

Case No.

1972

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. 1972
Order No. R-1708**

**APPLICATION OF GULF OIL CORPORATION
FOR PERMISSION TO COMMINGLE THE PRO-
DUCTION FROM SEVERAL SEPARATE POOLS
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 June 22, 1960, 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 30th day of June, 1960, 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, Gulf Oil Corporation, is the owner and operator of the T. R. Andrews Lease comprising the E/2 of Section 32, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the ownership of the above-described lease is common at all depths.
- (4) That the applicant proposes to commingle Blinebry oil production from the said T. R. Andrews Lease with Blinebry gas condensate production and Tubb gas condensate production from said lease after separately metering the Blinebry oil production and the combined Blinebry and Tubb gas condensate production.
- (5) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Gulf Oil Corporation, be and the same

-2-

CASE No. 1972
Order No. R-1708

is hereby authorized to commingle the Blinebry oil production with the Blinebry and Tubb gas condensate production from all wells presently completed on its T. R. Andrews Lease comprising the E/2 of Section 32, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, after separately metering the Blinebry oil production and the combined Blinebry and Tubb gas condensate production.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells on the said T. R. Andrews Lease at least once each month to determine the individual production from each well.

IT IS FURTHER ORDERED:

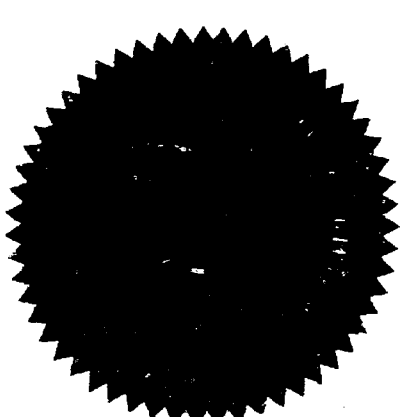
That all meters shall be operated and maintained in such a manner as to ensure an accurate measurement of production at all times.

That all meters shall be checked for accuracy at intervals not to exceed one month until further direction by the Secretary-Director.

That 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."

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

esr/

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 30, 1960

Mr. Bill Kastler
Box 669
Gulf Oil Corporation
Roswell, New Mexico

Dear Sir:

We enclose two copies of Order R-1708 in Case 1872
issued by the Oil Conservation Commission this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Carbon copy of order sent to:

Oil Conservation Commission - Hobbs, N. Mex.

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PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 FORT WORTH 1, TEXAS

H. P. REARDON
DIVISION
PETROLEUM ENGINEER

April 27, 1960

473
F 11 2 53
FORT WORTH
PRODUCTION DIVISION

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

Re: Request for Exception to Rule 303 to Commingle Production, Gulf Oil Corporation's T. R. Andrews Lease, Section 32, T-22-S, R-38-E, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for exception to Rule 303 to permit the commingling of Blinebry crude oil with Blinebry gas condensate and Tubb gas condensate on applicant's T. R. Andrews Lease, Lea County, New Mexico.

In support of this application, Gulf Oil Corporation states the following:

- (a) Applicant is the owner and operator of the T. R. Andrews Lease, which consists of the E/2 of Section 32, T-22-S, R-38-E, Lea County, New Mexico.
 - (b) There is no diversity of royalty ownership underlying the above lease.
 - (c) Applicant proposes to commingle Blinebry oil with Blinebry gas condensate and Tubb gas condensate. Blinebry oil production will be metered prior to commingling and condensate production will be determined on the basis of well tests.
 - (d) The granting of this application is in the interest of conservation and will protect correlative rights.
 - (e) By copy of this letter all offset operators and the pipe line concerned are notified of this application.
- at a ... 12/1/59 ...
↑

April 27, 1960

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

Yours very truly,

A handwritten signature in dark ink, appearing to read 'H. P. Reardon'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

H. P. REARDON

~~FM~~ Jr:lw

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

Anderson-Prichard Oil Corporation
P. O. Box 196
Midland, Texas

Pan American Petroleum Corporation
P. O. Box 68
Hobbs, New Mexico

Texaco, Inc.
P. O. Box 3109
Midland, Texas

E. B. Todhunter
P. O. Box 852
Roswell, New Mexico

Ted Weiner
6100 Camp Bowie Blvd.
Fort Worth, Texas

Texas-New Mexico Pipe Line Company
P. O. Box 1510
Midland, Texas

DOCKET: EXAMINER HEARD: JUNE 22, 1960

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Olive E. Payne, Attorney, as alternate examiner:

*NOTE: Case Nos. 1995 through 2001 and Case 1972 will not be heard before 1 p.m.

CASE 1989: Application of Amerada Petroleum Corporation for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its State SR "A" Well No. 1, located in the SW/4 SW/4 of Section 14, Township 9 South, Range 32 East, Lea County, New Mexico, with the injection to be in the Devonian formation in the interval from 11,100 feet to 11,130 feet.

CASE 1990: Application of Continental Oil Company for a waterflood project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a waterflood project in the Skaggs Pool on its Southeast Monument Unit by the injection of water into the Grayburg formation through six wells located in Sections 19, 24, and 30, Township 20 South, Ranges 37 and 38 East, Lea County, New Mexico.

CASE 1991: Application of Texaco Inc. for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its C. P. Falby "B" Well No. 3, located on Unit M, Section 8, Township 22 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Edmont Pool and oil from the Penrose-Skelly Pool through parallel strings of one-inch O.D. tubing and 2 1/16-inch O.D. tubing respectively.

