

CASE 2115: Application of JAMES G.
BROWN & Associates for permission to
commingle the Saunders-Permo-Penn.
Pool production.

Case No.

2115

Application, Transcript,
Small Exhibits, Etc.

DRAFT

RSM/esr
November 3

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. 2115

Order No. R-1877

APPLICATION OF JAMES G. BROWN
& ASSOCIATES FOR PERMISSION TO
COMMINGLE THE PRODUCTION FROM
TWO SEPARATE LEASES, 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 2, 1960, 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 _____ day of November, 1960, 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, James G. Brown & Associates, is the
owner and operator of the following-described ^{portions of} State leases in Sec-
tion 9, Township 14 South, Range 33 East, NMPM, Lea County, New
Mexico:

State Lease No. E-7353, SE/4 SE/4

State Lease No. E-8334, NW/4 SE/4

(3) That the applicant proposes to commingle the Saunders
Permo-Pennsylvanian Pool production from the above-described
leases into a common tank battery.

(4) That inasmuch as the ownership of the above-described
leases is common throughout, approval of the subject application
will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, James G. Brown & Associates, be and the same is hereby authorized to commingle in a common tank battery the Saunders ~~Permian~~ Permo-Pennsylvanian Pool production from the following-described ^{portions of} State leases in Section 9, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico:

State Lease No. E-7353, SE/4 SE/4

State Lease No. E-8334, NW/4 SE/4

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

Why no separate metering? One marg. well, one top allowable well not necessary when commingling two leases the ownership of which is common throughout - regarded more or less as one lease for production purposes

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 7, 1960

Mr. Randall F. Montgomery
211 West Berry
Hobbs, New Mexico

Dear Randall:

Reference is made to the commingling application
filed by you on behalf of James G. Brown & Associates.

Unfortunately the request is not eligible for
administrative approval, since the two 40-acre tracts are not
contiguous under the definition of this term as set out in
the Oil Conservation Commission Rules and Regulations. The
Commission definition of contiguous is as follows, "Contiguous
shall mean acreage joined by more than one common point, that
is, the common boundary must be at least one side of a govern-
mental quarter-quarter section."

Thus the conditions required to be eligible for
administrative approval under Rule 309(b) are not met.

If you wish to have this matter set for hearing,
please advise me accordingly.

Very truly yours,

OLIVER E. PAYNE
General Counsel

OEP/esx

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

LION OIL COMPANY

MAIN OFFICE OF MONSANTO CHEMICAL COMPANY

1960 OCT 10 AM 8 42



602 W. MISSOURI ST.
MIDLAND, TEXAS

PRODUCTION & EXPLORATION
SOUTHWESTERN REGION

October 6, 1960

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

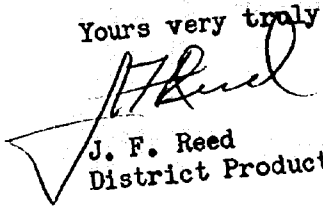
Attention Mr. A. L. Porter, Jr.
Secretary and Director

Dear Sir:

Please be advised that Lion Oil Company, A Division of Monsanto Chemical Company, has been informed of a request for permission to commingle crude production from James G. Brown and Associates on their property, located in Section 9, Township 14S, Range 33E, Lea County, New Mexico.

This is to advise that Lion Oil Company, A Division of Monsanto Chemical Company, an offset operator, offers no objection to this application and request that the Secretary and Director look upon this application favorably.

Yours very truly,


J. F. Reed
District Production Supt.

JFR/sjt

cc: R. I. Williams

James G. Brown and Associates
P. O. Box 1625
Midland, Texas

Mr. R. F. Montgomery
P. O. Box 2414
Hobbs, New Mexico

COSDEN PETROLEUM CORPORATION

Producers
and Refiners



Petroleum
Products

E. K. DODSON
VICE PRESIDENT

BIG SPRING, TEXAS

October 5, 1960

ADDRESS REPLY TO:
P. O. BOX 985
MIDLAND, TEXAS

Mr. R. F. Montgomery
P. O. Box 2414
Hobbs, New Mexico

RE: Northwest Saunders Area
Lea County, New Mexico

Dear Mr. Montgomery:

I understand that you are preparing, on behalf of James G. Brown & Associates, an application to the New Mexico Conservation Commission to permit co-mingling of the crude oil produced from James G. Brown & Associates Lion State #1 and Lion State #2 wells.

