958, by the Oil Conservation Commission in Case 1528, which was heard on October 22nd at Santa Fe before an examiner.

Please note that this order requires that each meter installed in the subject system shall be tested for accuracy at intervals and in a manner satisfactory to the Commission. It will be necessary for you to run a series of tests of sufficient duration to determine that the meters are functioning properly immediately following installation. Thereafter, tests should be made at intervals not to exceed one month and a report of said calibration filed with the Commission. The meters shall be calibrated against a master meter or against a test tank of measured volume.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encls.

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 10-24-58

CASE NO. 1228

HEARING DATE 10-22-58

My recommendations for an order in the above numbered case(s) are as follows:

1. Approve Tennessee Nat. Gas Trans. request to commingle oil from ~~1~~ <sup>1</sup> ~~County~~ <sup>Wolfcamp</sup> ~~leases~~ <sup>leases</sup> ~~on their State 'B', 'C' & 'D' leases~~.
2. The "B" is NW ~~1/4~~ Sec. 31 - 16S - 34E.  
    " " " " SW " " " " 28 - 16S - 34E.  
    " " " " NW " " " " 28 - 16S - 34E.
3. Each pool shall be metered before commingling by use of positive displacement meters.
4. Wells shall be tested at required intervals.

  
Staff Member

Case 1528

TENNESSEE GAS TRANSMISSION COMPANY

MAIN OFFICE 933  
Post Office Box 307  
Hobbs, New Mexico  
October 1, 1958  
1958 OCT 3 AM 8 58 B

*Memo Cisco*

State of New Mexico  
Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Re: Application For Common Storage,  
Kemnitz Wolfcamp and Kemnitz  
Cisco Pools,  
Lea County, New Mexico.

Gentlemen:

Tennessee Gas Transmission Company hereby makes application to use common surface storage for the production of oil from the Kemnitz Wolfcamp and Kemnitz Cisco Pools on the State "B", State "C" and State "D" Leases located in Sections 21 and 28, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico. Administrative Order CTB No. 24 was granted February 5, 1958 approving the use of common storage on these leases for the Kemnitz Wolfcamp Pool.

Tennessee proposes to use common storage for the production from the Kemnitz Wolfcamp and Kemnitz Cisco Pools after separately measuring the production from each zone through positive displacement meters. None of the three wells involved are top allowable.

Tennessee Gas Transmission Company has an application scheduled for examiner hearing October 22, 1958 regarding the use of common storage for the oil production from the Kemnitz Wolfcamp and an undesignated Cisco Pool on the State A. A. Kemnitz "B" Lease, Section 25, Township 16 South, Range 33 East, Lea County, New Mexico. It is respectfully requested that these two applications be consolidated for hearings.

Yours very truly,

TENNESSEE GAS TRANSMISSION COMPANY

*J. F. Carnes*  
J. F. Carnes  
District Engineer

JFC/mh

cc: New Mexico Oil Conservation Commission, Hobbs, New Mexico

*Docket Mailed  
11-4-58-EP*

DOCKET: EXAMINER HEARING OCTOBER 22, 1958

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

The following cases will be heard before Elvis A. Utz, Examiner:

- CASE 962: Application of Humble Oil & Refining Company for the amendment of a unit agreement. Applicant, in the above-styled cause, seeks an order amending the South Four Lakes Unit Agreement approved by Order R-710 to enlarge the unit area to include the N/2 SW/4 of Section 1, Township 12 South, Range 34 East, Lea County, New Mexico.
- CASE 1527: Application of Tennessee Gas Transmission Company for permission to commingle the oil produced from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the oil produced from its State A. A. Kennitz "B" Well No. 5, located in the SW/4 NW/4 of Section 25, Township 16 South, Range 33 East, Lea County, New Mexico, from the ~~Kennitz-Wolfcamp Pool~~ and an undesignated ~~Pennsylvanian (Cisco) pool~~. Applicant proposes to separately meter the production from each zone prior to commingling.
- CASE 1528: Application of Tennessee Gas Transmission Company to commingle the production from two separate oil pools from three of its state leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the oil produced from the Kennitz-Wolfcamp and Kennitz-Cisco Pools from the wells on its State "B", State "C" and State "D" Leases located in Sections 21 and 28, Township 16 South, Range 34 East, Lea County, New Mexico.
- CASE 1529: Application of Kersey & Company for permission to commingle production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Grayburg-Jackson Pool and the Fren Pool from two wells located on the SE/4 SW/4 of Section 16, Township 17 South, Range 31 East, Eddy County, New Mexico. Applicant does not propose to meter the production from each pool.
- CASE 1530: Application of Rice Engineering & Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its E-M-E SWD Well No. A-32 to be located 1320 feet from the North and East lines of Section 32, Township 21 South, Range 36 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4250 feet to 4600 feet.



