

CASE 1868: Application of HAMILTON
DOME OIL CO. to commingle - Lea Co.
N.M.

Case No.

1868

Application, Transcript,
Small Exhibits, Etc.

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing (Elvis A. Utz)Santa Fe, NEW MEXICOREGISTERHEARING DATE February 25, 1960 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
John J. Stojek	El Paso Nat. Gas Product Co.	Farmington, N. M.
GUY T. BUELL	PAN AM	FORT WORTH
CHARLES MARSHALL	✓ ✓	FARMINGTON
NANCY ROYAL	—	SANTA FE
Charles Newman	Stanwood's Oil Co.	Roswell
W. B. Bamford	Conoco	
John Sander	Kenneth MacArthur	Farmington
W. B. Kelly	Oilfield Supply & Oilfield Supply	D. F.
Hal M. Stier-welt	Sunray Mid Continent Oil Co.	Farmington, N. M.
Thos W. Brinkley	Sunray Mid Cont Oil Co.	Tulsa Okla
William R. Loar	—	Box 2039 Tulsa, Okla.
J. E. Willingham	Humble Oil & R. Co.	Box 1600 Midland, Tex.
Alfred Lippman	Frontier, Sperry & Kelly	Albuquerque, N. M.
A. B. Hollands	CALCKINS Oil Co.	Denver Colo
Jason Kellahi	Kellahi & Fox	Santa Fe, N. M.
Thomas F. Feltton	Harvey & Fox	Roswell
Burns H. Errebo	Woodrall et al	Albuquerque

NEW MEXICO OIL CONSERVATION COMMISSION

_____, NEW MEXICO

REGISTER

HEARING DATE

February 25, 1960

TIME: _____

NAME:	REPRESENTING:	LOCATION:
Morris B. Jones	Johnston - Spear	Albuquerque
Lewis J. Jones	N.M. Petroleum Assoc. Inc.	Albuquerque
A.H. Porter, Jr.	O.C.C.	Santa Fe
Jack M. Campbell	Campbell + Russell	Reswell, N.M.
Edwin C. Alcock	Lane Wells Co.	Farmington
W. V. Kastle	Gulf Oil Corp.	Reswell, N.M.
J.H. Hoover	—	—
Geo. W. Kivity	Southern Union Gas Co.	Farmington, N.M.
John G. Denton	Westata Pet. Co.	Jal., N.M.
Charles P. Miller	Representing Westata Pet. Co.	Hobbs, N.M.
E.D. Coltharp	Continental Oil Company	Artesia, New Mexico
R. J. Davenport	Continental Oil Company	Artesia, New Mexico
W. L. Johnston Jr.	Ray, H. Smith Indus. Co.	Archita Falls, Tex.
Orin H. Hagelstein	So. Union Gas Co.	Farmington, N.M.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1868: Application of Hamilton Dome Oil Company, Ltd. for permission to commingle the production from three separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Drinkard Pool, the Justis-Fusselman Pool and an undesignated Tubb pool from wells on a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.

State Conservation Commission
Hearing Room
Capitol Building
Santa Fe, New Mexico
January 25, 1960

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 1868.

MR. FLINT: Case 1868. Application of Hamilton Dome Oil Company, Ltd. for permission to commingle the production from three separate pools.

MR. CAMPBELL: Jack M. Campbell, Campbell and Russell, Roswell, New Mexico, appearing on behalf of the applicant. We have two witnesses.

(Witnesses sworn.)

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CHARLES MILLER

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

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q State your name, please?

A Charles Miller.

Q Where do you live, Mr. Miller?

A Hobbs, New Mexico.

Q What is your association with the Hamilton Dome Company, Limited, the applicant in this case?

A Geologist.

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

A Several times, yes, sir.

MR. CAMPBELL: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir, they are.

Q (By Mr. Campbell) Mr. Miller, you testified, did you not, in Case No. 1819 before this Commission in which Hamilton Dome Oil Company, Limited, sought approval of the Commission for commingling oil from the Blinberry and Tubb Pools from its Carlson "B" 25 well No. 2?

A That's right. I testified in that case.

Q What has transpired since that application was approved with regard to the Blinberry production, please?

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A At the time we made the application, we considered the Blinebery oil to be sweet. Later tests found it was on the sour stage, couldn't be qualified as sweet.

Q So you have not commingled that oil, but have been running your Blinebery production into separate tankage?

A That's right.

Q And have you, since that time, completed another well in the Carlson "B" 25 Federal lease?

A Carlson "B" 25 No. 3.

Q Will you please refer to what has been identified as applicant's Exhibit 1 and state what that is?

A This particular well is Carlson "B" 25 No. 3 located nine hundred and ninety feet from the south line, sixteen hundred and fifty feet from the east line, Section 25, Township 25 South, Range 37 East.

Q Now, I notice on the plat that it is shown as West States, and the bottom, the plat indicates West States Company. Is this property owned and operated by Hamilton?

A What was primarily Hamilton is now consolidated into West States Company. West States Petroleum Company, Limited, is the correct name.

Q Is the royalty ownership under this tract under this eighty acres common?

A It is common, yes, sir.

Q And is all of the working interest now owned by West



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States Petroleum Company?

A Yes, sir. They are the complete operator.

Q And in complete control of the operation?

A Yes, sir.

Q In what formations is the Carlson "B" 25 well No. 3 completed?

A Completed in the Fusselman and in the Drinkard.

Q Are you acquainted with the completion of this well?

A Yes, sir.

Q I refer you to the log which has been identified as Exhibit No. 2, and ask you to state what that is, and refer to it, pointing out to the Examiner the pay zones in these two formations and the perforations, please?