This letter is to advise you that Cosden Petroleum Corporation, as non-operator owner of a portion of the working interest under the above-designated wells, concurs in the desire of the operator to co-mingle this production.

Very truly yours,

E. K. Dodson

EKD/mb

State of New Mexico



Commissioner of Public Lands



MURRAY E. MORGAN
COMMISSIONER

P.O. BOX 791
SANTA FE, NEW MEXICO

October 7, 1960

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

Gentlemen:

Permission has been requested to commingle production
from:

Acreage	Sec.	Twp.	Rge.	Lease No.
SE $\frac{1}{4}$ SE $\frac{1}{4}$	9	14S	33E	E-7353

with production from:

NW $\frac{1}{4}$ SE $\frac{1}{4}$	9	14S	33E	E-8334
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Since it is our understanding that the production comes
from one reservoir, and all the lands described in the
request, are owned by the Common Schools, permission is
hereby granted.

Yours very truly,

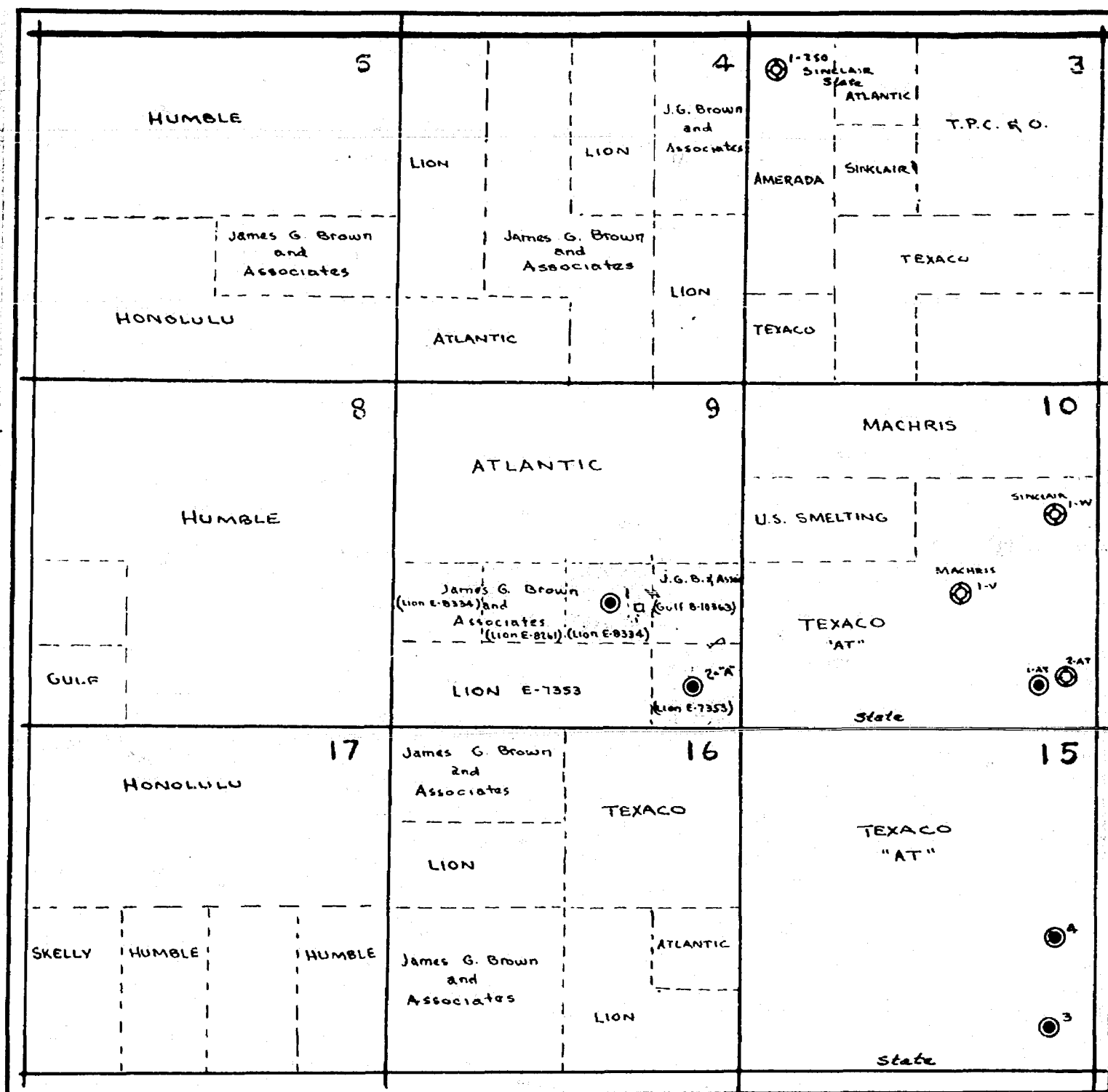
MURRAY E. MORGAN
COMMISSIONER OF PUBLIC LANDS