CASE 1992: Application of Texaco Inc. for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Dollarhide-Queen Pool from its United Royalty "A" Lease comprising the S/2 SW/4, NE/4 SW/4, and the SE/4 NW/4 of Section 19, Township 24 South, Range 38 East, Lea County, New Mexico, its Royalty Holding Company Lease comprising the SW/4 NW/4 of said Section 19, and from its W. L. Stephen Estate Lease, comprising the N/2 NW/4 of said Section 19, after separately metering the production from each lease.

CASE 1993: Application of Shell Oil Company for an amendment of Order R-1101-A Applicant, in the above-styled cause, seeks an order amending Order R-1101-A to include the following-described leases in the commingling and automatic custody transfer authorization granted in said order:

Linam Lease, NE/4 NE/4 and NW/4 NW/4, Section 3,
Lowe Land Lease, NW/4 NE/4 and NE/4 NW/4,
Section 3

both in Township 20 South, Range 35 East, Lea County, New Mexico

CASE 1994: Application of Intex Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of its Puerto-Chiquito Unit Agreement, which unit will embrace approximately 12,721 acres of Federal and fee land in Township 26 North, Range 1 East, Rio Arriba County, New Mexico.

* The following cases will not be heard before 1 p.m.

CASE 1995: Application of Redfern and Herd, Inc., John J. Redfern, Jr., and J. H. Herd for an order force pooling the interests in a 320-acre gas unit in the Dakota Producing Interval. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the N/2 of Section 32, Township 29 North, Range 11 West, San Juan County, New Mexico, insofar as the Dakota Producing Interval is concerned, including Pan American Petroleum Corporation and including the following person who has not consented to communitization: Sam Carson, 511 E. Main Street, Farmington, New Mexico.

CASE 1996: Application of Leonard Oil Company for an oil-oil dual completion Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Federal Ginsberg Well No. 9, located in Unit D, Section 31, Township 25 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Justis-Fusselman Pool and oil from the Blinbry formation adjacent to the Justis-Blinbry Pool through parallel strings of 2 3/8-inch tubing.

CASE 1997: Application of Sun Oil Company for permission to commingle the production from several separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Wolfcamp production from several separate leases in Sections 2, 3, 4, 8, 9, 10, and 11 of Township 9 South, Range 34 East, Lea County, New Mexico, and Section 35 of Township 8 South, Range 34 East, Roosevelt County, New Mexico.

CASE 1998: Application of Great Western Drilling Company for an order force-pooling the interests in a 20-acre non-standard gas protraction unit in the Eumont Gas Pool. Applicant, in the above-styled cause, holder of a 20-acre non-standard gas protraction unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, seeks an order force-pooling all interests in said unit within the vertical limits of the Eumont Gas Pool, including interests of the following persons who have not consented to communitization: S. E. Cone c/o J. R. Cone, Attorney-in-Fact, Great Plains Life Building, Lubbock, Texas, H. L. Lowe, Great Plains Life Building, Lubbock, Texas, Abner M. Jack, Box 425, Scooba, Mississippi, and W. M. Beauchamp, Ancillary Guardian of the Estate of William Howard Jack, c/o District Clerk, Lovington, New Mexico and also the following persons whose addresses are unknown: Henry Hall, The Estate of Fred B. Caylor, B. A. Bowers, The Estate of George F. Henneberry, deceased, Mrs. Joy Mabel Stanley, and The Heirs of Elizabeth A. Anderson, and also an unknown person whose address is unknown.

CASE 1999: Application of Socony Mobil Oil Company for an exception to Rule 107 (e) (1). Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) (1) in order to complete the following-described wells as "slim-hole" completions in the Devonian formation at depths in excess of 6000 feet:

Federal "A" Well No. 1, 2010 Feet From
the North and West Line of Section 20

Santa Fe "F" Well No. 2, 1200 Feet From
the South Line and 600 Feet from the West
Line of Section 20

both in Township 9 South, Range 36 East, Lea County, New Mexico.

Docket No. 17-60

CASE 2000:

Application of Gulf Oil Corporation for permission to commingle the production from three separate leases and for permission to install an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Monument Pool production from the following-described leases in Lea County, New Mexico: R. R. Bell (NCT-G) lease consisting of the S/2 SE/4 of Section 13, Graham State (NCT-H) lease consisting of the W/2 SW/4 of Section 13, and the H. T. Orcutt (NCT-D) lease consisting of the W/2 NE/4 of Section 13, all in Township 20 South, Range 36 East. Applicant further seeks permission to install an automatic custody transfer system to handle the Monument Pool production from said leases.

CASE 1972: (Continued)

Application of Gulf Oil Corporation for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Blinebry gas condensate and Tubb gas condensate from all wells on its T. R. Andrews lease comprising the E/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Blinebry oil production.

CASE 2001:

Application of Franklin, Aston and Fair, Inc., for an amendment of Order No. R-1573-A. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1573-A to provide an alternative to the shut-in provisions contained therein as relating to certain leases in the Empire-Abo Pool, Eddy County, New Mexico.