A It is a lateral log, gamma ray neutron log, run by Slumber J. The Fusselman formation is completed in open hole. By that I mean the casing is set above. The Drinkard pay is produced through perforations as shown on Exhibit 5900 feet to 5910, 5920 to 5930, 5936 to 5942.

Q Mr. Miller, in your opinion, are these two zones separate producing formations?

A Very definitely.

Q They are isolated by what?

A In the first place, they are isolated at quite an interval from 5942 to a depth of casing point on the Fusselman which would be, perhaps, in the neighborhood of a little less



then 900 feet and also a shaley section, dense formation occurs in various places between the two formations.

Q Are the perforations in these two formations within the limits of the presently defined limit of these two respective Pools?

A Well, just the one formation is through perforation. The Fusselman is open hole, but the Drinkard-- Yes, that's right.

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

MR. UTZ: Are there questions of the witness?

CROSS-EXAMINATION

BY MR. UTZ:

Q I was trying to follow you. In your 5900, what zone was that?

A That's the Drinkard zone.

Q Is that marked on this?

A Yes, it is marked on the log on the top part of the log.

Q The casing point on the Fusselman is what?

A I believe that was 6772. It was right on top of the Fusselman. I don't have the figure, but when I get that figure, I'll get it for you. I thought it showed here, but it does not. I beg your pardon, here it is. Open hole 6756. It is typed in right here.

Q Speak up so the Reporter can hear you. Casing is at

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5766; is that correct?

A Open hole 5766 total depth.

MR. CAMPBELL: Pardon me, if I may say a word here. I believe that's in error, that's the top of the Fusselman formation, isn't that, Charlie, and it is 65. It is shown there on the log. Can you find that for them when you testify?

Mr. BENTON: Yes.

MR. CAMPBELL: Let's leave that until the other witness testifies.

MR. UTZ: The witness may be excused.

(Witness excused.)

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

CHARLES 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 Charles Benton.

Q Where do you live, Mr. Benton?

A Jal, New Mexico.

Q By whom are you employed and in what capacity?

A By the West States Petroleum Company. Formerly, it

is-it was formerly Hamilton Dome Oil Company, Limited.

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Q In what capacity do you work for them?

A As Division Superintendent.

Q You've testified before the Examiner, did you not, in Case No. 1819 involving Carlson "B" 25 well No. 2?

A Yes, sir, I did.

Q Mr. Benton, you are acquainted with the completion of Carlson "B" 25 well No. 3, are you not?

A Yes, sir, I am.

Q The Examiner has requested information concerning the casing point on the Fusselman. Can you give that information to him, please?

A According to our log, it should be at 6652. As it is shown here on the log, it is hard to see it two feet below the 50 mark where it says "Scale" change there.

MR. UTZ: Yes, I found it.

Q (By Mr. Campbell) Now, Mr. Benton, the application here is for authority on the lease to commingle production from the Fusselman and the Drinkard formation; is it not?

A That is right.

Q Did you prepare the mechanical setup for the metering and storage of the production from this well on this lease?

A I supervised it, yes.

Q I refer you to what has been identified as Hamilton Dome Exhibit No. 3, and ask you to state what that is?

A Using the top as the north, and the line designated



at the top, flow line comes from our well No. 2, goes to the south separator, and in this case it has a little water in it, so it goes through the treater before going to the separator.

MR. UTZ: Which color line is that, sir?

A That would be the dark green. And then, the light green is the oil going into the two tanks designated as Tubb tanks. And then, from our No. 3 well, you can see the two flow lines at the left top Drinkard flow line, Fusselman flow line, and at the present time, we have one tank designated for each. There is no water production in either well. And those lines are not connected at present. They can be connected if this petition is granted.

Q Have you facilities-- How are you going to measure the production from these wells?

A We have meter separators for each well.

Q In your opinion, can the production from these wells be produced in this manner and stored in this manner without waste?

A It would require at least two more five hundred barrel tanks if this petition were not granted.

Q My question is: If the petition is granted, and you are permitted to produce and commingle this oil in the manner in which you have diagrammed here, can it be done without waste of oil from the formation?

A Yes.

Q Have you made any test of the gravity of the oil from

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the two formations?

A Yes, we have.

Q What are the results of those tests?

A These tests on the Fusselman and the Drinkard are very close together, 374 corrected degrees and that is early in the life of the well. Our experience with the Tubb well is that it increased in gravity up to 398, and, we anticipate that the Fusselman and the Drinkard will also increase in gravity with production. It is new, and there is some mud contamination and other things--sedimentation. The formation was over 90 percent soluble to the acid that was used; so it has quite a bit of sedimentation to get rid of there at the beginning.

Q You will continue to produce and meter and store the oil from the Blinebery Pool from your number 2 well in separate tankage, will you not?

A Yes, sir. And it is being shipped on a sour line, and in different tank battery entirely.

Q Do you contemplate additional drilling on this particular lease?

A Yes, sir, we do.

Q What type drilling would you contemplate?

A On the forty acres, which is the Southeast of the Southeast, there is a location applied for and granted by the United States Geological Survey, 990 from the south and east lines, and it is projected for Fusselman-Drinkard production.



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Q And in the event you obtain such production, you desire this order, if it is issued, to authorize production from those two formations into this same system, do you not?

A Yes, sir.

Q You desire the order to cover the entire lease, in other words?

A Yes, sir.

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

MR. UTZ: Let me get myself straight on just what the lease consists, the Carlson "B" 25?

A Yes, sir. It is 80 acres.

