

CASE 2384: Application of GENERAL
AMERICAN for an exception to RULE
309-A.

-asa//o.

2384

plication, Transcript,
and Exhibits, Etc.

State of New Mexico
Oil Conservation Commission



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

October 9, 1961

Re: Case No. 2384
Order No. R-2074
Applicant:

General American Oil Co. of Texas

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

A. L. Porter, Jr.

ir/

Hobbs OCC **X**

Artesia OCC x

Aztec OCC

OTHER _____

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. 2384
Order No. R-2074

APPLICATION OF GENERAL AMERICAN
OIL COMPANY OF TEXAS FOR AN EXCEP-
TION TO RULE 309-A, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on Sep-
tember 20, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter,
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 9th day of October, 1961, the Commission,
a quorum being present, having considered the application, the
evidence adduced, and the recommendations of the Examiner,
Daniel S. Nutter, 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, General American Oil Company of
Texas, is the owner and operator of the State of New Mexico Lease
B-1778, comprising in pertinent part the SE/4 SE/4 of Section 36,
Township 17 South, Range 29 East, NMPM, and of the Beeson Federal
Lease LC 060529, comprising in pertinent part the SW/4 and the
NE/4 of Section 31, Township 17 South, Range 30 East, NMPM, all
in Eddy County, New Mexico.
- (3) That the applicant seeks permission to locate the tank
battery for said State Lease B-1778 on its Beeson Federal Lease
LC 060529, said battery to be located in the NE/4 SW/4 of said
Section 31, Loco Hills Pool.
- (4) That commingling of production from the two leases
will not result, and there will be no intercommunication of the
batteries designated to each lease.
- (5) That the location of the proposed battery will not
result in waste nor will it impair correlative rights.

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CASE No. 2384
Order No. R-2074

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby authorized to locate the tank battery for its State of New Mexico Lease B-1778, comprising in pertinent part the SE/4 SE/4 of Section 36, Township 17 South, Range 29 East, NMPH, on its Deeson Federal Lease LC 060529, comprising in pertinent part the SW/4 and the NE/4 of Section 31, Township 17 South, Range 30 East, NMPH, all in the Loco Hills Pool, Eddy County, New Mexico. Said battery is to be located in the NE/4 SW/4 of said Section 31.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

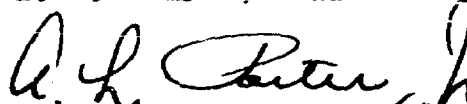
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



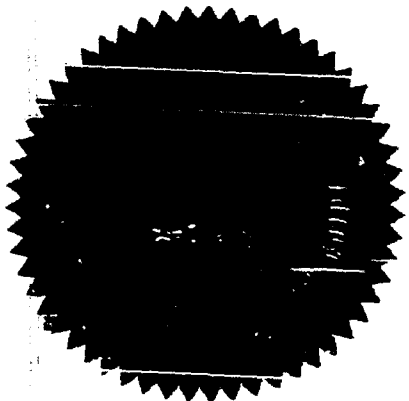
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/

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LAW OFFICES OF
CAMPBELL & RUSSELL

J. P. WHITE BUILDING - P. O. BOX 100
ROSWELL, NEW MEXICO

JACK M. CAMPBELL
JOHN F. RUSSELL

TELEPHONES
MAIN 2-4641
MAIN 2-4642

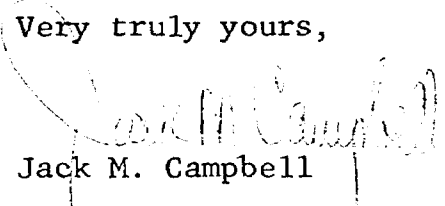
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

On behalf of General American Oil Company of Texas, we would like to request a hearing before one of your examiners for consideration of an application by General American Oil Company of Texas to move a tank battery from their State B-1778 lease in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 36, Township 17 South, Range 29 East, to a point in the northern part of the SW $\frac{1}{4}$ of Section 31, Township 17 South, Range 30 East, on their Beeson F L.C. 060529 lease.

It is the intention of the company to consolidate their Beeson tank batteries at the same location which is just south of a proposed water plant for the injection of water in an approved waterflood project. This will improve the efficiency of the waterflood operation.

Very truly yours,


Jack M. Campbell

For CAMPBELL & RUSSELL

JMC:np

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 9/21/61

CASE 2384

Hearing Date 9 am 9/20
DSO & SR

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

Enter an order O'King
Sent American proposal to
build tank battery for its
N.M. St. B-1778 lease ^{comprising SE 1/4 SE 1/4}
its Beeson Federal F lease,
said battery to be located in
the NE 1/4 ~~SW~~ 1/4 Sec 31 T17S
R30E Loco Hills Pool.

There shall be no commingling
of production from the two
leases nor interconnection
of batteries.