DOCKET: EXAMINER HEARING JUNE 1, 1960

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, N.M.
The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate Examiner:

- CASE 1970: Application of Gulf Oil Corporation for approval of a gas-oil dual completion. Applicant, in the above-styled cause, seeks permission to dually complete its Lea-State "AQ" Well No. 8, located in Unit E of Section 32, Township 19 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the East Pearl-Seven Rivers Gas Pool and the production of oil from the Pearl Queen Pool through the casing-tubing annulus and 2-3/8 inch tubing respectively, utilizing a retrievable type packer to separate the two producing horizons.
- CASE 1971: Application of Gulf Oil Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Tubb gas condensate from all wells presently completed or hereafter drilled on its Evelyn Lineberry lease, consisting of the N/2 SW/4 of Section 29, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Blinebry oil production.
- CASE 1972: Application of Gulf Oil Corporation for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Blinebry gas condensate and Tubb gas condensate from all wells on its T. R. Andrews lease comprising the E/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Blinebry oil production.
- CASE 1973: Application of Graridge Corporation for approval of the unorthodox locations of three water injection wells. Applicant, in the above-styled cause, seeks approval of an unorthodox location for three water injection wells to be located in the SE/4 NE/4 of Section 28, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.

- CASE 1974: Application of C. T. Robertson for an order authorizing a water flood project. Applicant, in the above-styled cause, seeks an order authorizing him to institute a water flood project in the Coyote-Queen Pool, Chaves County, New Mexico, by the injection of water into the Queen formation through six wells located in Sections 11 and 14, Township 11 South, Range 27 East.
- CASE 1975: Application of Amerada Petroleum Corporation for approval of, an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State LM "T" Well No. 5, located in Unit A, Section 36, Township 28 South, Range 36 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Jalmat Gas Pool and the production of oil from the Langlie-Mattix Pool through parallel strings of 1-inch tubing and 2-3/8 inch tubing respectively, utilizing a retrievable type packer to separate the two producing horizons.
- CASE 1976: Application of Caulkins Oil Company for approval of a gas-gas dual completion and for the establishment of a non-standard gas unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Reuter PC-297 well in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Gas Pool and the production of gas from the Dakota Producing Interval through parallel of 1 1/4-inch and 2 3/8 inch tubing respectively. Applicant further seeks an order establishing a non-standard gas unit to be dedicated to the subject well in the Dakota Producing Interval consisting of the SW/4 of Section 15 and the NW/4 of Section 22, Township 26 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 1977: Application of Hondo Oil & Gas Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Empire-Abo Pool from all wells presently completed or hereafter drilled on the Hondo-Western-Yates State 6d7 lease, which lease consists of acreage in Sections 25, 26, 34, 35, and 36, all in Township 17 South, Range 28 East, Eddy County, New Mexico.

CASE 1978: Application of Shell Oil Company for an order authorizing two salt water disposal wells. Applicant, in the above-styled cause seeks an order authorizing the disposal of produced salt water through its State ETA Well No. 1, located in the NE/4 NE/4 of Section 8, Township 16 South Range 35 East, Lea County, New Mexico with the injection to be in the Wolfcamp formation in the interval from 10 365 feet to 10 463 feet. Applicant further seeks an order authorizing the disposal of produced salt water through its State EDA Well No. 2, located in the SW/4 SW/4 of Section 7, Township 16 South Range 35 East, Lea County, New Mexico with injection to be in the Wolfcamp formation in the interval from 10 712 feet to 10 751 feet.

CASE 1979: Application of The Atlantic Refining Company for an order authorizing a water injection project in the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause seeks an order authorizing the injection of water, for purposes of pressure maintenance and/or secondary recovery into the Horseshoe-Gallup Oil Pool through 15 wells located in Sections 19, 20, 29, 30 and 31, Township 31 North, Range 16 West, San Juan County, New Mexico. Applicant further requests that special rules and regulations be promulgated governing the operation of this water injection project including the assignment of a project allowable.

CASE 1980: Application of Hudson and Hudson for nine unorthodox locations. Applicant, in the above-styled cause seeks an order authorizing the drilling of wells at nine 5-spot locations on its Puckett "A" Lease, Maljamar Pool, Lea and Eddy Counties, New Mexico said wells to be located in the 40-acre units hereinafter described and within 100 feet of the indicated corner thereof.

SW Corner Unit D, Section 13 and the following wells in Section 21

SE Corner Unit D, SE Corner Unit F,

NW Corner Unit C, NE Corner Unit G,

SW Corner Unit B, NW Corner Unit K,

NW Corner Unit A, NW Corner Unit I,

all in Township 17 South Range 31 East, Eddy County.

- CASE 1981: Application of El Paso Natural Gas Company for an order amending the special pool rules for the Blanco-Mesaverde Gas Pool. Applicant, in the above-styled cause, seeks an order amending the special pool rules for the Blanco-Mesaverde Gas Pool, Rio Arriba and San Juan Counties, New Mexico, to authorize district supervisors to approve "slim hole" completions in the Blanco-Mesaverde Gas Pool, regardless of depth.
- CASE 1982: Application of Otto Reynolds for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for his Wood Well No. 1, located 330 feet from the South line and 1629 feet from the West line of Section 11 Township 29 North, Range 11 West, San Juan County, New Mexico.
- CASE 1983: Application of Ralph Love for permission to commingle the production from several separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from an undesignated Delaware pool from several separate leases comprising the N/2 NW/4 of Section 17 and the E/2 NE/4 and the E/2 NW/4 of Section 18, Township 25 South, Range 30 East, Eddy County, New Mexico.
- CASE 1984: Application of Mountain States Petroleum Corporation for an unorthodox gas well location and for a 183-acre non-standard gas unit. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for a well to be drilled 1050 feet from the North line and 750 feet from the West line of partial Section 31, Township 26 North, Range 2 West, Rio Arriba County, New Mexico. Applicant further seeks the establishment of a 183-acre non-standard gas unit in the Pine Lakes-Pictured Cliffs Gas Pool consisting of all of said partial Section 31 to be dedicated to the subject well.
- CASE 1985: Application of Charles Loveless, Jr. for a 280-acre non-standard gas unit. Applicant, in the above-styled cause, seeks the establishment of a 280-acre non-standard gas unit in the Atoka-Pennsylvanian Gas Pool consisting of the NE/4 NE/4, W/2 NE/4, NW/4 of Section 11 Township 18 South, Range 26 East, or in the alternative to force pool all mineral interest owners in the SE/4 NE/4 of said Section 11 in the Atoka-Pennsylvanian Gas Pool with the interests of those in the above-described non-standard unit in said pool. Said unit is to be dedicated to a well to be drilled 1650 feet from the North and West lines of said Section 11, Township 18 South, Range 26 East, Eddy County, New Mexico.