MR. UTZ: 80 acres.

A It is same royalty owners on both forty. It is the United States Geologic Survey, and the same sub-lessee, Western Petroleum Company, formerly the Indiana Petroleum Company.

MR. FLINT: Mr. Benton, then you would request that should an order be issued authorizing commingling, that it provide for commingling of these three pools from all wells presently or hereafter drilled on this 80 acre tract?

A Yes, providing the test showed that they were sweet oil.

MR. FLINT: This 37.4 gravity that's--that applies to--

A That is the early production on the Fusselman and Drinkard, yes, sir. We anticipate that it will be over, approximately one degree, or a little over one degree, possibly. In



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fact, we know experience should prove that. And it will bring it within one degree of each other. The Tubb is only 46, I mean, 27 percent of the oil according to the zoning regulation by the Commission, approximately.

MR. UTZ: Mr. Benton, what are these vertical brown lines on your diagram between your separators, metering separators?

A The dark brown line is water drainage from the bottom of the tank, provided there should be any, and the yellow lines are gas. Now, at the bottom you see that there is a gas line hooked to each tank which is for the purpose of rolling the oil or causing it to revolve to separate the water and the oil, providing it becomes necessary. Those are cone bottomed tanks, and quite often sedimentation can be drawn off that way.

MR. FLINT: Did you state, Mr. Benton, as to whether there is any corrosion or paraffin problems?

A We have not experienced any, and the offset operators have not shown any yet.

MR. UTZ: Is there any danger of oil from one pool getting into the other pool through these water drain lines from your separator?

A When the oil is shipped, there is a seal put on each one and on the rolling lines, and on the drainage lines. There could be no way without deliberate intent to do so.

MR. UTZ: No oil ever goes out with the water?

A We have not been draining any. We have a heater, and



we will circulate it. It has been our custom in other tank batteries, circulate to separate the oil and the water by heat process. And in the early production, I'll say this: That in this Tubb, before we installed this heater treater that you see at the right-hand lower side, we had to steam some tanks before we decided that the water was there to stay in a small degree, and that was to drop the water out, heat the oil, and drop the water out.

MR. UTZ: Where does this other water eventually go? From your drainpipe to the pit?

A To the pits, yes, sir. It would be in the upper left-hand side about, well, the required distance from any possible heater that could be set. I might state that if the petition is granted, these lines will be connected with manifold, and we will be able to test any one well separately at any time, and measure it against the tank as the order requires.

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

(Witness excused.)

MR. CAMPBELL: I would like to offer Hamilton Dome Exhibit No. 1, 2, 3 in evidence.

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

MR. MILLER: Sir, I would like to make a statement.

MR. CAMPBELL: Will you come back over here, Mr. Miller, and take the witness stand?

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(Witness resumes stand.)

MR. CAMPBELL: Mr. Miller, did you have something you wanted to add?

A Nothing particular to the testimony, no, sir.

MR. CAMPBELL: You wish to make a statement?

A First, I want to thank the Commission for staying at this late hour to make this hearing possible. It saved us a lot of trouble. We got snowbound, couldn't make it on schedule. The second thing, if it pleases the Commission to grant approval of this hearing, that it be done as quick as possible for this reason: That we would like to get as much of this February allowable, as much as we can before the month expires. We only have four days to do it. If it pleases the Commission, we would like to have the approval as soon as possible so that we can get the February allowable.

MR. UTZ: Thank you. Any other statements to be made?

If not, the case will be taken under advisement, and the hearing is adjourned.

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ALBUQUERQUE, NEW MEXICO



C E R T I F I C A T E

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/or under my personal supervision, 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 15th day of March, 1960, 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 Examiner hearing of Case No. 1865, heard by me on Feb. 25, 1960.

Shirley D. [Signature], Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CM 3-6691



OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 2-25-60

CASE 1868

Hearing Date 2-25-60

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

1. Grant Weststates authority to commingle
the Dubb, Drinkard and Israelman
on their Carlson B-25 lease consisting
of the $8\frac{1}{2}$ SE/4 sec. 25-25S-37E.
All these crudes are ^{not} sweet. No
B. Some crudes shall be commingled
in this system.
2. There shall be no lines of any
nature connecting the metering
separators which could inadver-
tently cause commingling of oil be-
fore metering.

Superced B-15-45-25 as to take out,
The Blinby, authority to comm.

Staff Member

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 29, 1960

C
O
P
Y

Mr. Jack Campbell
Box 766
Roswell, New Mexico

Dear Mr. Campbell:

On behalf of your client, Hamilton Dome Oil Company, we enclose two copies of Order No. R-1545-A in Case 1868 issued by the Oil Conservation Commission on February 26, 1960. A wire was sent to Mr. Benton on Friday informing him that his application had been granted.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

*Hobbs o c c
Wire to Benton*

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 29, 1960

C
O
P
Y

Mr. Jack Campbell
Box 788
Roswell, New Mexico

Dear Mr. Campbell:

On behalf of your client, Hamilton Dome Oil Company, we enclose two copies of Order No. R-1545-A in Case 1868 issued by the Oil Conservation Commission on February 28, 1960. A wire was sent to Mr. Benton on Friday informing him that his application had been granted.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

A.L.P./lr

Hobbs o.c.c.
Wire to Benton

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
HAMILTON DOME OIL COMPANY, LTD., FOR)
AN ORDER AUTHORIZING THE COMMINGLING)
OF OIL FROM THE TUBB POOL, THE DRINK-)
ARD POOL AND THE FUSSELMAN POOL, LEA)
COUNTY, NEW MEXICO, UNDER APPLICANTS)
OIL AND GAS LEASE COVERING THE $S\frac{1}{2}SE\frac{1}{4}$)
SECTION 25, TOWNSHIP 25 SOUTH, RANGE)
37 EAST, LEA COUNTY, NEW MEXICO)

