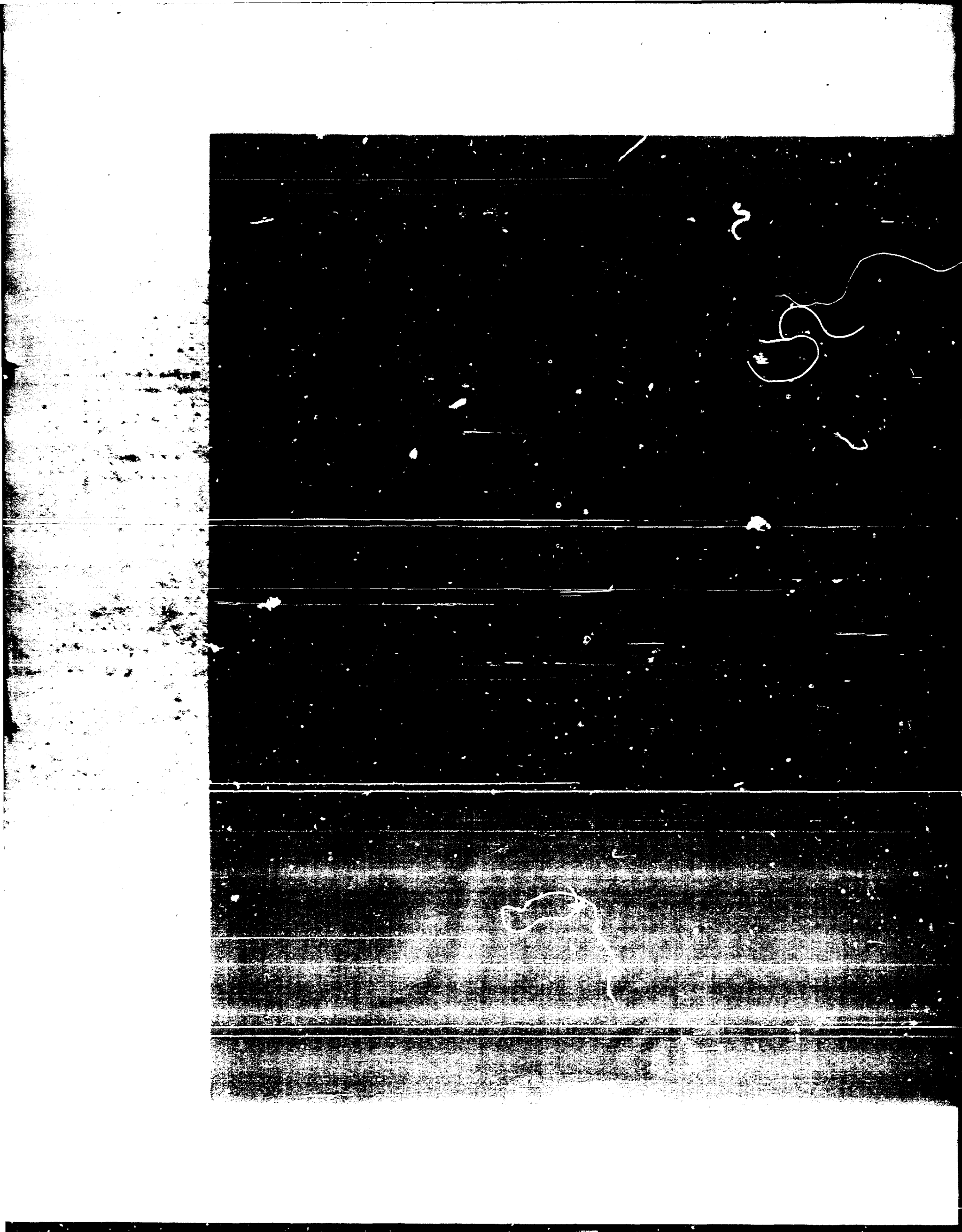


CASE 1819: Application of HAMILTON
DOME OIL CO. to commingle the Blaine-
bry & Tubb production. Lea County.