By: *Ted Bilberry*

Ted Bilberry
Oil & Gas Supervisor

TB:oc

cc: Mr. Randy Montgomery
P. O. Box 2414
Hobbs, New Mexico



JAMES G. BROWN & ASSOCIATES

LION - STATE AREA

Lea County, New Mexico

T-14 S, R-33-E

Scale: 1 inch equals 2000 feet

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 2115

JAMES G. BROWN & ASSOCIATES
P. O. Box 1625
Midland, Texas

October 6, 1960

REQUEST FOR PERMISSION TO COMMINGLE
CRUDE PRODUCTION

James G. Brown & Associates
Lion State No. 1
Lion State No. 2
Saunders-Permo Pennsylvanian Pool
Lea County, New Mexico

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

Attention: Mr. A. L. Porter, Jr., Secretary & Director

Dear Sir:

James G. Brown & Associates desires to commingle the crude production from our Lion State No. 1 well located 1980 feet from the south and east lines and our Lion State No. 2 well located 660 feet from the south and east lines of Section 9, T-14-S, R-33-E, in common storage facilities located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of this section.

The Lion State No. 1 well is located on State Oil and Gas Lease Number E-8334 and the Lion State No. 2 well is located on State Oil and Gas Lease Number E-7353. In so far as the interest owned by James G. Brown & Associates is concerned only the NW $\frac{1}{4}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 9, T-14-S, R-33-E has been earned and therefore is the only portion of the two leases that permission to commingle is requested.

1. The two forty acre tracts have a common corner and would be considered contiguous based on a decision of Chief Council.
2. All production is from the same common source of supply.
3. Only two wells will be produced into a common tank battery and adequate facilities will be provided for accurately determining production from each well at reasonable intervals.
4. The working and royalty interests are common.

There is presently one well with an assigned oil allowable, being the Lion State No. 1, and presently we are testing the Lion State No. 2 well into a test tank for the purpose of establishing an allowable.

*Booked
Mailed
10-19-60*


To: New Mexico Oil Conservation Commission

James G. Brown & Associates hereby makes application for administrative approval of the proposed commingling operations as stated and in accordance with Rule 309 (b).

Tentative verbal consent has been obtained from the common royalty owner, the working interest owners, and also from the offset operators, all of which are listed below and have been forwarded this date a copy of this application by registered mail.

Upon obtaining tentative verbal approval from each interested party the undersigned requested that permission in writing be forwarded directly to the Director of the New Mexico Oil Conservation Commission in order that approval be granted at the earliest practicable date.

Very truly yours,


RANDALL F. MONTGOMERY,
Agent

James G. Brown & Associates

RFM/mm

cc: Cosden Petroleum Corp., V & J Tower, Midland, Texas
Lion Oil Company, P.O. Drawer 1829, Midland, Texas
The Atlantic Refining Company, P.O. Box 6640, Roswell, New Mexico
Texaco, Inc., P.O. Box 1270, Midland, Texas
Commissioner of Public Lands, Santa Fe, New Mexico
James G. Brown & Associates, P.O. Box 1625, Midland, Texas

HEARD: PUBLIC HEARING, WEDNESDAY, NOVEMBER 2, 1960

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

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

CASE 2111: Application of Gulf Oil Corporation for a waterflood project. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Lumont and South Eunice Pools by the injection of water into the Queen formation through six wells located in Sections 27 and 34, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 2112: Application of Potash Company of America for an extension of the Potash-oil area as set forth in Order No. R-111-A. Applicant, in the above-styled cause, seeks an extension of the potash-oil area to include the following acreage:

Section 14: S/2 NW/4, SW/4, W/2 SE/4, NE/4 SE/4, SW/4 NE/4
Section 15: E/2 SE/4
Section 22: NE/4 NE/4
Section 23: NW/4

all in Township 20 South, Range 29 East, Eddy County, New Mexico.

CASE 2113: Application of Shell Oil Company for an amendment of Order No. R-1101-A. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1101-A, to include its Linam Lease in the commingling authorization granted in said order. Said Linam Lease consists of the NW/4 NE/4 and NE/4 NW/4 of Section 3, Township 20 South, Range 35 East, Pearl-Queen Pool, Lea County, New Mexico.

