

Case No.

1584

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
JANUARY 22, 1959

IN THE MATTER OF APPLICATION OF TIDEWATER OIL COMPANY, CASE
1584

TRANSCRIPT OF HEARING

DEARNLEY, MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6391

BEFORE THE
OIL CONSERVATION COMMISSION
JANUARY 22, 1959

IN THE MATTER OF:

Application of Tidewater Oil Company to
commingle the production from several
separate oil pools from two separate leases.)
Applicant, in the above-styled cause, seeks)
an order authorizing it to commingle the)
production from the Fusselman Pool on its)
Coates "D" Lease comprising the SE/4 SW/4)
of Section 24, Township 25 South, Range)
37 East, Lea County, New Mexico, with the)
commingled production of all intermediate)
grade crudes on its Coates "C" Lease com-)
prising the E/2 and the SE/4 NW/4 and the)
NE/4 SW/4 of said Section 24. Applicant)
further requests permission to commingle)
the sour crudes produced from the Drinkard)
and other formations on both of the afore-)
said leases.)

Case 1584

BEFORE:

Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will take Case 1584.

MR. PAYNE: Case 1584: Application of Tidewater Oil
Company to commingle the production from several separate oil
pools from two separate leases.

MR. SETH: Mr. Miller is the witness.

(Witness sworn.)

ROBERT N. MILLER

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

DIRECT EXAMINATION

BY MR. SETH:

Q Would you state your name, please?

A Robert N. Miller.

Q And by whom are you employed and in what capacity?

A Area Petroleum Engineer in Hobbs, New Mexico, for
Tidewater Oil Company.

Q Are you familiar with Tidewater's application in this
case?

A Yes, sir.

Q Have you previously testified as a witness before the
Commission, expert witness?

A Yes.

MR. SETH: May he so testify?

MR. NUTTER: Yes, sir; please proceed.

Q (By Mr. Seth) Would you please state, Mr. Miller,
what leases the application of Tidewater in this case is concerned
with?

A It concerns Tidewater's 400-acre A. B. Coates "C"
Lease and a 40-acre A. B. Coates "D" Lease, both on Section 24,
Township 25 South, Range 37 East, Lea County, New Mexico.

Q What are the producing formations on these leases;
would you list those?

A On the Coates "C" Lease, it would be the Langlie-
Mattix, the Drinkard, the Fusselman, the Montoya and the McKee,
the Ellenberger and the Blinbry. On the Coates "D", it would be

the Drinkard and Fusselman at the present time.

Q Has Tidewater previously procured a CTB Order with regard to these two leases?

A Yes, sir.

Q Was that Order Number 32?

A Yes, sir.

Q Would you state briefly what that provides, not in detail, what does it provide?

A The Order provides that the Justis-Fusselman production from the A. B. Coates "D" Lease and the Justis-Fusselman production from the A. B. Coates "C" Lease could be commingled into the Justis Pool, the Justis-Fusselman tank battery. The Justis-Drinkard production from the Coates "D" Lease and Justis-Drinkard production from the Coates "C" Lease could be commingled in a Justis-Drinkard tank battery located on Coates "C" Lease; that the Ellenberger production from the Coates "C" Lease could be commingled with the Ellenberger production from the Coates "D" Lease into a Justis-Ellenberger battery located on Coates "C" Lease.

Q And the production from each zone on both leases would be run into the common tank battery?

A From that pool.

Q That would be treated as one lease?

A Yes, sir.

MR. NUTTER: In other words, that sets up three tank

batteries for the two leases, one tank battery for Fusselman and one Drinkard and one tank battery for Ellenberger, is that right?

A Yes, sir.

MR. NUTTER: Thank you. Excuse me.

Q (By Mr. Seth) Did Tidewater thereafter make further application for commingling of production on the "C" Lease?

A Yes, they did.

Q Was that in Case Number 1550?

A Yes, sir.

Q Would you refer to Order R-1297, please, and tell us briefly what that provides and how that relates to the CTB Order?

