

BEFORE THE
OIL CONSERVATION COMMISSION
MABRY HALL
Santa Fe, New Mexico
October 19, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Amerada Petroleum Corporation for permission to commingle the production from several separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry, Drinkard, and Fusselman production from all wells on its Ida Wimberley lease comprising portions of Sections 24, 25 and 26, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

Case
2102

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. MORRIS: Case 2102, Application of Amerada Petroleum Corporation for permission to commingle the production from several separate pools and for an automatic custody transfer system.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, representing the applicant. We will have one witness.

(Whereupon witness sworn.)

A. E. SNYDER

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please.

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A A. E. Snyder.

Q By whom are you employed and what position?

A Amerada Petroleum Company as District Engineer in Monument, New Mexico.

Q Have you previously testified before the Oil Conservation Commission before?

A Yes, sir.

MR. KELLAHIN: Are the witnesses qualifications acceptable?

MR. NUTTER: Yes, sir.

Q (By Mr. Kellahin) Mr. Snyder, are you familiar with the application in Case 2102?

A Yes, sir.

Q Would you state briefly what you propose in this application.

A In this application we propose to commingle the production of three different pays on our Amerada Ida Wimberley lease and to install an automatic custody transfer system for the marketing of that oil.

Q Do you have a plat showing the ownership of the lease in the surrounding area?

A Yes, sir.

MR. KELLAHIN: Would you have that marked as Exhibit No. 1, please.

(Whereupon Exhibit No. 1 was marked for identification.)

Q (By Mr. Kellahin) Referring to what has been marked as Exhibit No. 1, would you discuss that Exhibit, please.

A This exhibit shows the location of Amerada's Ida



Q Did you design the proposed dual completion in this well?

A Yes.

Q Do you have for introduction as an exhibit here a lease plat which will show the location of the lease?

A Yes.

Q I would like to call your attention to Exhibit No. 1, lease plat Vinson-Ramsay, Lea County, New Mexico. Referring to Exhibit No. 1, now would you please give a description of Gulf's Vinson-Ramsay State "B" Lease.

A Vinson-Ramsay "B" No. 6 is located in the South half of Section 36, Range 37 East, Township 25 South, and is circled in red.

Q And where is the well concerned with this hearing located?

A Well No. 6 is located approximately 1980 feet to the west line and 1980 from the south line on Section 36.

Q Would you now please give the history of Gulf's Vinson-Ramsay "B" No. 6 Well.

A Vinson "B" 6 was drilled in May of 1958 to the total depth of 5800 feet. It is singularly completed in the Justice-Blinebry, perforation is 5359 to 5495 feet. The well was deepened in October, 1960, 30 feet, total depth 5830 to the Justice Tubb.

Q Is this well now producing or capable of producing in two zones, if so, what are those two zones and what are the apparent potential ?

A It is capable of capacity as a dual well. The Justice Tubb and Justice-Blinebry Pool are top allowable wells.



Q Have there been any tests of the activity or have well tests been made in the respective zones?

A Yes, sir; there have been.

Q What did the Justice-Blinebry recently test?

A The Justice-Blinebry recently tested 50 barrels of oil and 5 barrels of water. The 24 hour test on a 12/64 inch choke, the gas oil ratio of 740.

Q What is the Justice Tubb completion test?

A It tested 58 barrels of oil, 50 barrels of water on the 23 hour test and 15/64 inch choke, gas oil ratio 2070.

Q Have you prepared or has there been prepared at your direction and under your supervision for introduction as Exhibit No. 2 here a schematic diagram showing the mechanical installation for the dual completion?

A Yes, there has.

Q Referring to Exhibit No. 2, would you please outline the installation and all other matters there are pertinent.

A The 8-5/8 casing is set at 431 feet and cemented with 350 sacks of cement, the cement was circulated. The 5-1/2 casing is set at 5797 feet, cemented with 1950 sacks of cement, the top of the cement is 2055 feet. The well was perforated in the Blinebry perforation at 5359 to 4295, 5493. The well was drilled deeper to 5830 feet; that is 30 foot of open hole to the Justice Tubb pay.

Q What tubing is installed or proposed to be installed?

A 1-1/2 inch intregal joint tubing.

Q Do you have any figures to show the pressure differential



across the packer?