Handwritten signature

im

No 26-61

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 20, 1961

9:00 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Elvis A. Ute, as alternate examiner:

- CASE 2376: Application of the Oil Conservation Commission on its own motion to abolish certain portions of the San Simon and Wilson Pools in Lea County, New Mexico; to create a new pool for oil production in Township 21 South, Range 35 East, to be designated the North San Simon-Yates Pool; and to establish a limiting gas-oil ratio for said North San Simon-Yates Pool.
- CASE 2377: Application of N. R. Williamson for a waterflood project in the Seven Lakes Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Seven Lakes Pool in Sections 18 and 19, Township 18 North, Range 10 West, McKinley County, New Mexico. Applicant further seeks the establishment of procedures for obtaining administrative approval of extensions to the proposed waterflood project.
- CASE 2378: Application of The Atlantic Refining Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Carlson Federal "A" Well No. 2, located in Unit J, Section 23, Township 25 South Range 37 East, Lea County, New Mexico, as a triple completion (conventional) in the Paddock, Blinebry and Tubb-Drinkard Pools, the production of oil from each pool to be through parallel strings of 2-inch tubing.
- CASE 2379: Application of The Atlantic Refining Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Langlie Federal Well No. 2, located in the NW/4 SE/4 of Section 14, Township 25 South, Range 37 East, Lea County, New Mexico, as an oil-oil triple completion in an undesignated Paddock Pool and in the Justis-Blinebry and Justis Tubb-Drinkard Pools.

- CASE 2380: Application of Consolidated Oil & Gas, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Blanco Mesaverde and Basin Dakota Gas Pools comprising the NE/4 of Section 9, and the NW/4 of Section 10, all in Township 31 North, Range 13 West, San Juan County, New Mexico. Said unit is to be dedicated to applicant's Segal Well No. 1-9, located in the NE/4 NE/4 of said Section 9.
- CASE 2381: Application of Southwest Production Company for an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 22, Township 30 North, Range 12 West, San Juan County, New Mexico.
- CASE 2382: Application of Morris R. Antweil for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 230.95-acre non-standard gas proration unit in the Eumont Gas Pool, consisting of Lot 4 in Section 1, and Lots 1, 2, 3, 7 and 8 in Section 2, all in Township 21 South, Range 35 East, Lea County, New Mexico. Said unit is to be dedicated to applicant's L. W. White Well No. 1, located in the NE/4 NE/4 of said Section 2.
- CASE 2383: Application of C. H. Sweet Oil Company for an exception to Rule 309-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 309-A to permit the oil produced from applicant's McKinley "B" lease, located in the SE/4 NE/4 of Section 20, Township 18 South, Range 38 East, Lea County, New Mexico, to be transported, prior to measurement on said McKinley "B" lease, to applicant's Grimes lease located in the NE/4 SE/4 of said Section 20.
- CASE 2384: Application of General American Oil Company of Texas, for an exception to Rule 309-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 309-A to permit the Loco Hills oil production from applicant's State Lease B-1778, located in Section 36, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, to be transported, prior to measurement on said State Lease B-1778, to applicant's Federal Lease LC 060520, located in Section 31, Township 17 South, Range 30 East.

CASE 2385: Application of Texaco Inc. for a unit agreement and for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Lovington Unit Agreement, covering 2,472 acres, more or less, in Townships 16 and 17 South, Range 36 East, Lea County, New Mexico. Applicant further seeks authority to institute a pool-wide waterflood in the West Lovington Pool by the injection of water into the San Andres formation through 18 wells in Sections 3, 4, 5, 6, 7, 8, and 9, Township 17 South, Range 36 East.

CASE 2386: Application of Continental Oil Company for the establishment of two non-standard oil proration units in the Empire-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of two non-standard oil proration units in the Empire-Abo Pool described as follows:

(1) Lot 2 and the Southernmost 12.06 acres in Lot 1, Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico, comprising 40 acres. Applicant proposes to dedicate said unit to its State S-30 Well No. 1, 2310 feet from the North line and 330 feet from the West line of said Section 30.

(2) Lot 3 and the Northernmost 11.83 acres of Lot 4, all in said Section 30, comprising 40 acres. Applicant proposes to dedicate said unit to its State S-30 Well No. 3, to be drilled at a standard location in said unit.

CASE 2387: Application of Continental Oil Company for permission to dispose of salt water, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to dispose of produced salt water from the Anderson Ranch Wolfcamp Pool into the Wolfcamp formation through its Anderson Ranch Unit Well No. 8, located 1980 feet from the South line and 660 feet from the East line of Section 11, Township 16 South, Range 32 East, Lea County, New Mexico.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 20, 1961

EXAMINER HEARING

CASE 2384

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 20, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of General American Oil Company of Texas,
for an exception to Rule 309-A, Eddy County, New
Mexico. Applicant, in the above-styled cause, seeks
an exception to Rule 309-A to permit the Loco Hills
oil production from applicant's State Lease B-1778,
located in Section 36, Township 17 South, Range 29 East,
NMPN, Eddy County, New Mexico, to be transported, prior
to measurement on said State Lease B-1778, to appli-
cant's Federal Lease LCO60520, located in Section 31,
Township 17 South, Range 30 East.) Case
2384

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case 2384.