A That provides that Tidewater could commingle production from the Ellenberger, McKee, Fusselman and Montoya production as well as Blinebry if it proves to be intermediate grade crude.

Q Not too fast, run through it again.

A It provides for the commingling of oil from the Ellenberger, McKee, Fusselman and Montoya zones.

Q You are speaking about the "C" Lease?

A Yes, sir, as well as Blinebry production if it is intermediate grade crude for all wells presently completed or hereafter drilled on the Coates "C" Lease, and that we were authorized to commingle the Drinkard and Langlie-Mattix production as well as Blinebry production if it proved to be sour crude from all wells presently completed or hereafter drilled on the Coates "C" Lease.

Q The only separation was by grade of crude?

A That's right.

Q The intermediate and sour grades?

A Yes, sir, as against the sour grade.

Q And the reason for the Blinebry being stated as such at the time, there was no Blinebry well on this lease?

A It was not known what the pipeline would classify this crude when the well was completed. It was provided also that the production from each pool would be separately metered prior to commingling, and the meters, of course, would be checked for accuracy.

Q Now, would you relate this Order to the CTB Order?

A The primary difference being that the CTB Order allows for commingled production by the same pool between the A. B. Coates "C" and "D" Leases, while Order R-1297 authorized the commingling of zone production after prior metering on the A. B. Coates "C" Lease.

Q Now, would you please state the purpose of the application in this case we are considering now. Do you have a diagram there?

A Yes, sir.

MR. SETH: Would you mark this One, please.

(Marked Applicant's Exhibit 1 and 2 for identification.)

Q (By Mr. Seth) Perhaps you can more easily explain the

7

purpose of this present application by reference to what has been marked Applicant's Exhibit Two. First, state, if you would, what Exhibit Number Two is?

A Exhibit Two is a proposed flow diagram of the way we would make surface facilities to carry out our application, which in a sense is bringing the Coates "D" Justis-Fusselman production and the --

Q Refer to the diagram. Where does that come into the flow?

A The Coates "D" Fusselman is shown as blue. The series of lines are flow lines.

Q In the upper right hand corner of the exhibit, is that right?

A That is right. The lowermost horizontal line about the center of the drawing on the right hand side, there is a heavy blue line which represents the flow line of the A. B. Coates "D" Well Two, Fusselman. This well's production enters into a three-phase metering separator where the free water is extracted. The oil is measured, comes out the dump line and enters into a dump line of the A. B. Coates "C" Fusselman zone separator. This is, the A. B. Coates "C" Fusselman Wells are shown by dark red lines into the Fusselman production separator for the A. B. Coates "C". This oil is mixed and then passes to the zone meter for the Fusselman production.

The application also deals with Justis-Drinkard production.

The orange line back over here on the center of the drawing, the horizontal line on the center of the drawing on the right side is shown in orange, that is the flow line of the Coates "D" Two Drinkard which goes into a three-phase metering separator where the free water is extracted. The oil is measured and dumped into the dump line of the A. B. Coates "C" Drinkard wells shown as dark green lines. This production passes then to a treater where the water is extracted and dumps into stock tanks for passage to the pipeline.

Q The upper flow lines on Exhibit Two, they represent the existing commingling under the order issued in Case 1550, is that right?

A These lines on the upper part of the drawing are flow lines. They have very little to do with the order. The order has to do with the zone meters shown in the lowermost part of the drawing, which are labeled "Zone Meters". That is where the production from the Ellenberger, the McKee, the Montoya and the Fusselman are measured prior to being commingled and passing to our surface tank on to the LACT Unit to the pipeline.

Q Essentially, this application asks for permission to commingle the Coates "D" production with the Coates "C"?

A Yes, sir.

Q And commingle that out to the LACT Unit, is that correct?

A Yes, sir. It provides for the commingling of the

Fusselman from the "D" and Drinkard from the "D" with that same production from the "C" and pass through a zone meter with the Fusselman and to be commingled through the LACT Unit, as far as the Fusselman is concerned, and pass into stock tanks.

