

1918: Application of GULF OIL
to ~~convey~~ from its Ramsey (NCT-D
and NCT-J leases) - Lee County.

24
181

Case No.

1812

Application, Transcript,
Small Exhibits, Etc.

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

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

**CASE No. 1812
Order No. R-1548**

**APPLICATION OF GULF OIL CORPO-
RATION FOR PERMISSION TO COM-
MINGLE THE PRODUCTION FROM TWO
SEPARATE LEASES IN THE EUMONT
POOL, LEA COUNTY, NEW MEXICO**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 21, 1959, 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 10th day of December, 1959, 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, Gulf Oil Corporation, is the owner and operator of the Bell Ramsay (NCT-D) lease consisting of the NE/4 of Section 35 and the Bell Ramsay (NCT-J) lease consisting of the SW/4 SW/4 of Section 25, both in Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to commingle the Eumont oil production from the above-described leases in a common tank battery.
- (4) That the working interests and royalty interests in the above-described leases are common throughout.
- (5) That approval of the subject application will neither cause waste nor impair correlative rights provided adequate testing equipment and storage facilities are installed.

-2-
Case No. 1812
Order No. R-1548

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to commingle the oil production from the Eumont Pool from all wells on the following-described leases in Lea County, New Mexico:

Bell Ramsay (NCT-D) lease, NE/4 of Section 35

Bell Ramsay (NCT-J) lease, SW/4 SW/4 of Section 25

all in Township 20 South, Range 37 East.


PROVIDED HOWEVER, That if any well on either lease shall subsequently be classified as a gas well, the production therefrom shall be separately metered prior to commingling.

PROVIDED FURTHER, That the applicant shall furnish sufficient storage capacity to prevent the overflow and wasting of oil produced into the common tank battery.

PROVIDED FURTHER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described leases at least once each month to determine the individual production from each well.

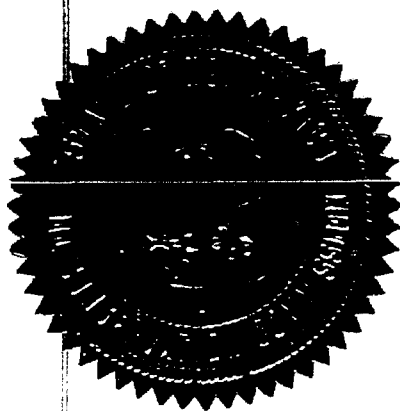
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



ven/



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 FORT WORTH 1, TEXAS

H. P. REARDON
DIVISION
PETROLEUM ENGINEER

FORT WORTH
PRODUCTION DIVISION

October 28 1959

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

Re: Application of Gulf Oil Corporation for Exception to
Rule 309 for their Bell Ramsay (NCT D) and Bell Ramsay
(NCT-J) Leases. Located in the Eumont Pool, Lea County,
New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for exception to Rule 309 of the Rules and Regulations of the New Mexico Oil Conservation Commission to allow the use of storage and test facilities existing on Gulf's Bell Ramsay (NCT D) Lease, being the NE/4 of Section 35, T-20-S, R-37-E, to handle the production from Gulf's Bell Ramsay (NCT-J) Lease, comprising the SW/4 of the SW/4 of Section 25, T 20-S, R-37-E, Lea County, New Mexico. Applicant seeks exception to that portion of Rule 309 which requires that oil shall not be transported from a lease until it has been received and measured in tanks located on the lease. The wells located on these leases are producing oil from the Eumont Pool. In support of this request, applicant states the following:

- (1) There is no diversity of royalty or working interests underlying the above described leases.
- (2) All wells are producing from the Eumont Pool.
- (3) The existing storage facilities on the Bell Ramsay (NCT-D) Lease are adequate to handle production from each well on the two leases. There is one flowing well on each lease.
- (4) A test separator and test line to the storage tanks will be installed, which will provide adequate facilities at the central battery to take all required tests.
- (5) The approval of this application will result in substantial savings in steel, reduce the cost of operation and maintenance, prevent waste and will protect correlative rights.

Oil Conservation Commission

-2-

October 28, 1959

Gulf Oil Corporation respectfully requests that this matter be set for hearing at an early date.

Respectfully submitted,

GULF OIL CORPORATION

By: H. P. Pearson
Division Petroleum Engineer

cc: Oil Conservation Commission
State of New Mexico
P. O. Box 2045
Hobbs, New Mexico

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

John M. Kelly
P. O. Box 5671
Roswell, New Mexico

Pan American Petroleum Corporation
P. O. Box 899
Roswell, New Mexico

DOCKET: EXAMINER HEARING NOVEMBER 24, 1959

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

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary.