MR. MORRIS: Application of General American Oil Company
of Texas for an exception to Rule 309-A.

MR. CAMPBELL: Mr. Examiner, Jack M. Campbell, Campbell
& Russell, of Roswell, New Mexico, appearing on behalf of the
applicant. I have one witness, Mr. Miller.

(Witness sworn.)

RAY MILLER

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

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DIRECT EXAMINATION

BY MR. CAMPBELL:

Q State your name, please.

A Ray Miller.

Q Where do you live?

A Artesia.

Q By whom are you employed?

A General American Oil of Texas, New Mexico District.

Q Have you previously testified before this Commission, or its Examiners, in your professional capacity?

A I have.

MR. CAMPBELL: Are the witness's qualifications acceptable?

MR. NUTTER: Yes, sir.

Q Are you acquainted with the application of General American Oil Company of Texas in Case 2384 before the Commission?

A I am.

Q Will you state to the Examiner generally what it is that you are seeking to do by this application, and in so doing, you may refer to what has been identified as Applicant's Exhibit No. 1 in this case?

A As the Examiner is aware, we have recently been granted a permit to institute water flood in Loco Hills area. We feel that in connection with this water flood project, why, our operations will be made more efficient by centralizing the location of three tank batteries at present on these two different leases. One

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of these is the tank battery located in the SE SE of Section 36, Township 17 South, Range 29 East. It is shown on this exhibit, those circles colored in brown and we propose to move that battery to approximately 2,200 feet from the south line and 1,500 feet from the west line, Section 31, Township 17 South, Range 30 East, on Government lease, Las Cruces 060520 as shown on this plat as those circles colored in red is the proposed location of the battery. Also shown on the plat is, in orange circles, are the present Beeson "F" tanks, and in green circles are shown the proposed location of these same Beeson "F" tanks. The red lines shown are proposed flow line coming from the State B-1778 lease to the battery, the State "B" battery which will be located on the Beeson "F" lease.

Q The reason for this application, then, is that you are moving tank batteries from the State Lease B-1778 to the Beeson Federal Lease, LC 060520?

A That is correct.

Q When you get this water flood project underway, where will your plant be?

A Immediately north of that centralized tank battery.

Q Do you intend to commingle any oil from the State lease and the Federal lease?

A No, we do not, not while it is in our custody, no.

Q The only change will be that you will be transporting the oil from your State lease to the tank battery, for the State oil



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on the Federal lease. Why did you want to do this?

A It will centralize our gauging activities, increase our efficiency in that way, and then, with the pipelines in that area fairly well loaded we are going to have to set some shipping pumps at these various batteries. If we centralize them one shipping pump will take care of all of it. Otherwise, we will have to set three shipping pumps. Then we anticipate that these State wells eventually will be making quite a quantity of water, and we wish to utilize the horsepower provided by our pumping units to transfer this entire fluid up to a central point, and then we will separate the water and oil and, by gravity, take the water over to our water plant to reinject these wells.

Q Do you believe that by following this procedure you will improve the economic feasibility of your water flood project?

A I do.

Q Have you, at my suggestion, discussed this matter with the U.S.G.S. as to the Federal lease, and with the State Land Office in connection with the State lease involved?

A I have.

Q Have either of those agencies indicated any objection to the plan that you propose to use here?

A They did not.

Q If this is approved will it, in fact, perhaps, to some extent expedite the commencement of the operations of the water flood project in this area, by making its economic feasibility more



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apparent?

A I believe it will, yes.

MR. CAMPBELL: I would like to offer Applicant's Exhibit No. 1 in evidence.

MR. NUTTER: Applicant's Exhibit 1 will be admitted in evidence.

MR. CAMPBELL: I have no further questions at this time.

MR. NUTTER: Does anyone have any questions of Mr. Miller? You may be excused.

Do you have anything further to add, Mr. Campbell?

MR. CAMPBELL: No, I do not, Mr. Examiner.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2384? Take the case under advisement.



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PHONE CN 3-6691

ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, JUNE PAIGE, 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 2nd day of October, 1961.

June Paige
 Notary Public - Court Reporter

My commission expires:

May 11, 1964.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2384, heard by me on 9/20, 1961.

[Signature], Examiner
 New Mexico Oil Conservation Commission



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CM 3-6691

<u>WITNESS</u>			<u>PAGE</u>
RAY MILLER			
Direct Examination by Mr. Campbell			2

<u>EXHIBITS</u>		
<u>NUMBER</u>	<u>IDENTIFIED</u>	<u>ADMITTED</u>
1	2	5