CASE 2114: Application of Western Natural Gas Company for a 320-acre non-standard gas proration unit and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the E/2 of Section 24, Township 22 South, Range 36 East, Lea County, New Mexico. Applicant further proposes to dedicate said unit to a well located on an unorthodox location at a point 330 feet from the North line and 330 feet from the East line of said Section 24.

CASE 2115: Application of James G. Brown & Associates for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks an order permitting it to commingle the Saunders-Permo Pennsylvanian Pool production from the following portions of the following State leases:

L-8334, NW/4 SE/4 of Section 9
L-7353, SE/4 SE/4 of Section 9

Township 14 South, Range 33 East, Lea County, New Mexico.

CASE 2116: Application of Westates Petroleum Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Carlson E 26, Well No. 7, located in unit J, Section 26, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undersignated Paddock Pool and the production of oil from the Justice-Blinebry Pool through parallel strings of 2 3/8-inch tubing.

DOCKET NO. 32-60

-2-

CASE 2117: Application of Rice Engineering & Operating, Inc., for a salt water disposal well at an unorthodox location. Applicant, in the above-styled cause, seeks an order approving the disposal of produced salt water into the San Andres formation, Monument Pool, Lea County, New Mexico, through a well to be drilled 1485 feet from the South and West lines of Section 33, Township 19 South, Range 37 East.

Recommendations for Case 2115

11-3-60

Heard 11-2-60

1. Grant James S. Brown's request for commingling two state leases (E-8334 & E-7353). The Royalty Working Interest and State Beneficiary are common.
2. allow commingling in any manner suitable to operators.
3. Operator to have facilities to enable testing wells each 30 days. if required.
4. Both wells ~~are~~ are completed in the Saunders Permian-Penn. Oil Pool.

Thos. A. W.

~~1.53~~ ~~comptroller~~ #

1.45 ~~comptroller~~ # ~~Permit~~.

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

November 9, 1960

Mr. Jason Kellahin
Kellahin & Fox
Box 1713
Santa Fe, New Mexico

Re: Case No. 2115
Order No. R-1817
Applicant:

James G. Brown & Associates

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

Other

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. 2115
Order No. R-1817

APPLICATION OF JAMES G. BROWN
& ASSOCIATES FOR PERMISSION TO
COMMINGLE THE PRODUCTION FROM
TWO SEPARATE LEASES, 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 2, 1960, 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 9th day of November, 1960, 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, James G. Brown & Associates, is the owner and operator of the following-described portions of State leases in Section 9, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico:

State Lease No. E-7353, SE/4 SE/4

State Lease No. E-8334, NW/4 SE/4

(3) That the applicant proposes to commingle the Saunders Permian-Pennsylvanian Pool production from the above-described leases into a common tank battery.

(4) That inasmuch as the ownership of the above-described leases is common throughout, approval of the subject application will neither cause waste nor impair correlative rights.

-2-

CASE No. 2115
Order No. R-1817

IT IS THEREFORE ORDERED:

That the applicant, James G. Brown & Associates, be and the same is hereby authorized to commingle in a common tank battery the Saunders Permian-Pennsylvanian Pool production from the following-described portions of State leases in Section 9, Township 14 South, Range 33 East, NMPH, Lea County, New Mexico:

State Lease No. E-7353, SE/4 SE/4

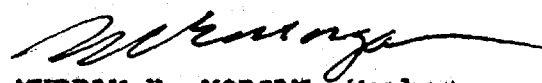
State Lease No. E-8334, NW/4 SE/4

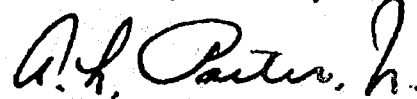
PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on said lease at least once each month to determine the individual production from each well on each lease.

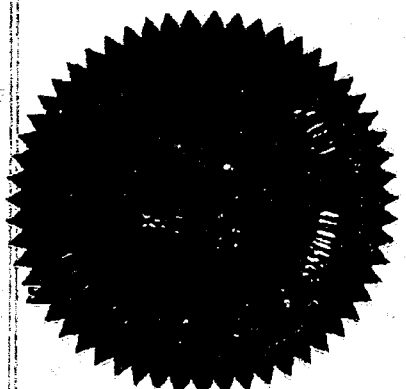
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



esr/

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 2, 1960
Examiner Hearing
Case No. 2115

IN THE MATTER OF:

Application of James G. Brown &
Associates for permission to commingle
the production from two separate leases.
Applicant, in the above-styled cause,
seeks an order permitting it to commingle
the Saunders-Permo Pennsylvanian Pool
production from the following portions
of the following State leases:

E-8334, NW/4 SE/4 of Section 9

E-7353, SE/4 SE/4 of Section 9

Township 14 South, Range 33 east, Lea
County, New Mexico.