CASE 1986:

Application of J. M. Welch for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of his Etz Well No. 3, located in the NE/4 SE/4 of Section 13, Township 16 South, Range 30 East, Eddy County, New Mexico, in such a manner as to produce gas from the Penrose sand of the Queen formation and to produce oil from the Lovington sand of the San Andres formation in the Henshaw (San Andres) Pool, through the casing-tubing annulus and 2-inch tubing respectively, utilizing a retrievable type packer to separate the two producing horizons.



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 1290 · FORT WORTH 1, TEXAS

H. P. REARDON
DIVISION
PETROLEUM ENGINEER

April 27, 1960

FORT WORTH
PRODUCTION DIVISION

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

Re: Request for Exception to Rule 303 to Commingle Production, Gulf Oil Corporation's T. R. Andrews Lease, Section 32, T-22-S, R-38-E, Lea County, New Mexico

Gentlemen:

Gulf Oil Corporation herewith makes application for exception to Rule 303 to permit the commingling of Blinebry crude oil with Blinebry gas condensate and Tubb gas condensate on applicant's T. R. Andrews Lease, Lea County, New Mexico.

In support of this application, Gulf Oil Corporation states the following:

- (a) Applicant is the owner and operator of the T. R. Andrews Lease, which consists of the E/2 of Section 32, T-22-S, R-38-E, Lea County, New Mexico.
- (b) There is no diversity of royalty ownership underlying the above lease.
- (c) Applicant proposes to commingle Blinebry oil with Blinebry gas condensate and Tubb gas condensate. Blinebry oil production will be metered prior to commingling and condensate production will be ~~determined on the basis of well tests.~~
- (d) The granting of this application is in the interest of conservation and will protect correlative rights.
- (e) By copy of this letter all offset operators and the pipe line concerned are notified of this application.

April 27, 1960

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

Yours very truly,



H. P. REARDON

FWM, Jr: lw

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

Anderson-Prichard Oil Corporation
P. O. Box 196
Midland, Texas

Pan American Petroleum Corporation
P. O. Box 68
Hobbs, New Mexico

Texaco, Inc.
P. O. Box 3109
Midland, Texas

E. B. Todhunter
P. O. Box 852
Roswell, New Mexico

Ted Weiner
6100 Camp Bowie Blvd.
Fort Worth, Texas

Texas-New Mexico Pipe Line Company
P. O. Box 1510
Midland, Texas

REPORT OF 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. 684
Order No. R-464

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION OF NEW MEXICO UPON ITS OWN
MOTION FOR AN ORDER: (1) OUTLINING THE
PROCEDURE TO BE FOLLOWED IN THE STAGE
SEPARATION OF GAS AND DISTILLATE IN THE
TUBB AND BLINEBRY GAS POOLS; (2) OUTLINING
THE METERING REQUIREMENTS OF GAS PRODUCED
FROM THE TUBB AND BLINEBRY GAS POOLS; AND
(3) CLARIFYING AND REVISING THE VERTICAL
LIMITS OF THE TUBB AND BLINEBRY GAS POOLS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on March 17, 1954, and on April 15, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 27th day of May, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That the vertical limits of the Tubb and Blinebry Gas Pools should be defined as hereinafter stated.

(3) That the rules hereinafter set forth requiring the stage separation of gas and distillate produced by wells producing from the Tubb and Blinebry Gas Pools should be promulgated.

(4) That said rules will tend to prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the vertical limits of the Blinebry Gas Pool shall extend from a point 75 feet above the "Blinebry Marker" to a point 300 feet below the "Blinebry Marker."

Order No. H-411.

(2) That the vertical limits of the Tubb Gas Pool shall extend from a point 100 feet above the "Tubb Marker" to a point 225 feet below the "Tubb Marker."

(3) That the "Blinebry Marker" shall be that point encountered in the Humble Oil and Refining Company State "D" Well No. 20 SW/4 NW/4 Section 2, Township 22 South, Range 37 East, NMPM., at a depth of 5922 feet (Elev. 3380, Subsea Datum Minus 2077).

(4) That the "Tubb Marker" shall be that point encountered in the Humble Oil and Refining Company State "D" Well No. 20 at a depth of 5921 feet (Elev. 3380, Subsea Datum Minus 2541).

(5) That the following rules shall apply to all producing wells in the Tubb or Blinebry Gas Pools:

RULE 1: Gas produced from each well shall be produced into a separate high-pressure separator. The high-pressure gas shall then be metered separately prior to its entering a gas transportation facility.