A Yes. The Blinebry bottom hole pressure is 1884 pounds. The Tubb bottom hole pressure taken from other Tubb wells in this vicinity, is approximately 2245 pounds.

Q What type of packer is installed or proposed to be installed?

A A Baker-Model D Production Packer.

Q Has this packer been proven in field experience as being one pool capable of maintaining separation between the two pays?

A Yes.

Q Why was 1-1/2 inch tubing used?

A The well was recently completed as a single completion using 5-1/2 inch casing. There was two choices of tubing to use, 2-1/16 hydril or this intregal joint tubing. The cost of the intregal joint tubing is \$48.93 per hundred foot in minimum lots of 30000 pounds, F.O.B. Houston. The hydril, the cost of hydril tubing, the 2-1/16 inch, is \$119.68 per hundred foot and a minimum of 40,000 pound lots, F.O.B. Houston.

Q What is the net saving in using 1-1/2 inch tubing over the other 2-1/16?

A Approximately \$8000.00.

Q Is this 1-1/2 inch tubing a newly marketed product?

A Yes, sir; it is.

Q Has it had field experience?

A To the best of my knowledge it has in certain areas in Texas and is manufactured by Southwestern Pipe Company.

Q To the extent of field experience, has it proven



satisfactory?

A To my knowledge, it has.

Q Has Gulf investigated the characteristics and quality of this pipe and is it satisfied with the ability of this pipe, this tubing to do the job?

A Yes.

Q Is the 1-1/2 inch tubing in your well adequately recovering the oil in both zones without waste?

A Yes, sir.

Q Is it capable of the use of pumping rods?

A Yes.

Q What type of pumping rods would you install if it was necessary to pump?

A If it is necessary to pump, slim hole 5/8 inch rods. DA Box OD of 1-1/4 inch.

Q Does your proposed completion in this case conform with the Commission Rule 112 and Roman Numeral II, sub-paragraph C?

A No.

Q As I understand that rule which I have just cited, it provides for 1-3/4 minimum ID pipe or tubing.

A Yes.

Q You are proposing the use of 1-1/2 inch.

A That is right.

Q Will this proposed dual completion in all other respects operate for the prevention of waste and in the protection of correlative rights?



A Yes.

MR. KASTLER: I don't have any other questions at this time. I would like to move that Exhibits 1 and 2 be entered into evidence.

MR. NUTTER: Gulf's Exhibits 1 and 2 will be admitted. Anyone have any questions of Mr. Johnson?

(No response)

CROSS EXAMINATION

BY MR. NUTTER:

Q I note that the Tubb at the time is making 58 barrels of oil and 50 barrels of water.

A That was on the test, yes.

Q Do you anticipate this water oil ratio will increase as time goes by?

A Possibly, yes.

Q What volumes will you be able to pump through the 1-1/2 inch intregal joint tubing using the sucker rods and the size boxes you are talking about?

A We calculated in using the inch and a quarter pump, we would produce approximately somewhere between 2 and 3 hundred barrels per day.

Q 2 to 3 hundred?

A Yes, sir.

Q What is the allowable for the Tubb zone?

A 44 barrels a day.

Q Do you think the Blinebry will increase in its water oil ratio?



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A Possibly, yes, we have in this area, we have had no appreciable amount of increase in water oil ratio.

Q What is the maximum depth that this type of tubing can be set?

A Using a safety factor of 1.6, it can be set at 7920 feet.

Q You set it at considerably less than 7900 feet, is that correct?

A Yes, sir.

MR. NUTTER: Any further questions of Mr. Johnson?

MR. KASTLER: I would like to ask one question on re-direct.

RE-DIRECT EXAMINATION

BY MR. KASTLER:

Q Does Gulf propose to have water disposal in its Ramsay affecting this lease?

A Yes.

MR. NUTTER: Any further, Mr. Kastler?

MR. KASTLER: No.

MR. NUTTER: The witness may be excused. Does anyone have anything to offer in Case 2103?

(No response)

MR. NUTTER: We will take the case under advisement and call Case 2104.



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<u>Number</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
1		7	7
2		7	7

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ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS

I, LEWELLYN NELSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 8th day of November, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lewellyn J. Nelson
NOTARY PUBLIC

My Commission Expires:
June 14, 1964.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2102 heard by me on 12/19, 1960.
[Signature], Examiner
New Mexico Oil Conservation Commission