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The next case will be 2115.

MR. MORRIS: Application of James G. Brown & Associates
for permission commingle the production from two separate leases.

MR. KELLAHIN: Jason Kellahin & Fox, Santa Fe. We will
have one witness I would like to have sworn. We represent the
Applicant.

(Witness sworn.)

JAMES A. WARREN

called as a witness, having been previously duly sworn, testified



as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Will you state your name, please?

A James A. Warren.

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

A James G. Brown & Associates as Production Superintendent.

Q Are you a petroleum engineer?

A Yes, sir.

Q Have you previously testified before the Commission as a petroleum engineer, and were your qualifications accepted?

A Yes, on several occasions.

MR. KELLAHIN: Are this witness's qualifications satisfactory?

MR. UTZ: Yes.

Q (By Mr. Kellahin) Mr. Warren, are you familiar with the application in Case 2115?

A Yes, sir.

Q Would you state briefly what is proposed in this application?

A It is simply to commingle the production of the Line Stake No. 1 Well in the northwest quarter of the southeast quarter of Section 9, 14 South, 33 East, which is on State lease E-8334, and the production from the Line Stake A No. 2 located in the southeast quarter of the southeast quarter of Section 9, 14 South,

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



33 East on State lease E-7353.

Q Now, referring to what has been marked as Exhibit No. 1, would you discuss the information shown on that Exhibit?

A Exhibit 1 shows the locations of the two wells in question, and the surrounding ownership of the acreage.

Q Is the location of the proposed tank battery shown on the Exhibit?

A Yes, indicates the tank battery by the little square that is approximately six hundred feet east of Well No. 1.

Q Now, this is on two separate leases, is that correct?

A Yes.

Q They are both State leases?

A Yes, sir.

Q Is the lease ownership common throughout?

A Lease ownership?

Q Yes, sir, working interest.

A Yes, the working interest is the same for each well.

Q Is the royalty ownership the same for each well?

A Royalty ownership is the same, which is State-owned land on which we have a letter from the Commissioner of Public Lands in that regard.

Q Are the beneficiaries the same?

A The beneficiaries, the schools in both cases.

Q And you say you have a letter from the State Land

Commissioner?

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A Yes, sir.

Q Do you know whether a copy of that was forwarded to the Oil Conservation Commission?

A It was addressed to the Commission, dated October 7th.

Q And does that letter approve the commingling of the production from the two separate leases?

A Yes, sir. It states that the lands described are owned by the Common Schools and permission is hereby granted for the requested commingling.

Q Would you outline, for the benefit of the Examiner, the installation which you propose to make for handling the production from the two leases?

A Well, we have presently installed at the location shown on the plat one ordinary tank battery, two five hundred-barrel tanks, and one treater, and I have not prepared any sketch or detail of what we proposed to do. Of course, we would go according to what the Commission would require in regards to additional treating equipment and metering of the production from one or both wells.

Q Now, are the fluid characteristics the same for the two wells?

A Yes, sir. Do you want to know approximately how much they produce?

Q Yes.

A Present production of the No. 1 well, it is



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ALBUQUERQUE, NEW MEXICO

approximately 100 barrels of oil per day and 40 barrels of water, and about 145 mcf gas per day. The last test on the No. 2 well, which was just recently completed -- on the first of October -- was on the day when it was producing 210 barrels of oil per day, approximately 100 barrels of water per day with 250 cubic feet, 250 mcf gas per day.

Q Now, do you know what the current allowable is?

A Current allowable is 125 barrels per day.

Q Then the No. 1 well, would you consider it commercial?

A Yes, sir.

Q Are both these wells on a pump?

A No. 1 well is on a conventional pumping unit; No. 2 well just last week has been put on Cobe hydraulic pumping equipment.

Q And No. 2 is a top-allowable well, is it not?

A Yes, sir. At the present time it has -- it flowed for approximately three weeks and, of course, we just have about four days' production since the Cobe installation was completed and during which days it produced approximately 130, 130 to 132 barrels per day.