RULE 2: The distillate separated from the high-pressure gas in the high-pressure separator shall then be directed into a low-pressure separator. The distillate may be commingled with other distillate produced by any other well or wells producing from the Tubb or Blinebry Gas Pools following its separation from the high-pressure gas in the high-pressure separator, provided gas-distillate test facilities are available and periodic tests are made.

Following the separation of distillate and low-pressure gas in the low-pressure separator, the low-pressure gas shall be directed into a low-pressure gas gathering system, and said low-pressure gas need not be measured separately from other low-pressure gas produced on the lease, provided that certain test facilities are available and certain periodic tests made.

RULE 3: Each year during the months of June and July each operator of each gas well producing from the Tubb or Blinebry Gas Pools shall cause to be taken an annual gas-distillate ratio test. The results of such test shall be submitted to the Commission office (P. O. Box 2045, Hobbs, New Mexico) on or before August 15 following the test. The test shall outline the amount of high-pressure gas produced during the 24-hour test period, the amount of distillate produced during the test period, the amount of low-pressure gas produced during the test period, the high-pressure gas-distillate ratio, and the low-pressure gas-distillate ratio. Failure to submit the required test by August 15 shall result in suspension of any further gas allowable until the date the required information is submitted.

RULE 4: In submitting Form O-115 (Operator's Monthly Report) on wells producing from the Tubb and Blinebry zone in which distillate is commingled and/or the low-pressure gas is commingled with other low-pressure gas produced on the lease, the operator shall estimate if necessary the volumes produced by each well in each pool by using the ratios as reflected in the most recent tests submitted.

RULE 5: The Secretary-Director of the Commission shall have authority to grant exception to the provisions set forth in Rule 1 through Rule 4, In 11, where it can be shown that compliance with them is not economic or is impractical. Applications for exception shall be submitted in triplicate to the Oil Conservation Commission, P. O. Box 871, Santa Fe, New Mexico, with a copy of each application being furnished offset operators.

RULE 6: That low-pressure gas produced by gas wells in the Tubb or Blindery Gas Fields shall not be charged to the gas allowable allocated to any well.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. RECHEN, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

(S E A L)

ds/

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 1, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for
permission to commingle the production
from several separate pools.

Case 1972

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

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 1, 1960

EXAMINER HEARING

IN THE MATTER OF:)
)

Application of Gulf Oil Corporation for per-)
mission to commingle the production from)
several separate pools. Applicant, in the)
above-styled cause, seeks permission to com-)
mingle the Blinebry oil production with the)
Blinebry gas condensate and Tubb gas con-)
densate from all wells on its T. R. Andrews)
lease comprising the E/2 of Section 32,)
Township 22 South, Range 38 East, Lea)
County, New Mexico, after separately meter-)
ing the Blinebry oil production.)

Case 1972

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. PAYNE: Application of Gulf Oil Corporation for per-
mission to commingle the production from several separate pools.

MR. KASTLER: Gulf Oil Corporation requests that Case
No. 1972 be continued until the next hearing.

MR. PAYNE: The next Examiner Hearing?

MR. KASTLER: The next Examiner Hearing, yes, sir.

MR. UTZ: Is there objection to counsel's motion?

1972 will be continued to the next Examiner Hearing, June 22.

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STATE OF NEW MEXICO)
 : SS
COUNTY OF BERNALILLO)

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 6th day of June, 1960.

Ria Tarnis

Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete and correct copy of the original in the Bureau files.

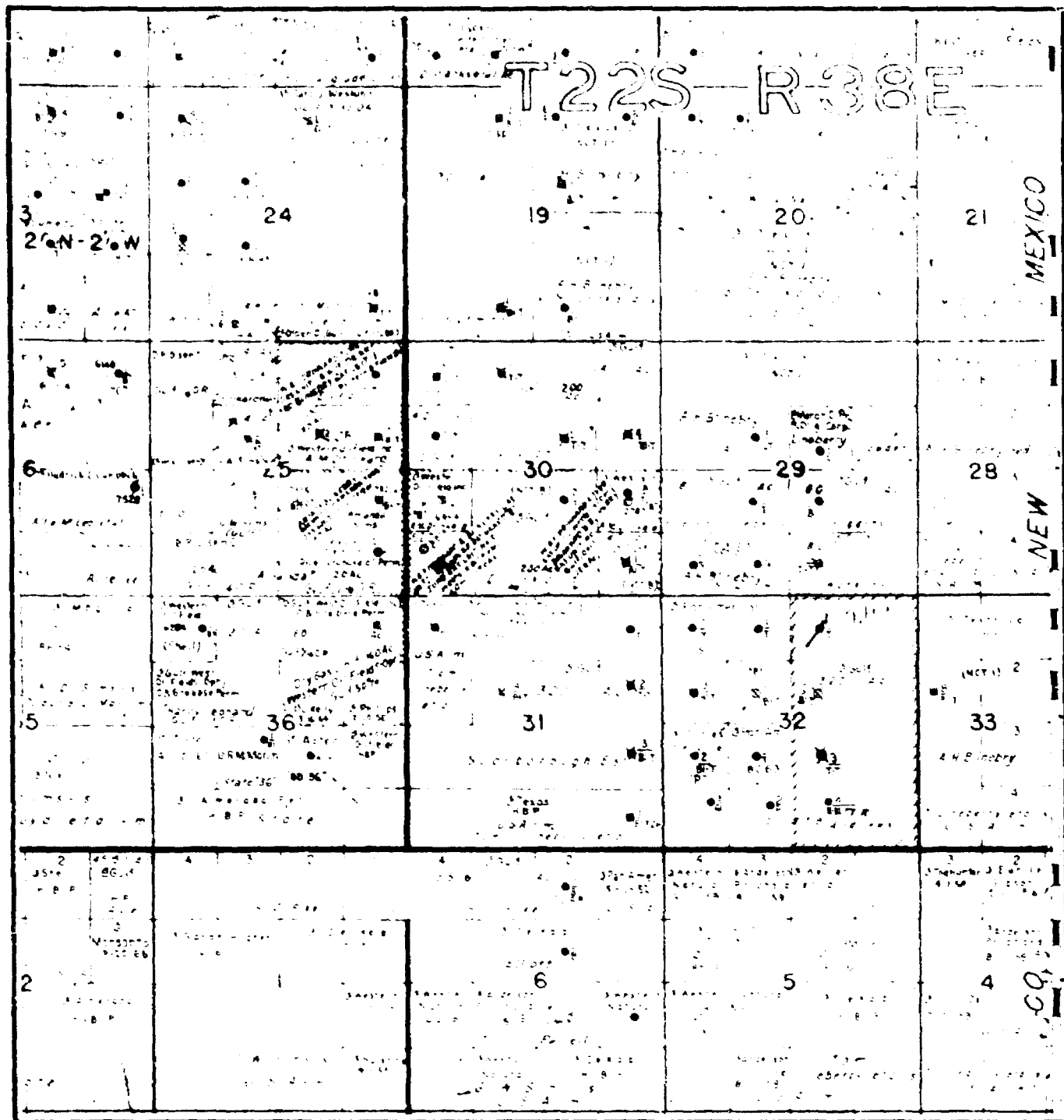
1972
June 1 1972
J. Edgar Hoover
J. Edgar Hoover
New Room, 1000 ...

