

CASE 2411: Application of SOCONY  
MOBIL for exception to Rule 303(a).  
to permit commingling - N.M. "S"  
lease.



-asa//o.

2411

---

plication, Transcript,  
all Exhibits, Etc.



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 2411  
Order No. R-2129

APPLICATION OF SOCONY MOBIL  
OIL COMPANY, INC. FOR AN  
EXCEPTION TO RULE 303 (a),  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 25, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 7th., day of December, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Socony Mobil Oil Company, Inc., is the owner and operator of the New Mexico "S" Lease, comprising Lot 2 of Section 2, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks permission to commingle the production from the Anderson Ranch-Devonian and the Anderson Ranch-Wolfcamp Pools on the above-described New Mexico "S" Lease by means of the subtraction method, the production from the Anderson Ranch-Wolfcamp Pool to be metered and subtracted from the total production to derive the production from the Anderson Ranch-Devonian Pool.

(4) That the API gravity of the Anderson Ranch-Wolfcamp crude is 41.5° and the API gravity of the Anderson Ranch-Devonian crude is 50.6°.

(5) That in spite of the high gravity of the Anderson Ranch-Devonian crude and the relatively high gravity of the



-2-

CASE No. 2411  
Order No. R-2129

Anderson Ranch-Wolfcamp crude, the use of the subtraction method should create no serious problem inasmuch as production from the Anderson Ranch-Devonian Pool is marginal and inasmuch as reliable meter factors, including shrinkage or weathering factors, can be obtained by holding the Anderson Ranch-Wolfcamp production in storage on meter proving tests for the length of time it is normally held in storage or for twenty-four hours, whichever is less.

(6) That a meter proving tank should be installed in accordance with the testimony of the applicant.

IT IS THEREFORE ORDERED:

(1) That the applicant, Socony Mobil Oil Company, Inc., is hereby authorized to commingle the production from the Anderson Ranch-Devonian and Anderson Ranch-Wolfcamp Pools on its New Mexico "S" Lease comprising Lot 2 of Section 2, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico, by means of the subtraction method, the production from the Anderson Ranch-Wolfcamp Pool to be metered and subtracted from the total production to derive the production from the Anderson Ranch-Devonian Pool.

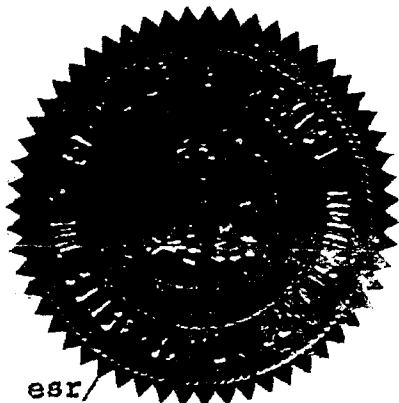
PROVIDED HOWEVER, That the applicant shall determine reliable meter factors, including shrinkage or weathering factors, by holding the Anderson Ranch-Wolfcamp production in storage on meter proving tests for the same length of time which it is normally held in storage or for twenty-four hours, whichever is less.

PROVIDED FURTHER HOWEVER, That a meter proving tank shall be installed in accordance with the testimony of the applicant.

PROVIDED FURTHER HOWEVER, That the subject installation shall be operated in accordance with the Commission "Manual for the Installation and Operation of Commingling Facilities."

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*E. L. Mechem*  
EDWIN L. MECHEM, Chairman

*E. S. Walker*  
E. S. WALKER, Member

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

esr/



BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 25, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Socony Mobil Oil Company,  
Inc., for an exception to Rule 303 (a),  
Lea County, New Mexico. Applicant, in  
the above-styled cause, seeks an excep-  
tion to Rule 303 (a) to permit the  
commingling of the production from the  
Anderson Ranch-Devonian and the Anderson  
Ranch-Wolfcamp Pools on its New Mexico  
"S" lease, which includes Lot 2 of  
Section 2, Township 16 South, Range 32  
East, Lea County, New Mexico. Applicant  
proposes to meter the production from  
one pool only, and to allocate produc-  
tion to the other pool according to the  
subtraction method; the API gravity  
of the Anderson Ranch-Devonian crude  
is greater than 45°.

CASE NO.  
2411

BEFORE: Dan S. Nutter, Examiner.

TRANSCRIPT OF HEARING

EXAMINER NUTTER: We will call Case No. 2411.

MR. ERREBO: Burns H. Errebo, Modrall, Seymour, Harris,  
Sperling & Roehl, Albuquerque, appearing on behalf of the  
Applicant.

We have one witness at this time.

(Witness sworn.)

JAMES M. MCGEE

called as a witness by and on behalf of the Applicant, having been

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CM 3-6691

ALBUQUERQUE, NEW MEXICO





first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. ERREBO:

Q Will you state your name, please.

A James M. McGee.

Q By whom are you employed, in what capacity and at what location?

A I am employed by the Socony Mobil Oil Company, Inc., as a production engineer in the Hobbs district office.

