

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico

IN THE MATTER OF:

CASE NO. 1013

TRANSCRIPT OF PROCEEDINGS

BEFORE THE
OIL CONSERVATION COMMISSION
February 8, 1956
Hobbs, New Mexico

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Application of the Humble Oil and Refining)
Company for an order granting an exception)
to Rule 309 of the Commission's Rules and)
Regulations.)
)

Applicant, in the above-styled cause, seeks)
an order granting them permission to produce)
into a common tank battery oil produced from)
the following two leases: Jicarilla Apache)
Tribe of Indians "B" Lease consisting of Sec-)
tions 1 and 12, Township 22 North, Range 5)
West; Sections 6 and 7, Township 22 North,)
Range 4 West, Sandoval County, New Mexico,)
and the Jicarilla Apache Tribe of Indians "E")
Lease consisting of Sections 25 and 36, Town-)
ship 23 North, Range 5 West, and Sections 30)
and 31, Township 23 North, Range 4 West,)
Sandoval County, New Mexico. Applicant has)
one producing well on each lease; said wells)
producing from the Mancos Shale zone.)
-----)

Case No. 1013

BEFORE:

Warren W. Mankin, Examiner

TRANSCRIPT OF HEARING

EXAMINER MANKIN: The next case, Case 1013, the application of Humble Oil and Refining Company for an exception to Rule 309. I presume you want to take that case first Mr. Hinkle or would you-----

MR. HINKLE: 1013.

MR. MANKIN: You have two cases, 1013 and 1004, which would you prefer to have first?

MR. HINKLE: 1013.

MR. MANKIN: 1013, alright. We will proceed then with Case 1013.

MR. HINKLE: Clarence Hinkle, Roswell, appearing on behalf of the Humble Oil and Refining Company. We have one witness, Mr. Bob Dewey, would like to have him sworn.

BOB DEWEY

having first been duly sworn, testified as follows:

By Mr. Hinkle:

Q. State your name please.

A. R. S. Dewey

Q. By whom are you employed, Mr. Dewey?

A. Humble Oil and Refining Company.

Q. In what capacity?

A. Division Petroleum Engineer.

Q. And where at?

A. Midland, Texas

Q. Have you previously testified before this Commission as a qualified expert witness?

A. Yes Sir, I have.

Q. State to the Commission what is the nature of the application filed in Case No. 1013?

A. The nature of the application is an exception to Rule 309 to which it was requested that Humble Oil and Refining Company be permitted to commingle the oil from two leases and---two adjacent leases to the Jicarilla Apache Tribe of Indians reservation, Sandoval County, New Mexico. These leases are numbered 163717 and 163153.

Q. Now I hand you Humble's Exhibit No. 1 and ask you to state what it is?

A. This exhibit shows the location of Humble Oil and Refining Company's "E" No. 1 Well and the location of Humble Oil and Refining Company's "B" No. 1 Well.

Q. And it also shows the township, range and section where these leases are located.

A. Thats correct.

Q. Are these both Indian leases?

A. They are.

Q. And state whether or not the Humble owns both of the leases.

A. The Humble owns both leases.

Q. Is the royalty ownership the same on both leases?

A. It is.

Q. From what zone or formation are these two wells producing?

A. The formation is the Mancos Shale. This reservoir is known as the Sanastee Reservoir.

Q. In your opinion are both wells producing from the same common source of supply in the reservoir?

A. That is right.

Q. What is the potential of these wells at the present time?

A. The "B" No. 1 Well is making approximately 19 barrels of oil. There is no water. The "E" No. 1 is producing approximately 22 barrels of oil and no water. Those are both average daily production figures.

Q. Where is your tank battery set at the present time?

A. It is set on the "B" lease, adjacent to the "B" No. 1 Well.

Q. Are both wells being produced at the present time into the same tank battery?

A. Well, they are being produced into adjacent tanks at the same location.

Q. Now, have you taken up with the U.S.G.S. the matter of producing these wells into the same tank battery?

A. Humble Oil and Refining Company has, I did not do it personally.

Q. I hand you Humble's Exhibit 2 and ask you to state what that is and what it shows?

A. This is a letter dated December 21, 1955 from Mr. P. T. McGrath, District Engineer, United States Department of the Interior Geological Survey, Farmington, New Mexico, which states "We are in receipt of your letter of December 9, 1955, requesting permission to commingle oil from your Jicarilla Tribe of Indians "B" and "E" leases. This office has no objection to producing wells on these two leases into a common tank battery so long as the oil is from the same zone and of the same quality. A close estimate should be made of the amount of oil produced from each separate lease."

Q. Is there anything else that you would like to state to the Commission in behalf of this application?

A. We will be very happy to comply with the request made by Mr. McGrath relative to maintaining a close estimate of the amount of oil produced from each separate lease. We will be glad to furnish periodic estimates to the Commission if

they so desire.

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

A. It was prepared under my direction.

MR. HINKLE: I would like to offer these exhibits in evidence.

MR. MANKIN: Is there objection to the entering of Exhibits 1 and 2 in this case? If not they will be so entered.

MR. MANKIN: Mr. Dewey, you received temporary permission from this Commission, dated January 25, for the commingling of the oil pending upon the outcome of this particular case, is that correct?

A. That is correct.

MR. MANKIN: And also these two particular wells at the present time are in an undesignated Mancos Shale Oil Pool at the present time is that correct?

A. As far as I know they are.

MR. MANKIN: Which is Sandoval County, New Mexico?

A. Yes Sir.

MR. MANKIN: Mr. Rieder.

MR. RIEDER: How is the oil to be measured?

A. We have a separator on the lease and the flow into the tanks is gauged.

MR. RIEDER: One separator?

A. We have one separator for the wells, that is correct.

MR. GURLEY: Mr. Dewey, I believe that you were asked if the royalty owners under both leases were the same--that is the Federal Government, is that correct?