*Set for
Jan: 27th
hearing*

Case No. 1868

APPLICATION

COMES NOW Applicant by its attorneys, Campbell and 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. By its Order No. R-1545 in Case No. 1819, the Commission approved the commingling of oil from the Tubb Pool and the Blinebry Pool under the above described lease.
3. The purchaser of oil has, upon testing the product from the Carlson B-25 Well No. 2, determined that the Blinebry oil is sour crude and has required separate tankage and pipeline outlet for said oil.
4. Applicant has drilled its Carlson B-25 Well No. 3 situated 990 feet from the South line and 1650 feet from the East line of said Section 25 and has obtained production from the Drinkard Pool and from the Fusselman Pool, the oil from said pools being sweet crude and compatible with oil from the Tubb Pool.
5. Applicant desires to produce oil under the said lease from the Tubb Pool, the Drinkard Pool, and the Fusselman Pool, metering the production from each pool separately and then commingling said oil for storage in the same tank battery.

*Docket
mailed
2-15-60
gh*

*Docket
mailed
1-18-60
gh*

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, to 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 Campbell & Russell
Campbell & Russell
P. O. Box 766
Roswell, New Mexico

Its Attorneys

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 27, 1960
EXAMINER HEARING

IN THE MATTER OF:)

Application of Hamilton Dome Oil)
Company, Ltd. for permission to)
commingle the production from)
three separate pools.)

Case 1868
Dismissed

1

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 27, 1960
EXAMINER HEARING

IN THE MATTER OF:)

Application of Hamilton Dome Oil Company, Ltd.)
for permission to commingle the production from)
three separate pools. Applicant, in the above-)
styled cause, seeks an order authorizing it to) Case 1868
commingle the production from the Justis-) Continued
Drinkard Pool, the Justis-Fusselman Pool and an)
undesignated Tubb pool from wells on a lease)
consisting of the S/2 SE/4 of Section 25,)
Township 25 South, Range 37 East, Lea County,)
New Mexico.)

BEFORE: Mr. Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. PAYNE: Application of Hamilton Dome Oil Company,
Ltd. for permission to commingle the production from three
separate pools.

MR. CAMPBELL: Mr. Examiner, Jack M. Campbell, Campbell
and Russell, Roswell, New Mexico. Case 1868, Hamilton Dome Oil
Company, Ltd. would like to move that 1868 be continued on the
docket. That's a case for commingling. They have had some dif-
ficulty in completion of the well in the Drinkard formation and
mechanical difficulty and they are not prepared at this time to
proceed with the case. If the Commission order that has been
advertised with regard to administrative procedures for commingling

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

MR. UTZ: That would be February 25. Is there objection to counsel's motion? Case 1868 will be continued to February 25, Examiner Hearing. Are there other motions for continuance? Counsel isn't here for 1879, but I was advised yesterday he will ask for continuance.

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 12th day of February, 1960.

Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Hamilton hearing of Case No. 1868, heard by me on July 27, 1960.

New Mexico Oil Conservation Commission

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

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 be 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, Chairman

MURRAY E. MORGAN, Member

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

S E A L

vem/

CASE 1870:

Application of Newmont Oil Company for permission to install four separate automatic custody transfer systems. Applicant, in the above-styled cause, seeks an order authorizing it to install a separate automatic custody transfer system on each of four leases in applicant's water flood project in the Loco Hills Pool, Eddy County, New Mexico.

CASE 1871:

Application of Union Oil Company of California for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its North Anderson Ranch Unit Agreement, which Unit is to comprise 360 acres, more or less, consisting of portions of Sections 32 and 33, Township 15 South, Range 32 East, Lea County, New Mexico.

CASE 1872:

Application of Gulf Oil Corporation for authority to commingle the production from four separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the production from the following four separate leases and to install an automatic custody transfer system to handle the Pearl-Queen Pool production from all wells located thereon:

Lea-State "AP" lease, E/2 of Section 30;
Lea-State "AQ" lease, N/2 of Section 32;
Lea-State "BG" lease, N/2 of Section 33;
Lea-State "IH" lease, W/2 SW/4 and W/2 SE/4
of Section 29,

all in Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 1873:

Application of The Atlantic Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Langlie Federal "A" Well No. 1, located in Unit H, Section 14, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Bliebry Pool and the production of oil from an undesignated Tubb pool through parallel strings of tubing.

CASE 1874:

Application of Val R. Reese & Associates, Inc., for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lybrook Well No. 1-19, located in Unit C, Section 19, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner

DOCKET: EXAMINER HEARING JANUARY 27, 1960OIL CONSERVATION COMMISSION - 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE

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

CASE 1866: Application of British-American Oil Producing Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its West Bisti-Lower Gallup Sand Unit Agreement, which Unit is to comprise 14,331 acres, more or less, in Townships 25 and 26 North, Ranges 13 and 14 West, San Juan County, New Mexico.

CASE 1867: Application of British-American Oil Producing Company for a pressure maintenance project in the Bisti-Lower Gallup Oil Pool and promulgation of special rules in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing a pressure maintenance project in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, by the injection of water into the Lower Gallup formation through 17 wells. Applicant further proposes that special rules be adopted governing said project including the transfer of allowables from injection and shut-in wells to producing wells in the project and for establishment of an administrative procedure to convert additional wells to injection.