CASE 1811: Application of The Atlantic Refining Company for permission to commingle the production from three separate pools from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the Tubb, Blinberry, and Drinkard production from three Federal leases in Section 14, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 1812: Application of Gulf Oil Corporation for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from the Eumont Pool from its Ramsay (NCT-D) Lease consisting of the NE/4 of Section 31 and from its Ramsay (NCT-J) Lease consisting of the SW/4 SW/4 of Section 25, both in Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1813: Application of Gulf Oil Corporation for a gas-oil dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Travis Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 21, Township 23 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Abo gas pool and the production of oil from the Teague Pool. Applicant further seeks permission to commingle the oil produced from the Teague Pool from said well with the distillate produced from an undesignated Abo gas pool from said well.

CASE 1814: Application of Leonard Latch for two water flood projects. Applicant, in the above-styled cause, seeks an order authorizing it to institute two water flood projects in the Empire Pool in Eddy County, New Mexico. In one project, applicant proposes to inject water into the Seven Rivers formation through ten wells located in the N/2 of Section 19, Township 17 South, Range 28 East. In the other project, applicant proposes to inject water into the Seven Rivers formation through seven wells located in the S/2 SE/4 of Section 12 and the NE/4 of Section 13, Township 17 South, Range 27 East.

CASE 1815: Application of Leonard Oil Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location in the Jalmat Gas Pool at a point 2310 feet from the North and East lines of Section 21, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant proposes that said well serve as the unit well for a non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 NW/4 and W/2 NE/4 of said Section 21.

CASE 1816: Application of Shell Oil Company for permission to commingle the production from several separate pools from several separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from an undesignated Atoka pool and an undesignated San Andres pool from two separate leases in Sections 23, 26, and 35, Township 19 South, Range 35 East, Lea County, New Mexico, and to transport said production from said leases

prior to measurement and to commingle such production with the commingled Pearl-Queen production authorized by Order No. R-1101. Applicant further seeks authorization to expand the automatic custody transfer system authorized by said Order No. R-1101.

CASE 1817: Application of Sunray Mid-Continent Oil Company for an automatic custody transfer system and for permission to produce more than sixteen wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from all Bisti-Lower Gallup Oil Pool wells on its Central Bisti Unit comprising certain acreage in Townships 25 and 26 North, Range 12 West, San Juan County, New Mexico.

CASE 1818: Application of Texaco Inc., for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State "BN" Well No. 1, located in the NW/4 SW/4 of Section 25, Township 11 South, Range 32 East, Lea County, New Mexico, in such a manner as to produce gas from the Moore-Wolfcamp Gas Pool and to produce oil from the Moore-Pennsylvanian Pool through the casing-tubing annulus and tubing respectively.

CASE 1819: Application of Hamilton Dome Oil Company, Ltd., for an order authorizing the commingling of production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry and Tubb production from a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 1820: Application of Carper Drilling Company, Inc., and T. J. Sivley for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from that portion of State Lease B-1483 consisting of lot 2 of Section 2 and that portion of State lease 2029 consisting of lot 3 of said Section 2, Township 18 South, Range 27 East, Eddy County, New Mexico.

CASE 1821: Application of Cities Service Oil Company for establishment of a water flood project allowable. Applicant, in the above-styled cause, seeks an order establishing a project allowable for its Drickey Queen Sand Unit in Chaves County, New Mexico, and providing for the conversion of wells to water injection at the operator's election.

CASE 1822: Application of Cities Service Oil Company for approval of automatic custody transfer facilities. Applicant, in the above-styled cause, seeks an order authorizing the installation of automatic custody transfer facilities to handle the Caprock-Queen Pool production from the Drickey Queen Sand Unit in Chaves County, New Mexico.

*Answer
10/27/49*

STATE LAND OFFICE

Santa Fe, New Mexico

*Before Permit
Oil & Gas Royalties*



MURRAY E. MORGAN
COMMISSIONER

October 25, 1949

Gulf Oil Corporation
P. O. Drawer 669
Roswell, New Mexico

Attention: Mr. W. A. Shellshear

Dear Sir:

This is an answer to your letter of October 21, 1949 regarding the commingling of the Elmont oil production, located on the NE 1/4 of Section 35 and the NW 1/4 SW 1/4 of Section 25-20S-37E, State of New Mexico Lease B-230, wells, Bell-Ramsay NCT-D and Bell-Ramsay NCT-J.