Q Have you previously testified before this Commission and have your qualifications as an engineer been accepted?

A They have.

MR. ERREBO: We would like to have Applicant's Exhibits 1, 2 and 3 marked for identification.

(Applicant's Exhibits  
1, 2 and 3 marked for  
identification.)

Q (By Mr. Errebo) I refer you to an Exhibit which has been marked for identification as Exhibit 1 and ask you if that shows the lease in question and the location of the well upon it?

A It does.

Q There is only one well upon the lease?

A That is a dual completion.

Q That comprises Lot 2 of Section 2, is that correct?

A That's right.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6391





**DEARNLEY-MEIER REPORTING SERVICE, Inc.**

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

Q Township 16 South, 32 East?

A That's right, Lea County.

Q Refer to the second Exhibit, if you will, No. 2, and state what that shows.

Q Exhibit 2 shows a proposed commingling production. It shows the present gravity and a random monthly production with a unit volume per barrel of oil and total volume of oil for the random month; and then for the Anderson Ranch-Devonian and Anderson Ranch-Wolfcamp Pools and the Anderson Ranch commingled production, the total monthly commingled production and unit volume, with a total volume of the commingled production. You will notice there is a footnote there that the commingled production of the Anderson Ranch production is \$176.24 per month more than the two separate zones.

Q This is a dual completion, is it not?

A It is.

Q Do you have anything further with regard to this Exhibit?

A No.

Q If you will refer to the next Exhibit which has been marked for identification as Exhibit 3 and state what that shows.

A This shows the proposed flow diagram of the commingled installation. This particular installation does not have a header. Each well flows directly to the header treater. We propose to install a meter on the Wolfcamp on the dump side of the Wolfcamp





DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

heater to meter this well since it is not top allowable. We propose to allocate the production by subtracting the pipe line run, by subtracting the Wolfcamp reading and the total pipe line run each month. Also, in this diagram there is a power oil tank in the power oil pipe line which will be used on the Devonian side of the well.

Q What is the necessity for a hearing in this instance as opposed to administrative approval?

A You will notice that on Exhibit 2 the gravity of the Anderson Ranch-Devonian crude oil is 50.6° and the rules require that the subtraction method cannot be used when any crude is over 45°.

Q Without a hearing?

A Without a - - Well, we are asking for an exception to that rule.

Q Otherwise, do the plans which you have here - - Does your surface installation and method of production comply substantially with paragraph 2B of the manual for the installation and operation of commingling facilities dated September 13, 1961, heretofore adopted by the Commission?

A They do.

Q Is this lease presently being operated as commingled production pursuant to any previous administrative order of the Commission?

A It is not. However, we do have a previous order which





DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

has a different system set up. Originally we intended to install meters on both sides and meters on the recirculating pump but since the new installation manual came out we feel like we are lowering our operating expense by not having maintenance on two other meters.

Q They would be on the Devonian side?

A That is correct.

Q You will be able to eliminate them if the Commission grants this exception?

A Yes.

Q Have you advised the Commissioner of Public Lands of your plans and have you heard from them?

A We haven't advised him as to this particular hearing. However, there is a previous letter from them that approved our application in that they would realize more revenue from this system.

Q Has that been marked as Exhibit 4?

A It has been.

MR. ERREBO: That's all we have.

EXAMINER NUTTER: Are there any questions of Mr. McGee?

EXAMINATION

BY MR. MORRIS:

Q Mr. McGee, you recognize that the reason for having this hearing is that the gravity of the Devonian crude here is greater than 45°? I think you must also realize that 45° was put





DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

TUQUEQUE, N. M.  
PHONE 243-6691

in the manual, in the commingling manual and in the rules implementing that manual for a reason, that reason being that you're going to have more shrinkage as your ~~drift~~ gets greater.

Now, do you have any reason for feeling that in this particular case shrinkage will not be a factor to be considered?

A No, I don't, for this reason: We are involved right now in a series of tests involving vapor recovery units. I don't have any information here. We have run stock tank vapor recovery tests on the two stock tanks. We find there is not enough vapor coming off these tanks to justify installing a vapor recovery system, so there is very little shrinkage in the whole. Also, by commingling these two crudes, we should minimize the shrinkage on the Devonian by lowering the gravity of it. We intend to administratively install an ACT unit on this lease which should further minimize shrinkage.

Q Mr. McGee, what concerns me is that since the Commission has established 45° as the breaking point at which an exception to the administrative approval cannot be granted, if one of the crudes is greater than that figure it occurs to me that in order to get an exception you would need to show some reason for believing that if you have crude greater than 45° that you wouldn't have any shrinkage problem.

In other words, I am asking you to carry the burden of proof with respect to showing that the gravity being greater than 45° will not cause waste.





DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

A Of course, I have no proof here with me, but we are operating several Devonian reservoirs. We operate several distillate reservoirs in New Mexico with the system we use on our batteries where we have vapor equipment whereby we maintain a few ounces to three ounces of back pressure on this tank. We haven't experienced any great loss in gravity.