Q Referring to Exhibit Two, would you explain it a little more in detail, the installations there of this metering separator, how is that marked?

A The metering separators are found as circles listed on top "D2" and the appropriate zone underneath.

Q What type of separator?

A Those are BS & W three-phase metering separators.

Q Is the same true for the Drinkard?

A Yes, sir, it is an identical separator.

Q Any other installations following the flow lines from the right to left across that?

A You want me to keep strictly with the Fusselman-Drinkard production?

Q Yes.

A The third circle from the left is a Fusselman separator. It is a conventional production separator manufactured by Union Tank Company. The second circle from the left is your Drinkard production separator which is a conventional Union separator.

Q Where does the Drinkard commingled production go on the flow sheet?

A It goes through a Murdock Heater Treater. The water is extracted and the pipeline oil is dumped into three 500-barrel, conventional stock tanks.

Q Now, the same on your Fusselman?

A The Fusselman production goes to a Garrett Type "A" one-barrel dump meter and the dumps and the oil, corrected to 60 degrees Fahrenheit, is recorded. The oil then passes into the manifold where it mixes with the Montoya, McKee and Ellenberger oil production from the A. B. Coates "C" Lease which has been, each zone which has been previously metered in the same manner. From there it passes into a surge tank or -- depending on what you are doing with the meters. If they are production, they will go to the surge tank, and it passes to an A. O. Smith skid-mounted PD meter.

Q Now, am I correct in stating that the Commission felt it was necessary that an additional application be made in order to commingle the Coates "D" oil with the Coates "C" oil as commingled, is that essentially it?

A Essentially, my understanding was the Commission felt that a hearing was necessary in order to determine where the oil would go after it passes through the zone meters. In other words, they felt under CTB-32, Tidewater was granted authority to commingle the Fusselman production down to this point there and the Drinkard down to this point there (indicating).

MR. NUTTER: Explain "this point here".

A I'm sorry, the original point would be the inlet on the Garrett type A one-barrel meter for the Fusselman; and, as far as the Drinkard is concerned, they are conventional stock tanks. It was the Commission's feeling that another hearing would be necessary in order to pass the commingled Fusselman oil from the A. B. Coates "C" and "D" Leases into the same line with oil from the Montoya, McKee and Ellenberger zones.

MR. SETH: I believe that is all that we have.

MR. NUTTER: Anyone have any questions of Mr. Miller?
Mr. Payne.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Miller, my understanding is the only intermediate grade crude you have on the Coates "D" Lease is Fusselman?

A No, sir.

Q What else do you have on the "D" Lease?

A That is all on the "D" Lease, yes, sir, that is all at this time.

Q If this application is granted, I assume you realize that it merely permits you to commingle, as far as intermediate grade crudes are concerned, the Fusselman on the "D" with the already commingled production of intermediate grade crudes on the "C"; so if you find another intermediate grade crude on the "D", you are still not going to have authority to commingle that with the commingled production on the Coates "C" Lease?

A Yes, sir, that is correct.

MR. SETH: Yes, we realize that.

Q (By Mr. Payne) Have you determined whether the Blinebry is sour or intermediate?

A There was a sample analyzed four days ago, I believe it is, Mr. Payne. It had .51% Sulfur content sour. Due to the border line of the test and the fact the well had produced 21 barrels of overload oil, the Texas-New Mexico Pipeline desired that we take another sample and analyze it.

EXAMINATION BY MR. FISCHER:

Q These blocks up here above your row of tests for regular production separators in that line of Drinkard, Fusselman and McKee --

A Yes, sir.

Q -- those are the headers, in other words, for the Drinkard, where your green line comes in?

A Yes, sir, that is the header.

MR. FISCHER: That's all.

EXAMINATION BY MR. NUTTER:

Q All of these circles, Mr. Miller, running across the center portion of the exhibit labeled "Drinkard", "Fusselman", "Montoya", "McKee" and "Ellenberger" are all conventional separators?