CASE 1868: Application of Hamilton Dome Oil Company, Ltd. for permission to commingle the production from three separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Drinkard Pool, the Justis-Fusselman Pool and an undesignated Tubb pool from wells on a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 1869: Application of Newmont Oil Company for approval to convert five additional wells in the Loco Hills Pool to water injection. Applicant, in the above-styled cause, seeks an order authorizing it to convert to water injection five additional wells in its water flood project in the Loco Hills Pool, Eddy County, New Mexico. Said wells are the Brigham Well No. 1-A, Yates Well No. 4, Yates A Well No. 10, Yates A Well No. 12, and Coppedge Well No. 2, located respectively in the SE/4 SE/4 of Section 31, Township 17 South, Range 30 East, NE/4 SW/4 of Section 6, SW/4 SW/4 of Section 6, NE/4 NE/4 of Section 6, and NW/4 NW/4 of Section 5, all in Township 18 South, Range 30 East.

as to permit the production of gas from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing.

CASE 1875:

Application of Continental Oil Company for a non-standard gas proration unit and for an order force-pooling the interests therein. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of lots 6, 10, 11, and 12 of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to Shell Oil Company's Taylor-Glenn Well No. 1, located 3226 feet from the North line and 1980 feet from the West line of said Section 3. Applicant further seeks an order force-pooling the interests of those in said non-standard gas proration unit who have gas rights within the vertical limits of the Blinebry Gas Pool, including M. F. Taylor, P. O. Box 574, Amarillo, Texas, and R. B. Glenn, P. O. Box 461, Amarillo, Texas.

CASE 1876:

Application of Continental Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Weir (Drinkard) Oil Pool and Weir-Tubb Gas Pool from all wells on its Britt B-15 lease consisting of the W/2 and the W/2 E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1877:

Application of Continental Oil Company for permission to install an automatic custody transfer system and for permission to produce more than 16 wells in 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 Skaggs Pool oil wells on its Southeast Monument Unit comprising lands located in Township 20 South, Ranges 37 and 38 East, Lea County, New Mexico.

CASE 1878:

Application of Continental Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Weir (Drinkard) Oil Pool and the Weir-Tubb Gas Pool from all wells on that portion of the Southeast Monument Unit consisting of the W/2 W/2 of Section 14 and the E/2 E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1879:

Application of Amerada Petroleum Corporation for a gas-oil dual completion and for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State EM "A" Well No. 2, located 660 feet from the South and West lines of Section 22, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eumont Gas Pool through the casing-tubing annulus and the tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SW/4 of said Section 22 to be dedicated to the said State EM "A" Well No. 2.

CASE 1880:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Blinebry Oil Pool and the Drinkard Pool from all wells on its V. M. Henderson lease consisting of the N/2 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1881:

Application of Texaco Inc. for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of automatic custody transfer facilities to handle the Crossroads-Devonian Pool production from the U. D. Sawyer lease comprising the E/2 of Section 34, Township 9 South, Range 36 East, Lea County, New Mexico.

CASE 1882:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Tubb Pool and the Blinebry Oil Pool from all wells located on its Mittie Weatherly lease comprising the NW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1883:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Culwin (Queen) Pool and the Culwin-Yates Pool from all wells located on its Federal Lease comprising the NE/4, E/2 NW/4, N/2 SE/4 and the NE/4 SW/4 of Section 6, Township 19 South, Range 31 East, Eddy County, New Mexico.

CASE 1842:

(Continued)

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on its Baker "A" lease comprising the NW/4 of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1884:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on that portion of the J. V. Baker lease comprising the SE/4 SW/4 of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1885:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Drinkard Pool and the Tubb Gas Pool from all wells on its State "K" lease comprising the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1886:

Application of E. P. Campbell for an exception to Rule 107 (e) of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) in order to recomplete his No. 1 Cleveland Well, located in NW/4 NE/4 of Section 33, Township 18 South, Range 26 East, Eddy County, New Mexico, as a "slim-hole" completion in the Pennsylvanian formation at a depth greater than 5000 feet.

CASE 1887:

Application of Monsanto Chemical Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks an exception to February 15, 1960, to the "no-flare" provision of Order R-1427 for five wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

CASE 1888:

Application of C. W. Trainer for off-lease storage of oil production. Applicant, in the above-styled cause, seeks permission to store the Pearl-Queen Oil Pool production from his Rushing lease, consisting of the W/2 NE/4 of Section 22, Township 19 South, Range 35 East, Lea County, New Mexico, in a tank battery located on his Signal State lease, consisting of the E/2 NW/4 of said Section 22.

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-28-60

CASE 1868

Hearing Date 1-27-60

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

Continue to 2-25-60

Staff Number

DOCKET: EXAMINER HEARING FEBRUARY 25, 1960

Oil Conservation Commission - 9 a.m., State Corporation Commission Hearing Room, Basement, Capitol Building, Santa Fe, New Mexico

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

CONTINUED CASES

CASE 1868:

Application of Hamilton Dome Oil Company, Ltd. for permission to commingle the production from three separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Drinkard Pool, the Justis-Fusselman Pool and an undesignated Tubb pool from wells on a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 1879:

Application of Amerada Petroleum Corporation for a gas-oil dual completion and for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State EM "A" Well No. 2, located 660 feet from the South and West lines of Section 22, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eumont Gas Pool through the casing-tubing annulus and the tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SW/4 of said Section 22 to be dedicated to the said State EM "A" Well No. 2.