Q Do you feel that the 45° that was established by the Commission was too low?

A I do.

MR. MORRIS: I have no further questions.

### EXAMINATION

BY EXAMINER NUTTER:

Q Mr. McGee, you stated you had operated several Devonian installations. Do they average 50.6?

A Many of them do.

Q Do all of them?

A No, some of them do not. We are talking about a stocked tank figure here and that depends very much on how the crude oil is treated before it goes into the stock tank.

Q You are familiar with the system that the comingling manual sets forth, are you not?

A Yes, vaguely. I know it's there. I can't recall it right off hand.

Q When you run the oil through the meter into the stock tank and leave that oil there in the stock tank, would your lines





DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

run without shutting in the Devonian?

A We are going to prove our particular meter. It will have a test line down stream of our meter that we will run into a separate stock tank.

Q The installation does not drain completely?

A No. It is not proving the meter.

Q So this line will come out down stream from the meter but up stream from this check valve on Exhibit 3?

A That's correct.

Q And it will go to another stock tank?

A That's right.

Q Out here?

A Yes.

Q And then the stock tank in turn would be tied to the other stock tank or to the power oil tank?

A It will be tied to the other stock tank.

Q Now, unless you do get an automatic custody transfer system installed here, how long does it take to fill the tank of oil and how long is the oil held in storage before being run?

A We have a thousand barrel tank there. That would mean that we'd get oil once in about three days with allowable on these two wells.

Q So, when you prove this meter you will be able to run the oil from the meter in a separate stock tank and hold it there for three days?





DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243 6691

A Under the rules it is required only twenty-four hours.  
Q The time held in storage until a maximum of twenty-four hours?

A We will have plenty of storage to do that.

Q You will do that?

A Right.

Q You stated that you already will start to commingle the production here by the use of two meters?

A That's right.

Q What order number is that?

MR. ERREBO: T.C.-36.

EXAMINER NUTTER: Are there any further questions of Mr. McGee?

MR. ERREBO: As Mr. Morris pointed out, we do have the burden in proving this exception. Does the Commission desire anything further from us by way of evidence or data that you feel would be necessary for us to put on?

MR. MORRIS: I would like to point out that the decision is not made by the Examiner but that the Commission acts upon his recommendation and that the Examiner cannot faithfully answer your question.

EXAMINER NUTTER: We'll let you know.

MR. ERREBO: I do have one or two more questions, then of Mr. McGee.

REDIRECT EXAMINATION





DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-3691

BY MR. ERREBO:

Q The recovery of vapors from the stock tank and the amount of vapor which may or may not be lost is not affected in any way by the meter system, is it?

A No.

Q That is something which is ended outright?

A Yes.

Q And will you have a stock tank which stores the production from these zones, a fluid recovery mechanism or vapor recovery mechanism?

A I doubt when we get them commingled we'll run more tests but preliminary tests on each battery now - - We won't put one in because there's just not enough there, there's about half an MCF in one and about two in the other one.

Q In the event the Commission should grant the application, have you any estimate as to the amount of saving which would be realized from this hookup?

A From the two meters?

Q Yes.

A About fifteen hundred plus the maintenance in our initial investment. Maintenance on these two would triple the maintenance on the meters.

Q Do you have any estimate as to what the maintenance might be over any period?

A No, we really haven't had enough experience to know what





**DEARNLEY-MEIER REPORTING SERVICE, Inc.**

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

the maintenance will be.

MR. ERREBO: That's all.

EXAMINER NUTTER: Are there any further questions of Mr. McGee?

If not, he may be excused.

MR. ERREBO: I would like to offer in evidence Applicant's Exhibits 1 through 4.

EXAMINER NUTTER: Applicant's Exhibits 1 through 4 will be entered in evidence.

Is there anything further?

MR. ERREBO: No, nothing further.

EXAMINER NUTTER: The case will be taken under advisement.





## DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1192ALBUQUERQUE, N. M.  
PHONE 243-6691STATE OF NEW MEXICO )  
                                  ) ss  
COUNTY OF SAN JUAN )

I, THOMAS F. HORNE, Court Reporter, in and for the County of San Juan, 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 machine shorthand and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

*Thomas F. Horne*  
Notary Public

My Commission expires:

October 2, 1965.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2411, heard by me on 10/25, 1964.