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BEFORE EXAMINER NUTTER

OF CONSERVATION COMMISSION

EXHIBIT NO. _____

LEASE PLAT
T. R. ANDREWS
Lea County, New Mexico

-LEGEND-

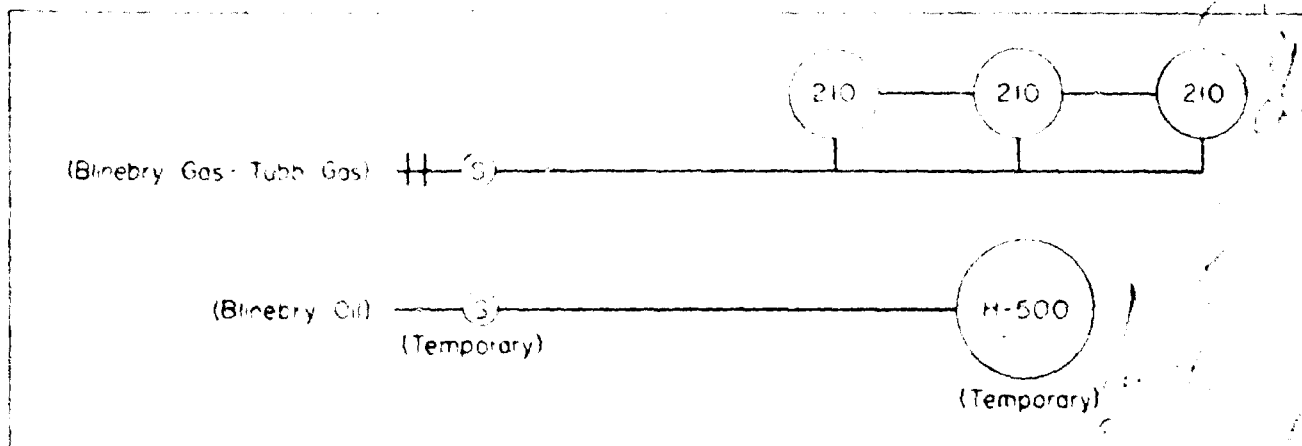
Pertinent Gulf Leases

Gulf Oil Corporation

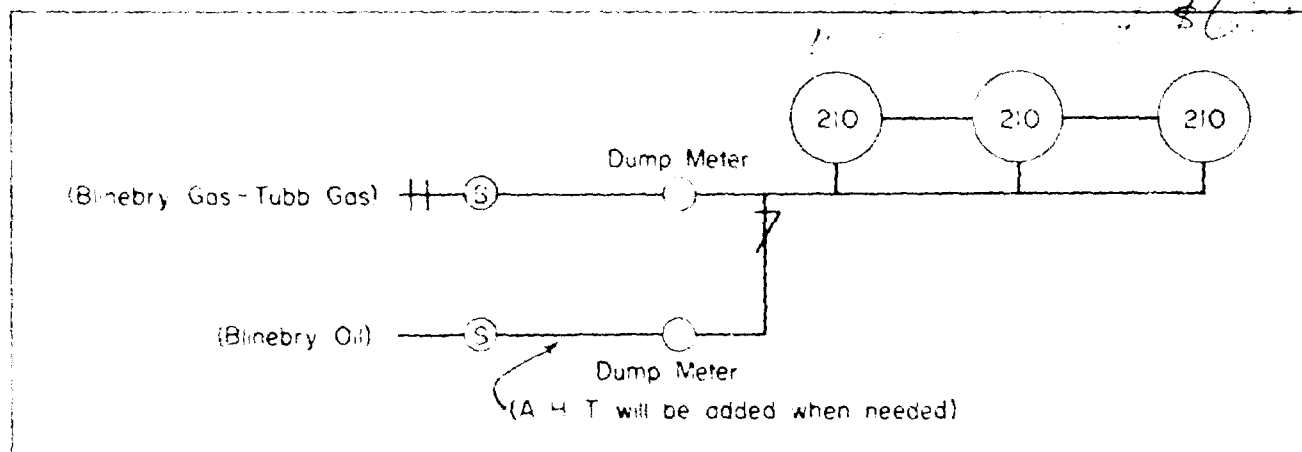
June 1, 1960

Case No. 1972
Exhibit No. 7

T. R. ANDREWS



PRESENT TANK BATTERY



PROPOSED TANK BATTERY

BEFORE EXAMINATION
 BY THE COURT
 IN THE MATTER OF
 THE ESTATE OF
 T. R. ANDREWS
 DECEASED

June 1, 1960

Case No 1972
 Exhbt No 2

MEMORANDUM

EX-111 2-7956

209 Petroleum Life Building

April 14, 1960

Re: McGrath & Smith
Tidewater-State No. 1
NW-2E Section 18, T-13-S,
R-12-E
Lea County, New Mexico

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:


Further to our telegram of April 14, 1960, we wish to apply
for an exception to allowable on subject well.

The North Central Caprock Queen Unit #18-7 is our direct
offset to the north and produced 1800 barrels of oil in March.
Their #18-11 is our direct west offset and this well produced
3300 barrels in March. Production on both of these wells is
increasing. It is our feeling that our lease will be drained
by these wells if we are held to the present allowable.

We will appreciate your consideration of this application at
your earliest convenience.

Respectfully submitted,

McGRATH & SMITH

By: 
Pomeroy Smith

PS:ph

CC: New Mexico Oil Conservation Commission
Hobbs, New Mexico
Attention: Mr. Joe. Ramsey

BEFORE THE
OIL CONSERVATION COMMISSION
BARNY HALL
Santa Fe, New Mexico
June 22, 1960

EXAMINER HEARING

IN THE MATTER OF: Case 1972

Application of Gulf Oil Corporation for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Blinebry gas condensate and Tubb gas condensate from all wells on its T. R. Andrews lease comprising the E/2 of Section 32, Township 22 South, Range 33 East, Lea County, New Mexico, after separately metering the Blinebry oil production.

BEFORE:

D. S. Nutter, Chief Engineer
O. E. Payne, General Counsel
Mr. Buck

TRANSCRIPT OF HEARING

Mr. Nutter: Case 1972.

Mr. Payne: Application of Gulf Oil Corporation for permission to commingle the production from several separate pools.

Mr. Hoover was sworn in the preceding case.

Mr. Kastler: I would like to state that orally, or like to orally state, Gulf is moving for a slight amendment in this application in this matter by inclusion of the following language in subject paragraph "C" of our application dated April 27, 1960. The application proposes to commingle Blinebry oil with Blinebry gas condensate and Tubb gas condensate, that sentence is the same. Blinebry oil production will be metered prior to commingling and