Case No.

1819

Application, Transcript,
Small Exhibits, Etc.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
NOVEMBER 24, 1959

IN THE MATTER OF:

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

BEFORE:

Elvis A. Utz, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: Case 1819.

MR. PAYNE: Case 1819. Application of Hamilton Dome
Oil Company, Ltd., for an order authorizing the commingling of
production from two separate pools.

MR. CAMPBELL: If the Examiner please, I'm Jack M.
Campbell, Campbell & Russell, Roswell, New Mexico, appearing on
behalf of the applicant. We have two witnesses, Mr. Miller and
Mr. Benton.

(Witnesses sworn)

MR. CAMPBELL: Mr. Miller, will you take the chair
there, please.



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CHARLES P. MILLER,

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

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Will you state your name, please?

A Charles P. Miller.

Q Where do you live, Mr. Miller?

A Hobbs.

Q What is your profession?

A Consulting geologist.

Q Now, you have testified previously before this Commission or its Examiners, have you not?

A Several times, yes, sir.

Q You do some consulting work for Hamilton Dome Oil Company, Ltd.?

A Yes, sir.

Q In connection with that work, are you acquainted with that Company's Carlson "B" No. 2 Well?

A I am.

(Whereupon, Applicant's Exhibit No. 1 was marked for identification.)

Q I refer you to what has been identified as Applicant's Exhibit No. 1, and ask you to state what that is, please?

A It is a part ownership plat covering a small portion



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of the Justis Field located primarily in Sections 24 and 25, Township 25 South, Range 37 East, whereupon is shown the Hamilton Dome Oil Company's Carlson "B" 25 lease, being the 3/2 SE/4 of Section 25.

Q This is an 80-acre lease, is it not?

A It is.

Q Where is the well referred to here situated and how is it identified?

A The well is located on this plat as it is on the ground, 1990 feet from the South line, 330 feet from the East line of said Section 25. On the plat it is circled with a red pencil.

Q In what formations is this well completed, Mr. Miller?

A In the Blinebry and in the Tubb.

(Whereupon, Applicant's Exhibit No. 2 was marked for identification.)

Q I now refer you to what has been identified as Applicant's Exhibit No. 2, and ask you, referring to it, to show the Examiner the zones in which this particular well is completed?

A Yes, sir. This is a radiation log, neutron gamma ray. The first perforations you'll note are shown at 5,004 to 5,028, from 5,036 to 5,058 feet.

Q What formation is that?

A That's in the Blinebry.

Q And then what other --

A The other perforation is in the Tubb; 5722 to 5742;



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ALBUQUERQUE, NEW MEXICO

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5755 to 5779; 5794 to 5824.

Q Are these two formations completely separated from each other by impermeable barriers, Mr. Miller?

A Yes, they are.

Q And, in your opinion, do the Blinebry and Tubb formations in this particular area constitute separate sources of supply -- reservoir?

A Very definitely so.

MR. CAMPBELL: That's all the questions I have of this witness.

MR. UTZ: Are there any questions of the witness?

MR. PAYNE: Yes, sir.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Miller, I believe you testified that the location of this well was 1990 from the South and 330 from the South?

A 990 from the South and 330 from the East.

Q Is it 330 or 660?

A I beg your pardon, your correction is right. I gave that wrong.

Q Mr. Miller, is the royalty interest in this 80-acre lease common at all depths?

A Yes, sir, it is a common royalty lease.

Q And you propose to separately meter the production from each pool prior to commingling, is that correct?



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A That is the plan. Mr. Benton will give you all those details.

MR. PAYNE: I see. Thank you.

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

(Witness excused)

MR. CAMPBELL: Mr. Benton, will you take the witness stand.

JOHN G. BENTON,

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

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Will you state your name, please?

A John G. Benton.

Q Where do you live, Mr. Benton?

A Jal, New Mexico.

Q By whom are you employed?

A Hamilton Dome Oil Company, Ltd.

Q In what capacity?