*[Signature]* Examiner  
New Mexico Oil Conservation Commission

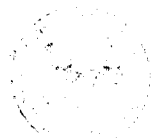




GOVERNOR  
EDWIN L. MECHAM  
CHAIRMAN

State of New Mexico  
**Oil Conservation Commission**

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER



P. O. BOX 671  
SANTA FE

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

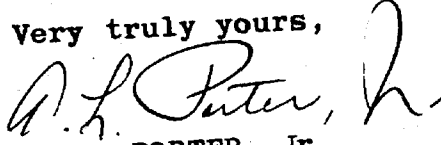
December 7, 1961

Mr. Burns Errebo  
Box 466  
Simms Building  
Albuquerque, New Mexico

Re: Case No. 2411  
Order No. R-2129  
Applicant:  
Socony Mobil Oil Company

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



102411  
LAW OFFICES OF  
MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS

J R MODRALL  
AUGUSTUS T. SEYMOUR  
JAMES E. SPERLING  
JOSEPH E. ROEHL  
GEORGE T. HARRIS  
DANIEL A. SISK  
LELAND S. SEDBERRY  
BURNS H. ERREBO  
ALLEN C. DEWEY  
FRANK H. ALLEN  
JAMES A. BORLAND

SIMMS BUILDING  
P O BOX 488  
ALBUQUERQUE, NEW MEXICO  
TELEPHONE CHAPEL 3-4511

JOHN F. SIMMS (1885-1954)

October 2, 1961

New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Re: Application of Socony Mobil Oil Company, Inc.  
for Exception to Rule 303(a) to Permit Commingling  
on its New Mexico "S" Lease.

Gentlemen:

Enclosed herewith is Application of Socony Mobil Oil Company,  
Inc., covering the above matter, which we would appreciate  
your setting for hearing at your early convenience.

Very truly yours,

MODRALL SEYMOUR SPERLING ROEHL & HARRIS

By Burns H. Errebo  
BURNS H. ERREBO

BHE:get  
Encl.

cc: Socony Mobil Oil Company, Inc.  
Attention: Mr. C. H. Samples  
Post Office Box 2046  
Hobbs, New Mexico  
(Encl. - copy of application)

Mobil Oil Company  
Attention: Mr. J. H. Vickrey  
Box 633 - Mobil Building  
Midland, Texas  
(Encl. - copy of application)

10/11/61



No. 29-61

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 25, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or  
Elvis A. Utz, as alternate examiner:

Cases 2413 through 2420 will not be heard before 1:00 P.M.

CASE 2403: In the matter of the hearing called by the Oil Conservation Commission to permit Henry W. Etz, Jr. and all interested parties to appear and show cause why the Rice Andrews Well No. 1, located in Unit C, Section 14, Township 14 South, Range 25 East, Chaves County, New Mexico, should not be replugged in accordance with a Commission-approved plugging program.

CASE 2404: Application of Continental Oil Company for a 272.38-acre non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 272.38-acre non-standard gas proration unit in the Eumont Gas Pool, comprising Lots 2, 3, 4, 5, 6, 7 and 8 of Section 1, Township 21 South, Range 36 East, Lea County, New Mexico; said unit is to be dedicated to the State F-1 Well No. 6, located 660 feet from the North and West lines of said Section 1.

CASE 2405: Application of Amerada Petroleum Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Ida Wimberly Well No. 11, located in the NW/4 SW/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, as a dual completion in the Justis-Paddock and Justis-Blinebry Pools, with the production of oil from the Paddock zone to be through a tapered string of tubing of 2 3/8-inch and 2 1/16-inch diameter and the production of oil from the Blinebry zone to be through a tapered string of tubing of 2 3/8-inch and 1-inch diameter.



- CASE 2406: Application of Shell Oil Company for an exception to Rule 502-I, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 502-I to increase from 25 percent to 100 percent the daily production tolerance applicable to all of its wells located in the Hobbs, Eunice-Monument, Vacuum-Abo and Vacuum-San Andres Pools, Lea County, New Mexico.
- CASE 2407: Application of Shell Oil Company for approval of the Cabezon Unit Agreement, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cabezon Unit Agreement embracing 22,743 acres, more or less, of State, fee and Federal lands in Townships 16 and 17 North, Ranges 2, 3 and 4 West, Sandoval County, New Mexico.
- CASE 2408: Application of Texaco, Inc. for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its V. M. Henderson Well No. 6, located in Unit C, Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, as a triple completion adjacent to the Paddock, Blinebry, and Drinkard Pools, with production of oil from the Paddock and Drinkard zones to be through parallel strings of 2 1/16-inch tubing and the production of gas from the Blinebry Gas Pool to be through the tubing-casing annulus.
- CASE 2409: Application of Texaco Inc. for a quintuple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its G. L. Erwin "b" NCT-2 Well No. 2, located in Unit J, Section 35, Township 24 South, Range 37 East, Lea County, New Mexico, as a quintuple completion (tubingless) in undesignated Ellenburger, McKee, Fusselman, Siluro-Devonian and Drinkard pools, with the production of oil from the McKee, Fusselman, Siluro-Devonian and Drinkard zones to be through parallel strings of 2 3/8-inch tubing and the production of oil from the Ellenburger-zone to be through a string of 2 7/8-inch tubing, all strings of tubing to be cemented in a common well bore.
- CASE 2410: Application of Hondo Oil & Gas Company for permission to directionally drill and for an unorthodox bottom hole location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to directionally drill a well in Section 26, Township 17 South, Range 28 East, Eddy County,



CASE 2410: (Cont.)