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condensates production will also be metered and this is additional language. It will also be metered by installation of a separate meter prior to commingling and we move that our application be so amended before we proceed with this case.

Mr. Nutter: Let's see, if this changes the situation on the advertisement of the case.

Mr. Payne: They are asking for the lease.

Mr. Nutter: The amendment will be so accepted.

JOHN HOOVER

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

DIRECT EXAMINATION

BY MR. KASTLER:

Q Mr. Hoover, as the Senior Production Engineer for Gulf Oil Corporations, Roswell District, are you familiar with Gulf's application in Case No. 1972?

A Yes, sir, I am.

Q Would you please state what Gulf is seeking in the application and also please state Gulf's reason for suggesting and making this amendment?

A Yes, sir. We are asking for permission to commingle Blinbry oil production with Tubb and Blinbry gas condensate production on our T. R. Andrews lease located in Section 32, Township 22 South, Range 30 East, Lea County, New Mexico. We had intended

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to cover all of this lease for Blinebry gas production, the N. E. 1/4 of Section 32 being the South 1/2 of the T. R. Andrews lease and is not covered for Blinebry gas, so we attempted to obtain a gas well on our T. R. Andrews No. 4 which is going to be a dual in the Blinebry gas south paddock oil. However, on the completion the result was a Blinebry oil well instead of a gas well. If we had been successful in obtaining a Blinebry gas well, we would have been permitted to commingle the liquid production from this well with the other Tubb and Blinebry gas condensate without a hearing either by administrative or Examiner, because the Commission allows it. Therefore, since this is an oil well, we have no alternative but to attempt to go in the way we are now proposing.

Q What are your presently installed facilities for production, or would you prefer to cover that as you get to this on the Exhibit?

A I have that on the Exhibit.

Q Would you then, please, refer to a lease plat which is identified as Case No. 1972, Exhibit No. 1 and explain where the critical portion of your lease is located?

A Yes, sir. This outlines the T. R. Andrews lease in well, and I would like to correct for the record at this time where on our well completion is No. 1 and is shown as a drinking well, which is designated as "T", that well is temporarily abandoned, that is in the N. E. 1/4 of the N. E. 1/4.



Q Do you wish to correct Number 1 to that extent?

A Temporary abandonment.

Q Explaining, although not shown, that this well is temporarily abandoned?

A Yes, sir, and I would also like to correct well No. 3 being in the N. W. 1/4 of the S. E. 1/4, it is shown as Tubb Drinkard Well, or T-T, that should be a Tubb gas well south paddock oil, it should be designated as T-H.