A As Division Superintendent of oil and gas drilling and production.

Q You have not previously testified before this Commission or its Examiners, have you?

A I have not.



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Q Will you give this Examiner a brief resume of your experience in the oil industry?

A I began my experience in 1922 in drilling and production. I've been actively engaged in it since. I have been twenty-one years in Southeastern New Mexico in charge of these leases.

Q You have, during that period of time, been responsible for the drilling and the completion and the production of the leases for this Company, have you?

A Yes, I have.

Q Are you acquainted with the Company's Carlson "B" 25 No. 2 Well, Mr. Benton?

A Yes, sir, I am.

Q Is this well dually completed in the Blinbry and Tubb formations?

A Yes, sir, it is.

Q Mr. Benton, have you made application on behalf of your Company for administrative approval of this dual completion?

A I did under date of November 2nd.

Q 1959?

A That's correct.

MR. CAMPBELL: I would like to ask the Examiner to take notice of the application of Hamilton Dome Oil Company, Ltd., dated November 2, 1959, for administrative approval of this dual completion.

Q (By Mr. Campbell) Have you as yet received approval



of the dual completion, Mr. Benton?

A I haven't received notice. I left before the beginning of business on Monday.

Q Mr. Benton, will you refer to Exhibit 2, which is the log of this well, as much as it is necessary, and briefly explain to the Examiner the method and manner by which this particular well is dually completed?

A In the upper section of the log you'll find the perforations of the two zones, as explained by Mr. Miller, and in that area you'll see the two strings of tubing which are two and three-eighths inch upset tubing with beveled collars, and the casing seat is 5923. It is 23 pound J55 to a little past 5000. The rest is 23 pound in 80 casing.. The tubing is J55 new tubing. The packer separating the zones is of a permanent type Model "D" Baker packer, and the anchor shown at 5163 is, really the correct measurement is a Baker anchor No. 69 for the purpose of anchoring the tubing from movement under production. The annular space is being utilized for gas. We are producing the oil through the two separate strings of tubing, as shown, labeled, just below 4900 feet. Blinbry oil and Tubb oil.

Q Mr. Benton, have you made any tests by producing these zones separately to determine whether or not there is any leakage insofar as this packer is concerned?

A We have made a test to our own satisfaction that there is no leakage. We are awaiting administrative approval of dual

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completion to make an official packer leakage test.

Q And based upon the test that you made for your own information, is it your opinion that this packer has effectively segregated these two formations insofar as their production is concerned?

A That is correct.

Q By this application, Mr. Benton, you seek authority to commingle oil from these two pools. Will you tell the Examiner briefly how you intend to separately meter and control production from each of these two pools?

A The tubing strings are separate at the top. As shown in the diagram on the log, we have separate flow lines, we have separate metering separators. The gas goes separately in its lines to be metered by the purchaser from each zone, and the oil at the present time has been separately flowed to separate tanks.

Q So that by your installation you will be able to separately meter the oil from each of these pools, and you will also, the gas purchaser will be able to separately meter the gas that is produced from each of these two pools, is that correct?

A That is correct.

Q Mr. Benton, if this application is granted, in your opinion, will you be able to produce this well more economically without causing any physical waste or commingling of oil from these two pools?

A The gravity of the oils is so close together that I



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don't believe that there will be any, a great lot of difference in commingling. It will take less tankage. We feel that in dollars and cents the original installation will be around forty-five hundred dollars cheaper than to separate the zones.

Q Mr. Benton, you are presently drilling an offset well to the west on this lease, are you not?

A That is correct.

Q Do you anticipate obtaining production from either of these two zones with that well?

A This No. 3 Well, which is being drilled on the next forty west, is projected to the Drinkard Fusselman formations. However, we are already offset by a Blinebry well to the west and one to the south, and we will be required to drill another well to the Blinebry formation, and very likely we will drill it to the Tubb formation.

Q By this application, you are seeking authority to commingle oil, should you drill a Blinebry Tubb well on the other forty to commingle oil on this entire lease in the same manner that you have discussed with regard to this first well, is that correct?