A Yes, sir.

Q Now, the circles over to the far right "D2 Drinkard" and "D2 Fusselman" are metering separators?

A Yes, sir.

Q The oil passing from these metering separators from the Drinkard metering separators is commingled with oil from the conventional separator on the Drinkard "C" Lease?

A Yes, sir.

Q And passes into the treater?

A Yes, sir.

Q What is the quality of this oil prior to being treated?

A I didn't mention it, but the three-phase metering separator knocks out the free water. If you have an election, of course, it will pass through your treater. There will be a sampler, a small sample will be drained each time it dumps and the drain out will be taken and that deducted from the pipeline oil that passes through this meter.

Q It will be possible to determine the actual quality of the oil from the two leases prior to the time it is commingled?

A On the "D2" it will. As far as the quality of the oil is concerned there will be monthly well tests made on each of these wells.

Q Is the ownership of Coates "D" and Coates "C" common throughout?

A Yes.

Q And the working interest and overriding royalties, if any there be?

A Yes, sir. I might say the reason for the three-phase metering separator, we discussed with the Commission, they felt under Rule 309 it wouldn't be necessary if the royalty and working interest were common, it wouldn't be necessary to meter. However, these are Federal Leases. They are under a different basic lease number. Under USGS regulations, it is required you meter oil from one lease to another lease prior to taking it away from that lease. Even though the meters are located on the Coates "C" Lease, they felt if the flow line was one continuous tube it satisfied their purpose for that ruling. That is the reason we have the three-phase metering separators listed for the "D" Two production. I believe that is 23313 or something like that.

Q Does the Fusselman oil go through a treater prior to the time it is put in the surge tank in the LACT system?

A No, sir, not at the time it makes pipeline oil, at this time.

Q The two large circles at the bottom of the exhibit just above the block labeled "LACT" are your test tank and surge tank, is that correct?

A That is correct.

Q (By Mr. Fischer) Mr. Miller, how do you test your McKee-Montoya Oil separately from each well?

A It passes through a -- these headers are so built, if you will refer to drawing number two which is, I mean, it's a

rectangular drawing marked "Number Two".

Q Yes.

A As oil passes, take your left flow line, the one on the left, as oil passes up it can be diverted down through your lower header leg, depending upon the arrangement of your three plug valves as shown on the drawing.

Q Are they manually operated plug valves?

A They are at this time. These pass the oil, if you so desire to test, you close the upper plug valve, open the middle plug valve and leave your lower plug valve open. Flow is diverted into the lower header leg and passes through the four-inch line which would be the first horizontal line down from your rectangles for your headers.

Q Yes, sir.

A This flow goes into the separator marked "Ellenberger test".

Q I have that. The ones on the other would be in the grader test?

A Yes, sir.

Q How many wells do you have, or how many different zones or wells in each zone, producing on the two leases?

A At the present time?

Q Total Ellenberger, total McKee, total Drinkard?

A There are eight Ellenberger wells, four Drinkard wells, two Montoya wells, two Fusselman wells, five Drinkard wells.

Q Twenty-one different sets of producing zones, not different but, in other words, 21 different tests?

A I didn't add them up. Yes, sir, I believe we have 21 wells now.

Q (By Mr. Payne) One Blinebry, is that all you have?

A One Blinebry at this time, yes, sir.

Q (By Mr. Fischer) At the present time you could test each well once a month?

A Yes, sir. Since you have test facilities for intermediate grade crudes and test facilities for sour grade crudes, they could be considered. I mean, you could consider those as different batteries. We anticipate there will be a total of 23 wells going through the intermediate grade crude at this time, that is neglecting the Blinebry.

MR. NUTTER: Mr. Miller, to summarize this, is this an application to commingle commingled production?

A Yes, sir. We looked hard for another word for commingling so we wouldn't have to repeat ourselves.

MR. NUTTER: Any other questions? If not, he may be excused.

(Witness excused.)