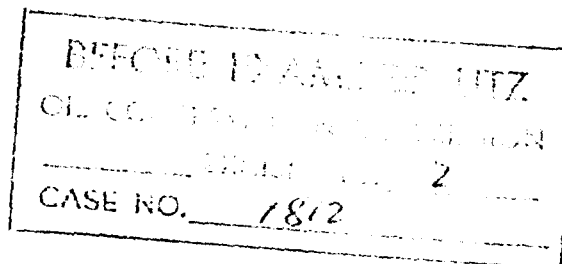
✓ Since these wells are both dedicated to the same institution, this will be your permission to commingle said oil.

Very truly yours,

MURRAY E. MORGAN
Commissioner of Public Lands
By:

Ted Filberry, Supervisor
Oil and Gas Division

TR:ML:mb





PETROLEUM AND ITS PRODUCTS
GULF OIL CORPORATION

P. O. DRAWER 1290 FORT WORTH 1, TEXAS

FORT WORTH
PRODUCTION DIVISION

H. P. REARDON
DIVISION
PETROLEUM ENGINEER

October 28, 1959

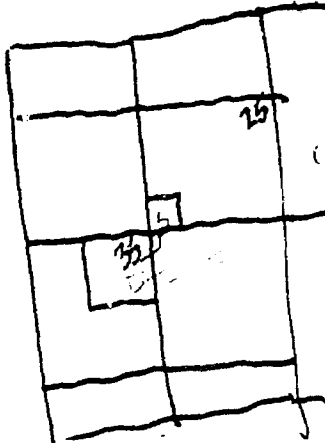
Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Re: Application of Gulf Oil Corporation for Exception to
Rule 309 for their Bell Ramsay (NCT D) and Bell Ramsay
(NCT-J) Leases, located in the Eumont Pool, Lea County,
New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for exception to Rule 309 of the Rules and Regulations of the New Mexico Oil Conservation Commission to allow the use of storage and test facilities existing on Gulf's Bell Ramsay (NCT D) Lease, being the NE/4 of Section 35, T-20-S, R-37-E, to handle the production from Gulf's Bell Ramsay (NCT-J) Lease, comprising the SW/4 of the SW/4 of Section 25, T-20-S, R-37-E, Lea County, New Mexico. Applicant seeks exception to that portion of Rule 309 which requires that oil shall not be transported from a lease until it has been received and measured in tanks located on the lease. The wells located on these leases are producing oil from the Eumont Pool. In support of this request, applicant states the following:

- (1) There is no diversity of royalty or working interests underlying the above described leases.
- (2) All wells are producing from the Eumont Pool.
- (3) The existing storage facilities on the Bell Ramsay (NCT-D) Lease are adequate to handle production from each well on the two leases. There is one flowing well on each lease.
- (4) A test separator and test line to the storage tanks will be installed, which will provide adequate facilities at the central battery to take all required tests.
- (5) The approval of this application will result in substantial savings in steel, reduce the cost of operation and maintenance, prevent waste and will protect correlative rights.



Revised Mailed
11-12-59

Oil Conservation Commission

-2-

October 28, 1959

Gulf Oil Corporation respectfully requests that this matter be set for hearing at an early date.

Respectfully submitted,

GULF OIL CORPORATION

By:


Division Petroleum Engineer

cc: Oil Conservation Commission
State of New Mexico
P. O. Box 2045
Hobbs, New Mexico

Continental Oil Company
P. O. Box 427
Hobbs, New Mexico

John M. Kelly
P. O. Box 5671
Roswell, New Mexico

Pan American Petroleum Corporation
P. O. Box 899
Roswell, New Mexico

DRAFT

OEP:vem
Dec. 9

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. 1812

Order No. R- 1548

APPLICATION OF GULF OIL CORPO-
RATION FOR PERMISSION TO COM-
MINGLE THE PRODUCTION FROM TWO
SEPARATE LEASES IN THE EUMONT
POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

~~This cause came on for hearing at _____ o'clock a.m. on _____, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."~~

~~NOW, on this _____ day of _____, 1959, 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,~~

This cause came on for hearing at 9 o'clock a.m. on November 24, 1959, 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 _____ day of December, 1959, 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, Gulf Oil Corporation, is the owner and operator of the Bell Ramsay (NCT-D) lease consisting of the NE/4 of Section 35 and the Bell Ramsay (NCT-J) lease consisting of the SW/4 SW/4 of Section 25, both in Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to commingle the Eumont oil production from the above-described leases in a common tank battery.