A That is correct.

Q And should you obtain a Fusselman Drinkard well in the offset forties, you would again come before the Commission to obtain appropriate authority, would you not?

A That is right.



MR. CAMPBELL: That is all the questions I have at this time. I would like to offer Applicant's Exhibits 1 and 2 in evidence.

MR. UTZ: Without objection, they will be accepted.

(Thereupon, Applicant's Exhibits 1 and 2 were received in evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Benton, did I understand you to say that you are producing the Blinebry through the annular space?

A No, sir. The anchor you see up there does not separate the Blinebry from being in the annular space. The oil from the Blinebry or the liquid production and the gas incidental to it are being produced through the tubing. There is no production through the casinghead, but the anchor, as I have it drawn, perhaps isn't clear. It may look like a packer, but it is not a packer.

Q And how was it you were going to meter your oil?

A Meter separator.

Q Metering separator?

A We have them installed.

Q Is either of the crude in these zones corrosive?

A Not to my knowledge. The pipeline company has taken samples.

Q Would it be classed as intermediate or sweet?

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A Sweet. The log shows the total depth and the plug backs that were made and also on the bottom section it shows drill stem test.

Q Do you have any paraffin problems in these crudes that tend to load up your separator?

A I'm not aware of any, and these are the first Blin-bry wells that I have produced in that area.

Q Do you intend to install plastic lined separators?

A Plastic line them?

Q Yes, to prevent paraffin adhesion?

A We usually heat the lines with hot oil to take care of paraffin problems. I've never had any paraffin troubles in separators in this area at all. It is usually between the well and the separator.

MR. UTZ: Any other questions? No other questions of the witness, he will be excused.

(Witness excused)

MR. CAMPBELL: That's all I have, Mr. Examiner.

MR. UTZ: Any other statements to be made in this case?
The case will be taken under advisement.



STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 9th day of December, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
 NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Bernalillo County of New Mexico 1819
 heard by me on Nov. 24, 1959.

Frank A. [Signature] Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 2-6691



DOCKET: EXAMINER HEARING NOVEMBER 24, 1959

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

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

- CASE 1811: Application of The Atlantic Refining Company for permission to commingle the production from three separate pools from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the Tubb, Blinberry, and Drinkard production from three Federal leases in Section 14, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1812: Application of Gulf Oil Corporation for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from the Eumont Pool from its Ramsay (NCT-D) Lease consisting of the NE/4 of Section 31 and from its Ramsay (NCT-J) Lease consisting of the SW/4 SW/4 of Section 25, both in Township 20 South, Range 37 East, Lea County, New Mexico.
- CASE 1813: Application of Gulf Oil Corporation for a gas-oil dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Travis Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 21, Township 23 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Abo gas pool and the production of oil from the Teague Pool. Applicant further seeks permission to commingle the oil produced from the Teague Pool from said well with the distillate produced from an undesignated Abo gas pool from said well.
- CASE 1814: Application of Leonard Latch for two water flood projects. Applicant, in the above-styled cause, seeks an order authorizing it to institute two water flood projects in the Empire Pool in Eddy County, New Mexico. In one project, applicant proposes to inject water into the Seven Rivers formation through ten wells located in the N/2 of Section 19, Township 17 South, Range 28 East. In the other project, applicant proposes to inject water into the Seven Rivers formation through seven wells located in the S/2 SE/4 of Section 12 and the NE/4 of Section 13, Township 17 South, Range 27 East.
- CASE 1815: Application of Leonard Oil Company for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location in the Jalmat Gas Pool at a point 2310 feet from the North and East lines of Section 21, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant proposes that said well serve as the main well for a non-standard gas production unit in the Jalmat Gas Pool consisting of the E/2 NW/4 and W/2 NE/4 of said Section 21.
- CASE 1816: Application of Shell Oil Company for permission to commingle the production from several separate pools from several separate leases. Applicant, in the above-styled cause, seeks permission to commingle the production from an undesignated Abo pool and an undesignated San Andres pool from two separate leases in Sections 23, 26, and 35, Township 19 South, Range 35 East, Lea County, New Mexico, and to transport said production from said leases