MR. SETH: We would like to offer our exhibits.

MR. NUTTER: Without objection, Tidewater's Exhibits One and Two will be entered into evidence in this case.

(Whereupon the documents heretofore marked Applicant's Exhibits One and Two were received in evidence.)

MR. NUTTER: Does anyone have anything further in
Case 1584? We will take the case under advisement.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, JOHN CALVIN BEVELL, 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; that the same is a
true and correct record to the best of my knowledge, skill and
ability.

WITNESS my Hand and Seal this 24th day of January, 1959,
in the City of Albuquerque, County of Bernalillo, State of New
Mexico.

John Calvin Bevell
NOTARY PUBLIC

My Commission Expires:

January 24, 1962

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 1584
heard by me on 1-22, 1959

Samuel J. [Signature], Examiner
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 3, 1959

Mr. Oliver Seth
P.O. Box 828
Santa Fe, New Mexico

Dear Mr. Seth:

On behalf of your client, Tidewater Oil Company, we enclose two copies of Order R-1330 issued February 2, 1959, by the Oil Conservation Commission in Case 1584, which was heard on January 22nd at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

C
O
P
Y

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-22-59

CASE NO. 1584

HEARING DATE 9 am 1-22-59
DBN @ SF

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

Enter an order authorizing
Tide water to commingle
the commingled production
on its AB Coater "C" and "D"
Leases as advertised and as
requested. ~~Let's~~ Legal: Let's
discuss this thing when
writing the order.


Staff Member

DOCKET: EXAMINER HEARING JANUARY 22, 1959

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

The following cases will be heard before DANIEL S. NUTTER, Examiner:

- CASE 1583: Application of Amerada Petroleum Corporation to commingle the production from three separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the McKee, Abo and Connell Pools on its Fred Turner, Jr., Lease consisting of the W/2 SW/4 of Section 17, Township 20 South, Range 38 East, Lea County, New Mexico. Applicant proposes to separately meter the production from each zone prior to commingling.
- CASE 1584: Application of Tidewater Oil Company to commingle the production from several separate oil pools from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Fusselman Pool on its Coates "D" Lease comprising the SE/4 SW/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, with the commingled production of all intermediate grade crudes on its Coates "C" Lease comprising the E/2 and the SE/4 NW/4 and the NE/4 SW/4 of said Section 24. Applicant further requests permission to commingle the sour crudes produced from the Drinkard and other formations on both of the aforesaid leases.
- CASE 1585: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the E/2 NE/4 and NE/4 SE/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Lockhart A-17 Well No. 4 located 660 feet from the North and East lines of said Section 17.
- CASE 1586: Application of El Paso Natural Gas Products Company for two non-standard oil proration units and for two unorthodox well locations. Applicant, in the above-styled cause, seeks an order authorizing the establishment of a 34.12 acre non-standard oil proration unit in the Horseshoe Canyon Oil Pool consisting of that portion of the SW/4 NW/4 and that portion of the NW/4 NW/4 of Section 33, Township 31 North, Range 16 West, San Juan County, New Mexico, lying within the Ute Mountain Indian Reservation, said unit to be dedicated to a well to be located 1470 feet from the North line and 4190 feet from the East line of said Section 33. Applicant further seeks establishment of a 37.33 acre non-standard oil proration unit in the Horseshoe Canyon Oil Pool consisting of that portion of the SW/4 SW/4 and that portion of the NW/4 SW/4 of said Section 33 lying within the Ute Mountain Indian Reservation, said unit to be dedicated to a well to be located 1172 feet from the South line and 4250 feet from the East line of said Section 33. Applicant further seeks approval of these unorthodox locations for said wells.