- CASE 1531: Application of Rice Engineering & Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through Amerada Petroleum Corporation's Adkins Well No. 2, located 990 feet from the South line and 330 feet from the West line of Section 5, Township 20 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4490 feet to 4950 feet.
- CASE 1532: Application of Sunray Mid-Continent Oil Company for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its Hobbs "G" Well No. 1, located 1950 feet from the North and West lines of Section 36, Township 9 South, Range 33 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water through the well bore into the Pennsylvanian formation in the interval from 9834 feet to 9865 feet.
- CASE 1533: Application of El Paso Natural Gas Products Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Frontier No. 1-B Well, located 890 feet from the South line and 890 feet from the East line of Section 9, Township 27 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup oil pool and the production of gas from an undesignated Dakota gas pool through parallel strings of tubing.
- CASE 1534: Application of Zapata Petroleum Corporation for permission to commingle production from nine non-contiguous state leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from nine separate state leases in the Vacuum Pool, all in Townships 17 and 18 South, Range 35 East, Lea County, New Mexico.
- CASE 1535: Application of Carper Drilling Company for permission to commingle the oil produced from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from three wells completed in the Corbin Pool and one well completed in the Maljamar Pool, all on its Wyatt lease in Sections 33 and 34, Township 17 South, Range 33 East, and Section 5, Township 18 South, Range 33 East, Lea County, New Mexico, and to ascertain the production from each well by means of periodic tests.
- CASE 1536: Application of Shell Oil Company for permission to commingle the oil produced from four separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from four separate state leases in Sections 8 and 9, Township 16 South, Range 34 East, Hume-Queen Pool, Lea County, New Mexico.

CASE 1537: Application of Pure Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its South Vacuum Unit No. 2-35 Well, located 1980 feet from the South line and 660 feet from the East line of Section 35, Township 18 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the South Vacuum-Devonian Pool and gas from an undesignated McKee gas pool through parallel strings of tubing.

CASE 1538: Application of Aztec Oil & Gas Company for the assignment of minimum allowables to certain gas wells in the Fulcher Kutz-Pictured Cliffs Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order assigning minimum allowables to the following described gas wells in the Fulcher Kutz-Pictured Cliffs Gas Pool in order to prevent premature abandonment of said wells:

Cassens No. 3 and No. 4 Wells, both in Section 20, Township 29 North, Range 11 West;  
Hart No. 1 Well, Section 11, Township 29 North, Range 12 West;  
Holder No. 1 Well, Section 29, Township 30 North, Range 12 West;  
Cornell No. 3 and No. 4 Wells, both in Section 12, Township 29 North, Range 12 West;

all in San Juan County, New Mexico.

CASE 1539: Application of T. J. Sivley for an exception to the casing requirements for the potash-oil area in Eddy and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing an exception to the casing requirements for the potash-oil area as set forth in Order R-111-A for its Federal-Silver No. 1, an exploratory well to be located 1980 feet from the South and East lines of Section 28, Township 20 South, Range 34 East, Lea County, New Mexico. Applicant proposes to drill with cable tools to the Yates formation. The casing program of applicant is as follows:

13-3/8" Casing in top of red bed at approximately 70 feet.

10-3/4" Casing as cave string to about 700 feet.

8-5/8" Casing, this being the water shutoff string to approximately 1250', but in any event below water.