New Mexico, the surface location to be 2310 feet from the North line and 1980 feet from the East line of said Section 26 and the bottom hole location to be in the Empire-Abo Pool at a situs 2540 feet from the North line and 1980 feet from the East line of said Section 26.

CASE 2411:

Application of Socony Mobil Oil Company, Inc., for an exception to Rule 303 (a), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 303 (a) to permit the commingling of the production from the Anderson Ranch-Devonian and the Anderson Ranch-Wolfcamp Pools on its New Mexico "S" lease, which includes Lot 2 of Section 2, Township 16 South, Range 32 East, Lea County, New Mexico. Applicant proposes to meter the production from one pool only, and to allocate production to the other pool according to the subtraction method; the API gravity of the Anderson Ranch-Devonian crude is greater than 45°.

CASE 2412:

Application of Val R. Reese & Associates, Inc., for an unorthodox gas well location and a non-standard gas unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate its Benn Well No. 1-9 at an unorthodox gas well location in an undesignated Gallup pool, 2210 feet from the North line and 330 feet from the East line of Section 9, Township 23 North, Range 7 West, Rio Arriba County, New Mexico, said well to be dedicated to a 152.02-acre non-standard gas unit comprising the NE/4 of said Section 9.

---

The following cases will not be heard before 1:00 P.M.

---

CASE 2413:

Application of Aspen Crude Purchasing Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Totah-Gallup Oil Pool for a well to be drilled 1190 feet from the South line and 2210 feet from the East line of Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico.

CASE 2414:

Application of Southwest Production Company for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox



CASE 2414: (Cont.)

gas well location in an undesignated Mesaverde pool for a well located 2360 feet from the South line and 830 feet from the West line of Section 26, Township 30 North, Range 12 West, San Juan County, New Mexico. Said well is to serve as the unit well for a 160-acre gas proration unit comprising the SW/4 of said Section 26.

CASE 2415:

Application of Southwest Production Company for an order pooling all mineral interests in the Basin-Dakota Gas Pool in the E/2 of Section 14, Township 30 North, Range 12 West, San Juan County, New Mexico. Interested parties include the unknown heirs of Abas Hassan, deceased, the unknown heirs of D. M. Longstreet, deceased, and Robert E., Alice L., and Samuel Glenn Goodwin, and/or their unknown heirs.

CASE 2416:

Application of Southwest Production Company for an order pooling all mineral interests in an undesignated Mesaverde gas pool in the E/2 of Section 22, Township 30 North, Range 12 West, San Juan County, New Mexico.

CASE 2417:

Application of Scanlon Engineering Company for an order fixing the spacing of wells, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks an order fixing the spacing of wells producing from the Mesaverde formation in Sections 21, 22 and 27, all in Township 20 North, Range 9 West, McKinley County, New Mexico. Applicant recommends the establishment of two and one-half acre well spacing.

CASE 2418:

Application of Humble Oil & Refining Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its State BM Well No. 1, located in Unit I, Section 2, Township 25 South, Range 37 East, Lea County, New Mexico, as a dual completion (Tubingless) in undesignated Fusselman and Ellenburger pools, with the production of oil from the Fusselman zone through 2 7/8-inch casing and the production of oil from the Ellenburger zone through 2 3/8-inch casing cemented in a common well bore.

CASE 2419:

Application of Leonard Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its Federal Ginsberg Well No. 11, located in Unit E, of Section 31, Township 25 South, Range 38 East, Lea County, New Mexico, as a triple completion (conventional) in the Justis Blinbry Pool, in an undesignated



CASE 2419: (Cont.)

Tubb Pool and in the Justis Fusselman Pool, with production of oil from the Tubb and Fusselman zones to be through parallel strings of 2 3/8-inch tubing and the production of oil from the Blinebry zone through a string of 2 1/16-inch tubing.

CASE 2420:

Application of Zapata Petroleum Corporation for authority to inject water into the Maljamar Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to inject water into the Maljamar Pool (Grayburg and San Andres formations) through eight wells located in Sections 17, 18 and 19, all in Township 17 South, Range 33 East, Lea County, New Mexico, for the purpose of secondary recovery.



OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 11/20/61

CASE 2411

Hearing Date 9am 10/25/61

DSN @ SF

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

Enter an order approving Socomey-Mobile's request to culling Anderson Arch Wolfcamp and Anderson Ranch Devonian prod from its N.M. State "S" Res comprising Lot 2 Sec 2 T16S R32E R20 Co. by means of the subtraction method, metering the WC only and subtracting the <sup>metered</sup> WC ~~water~~ production from the total to obtain the Devonian prod.