Q Were both of these wells completed in the same producing interval?

A Yes, sir, to the best of my knowledge, and to all appearances they are from a common source of supply.

Q And what is that source of supply?

A The Permo-Pennsylvanian zone, appearing at a depth of



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

9900 feet in this area.

Q What is the gravity of the oil being produced?

A Gravity ranges, over the past several months, have been from -- well, from 40.5 to 43.9, corrected.

Q Now, is that gravity the same for both wells?

A Yes, sir.

Q Then there would be no change in the commingled product as to gravity of the fluids involved?

A No, sir.

Q What disposition is being made of the gas, Mr. Warren?

A To date, the gas has been vented, but we have signed a contract with Warren Petroleum Corporation and they expect to start construction of the gas line within the next two weeks.

Q Now, will the gas production be separately accounted for from the two wells?

A Yes.

Q There will be no commingling of gas?

A No, sir -- as we presume that would be required.

Q Will the installation you propose enable you to account for the production from the individual wells accurately?

A Yes, sir.

Q Are you willing to make such meter tests, or other tests, as may be required by this Commission?

A Yes, we are.

Q Have the offsetting owners approved this application?



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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A Yes, we also have letters from the offsetting operators, which were addressed to the Commission, Lion Oil Company, the Atlantic Refining Company, Texaco, each of which have registered no objection and approved the commingling. I believe the Commission has the original of those letters. I also have a copy of a letter from Cosden Petroleum Company, as a non-operating part-owner on both of these wells, in which they state that they concur with our application to commingle.

Q Was Exhibit No. 1 prepared by you or under your supervision?

A Yes, sir, under my supervision.

MR. KELLAHIN: I would like at this time to offer in evidence Exhibit No. 1.

MR. UTZ: Without objection, Exhibit No. 1 will be entered into the record.

MR. KELLAHIN: That is all the questions I have, Mr. Utz.

CROSS-EXAMINATION

BY MR. UTZ:

Q Is your No. 2 well a top-allowable well, you say?

A Yes. The last four days it produced a 130 to 132 barrels per day, since it was put on Cobe equipment. It just went on production with the Cobe pumping equipment last Friday.

Q The allowable is 120?

A 125.

Q Just barely is, then, isn't it?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CM 3-6691

ALBUQUERQUE, NEW MEXICO

A Well, it is at a relatively low pumping rate for the Cobe, we feel, but we have not found out yet whether it will produce more.

Q Did you have any conversation with the State Land Office as to metering these leases separately?

A No, sir, I had no conversation other than --

Q It is your intention to meter them separately?

A Well, it is my intention to meter them. I first would propose to meter the oil and gas for the No. 2 well, and by making whatever tests are necessary to be sure that the meter is checking out with tank gauges to provide the production on that basis, but if it would be required by the Commission, or the State Land Office, why, we would meter the production of both wells.

Q Well, what was the production, again, from the No. 1?

A Approximately 100 barrels a day of oil, 40 barrels of water. Do you want the gas, also?

Q No.

MR. UTZ: Are there any other questions?

THE WITNESS: I might add, we were talking about the fluids produced by both wells. I might say that the water, since both wells produce water, the analyses indicate that it is also the same, apparently the same source of supply.

Q (By Mr. Utz) It is your intention -- are you going to separate the gas and oil and water on the No. 2 lease, your 7353, before you transport it to the common battery?



A Well, we would if required.

Q What was your proposal?

A What I had in mind was setting all the treating equipment at the same location. Of course, if it is required to separate on the No. 2 location, we are already set up doing that on a temporary basis and would leave it there if it is preferred.

Q Well, if you had one, if you separated both on one lease would you have two separators?

A Yes, sir, two separators with two treaters. We do have, of course, the salt water disposal problem. It would help to have that at the same location, also. The water from both treaters would go to the same tank.

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

Are there statements in this case?

The case will be taken under advisement.

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, LAWRENCE HOLMES, JR., Certified Shorthand 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 this 22nd day of November, 1960.

Lawrence Holmes Jr.
CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2115, heard by me on Nov. 2, 1960.
John H. [Signature], Examiner
New Mexico Oil Conservation Commission



DEARNLEY-MEIER REPORTING SERVICE, Inc.

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ALBUQUERQUE, NEW MEXICO

I N D E X

WITNESS

PAGE

JAMES A. WARREN
Direct Examination by Mr. Kellahin
Cross-Examination by Mr. Utz

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E X H I B I T S

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Applicant's
Exhibit No. 1

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