Q Making further reference to Exhibit No. 1, Mr. Hoover, the outline in red designates or describes the East 1/2 of Section 32, 22 South, 38 East. Does that plat also show all of your offset operators?

A Yes, sir, it does.

Q I now wish to call your attention to Exhibit No. 2 and have you explain both your present tank battery set-up and your proposed tank battery set-up, if this application should be granted.

A Yes, sir. This is marked as Exhibit No. 2. The top drawing, or installation, is labeled "Present Tank Battery". The bottom is labeled "Proposed Tank Battery". Referring to the present tank battery, we have our Tubb and Blinberry gas condensate production coming into a header through a separator into a 3210 barrel storage tank. The Blinberry oil is coming in through as labeled here as "a temporary separator", or we refer to it as a "test separator". It's a chili-mounted vessel going into a temporary high 500.

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At the present time the pipeline is connected to the Tubb and Blinebry gas condensate production, but the temporary facilities for the Blinebry oil is not connected to the pipeline and the oil is being trucked. The proposed tank battery is essentially the same as that installation and to go through that we would have the Blinebry gas, the Tubb gas condensate coming through the same separator but we go through a pump meter before going into the 3210 barrel storage tank. The Blinebry oil production would go through a permanent separator, through a dump meter and then tie in with the condensate dump meter then to the 202 barrel storage tanks. I believe that essentially covers our present and proposed installations.

Q What is the expense of trucking the oil under the present tank battery system?

A I believe it runs about sixteen cents a barrel, I am not positive it's in that range.

Q Could the expense of trucking be saved in any way you can see?

A Yes, sir, it will be saved when we are able to obtain an approval to put in the permanent installation.

Q Until that is done, however, the trucking charge must go on?

A Until we have a permanent installation, yes, sir.

Q Then, in your opinion, would there result in substantial savings if this application were granted?



A Yes, sir. A new tank battery for the Blinberry oil would consist of two 250's and the miscellaneous connections would run \$6,300.00. That is assuming that we do not need a heater battery at this time, which we do not, and assuming that we would not have to put one in in the future. The estimated cost for commingling as we propose by the second diagram on Exhibit 2 and proposed tank battery is \$3,000.00. We would save approximately \$3,300.00 through this commingling.

Q Is there diversity of ownership underlying the above leases?

A No, sir, it's all one lease.

Q Would the granting of this application be in the interest of conservation and would it protect correlative rights?

A In my opinion it would.

Q Have the offset operators and has the pipeline been notified of this application?

A Yes, sir, they have.

Q Is there something you would like to add, Mr. Hoover?

A Yes, sir. On our revenue to be received from the production individually and commingled based on our April production for the condensate and estimated production for the Blinberry oil that is estimated because the well was not on full production during the month of April. We estimate that the value of the oil, individually, prior to commingling, and after commingling, would be approximately the same. Our calculation for April, we should have

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a gain of \$29.00.

Mr. Nutter: That was about a dollar a day difference?

A That would be very close to the same.

Mr. Nutter: A dollar a day less?

A This was a gain by the commingling.

Q (By Mr. Kastler) Were Exhibits 1 and 2 prepared by you or under your supervision?

A Yes, sir, they were.

Mr. Kastler: This concludes the questions on direct examination and I move Exhibits 1 and 2 be admitted into evidence.

Mr. Nutter: Gulf's 1 and 2 will be admitted.

Any questions of Mr. Hoover?

Q (By Mr. Nutter) You are obtaining to commingle the Blinebry distillate with the Tubb distillate?

A From the pipeline, yes, sir.

Q From the Oil Conservation Commission?

A We did not need permission.

Q 424 provides--

A We have permission to that. Our Tubb and Blinebry gas condensate has been produced on that lease for a number of years.

Q You allocate the distillate on the basis of test?

A Yes, sir.

Q On the individual pools?

A Yes.

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Mr. Nutter: Any further questions?

(By Mr. Back) In your well 3-H Northwest-Southeast of Section 34, will the south paddock oil be produced at all?

A No, sir, not into this battery, the south paddock crude is classified as "sour" and it has to be trucked and it is being trucked at the present time and will continue to be leased for the time being. It is not involved in this commingling.

Q Would it be economical to truck your condensate with that oil?

A No, sir, the condensate, I don't believe, could be commingled with the sour, it's two extremes. It would have to be kept separate by pipeline requirements and I presume that there is probably no sour connection in that general area to provide a connection for the south paddock, and that is the reason for trucking it.

Q The oil for the Blinebry well isn't the same type as your oil from the south paddock pool, not a sour?

A No, sir, I believe it falls into the semi-stage where the paddock is the sour.

Mr. Nutter: Any further questions? Mr. Hoover may be excused.

(Witness excused.)

Mr. Nutter: Do you have anything further, Mr. Kastler?

Mr. Kastler: Nothing further.

Mr. Nutter: Does anyone have anything further in case

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1972? We will take the case under advisement.

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I N D E XWITNESSES:PAGE

JOHN HOOVER

Direct Examination by Mr. Kastler

2

E X H I B I T S

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

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STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, LEMELLYN 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 9th day of July, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lemellyn Nelson
 NOTARY PUBLIC

My Commission Expires:

June 14, 1964

I do hereby certify that the foregoing is
 a complete and correct transcript of the proceedings in
 the case of *1972*
 filed on June 22, 1960.
6/22 1960

[Signature], Examiner
 New Mexico Oil Conservation Commission

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CASE 1972: Application of GULF for
permission to commingle from all wells
on its T. R. ANDREWS LEASE.