CASE 1888:

Application of C. W. Trainer for off-lease storage of oil production. Applicant, in the above-styled cause, seeks permission to store the Pearl-Queen Oil Pool production from his Rushing lease, consisting of the W/2 NE/4 of Section 22, Township 19 South, Range 35 East, Lea County, New Mexico, in a tank battery located on his Signal State lease, consisting of the E/2 NW/4 of said Section 22.

CASE 1894:

(Continued)

Application of Robert N. Enfield for designation of a unit area. Applicant, in the above-styled cause, seeks a designation of the following-described 560 acres as the Southwest Mescalero Unit Area: Section 32, E/2 NE/4; Section 33, S/2 and NW/4, Township 10 South, Range 32 East, Lea County, New Mexico.

NEW CASES

CASE 1901

Application of Caulkins Oil Company for a gas-gas dual completion and for establishment of a 320-acre non-standard Dakota gas unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its PC-233 Well, located in Unit D, Section 16, Township 26 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the South Blanco-Pictured Cliffs Pool and the production of gas from the Dakota Producing Interval. Applicant further seeks the establishment of a 320-acre non-standard gas unit in the Dakota Producing Interval consisting of the N/2 N/2 and S/2 NW/4 and N/2 SW/4 of said Section 16 to be dedicated to said PC-233 Well.

CASE 1902:

Application of Kenneth Murchison & Company for permission to commingle the production from two separate non-contiguous leases. Applicant, in the above-styled cause, seeks permission to commingle the Bisti-Lower Gallup Oil Pool production from the Federal lease NM-036255-A, consisting of the S/2 SE/4 of Section 3 and the Federal Lease NM-036255-B, consisting of the S/2 NE/4 of said Section 3, Township 25 North, Range 12 West, San Juan County, New Mexico.

CASE 1903:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the liquid hydrocarbon production from the Moore-Pennsylvanian Pool and the Moore-Wolfcamp Gas Pool from all wells on its State "BN" (NCT-1) lease consisting of the SW/4 of Section 25, Township 11 South, Range 32 East, Lea County, New Mexico.

CASE 1904:

Application of Sunray Mid-Continent Oil Company for an amendment of Order R-1414, as amended by R-1414-A and R-1414-B. Applicant, in the above-styled cause, seeks an order amending the provisions of Order R-1414 which relate to assignment and transfer of allowables in the Central Bisti LPG-Gas-Water Injection Project, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

CASE 1905:

Application of Humble Oil & Refining Company for an oil-oil dual completion utilizing parallel strings of small diameter casing cemented in a common well bore. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State M-20 Well, located 1930 feet from the North line and 1980 feet from

the West line of Section 29, Township 22 South, Range 37 East, Lea County, in such a manner as to permit the production of oil from the Langlie-Mattix Pool and the production of oil from the Drinkard Pool through 2 7/8-inch casing and 4 1/2-inch casing respectively with said casing being cemented in a common well bore.

CASE 1906:

Application of El Paso Natural Gas Products Company for permission to produce more than sixteen wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing the production into a common tank battery of all Horseshoe-Gallup Oil Pool wells presently drilled or hereafter completed on its Horseshoe Ute lease, comprising portions of Sections 27, 28, 33 and 34, Township 31 North, Range 16 West, San Juan County, New Mexico.

CASE 1907:

Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its J. N. Carson (NCT-A) Well No. 11, located in Unit K of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Wantz-Abo Pool and the production of oil from the Paddock Pool through parallel strings of 2 3/8-inch tubing.

CASE 1908:

Application of Val R. Reese & Associates, Inc. for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Sperling Well No. 1-30, located in Unit I, Section 30, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation adjacent to the Escrito-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through parallel strings of 2 3/8-inch tubing.

CASE 1909:

Application of Pan American Petroleum Corporation for a 386-acre non-standard gas unit in the Dakota Producing Interval. Applicant, in the above-styled cause, seeks the establishment of a 386-acre non-standard gas unit in the Dakota Producing Interval consisting of all of partial Section 7 and the W/2 of partial Section 8, Township 28 North, Range 10 West, San Juan County, New Mexico, said unit to be dedicated to the J. F. Day "F" Well No. 1, to be located in the E/2 of said partial Section 7.

CASE 1910:

Application of Roy H. Smith Drilling Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Maljamar-Yates Pool and the Pearsall Pool from all wells on its Walker "A" lease in Section 5, Township 18 South, Range 32 East, and to commingle the production from the Baish Pool and the Maljamar Pool from wells on its Gulf State lease in Section 16, Township 17 South, Range 32 East, all in Lea County, New Mexico.

CASE 1911:

Application of Johnston and Shear for a multiple zone slim hole completion. Applicant, in the above-styled cause, seeks an order authorizing the multiple completion of its Jicarilla Well No. 1-4, located 985 feet from the North line and 805 feet from the West line of Section 4, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to produce gas from the South Blanco-Pictured Cliffs Pool (or Otero Chacra), gas from the Dakota Producing Interval, and oil from the Gallup formation adjacent to the Otero-Gallup Pool, each to be produced through 2 7/8-inch tubing which tubing is to be cemented in a common well bore.

CASE 1912:

Application of Southern Union Gas Company for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Jicarilla 1-F, Unit L, Section 27, Township 26 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Blanco Mesaverde Pool, and the production of oil from the Dakota producing interval through parallel strings of 2 3/8-inch tubing.

CASE 1913:

Application of Continental Oil Company for a non-standard oil well location. Applicant, in the above-styled cause, seeks a non-standard oil well location for its Wm. Mitchell "A" Well No. 20, to be located 1320 feet from the North line and 1520 feet from the West line of Section 20, Township 17 South, Range 32 East, Maljamar Paddock Pool, Lea County, New Mexico.