No. 3-59

DOCKET: EXAMINER HEARING JANUARY 20, 1959

Oil Conservation Commission 1:30 p.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Daniel S. Nutter, Examiner:

CASES 1195 & 1433:

Application of Graridge Corporation for capacity allowable for one well in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowable for the following-described well situated in the project area of its water flood project in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico:

Cap Unit Well No. 31-1, NE/4 NE/4 of Section 31,
Township 12 South, Range 32 East, Lea County,
New Mexico.

ir/

CTB-42

Case 1584

R-1297

R 37 E

SCALE
4 = 1 Mile

T
25
S

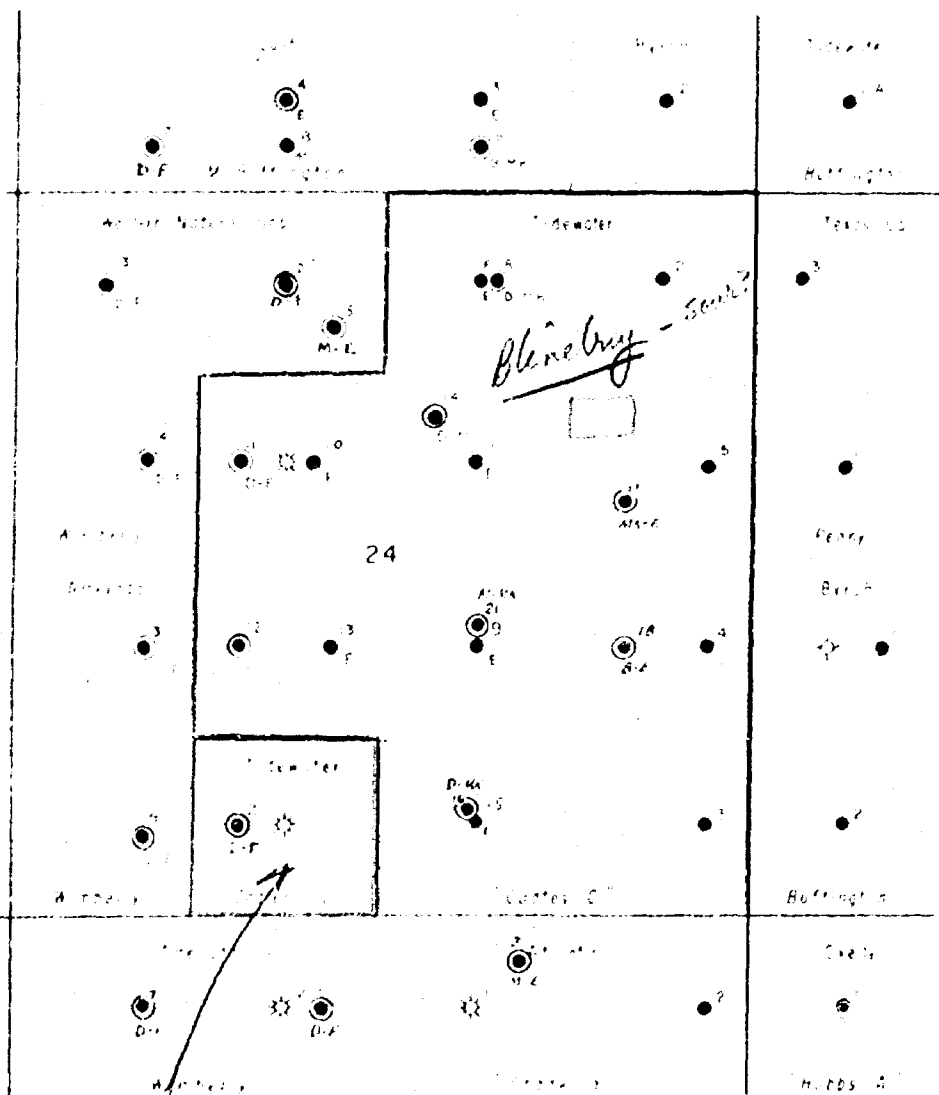
24

Blindly - Sand?