Find that although one of the zones the WC has a grav. of 41.5 and the Dev a grav. of 50.6

Also find that despite the high grav of the Dev and the relatively high grav of the WC, no serious problem should arise by use of the subtraction method inasmuch as the Devonian is marginal and inasmuch as reliable meter factors including shrinkage or weathering factors can be obtained by holding the Wolfcamp oil in storage on meter proving tests the same length of time which it is normally held in storage or 24 hrs whichever is less.

Provide that they shall do the above and also that meter proving tanks shall be installed in accordance w/ the testimony @ the hearing.

*Sanderson*



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
SOCONY MOBIL OIL COMPANY, INC. FOR  
AN EXCEPTION TO STATEWIDE RULE 303(a)  
TO PERMIT COMMINGLING OF PRODUCTION FROM  
THE ANDERSON RANCH-DEVONIAN AND ANDERSON  
RANCH-WOLFCAMP POOLS ON ITS NEW MEXICO  
"S" LEASE, LEA COUNTY, NEW MEXICO.

CASE NO. 2411

A P P L I C A T I O N

Applicant states:

1. That applicant is the owner and operator of its New Mexico "S" lease, which includes Lot Two (2) of Section Two (2), Township 16 South, Range 32 East, Lea County, New Mexico;
2. That the aforesaid lease and lands are now productive of oil and gas from the Anderson Ranch-Devonian and Anderson Ranch-Wolfcamp Pools, through wells presently completed thereon, and that one or more of said formations may be productive in the future from other wells which may be completed on said lease and lands;
3. That in order to eliminate the necessity for multiple surface installations for the handling, storage and measurement of production, applicant proposes to commingle production from the Anderson Ranch-Devonian and Anderson Ranch-Wolfcamp Pools;
4. That allocation of production shall be made according to the subtraction method as prescribed by the New Mexico Oil Conservation Commission Manual for the Installation and Operation of Commingling Facilities, dated September 13, 1961;
5. That Rule 303(a) of the Rules and Regulations of the Commission prohibits the commingling of production from separate pools prior to marketing;
6. That the API gravity of the Anderson Ranch-Devonian crude is more than 45° and it is, therefore, necessary that a hearing be held on this application;
7. That the granting of this application will not cause waste nor impair correlative rights.


WHEREFORE, this applicant prays that this matter be set for hearing, that notice thereof be given as required by law, and that upon the evidence



adduced at such hearing this Commission issue an Order permitting applicant to commingle production from said lease as herein set forth, and granting such other and further relief as this Commission may deem necessary and proper.

SOCONY MOBIL OIL COMPANY, INC.