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

CASE 1817:

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

CASE 1818:

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

CASE 1819:

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

CASE 1820:

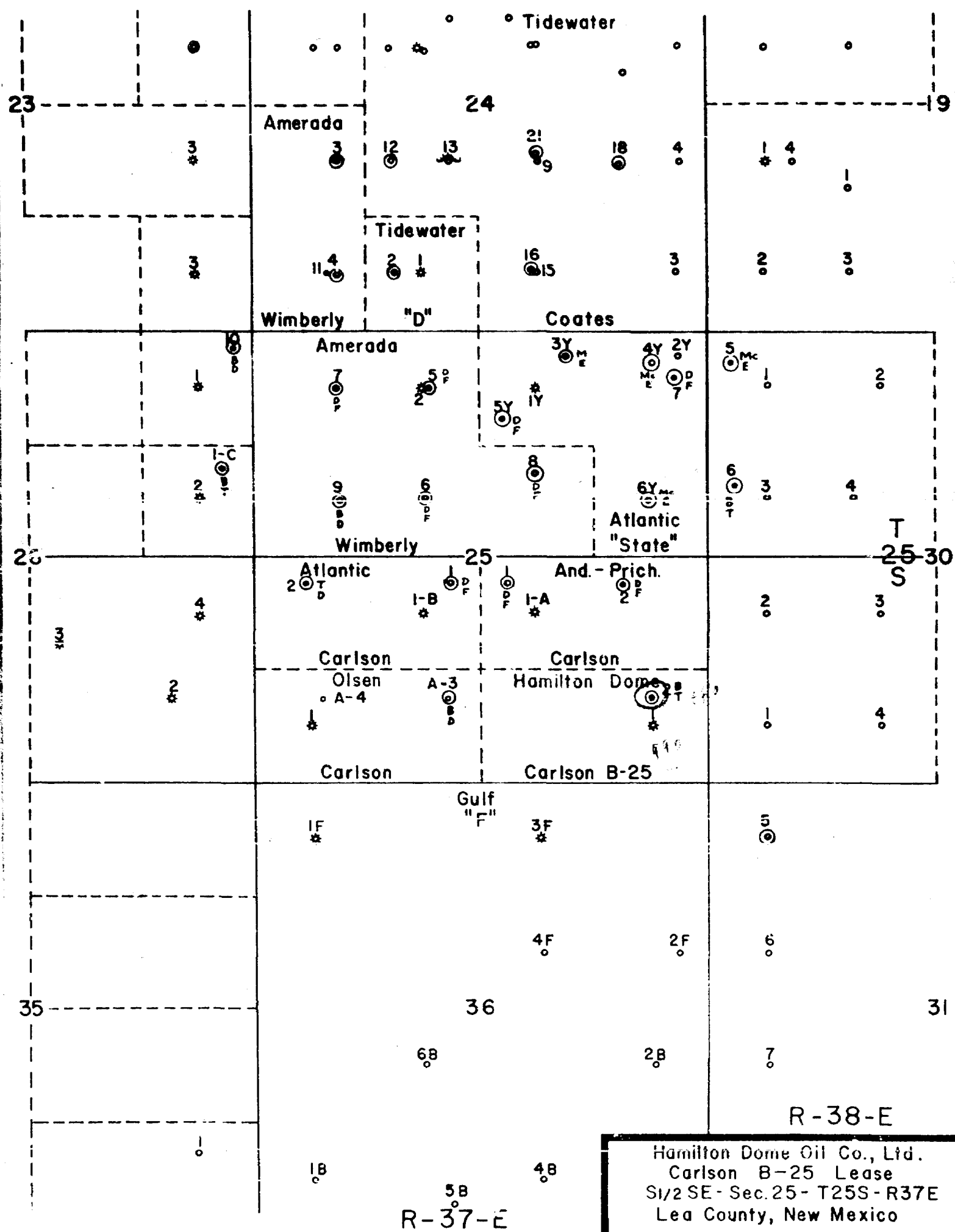
Application of Carper Drilling Company, Inc., and T. J. Sivley for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from that portion of State Lease B-1483 consisting of lot 2 of Section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