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**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARINGS
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:**

CASE No. 1868
Order No. A-1845-A

**APPLICATION OF HAMILTON DOME
OIL COMPANY LTD. FOR PERMISSION
TO COMMINGLE THE PRODUCTION FROM
THREE 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 February 25, 1960, at Santa Fe, New Mexico, before Elvin A. Uts, 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 26th day of February, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvin A. Uts, 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 17 East, NE/4, Lea County, New Mexico.
- (3) That the applicant proposes to commingle the Pelt, Drinkard, and Fusselman production from all wells presently drilled or hereafter completed on the above-described acreage, after separately metering the production from each pool.
- (4) That in order to prevent inadvertent commingling of oil prior to metering, there should be no lines connecting the metering separators proposed to be used.
- (5) That approval of the subject application will neither cause waste nor impair correlative rights, provided adequate treating, testing, and storage facilities are installed.

-2-

Case No. 1866
Order No. R-1545-A

(6) That Order No. R-1545 authorizing the commingling of Tubb and Blinsbry production from the subject acreage should be cancelled and superseded by the order issued in this case.

IT IS THEREFORE ORDERED:

(1) That Order No. R-1545 be and the same is hereby cancelled and superseded.

(2) That the applicant be and the same is hereby authorized to commingle the Tubb, Drinkard, and Fusselman sweet crude production from all wells presently drilled or hereafter completed on the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, NMPN, Lea County, New Mexico.

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

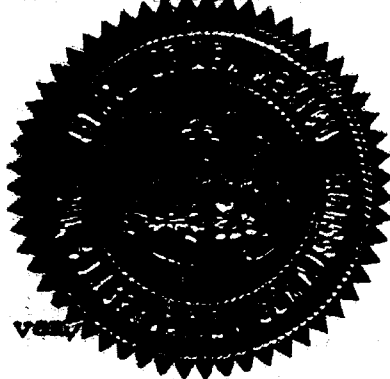
PROVIDED FURTHER, That there shall be no lines connecting the metering separators to be used in the subject installation.

(3) 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."

(4) That the applicant shall install adequate testing facilities to permit the testing of all wells now drilled or hereafter completed on the above-described acreage 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. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

Case 1868

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

June 26, 1962

C
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P
Y

Westates Petroleum Company
P. O. Box 1381
Jal, New Mexico

Attention: Mr. L. E. Chaffin

Gentlemen:

Reference is made to your letter of June 19, 1962, wherein you requested administrative approval to meter production from your Carlson B-25 No. 4 Tubb-Drinkard well with existing Tubb-Drinkard commingled production.

Commission Order No. R-1545-A, dated February 26, 1960, authorized your predecessors, Hamilton Dome Oil Company, Ltd., to commingle Tubb, Drinkard, and Fusselman production from all wells presently drilled or hereafter completed in the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County. Subsequently, Commission Order No. R-1776, dated October 3, 1960, combined the Justis-Tubb and the Justis-Drinkard Pools into a single pool, the Justis Tubb-Drinkard.

It is therefore our interpretation that the Tubb production from your No. 2 and No. 5 wells and the Drinkard production from your No. 3 and No. 4 wells can legally pass through a single metering separator, and that it may then be commingled in common tankage with the Fusselman production from your No. 3 and No. 4 wells after said Fusselman production has passed through a separate metering separator.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

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Incidentally, we note from your C-115, Producers Monthly Report, that you are showing three batteries, in effect, reporting the No. 2 and the No. 5 Tubb-Drinkard together, the No. 3 Tubb-Drinkard by itself, and the No. 3 and the No. 4 Fusselman together. We would appreciate it if henceforth you would combine the Nos. 2, 3, 4 and 5 Tubb-Drinkard as one total and the Nos. 3 and 4 Fusselman as another total when preparing Form C-115, showing the production and status of each pool as well as a composite status of the battery as a whole.

Very truly yours,

DANIEL S. MUTTER
Chief Engineer

DSM/ir

cc: Oil Conservation Commission
Box 2045
Hobbs, New Mexico

WESTATES PETROLEUM COMPANY
P. O. BOX 1381
JAL. NEW MEXICO
June 19, 1962
MAIL OFFICE 000
1962 JUN 22 AM 8:14

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Gentlemen:

Westates Petroleum Company requests administrative approval to meter production from their Carlson B-25 No. 4 Tubb Drinkard well located in Sec. 25, 25S-37E, with existing Tubb Drinkard commingled production. Our purchaser, Texas New Mexico Pipe Line Company, has recently tested and found that production from this well is now sweet crude. No changes in the existing tankage or separators are anticipated.

Please find purchasers approval accompanying this request.

Very truly yours,

L. E. Chaffin

L. E. Chaffin
Production Superintendent

LEC:va

cc: Joe Ramey
Dale Worth
J. H. Thompson

*R-1545 authorized commingling of
Tubb and Drinkard prod
after separate measurement
R-1545, and
R-1545-A authorized commingling of
Tubb, Drinkard and Fusselman
sweet crude after metering.*