(4) That the working interests and royalty interests in the above-described leases are common throughout.

(5) That approval of the subject application will neither cause waste nor impair correlative rights provided adequate testing equipment and storage facilities are installed.

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to commingle the oil production from the Eumont Pool from all wells on the following-described leases in Lea County, New Mexico:

Bell Ramsay (NCT-D) lease, NE/4 of Section 35

Bell Ramsay (NCT-J) lease, SW/4 SW/4 of Section 25

all in Township 20 South, Range 37 East.

PROVIDED HOWEVER, That if any well on either lease shall subsequently be classified as a gas well, the production therefrom shall be separately metered prior to commingling.

PROVIDED FURTHER, That the applicant shall furnish sufficient storage capacity to prevent the overflow and wasting of oil produced into the common tank battery.

PROVIDED FURTHER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described leases at least once each month to determine the individual production from each well.

DONE at SFNM-----

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 11-30-59

CASE 1812

Hearing Date 11-24-59

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

1. Grant Gulf permission to commingle the Oil & Gas production from its Bell Ramsey (NCT-J) lease, SW 8W-25-20S-37E, with Oil & Gas ~~from~~ production with its Bell Ramsey (NCT-D) lease, NE-35-20S-37E
2. Production from NCT-J ^{may} ~~shall~~ be ~~metered~~ measured on the NCT-D lease.
3. If at any time either well shall become a gas well the production therefrom shall be metered separately.
4. W.D. & Royalty on both leases are the same.

Ernest H. W.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 24, 1959

EXAMINER HEARING

IN THE MATTER OF:)

Application of Gulf Oil Corporation)
for permission to commingle the pro-)
duction from two separate leases.)

Case 1812

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-4491

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 24, 1959

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for per-
mission to commingle the production from two
separate leases. Applicant, in the above-
styled cause, seeks permission to commingle
the production from the Eumont Pool from its
Ramsay (NCT-D) Lease consisting of the NE/4
of Section 35 and from its Ramsay (NCT-J)
Lease consisting of the SW/4 SW/4 of Section
25, both in Township 20 South, Range 37 East,
Lea County, New Mexico.

) Case 1812

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The next case will be 1812.

MR. PAYNE: "Application of Gulf Oil Corporation for
permission to commingle the production from two separate leases."

MR. KASTLER: If the Examiner please, my name is Bill
Kastler from Roswell, New Mexico. I'm the lawyer for Gulf Oil
Corporation. Our only witness in this case is Mr. Vance Hendricks.
May he be sworn and take the stand, please?

(Witness sworn.)

VANCE HENDRICKS

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



DIRECT EXAMINATION

BY MR. KASTLER:

Q For the record, will you please state your name, your position, your employer and location of work?

A Vance Hendricks, Petroleum Engineer for the Gulf Oil Corporation, Roswell.

Q Have you previously testified before the New Mexico Oil Conservation Commission as a petroleum engineer?

A Yes, sir.

Q For Gulf?

A Yes.

Q Are you familiar with Gulf Bell Ramsay (NCT-D) and Bell Ramsay (NCT-J) Leases and with the application that Gulf has submitted requesting permission to commingle Eumont oil produced from these two leases?

A Yes, sir, I am.

MR. KASTLER: Is the witness acceptable to the Commission?

MR. UTZ: Yes, sir.

Q Have you prepared, or have you supervised the preparation of a plat which will show the subject leases?

A Yes, sir, I have.

MR. KASTLER: Gulf respectfully submits this as Exhibit No. 1.

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

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



Q Referring now to Exhibit No. 1, Mr. Hendricks, please testify what is shown.

A Exhibit No. 1 is a plat of the portion of central Lea County which is pertinent to this case. Gulf Bell Ramsay (NCT-D) is located in the Northeast Quarter of Section 35 and (NCT-J) Lease located in the Southwest Quarter, and Southwest Quarter of Section 25, are both located in Township 20, Range 37 East and outlined in yellow.

Q Are these two leases contiguous?

A No, sir, they aren't.

Q It's actually one lease, isn't it?

A Yes, it is one lease.

Q But non-contiguous tracts?

A That's correct. It only has one common point.

Q What is shown in green on the plat, Exhibit 1?