*only
Jusselmann
(inter med. grade
crude)*

LEA COUNTY
NEW MEXICO

EXAMINER NUTTER
RATION COMMISSION
EXHIBIT NO. 1
1584



DOCKET: EXAMINER HEARING JANUARY 22, 1959

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

The following cases will be heard before DANIEL S. NUTTER, Examiner:

- CASE 1583: Application of Amerada Petroleum Corporation to commingle the production from three separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the McKee, Abo and Connell Pools on its Fred Turner, Jr., Lease consisting of the W/2 SW/4 of Section 17, Township 20 South, Range 38 East, Lea County, New Mexico. Applicant proposes to separately meter the production from each zone prior to commingling.
- CASE 1584: Application of Tidewater Oil Company to commingle the production from several separate oil pools from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Fusselman Pool on its Coates "D" Lease comprising the SE/4 SW/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, with the commingled production of all intermediate grade crudes on its Coates "C" Lease comprising the E/2 and the SE/4 NW/4 and the NE/4 SW/4 of said Section 24. Applicant further requests permission to commingle the sour crudes produced from the Drinkard and other formations on both of the aforesaid leases.
- CASE 1585: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the E/2 NE/4 and NE/4 SE/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Lockhart A-17 Well No. 4 located 660 feet from the North and East lines of said Section 17.
- CASE 1586: Application of El Paso Natural Gas Products Company for two non-standard oil proration units and for two unorthodox well locations. Applicant, in the above-styled cause, seeks an order authorizing the establishment of a 34.12 acre non-standard oil proration unit in the Horseshoe Canyon Oil Pool consisting of that portion of the SW/4 NW/4 and that portion of the NW/4 NW/4 of Section 33, Township 31 North, Range 16 West, San Juan County, New Mexico, lying within the Ute Mountain Indian Reservation, said unit to be dedicated to a well to be located 1470 feet from the North line and 4190 feet from the East line of said Section 33. Applicant further seeks establishment of a 37.33 acre non-standard oil proration unit in the Horseshoe Canyon Oil Pool consisting of that portion of the SW/4 SW/4 and that portion of the NW/4 SW/4 of said Section 33 lying within the Ute Mountain Indian Reservation, said unit to be dedicated to a well to be located 1172 feet from the South line and 4250 feet from the East line of said Section 33. Applicant further seeks approval of these unorthodox locations for said wells.

No. 3-59

DOCKET: EXAMINER HEARING JANUARY 20, 1959

Oil Conservation Commission 1:30 p.m., Mabry Hall, State Capitol, Santa Fe

The following cases will be heard before Daniel S. Nutter, Examiner:

CASES 1195 & 1433:

Application of Graridge Corporation for capacity allowable for one well in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowable for the following-described well situated in the project area of its water flood project in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico:

Cap Unit Well No. 31-1, NE/4 NE/4 of Section 31,
Township 12 South, Range 32 East, Lea County,
New Mexico.

ir/

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. 1584
Order No. R-1330

APPLICATION OF TIDEWATER OIL COMPANY
FOR PERMISSION TO COMMINGLE THE
PRODUCTION FROM SEVERAL SEPARATE OIL
POOLS FROM TWO SEPARATE 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 January 22, 1959, 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 2nd day of February, 1959, 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, Tidewater Oil Company, is the owner and operator of the Coates "C" lease comprising the E/2, the SE/4 NW/4 and the NE/4 SW/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant is the owner and operator of the Coates "D" lease comprising the SE/4 SW/4 of said Section 24.
- (4) That applicant was authorized by Order No. R-1297 to commingle the Ellenburger, McKee, Fusselman and Montoya production from said Coates "C" lease, as well as the Blinebry production if it proves to be an intermediate grade crude. Applicant was further authorized to commingle the Drinkard and Langlie-Mattix production from said Coates "C" lease, as well as the Blinebry production if it proves to be sour crude.

-2-

Case No. 1584

Order No. R-1330

(5) That applicant seeks permission to commingle the Fusselman production from the said Coates "D" lease with the commingled production of the intermediate grade crudes from its said Coates "C" lease.