TEXAS-NEW MEXICO PIPE LINE COMPANY

FRED ASHFORD, JR.
DIVISION MANAGER

MAIN OFFICE 000

P. O. BOX 1810
MIDLAND, TEXAS

1962 JUN 22 AM 8:14

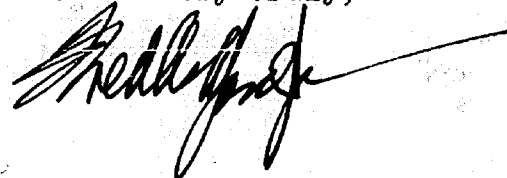
June 18, 1962

Westates Petroleum Company
Box SS
Jal, New Mexico

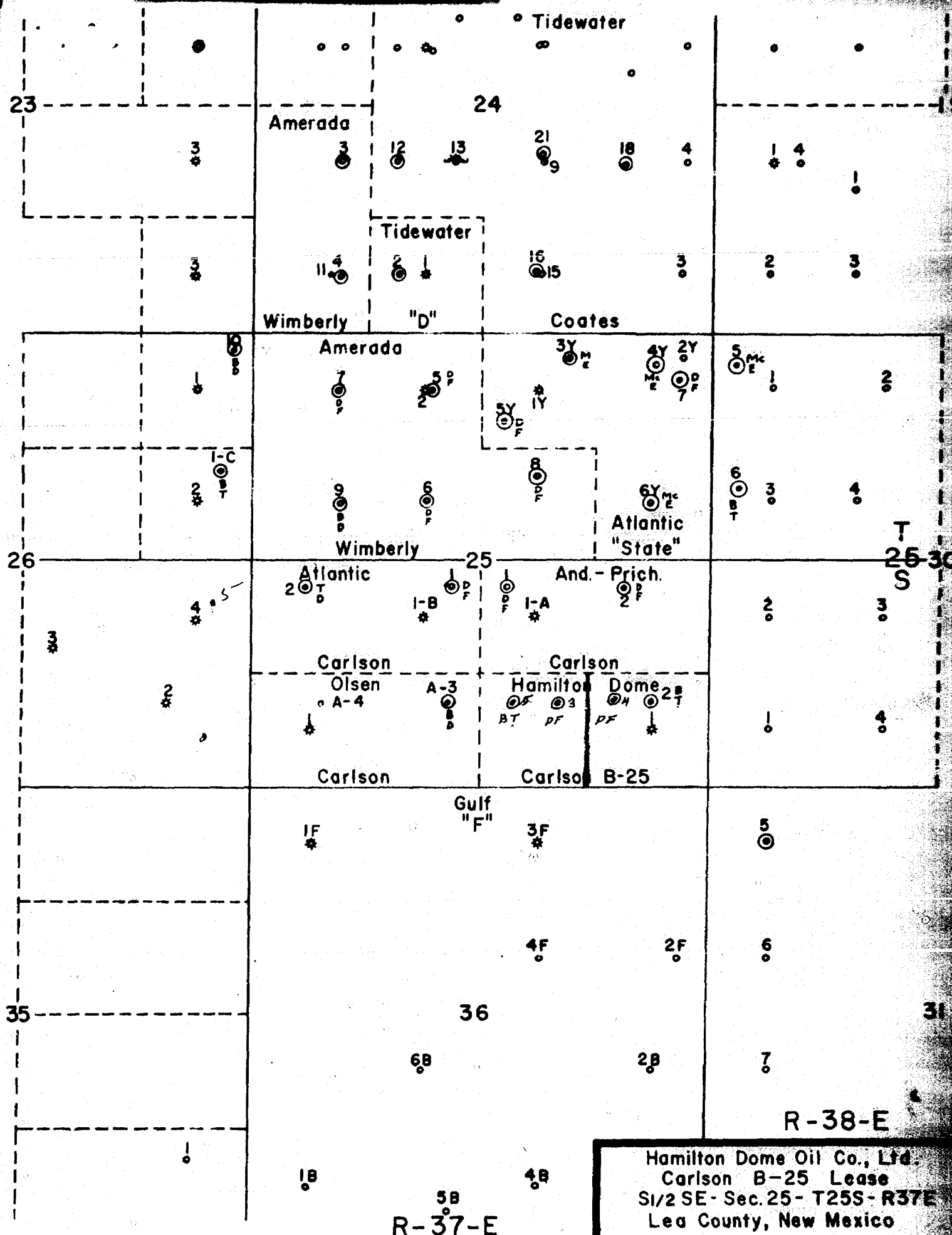
Gentlemen:

We recently secured a sample of crude oil from your Carlson B-25 Lease, Section 25-25-37, Lea County, New Mexico, which was identified as Justis Tubb-Drinkard production from Well No. 4 on this lease. The sample tested as "sweet" crude. Consequently, insofar as Texas-New Mexico Pipe Line Company is concerned, the production from this well may be run as "sweet" crude.

Yours very truly,



WES-rg



The diagram illustrates a water supply system layout. At the top left, a 'Heater-Treater' is connected to a '3/4" Oil-Gas Separator (Oil-Gas Metering)'. This separator leads to a 'Fusselman Separator (Oil-Gas Metering)'. The output of the Fusselman separator goes to a 'Drinkord Tank'. Below the Drinkord Tank is another '3/4" Oil-Gas Separator (Oil-Gas Metering)'. The output of this second separator goes to a 'Tubb Separator (Oil-Gas Metering)'. The output of the Tubb separator goes to a 'Tubb Tank'. The output of the Tubb Tank goes to a '2" Water or Diesel Line'. The diagram also shows a 'Back Pressure Valve' at the top right, connected to the main line. The system includes several 'Equalizing Lines 3/4"'. The tanks are labeled 'Fusselman Tank', 'Drinkord Tank', and 'Tubb Tank'. The final output is a '2" Water or Diesel Line'.

—LEAD—

Gas Lines	_____
Water	_____
Prod.	_____
"	_____
"	_____
Oil	_____

WESTATES PETROLEUM CO
CARLSON B-25
WELL NO. 245445