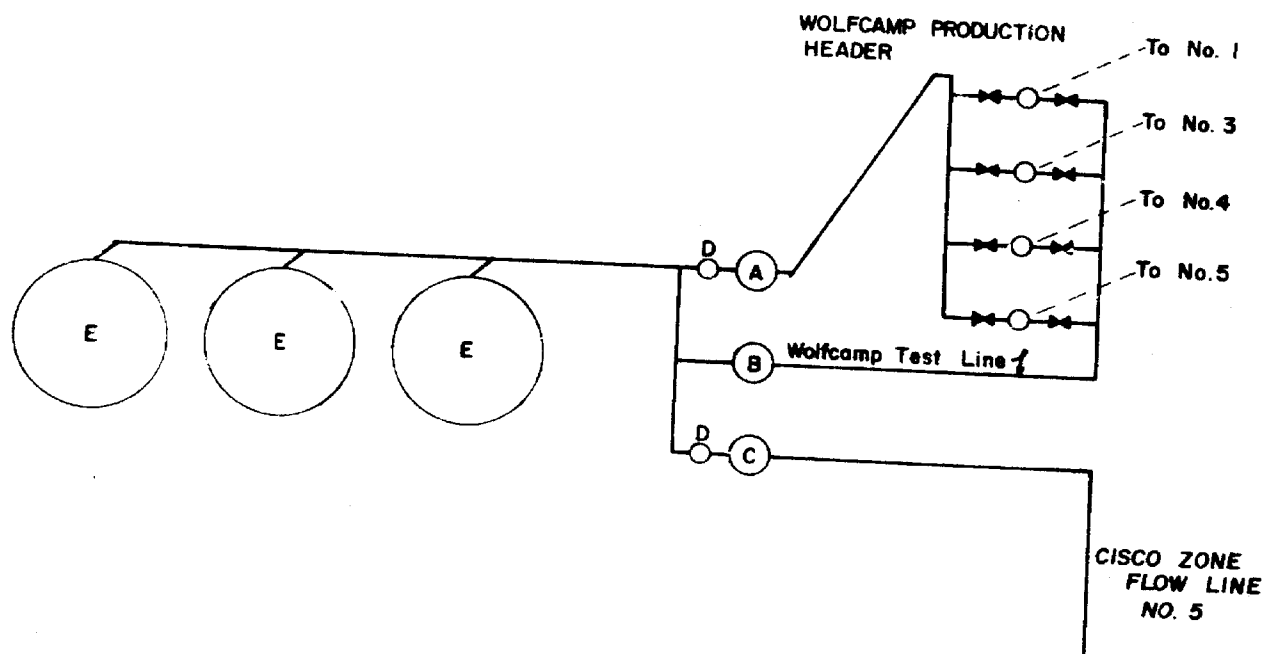
5-1/2" Casing to be set at a point selected by operator above pay zone expected to be encountered at 3625', but in no event to exceed a depth greater than 600 feet below the base of salt.

That the applicant should be permitted to pull all casing except the 5-1/2" production string in the event that commercial oil or gas is found.

CASE 1540: Application of E. P. Campbell for an exception to Rule 505 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order granting an exception to Rule 505 of the Commission Rules and Regulations and assigning an allowable proportional factor of 1.33 for the oil pool in the Abo formation discovered by applicant's Cockerham No. 1 Well, NE/4 NE/4 Section 34, Township 18 South, Range 26 East, Eddy County, New Mexico, even though the depth of the casing shoe is 4205 feet. The top of the Abo pay is at approximately 5280 feet in the above-described well.

CONTINUED CASE

CASE 1516: Application of El Paso Natural Gas Company for two non-standard gas proration units and for the approval of one unorthodox gas well location. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 SW/4 and the SW/4 SW/4 of Section 4, Township 25 South, Range 37 East, said unit to be dedicated to the applicant's Wells Federal No. 3 Well located 1980 feet from the South and West lines of said Section 4. Applicant further seeks the establishment of a 200-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the SE/4 SW/4 of Section 4 and the NW/4 of Section 9, Township 25 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Wells Federal No. 11 Well located 430 feet from the South line and 2317 feet from the West line of said Section 4. Applicant further seeks approval of the unorthodox gas well location of the said Wells Federal No. 11 Well.