BY: MODRALL SEYMOUR SPERLING ROEHL & HARRIS

By 

BURNS H. ERREBO

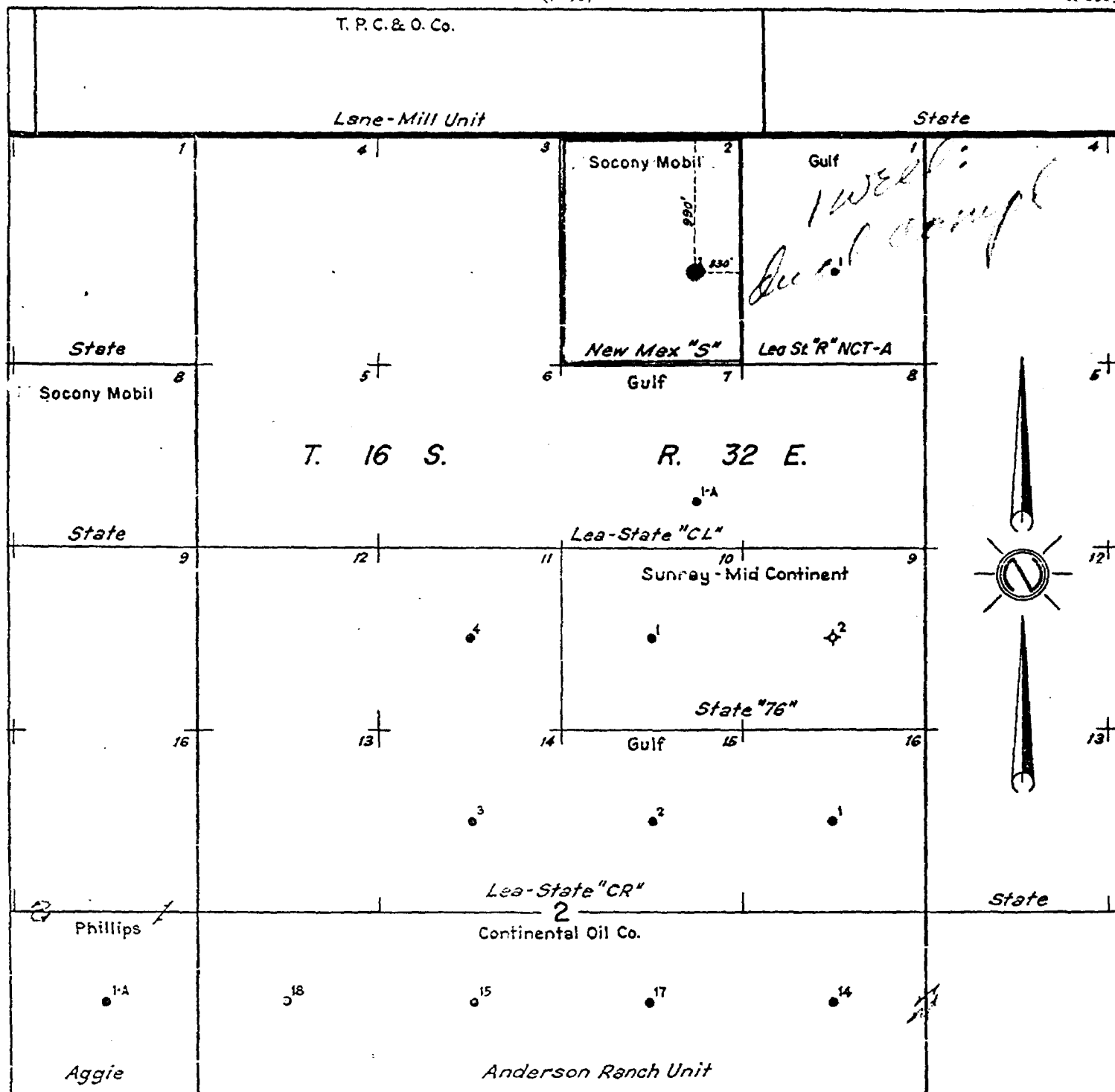
Attorneys for Applicant

1200 Simms Building

Post Office Box 466

Albuquerque, New Mexico





Reserve None Permit depth

Special instructions

Date work is commenced , 19 Supt.

Location approved by Location made by

THE STATE OF TEXAS  
COUNTY OF MIDLAND

I hereby certify that this plat truly represents conditions as they actually exist on this lease; that said plat which is drawn to the scale indicated hereon, is to the best of my knowledge true and correct; that it accurately shows said lease with all wells on same; that number and locations of said wells are as indicated hereon; and that this plat correctly reflects all pertinent and required data.

BEFORE EXAMINER KUTTER  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO.

SOCONY MOBIL OIL COMPANY, INC.  
EXPLORATION & PRODUCING DEPARTMENT  
MIDLAND DIVISION — MIDLAND, TEXAS

LEASE New Mex. "S"

DISTRICT Hobbs LEASE NO. NM-2979

LOCATION MADE 19 WELL NO.

TOTAL ACRES IN LEASE 50.34 ACRES COVERED BY PLAT 50.34

DESCRIPTION Lot 2, Sec. 2, T. 16 S. - R. 32 E.

Lea COUNTY New Mexico

DRAWN Wm. H. Winckler

DATE 4-1-57

FIELD Anderson Ranch

SCALE 1" = 1000'

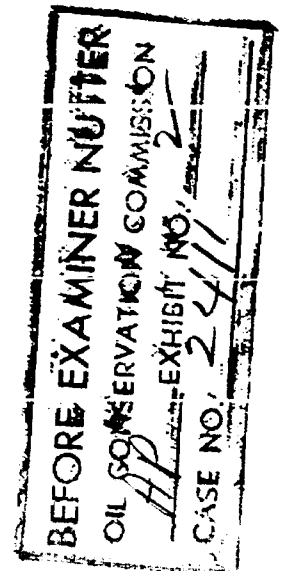
FILE NO. 39



**EXHIBIT III**  
**Commingled Fluid Production**  
**Seaway Mobil Oil Company, Inc.**  
**New Mexico "S" Lease**  
**Lot 2, Section 2, T16S, R12E**

	<u>API Gravity</u>	<u>Monthly Production</u>	<u>Unit Value</u>	<u>Total Value</u>
<u>Pool</u>				
Anderson Ranch Devonian	50.6°	4514	\$ 2.89	\$13,045.46
Anderson Ranch Wolfcamp	41.5°	4622	3.01	13,912.22
		9136		\$26,957.68
Lease Total				\$27,133.92
Anderson Ranch Commingled	46°	9136	\$ 2.97	