CASE 1821:

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

CASE 1822:

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



OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 11-25-59

CASE 1819

Hearing Date 11-24-59

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

Approve as follows:

1. Commingling of the Blinney Oil and Tubb Oil
find the Blinney Gas and Tubb Gas from
the Hamilton Dome-Carlson B-25 #2, located
2921/5 and 660/E lands of sec. 25 - 25S-37E.
2. The Gas & Oil from each point shall be
metered separately before commingling.
3. P.D. or Dump type meters shall be used
for the oil.
4. Std. Commingling order otherwise.

[Signature]

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. 1819
Order No. R-1545

APPLICATION OF HAMILTON DOME
OIL COMPANY, LTD. FOR PERMISSION
TO COMMINGLE THE PRODUCTION FROM
TWO 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 November 24, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 10th day of December, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant is the owner and operator of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to commingle the Tubb and Blinebry production from said lease after separately metering the production from each pool.
- (4) That approval of the subject application will neither cause waste nor impair correlative rights, provided adequate treating, testing, and storage facilities are installed.

IT IS THEREFORE ORDERED:

- (1) That the applicant do and the same is hereby authorized to commingle the Tubb and Blinebry production from the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

-2-

Case No. 1819

Order No. R-1545

PROVIDED HOWEVER, That the production from each pool shall be separately metered prior to commingling.

(2) 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. 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."

(3) That the applicant shall install adequate testing facilities to permit the testing of all wells now or hereafter completed on the above-described lease at least once each month to determine the individual production from each well.

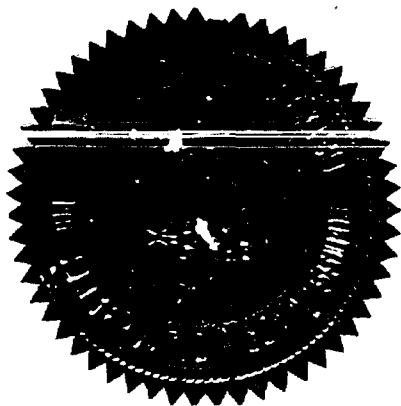
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



ven/

IN THE MATTER OF THE APPLICATION OF)
HAMILTON DOME OIL COMPANY, LTD., FOR)
AN ORDER AUTHORIZING CO-MINGLING OF)
OIL FROM THE TUBPOOL AND THE BLINE-)
BERRY POOL, LEA COUNTY, NEW MEXICO,)
UNDER APPLICANTS OIL AND GAS LEASE)
COVERING THE S $\frac{1}{2}$ SE $\frac{1}{4}$ SECTION 25, TOWN-)
SHIP 25 SOUTH, RANGE 37 EAST, LEA)
COUNTY, NEW MEXICO)

Case No. 1719

APPLICATION

COMES NOW Applicant by its attorneys, Campbell & Russell,
and states:

1. It is the owner and holder of an Oil and Gas Lease covering the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.
2. Applicant has completed its Carlson B-25 Well No. 2 situated 990 feet from the South line and 660 feet from the East line of said Section 25 in the Tubboil pool and the Blineberry pool as a dually completed well.
3. Applicant desires to produce oil from each of said pools under its lease, metering the production from each pool separately, and then co-mingling said oil for storage in the same tank battery.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an examiner, to publish notice as required by law and, after hearing, issue its Order granting Applicant an exception to Rule 303 of the Rules and Regulations of the Oil Conservation Commission.

Respectfully submitted,

HAMILTON DOME OIL COMPANY, Ltd.

By

Jack M. Campbell
Campbell & Russell
P. O. Box 766
Roswell, New Mexico
Its Attorneys

*Received
12-5-59
J. M. Campbell*