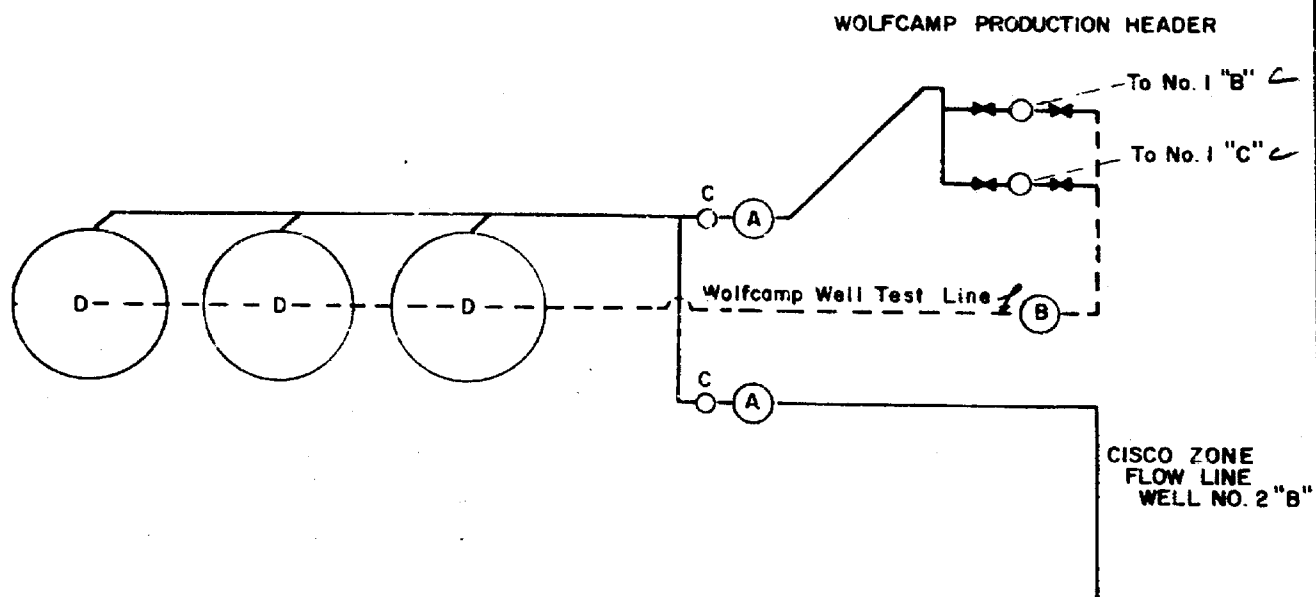
#### LEGEND

- A - 3'x11' BS&B Vertical Oil & Gas Separator
- B - (Spherical) Sivalis Metering Separator
- C - 2'x6' Parksburg Vertical Oil & Gas Separator
- D - Kimray 2" P.D. Meters
- E - 1,000 Bbl. Stock Tanks

**BEFORE EXAMINER UTZ**  
**OIL CONSERVATION COMMISSION**  
*Tennessee* EXHIBIT NO. ~~1527-27~~  
CASE NO. 1527-28

TENNESSEE GAS TRANSMISSION CO.  
PRODUCTION DEPT. HOBBS, NEW MEXICO  
**PROPOSED TANK BATTERY**  
**ST. A.A. KEMNITZ, B' LSE.**  
SEC. 25, T-16-S, R-33-E  
LEA CO., NEW MEXICO  
NO SCALE

Exhibit **II**



#### LEGEND

- A - 3'x11' Union Tank Vertical O. & G. Separator
- B - (Spherical) Sivalis Metering Separator
- C - Kimray 2" P.D. Meters
- D - 500 Bbl. Stock Tanks

TENNESSEE GAS TRANSMISSION CO.  
 PRODUCTION DEPT. HOBBS NEW MEXICO  
**PROPOSED TANK BATTERY**  
**STATE B, C & D LSE.**  
 SEC 21, T-16-S, R-33-E  
 LEA CO., NEW MEXICO  
 NO SCALE

*Exhibit III*