A Shown in green is the layout of the proposed mechanical installation which will facilitate common storage for the two leases. The existing two 250 bolted steel tanks are schematically shown by the open green circles while the green dots represent two separators, the straight green lines represent flow lines. Gulf proposes to salvage the existing tank battery located on the Bell Ramsay J Lease, located in the Southwest Quarter, Southwest of Section 25 and run a flow line from the Bell Ramsay (NCT-J) Well No. 1, located 660 feet from the South and West

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

lines of Section 25 to an existing tank battery on our Bell Ramsay (NCT-D) Lease. In addition to the new flow line a test separator with test lines to the tank will be installed.

Q Which wells are producing as are shown on the two non-contiguous tracts?

A Actually only one well producing on each lease. The Bell Ramsay D, 1960 feet from the North and East lines of Section 25, Township 20 South, Range 37 East; and our Bell Ramsay J No. 1 is located, as I stated before, 660 feet from the West and South lines of Section 25.

Q Are both wells single completions?

A Yes, they are. And they're both producing from the Eumont Oil Pool.

Q Will the proposed mechanical installation as shown in green provide adequate facilities for determining production from each well at reasonable intervals?

A Yes, both a production and test separator will be present in addition to sufficient tankage.

Q Is the royalty ownership for both leases common throughout?

A Yes, sir, both leases are parts of the same state lease.

Q What is the beneficiary institution?

A Common schools.

Q What is the number of the State Lease?

A State Lease B230.



PHONE CH 3-6691

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

Q Were all offset operators notified of this application?

A Yes.

Q Have any offset operators filed any objection?

A Not to my knowledge.

Q Has the Commissioner of Public Lands of the State of

New Mexico been contacted relative to this application?

A Yes, sir.

MR. KASTLER: I have here for introduction or display as evidence of this, Exhibit No. 2, which is a letter received from the State Land Commissioner.

(Marked Gulf's Exhibit No. 2, for identification.)

Q Has the Commissioner granted permission to the proposed commingling insofar as the State Land Office and common schools are concerned?

A Yes, he has.

MR. KASTLER: We would like to enter Exhibit No. 2, which is correspondence from the State Land Office approving the proposed commingling.

Q How would the granting of this application be in the interest of prevention of waste, Mr. Hendricks?

A The application, the approval of this application would result in substantial savings in steel and would also reduce the cost of operation and maintenance.



Q How much of a savings would result from salvaging one of the existing tank batteries?

A Approximately \$1900.00.

Q Would the granting of this application adversely affect the correlative rights of the royalty owners or offset operators or any other person?

A No, sir.

Q Was Exhibit No. 1 prepared by you or at your direction and under your supervision?

A Yes, it was.

MR. KASTLER: This completes the questions I have of this witness on direct testimony, and I would like to move at this time that Exhibit No. 1 be introduced in evidence.

MR. UTZ: Without objection it will be entered.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Hendricks, this line from your J Lease will actually cross which of the other leases before it gets on the D Lease?

A As we propose to lay it, it will stay within the State Lease B230.

Q You mean you are going to cross section corner of the state with the line?

A As a practical matter, no, sir. We would have to avoid that. I do not believe that any --



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Q Anyway, it will run right across the corner?

A Yes, as a practical matter we will make every effort to do so.

Q This designation of D and J is actually your company designation?

A That's right, just for the convenience of the company.

MR. UTZ: Any other questions?

BY MR. PAYNE:

Q Are there any diversity of overriding royalties?

A No, sir, not to my knowledge.

Q Are your storage facilities adequate to handle the common production from the two leases?

A Yes, sir.

MR. PAYNE: That's all.

BY MR. UTZ:

Q You do intend to drill some other wells on your D Lease?

A To my knowledge no plans are at present, but it's possible that in the future additional wells will be drilled.

MR. UTZ: Any other questions?

MR. KASTLER: I would like to clarify a point.

REDIRECT EXAMINATION

BY MR. KASTLER:

Q Mr. Hendricks, what is the present average daily production of the respective wells here?



DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO
PHONE CH 3-6691

A Our Bell Ramsay J No. 1 is producing ten barrels of oil per day and our Bell Ramsay (NCT-D) Well No. 1 is producing eight barrels per day.

MR. KASTLER: Thank you.

MR. UTZ: Are there other questions? If not, the witness may be excused.

(Witness excused.)

MR. UTZ: Any statements to be made in this case? If there are none, the case will be taken under advisement.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

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

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 5th day of December, 1959.

Ada Dearnley
Notary Public - Court Reporter

My commission expires:
June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Bernalillo County of case No. 1812, heard by me on Nov. 24, 1959.
[Signature], Examiner
New Mexico Oil Conservation Commission