(6) That applicant further seeks permission to commingle the Drinkard and Langlie-Mattix production from said Coates "D" lease, as well as the Blinebry production if it proves to be a sour crude, with the commingled production of these sour crudes from its said Coates "C" lease.

(7) That the applicant proposes to separately meter the production from each pool prior to commingling.

(8) That approval of the subject application will not cause waste nor impair correlative rights provided that the production from each pool is separately metered prior to commingling and provided further that adequate testing equipment and storage facilities are installed.

IT IS THEREFORE ORDERED:

(1) That the applicant, Tidewater Oil Company, be and the same is hereby authorized to commingle the Fusselman production from its Coates "D" lease comprising the SE/4 SW/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, with the Ellenburger, Fusselman, McKee, and Montoya production, as well as the Blinebry production if it proves to be an intermediate grade crude, from its Coates "C" lease comprising the E/2, the SE/4 NW/4 and the NE/4 SW/4 of said Section 24.

(2) That the applicant be and the same is hereby authorized to commingle the Drinkard and Langlie-Mattix production from said Coates "D" lease, as well as to the Blinebry production if it proves to be a sour crude, with the commingled production of these sour crudes from said Coates "C" lease.

PROVIDED HOWEVER, That the production from each of said pools shall be separately metered prior to commingling and said meters shall be checked for accuracy upon initial installation and thereafter at intervals not to exceed one month until further order of the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

PROVIDED FURTHER, That the applicant shall install adequate testing facilities to permit the testing of all wells located on said Coates "C" and "D" leases at least once each month to determine

-3-

Case No. 1584
Order No. B-1330

the individual production from each zone of each of said wells.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



ir/

Examiner

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

In the Matter of the Application of
TIDEWATER OIL COMPANY to Commingle with
Commingled Production from the Ellenburger,
McKee, Fusselman, Montoya and Other Pools
on Applicant's Coates "C" Lease Covering
 $E\frac{1}{2}$, $SE\frac{1}{4}NW\frac{1}{4}$ and $NE\frac{1}{4}SW\frac{1}{4}$, Section 24, Town-
ship 25 South, Range 37 East, with Produc-
tion from the Fusselman Pool on the Appli-
cant's Coates "D" Lease, covering the
 $SE\frac{1}{4}SW\frac{1}{4}$, Section 24, Township 25 South,
Range 37 East, and Further to Commingle
Production from the Drinkard Pool on the
Coates "D" Lease with the Drinkard Pro-
duction on the said Coates "C" Lease, and
With Any Other Sour Crudes Produced upon
the said Coates "c" Lease.

No. 1584

APPLICATION

1. The Tidewater Oil Company hereby applies for authority and for an order permitting it to commingle the production from the Fusselman Pool on its Coates "D" Lease with the commingled production of intermediate grade crudes on its Coates "C" Lease, the same intermediate grade crudes being now produced from the Ellenburger, McKee, Fusselman and Montoya Pools, and together with production of intermediate grade crude from any Pools hereafter encountered on the same Coates "C" Lease.

2. This commingling will be made after the measurement of production from the Coates "D" Lease by meters, the same not having been measured in tankage.

3. Applicant has heretofore received approval from the Commission for the commingling of production on the Coates "C" Lease, as above indicated, and for the handling of such production through automatic custody transfer facilities. In the event this application is granted, applicant will use the same facilities for the

*Procket Marked
1/4/50*

handling of the commingled production from the Coates "C" and "D" Leases.

4. Applicant, by CTB Order No. 32, has heretofore received authority for the commingling of Fusselman production on the Coates "C" Lease with the same production on the Coates "D" Lease, and for commingling of Drinkard production on each Lease.

5. The purpose of this application is to permit the applicant to commingle the Fusselman production on the Coates "D" Lease with the commingled intermediate grade crude production on the Coates "C" Lease, and likewise to permit commingling of Drinkard and other sour crudes on both Leases.

TIDEWATER OIL COMPANY

By



Its Attorney.

to commingle production from
separate oil pools from 2 separate leases,
24-25S-37E.