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. 684 Order No. R-464

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

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

FINDS:

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

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

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

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

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IT IS THEREFORE ORDERED:

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

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

(3) That the "Blinebry Marker" shall be that point encountered in the Humble Oil and Refining Company State 'S' Well No. 20, SW/4 NW/4 Section 2, Township 22 South, Range 37 East, NMPM., at a depth of 5457 feet (Elev. 3380, Subsea Datum Minus 2077).

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

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

- RULE 1: Gas produced from each well shall be produced into a separate high-pressure separator. The high-pressure gas shall then be metered separately prior to its entering a gas transportation facility.
- RULE 2: The distillate separated from the high-pressure gas in the high-pressure separator shall then be directed into a lowpressure separator. The distillate may be commingled with other distillate produced by any other well or wells producing from the Tubb or Blinebry Gas Pools following its separation from the high-pressure gas in the highpressure separator, provided gas-distillate test facilities are available and periodic tests are made.

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

RULE 3: Each year during the months of June and July each operator of each gas well producing from the Tubb or Blinebry Gas Pools shall cause to be taken an annual gas-distillate ratio test. The results of such test shall be submitted to the Commission office (P. O. Box 2045, Hobbs, N.M.) on or before August 15 following the test. The test shall outline the amount

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of high-pressure gas produced during the 24-hour test period, the amount of distillate produced during the test period, the amount of low-pressure gas produced during the test period, the high-pressure gas-distillate ratio, and the low-pressure gas-distillate ratio. Failure to submit the required test by August 15 shall result in suspension of any further gas allowable until the date the required information is submitted.

- RULE 4: In submitting Form C-115 (Operator's Monthly Report) on wells producing from the Tubb and Blinebry zone in which distillate is commingled and/or the low-pressure gas is commingled with other low-pressure gas produced on the lease, the operator shall estimate if necessary the volumes produced by each well in each pool by using the ratios as reflected in the most recent tests submitted.
- RULE 5: The Secretary-Director of the Commission shall have authority to grant exception to the provisions set forth in Rule 1 through Rule 4, incl., where it can be shown that compliance with these rules is not economic or is impractical. Applications for exception shall be submitted in triplicate to the Oil Conservation Commission, P. O. Box 871, Santa Fe, New Mexico, with a copy of each application being furnished offset operators.
- RULE 6: That low-pressure gas produced by gas wells in the Tubb or Blinebry Gas Pools shall not be charged to the gas allowable allocated to any well.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

(S E A L)

Entered 6-7-54 - J.R