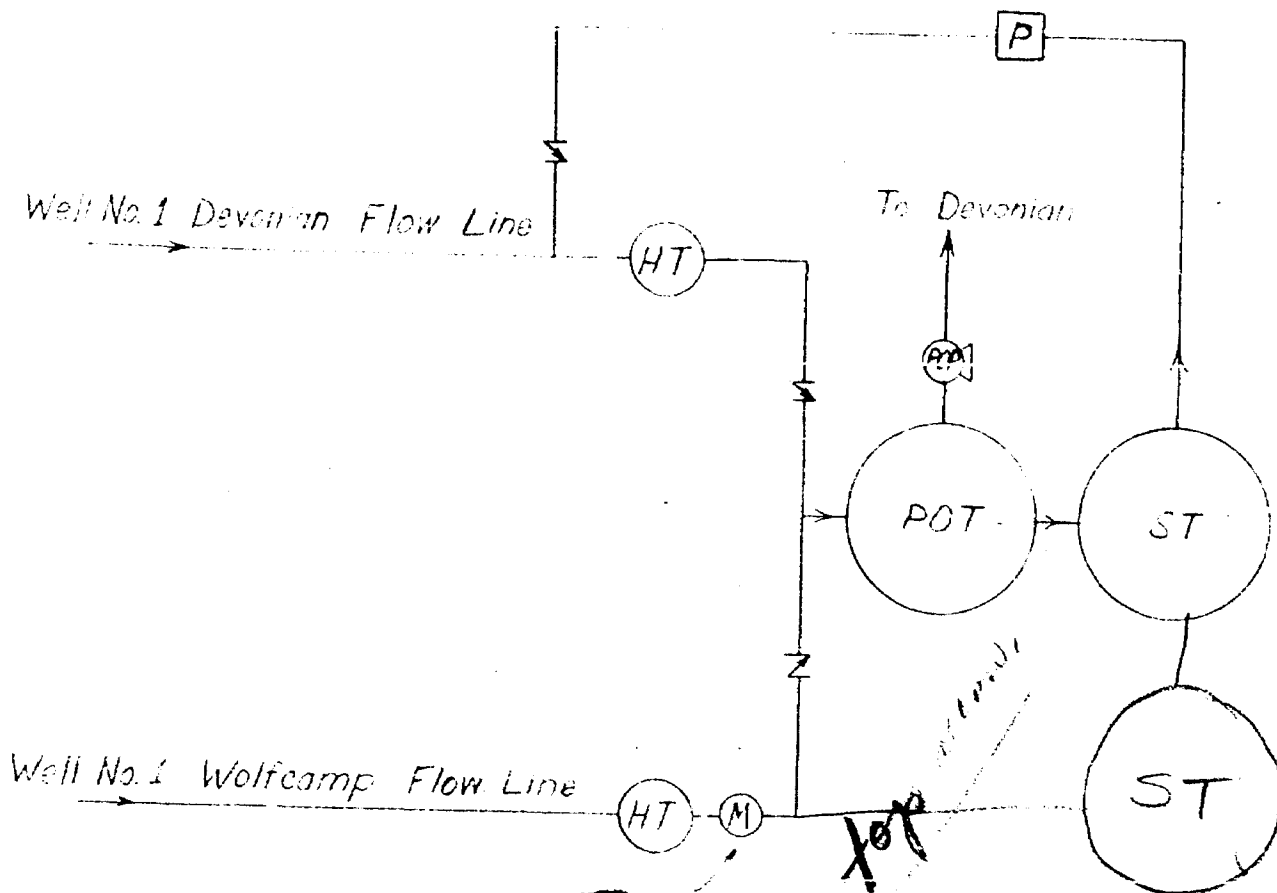
The actual commercial value of the commingled crude oil will be \$176.24 more than the two separate zones.





Order No. 710.  
PC-36  
authorizing as connected  
all connections

X-8484



BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
AP EXHIBIT NO. 3  
CASE NO. 2411

proved in stock tank

Wells (don't)  
for  
100  
100

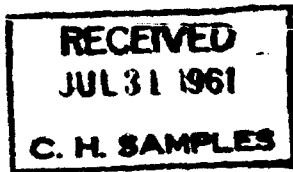
LEGEND

- HT Heater-Treater
- M Meter
- P Recirculating Pump
- POT Power Oil Tank
- ST Stock Tank
- POR Power Oil Pump

Exhibit II

NO.	DATE	BY	ALTERATION
PROPOSED CHAMBERLAIN INSTALLATION			
NEW MEXICO'S LEASE			
LOT 2, SEC 2, T10S R92E			
LEA COUNTY, NEW MEXICO			
SOCONY MOBIL OIL COMPANY, INC.			
Houston, New Mexico			
DRAWN J. A. H.	CHECKED J. A. H.	SCALE DATE 17-6	DWG. NO. A





State of New Mexico



Commissioner of Public Lands



E. S. JOHNNY WALKER  
COMMISSIONER

P. O. Box 81  
SANTA FE, NEW MEXICO

July 28, 1961

MC

File  
Ref.  
7.01

Socony Mobil Oil Company  
P. O. Box 2406  
Hobbs, New Mexico

Attention: Mr. C. H. Samples:

Dear Mr. Samples:

We find no reason to object to your request to commingle the Devonian - Wolf Camp crude oils produced from your New Mexico S Lease in the Anderson Ranch Field, if the commingling does not lessen the amount of royalty to be received by the State.

Exhibit 3 definitely shows that the royalty should be increased, therefore, we are glad to give you this permission.

Yours very truly,

E. S. JOHNNY WALKER  
Commissioner of Public Lands

By: *Ted Bilberry*  
Ted Bilberry, Supervisor  
Oil and Gas Division

ESW:TB:eq