

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. 1527
Order No. R-1273

APPLICATION OF TENNESSEE GAS
TRANSMISSION COMPANY 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 October 22, 1958, 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 5th day of November, 1958, 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, Tennessee Gas Transmission Company, is the owner and operator of the State A. A. Kennitz "B" Well No. 5, located 1980 feet from the North line and 660 feet from the West line of Section 25, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) That by Administrative Order DC-675 applicant was authorized to dually complete the said State A. A. Kennitz "B" Well No. 5 in such a manner as to permit the production of oil from an undesignated Cisco (Pennsylvanian) pool and the production of oil from the Kennitz-Wolfcamp Pool.

(4) That applicant seeks an order authorizing the commingling of production from the said State A. A. Kennitz "B" Well No. 5 from an undesignated Cisco (Pennsylvanian) pool and from the Kennitz-Wolfcamp Pool after the production from each of said pools has been separately measured.

-2-

Case No. 1527
Order No. R-1273

(5) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant, Tennessee Gas Transmission Company, be and the same is hereby authorized to commingle the Cisco (Pennsylvanian) and Kennitz-Wolfcamp production from the dually completed State A. A. Kennitz "B" Well No. 5, located 1980 feet from the North line and 660 feet from the West line of Section 25, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico, provided that the production from each of said pools is separately measured by positive displacement meters prior to being commingled.

PROVIDED FURTHER, That the applicant shall check said meters for accuracy at intervals and in a manner satisfactory to the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



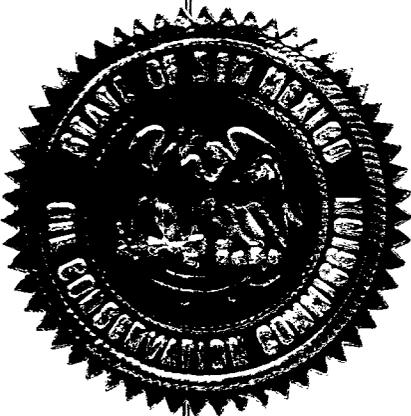
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



ir/

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1527 and 1528

TRANSCRIPT OF HEARING

October 22, 1958

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

BEFORE THE
OIL CONSERVATION COMMISSION
October 22, 1958

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IN THE MATTER OF: :

Application of Tennessee Gas Transmission Company :
for permission to commingle the oil produced from :
two separate oil pools. Applicant, in the above- :
styled cause, seeks an order authorizing it to com- :
mingle the oil produced from its State A. A. Kem- :Case 1527
nitz "B" Well No. 5, located in the SW/4 NW/4 of :
Section 25, Township 16 South, Range 33 East, Lea :
County, New Mexico, from the Kemnitz-Wolfcamp Pool :
and an undesignated Pennsylvanian (Cisco) pool. :
Applicant proposes to separately meter the pro- :
duction from each zone prior to commingling. :
:

Application of Tennessee Gas Transmission Company :
to commingle the production from two separate oil :
pools from three of its state leases. Applicant, :
in the above-styled cause, seeks an order autho- :Case 1528
rizing it to commingle the oil produced from the :
Kemnitz-Wolfcamp and Kemnitz-Cisco Pools from the :
wells on its State "B", State "C" and State "D" :
Leases located in Sections 21 and 28, Township :
16 South, Range 34 East, Lea County, New Mexico. :
-----:

Mabry Hall
Santa Fe, New Mexico

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case on the docket will be Case 1527.

MR. PAYNE: Case 1527, "Application of Tennessee Gas
Transmission Company for permission to commingle the oil produced
from two separate oil pools."

MR. CARNES: J. F. Carnes. Tennessee Gas requests that

Case 1528 be heard with Case 1527.

MR. UTZ: Are you asking for a consolidation of Cases 1527 and 1528 for purposes of testimony?

MR. CARNES: Yes, sir.

MR. UTZ: Is there objection to the consolidation of 1527 and 1528 for purposes of testimony?

If there is no objection, they will be consolidated for purposes of testimony only.

MR. CARNES: I must apologize to the Examiner that we do not have legal counsel with us today. I will be the only witness for Tennessee Gas.

(Witness sworn in).

J. H. CARNES

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

DIRECT EXAMINATION

BY MR. PAYNE:

MR. UTZ: Would you state your name again, please?

A J. H. Carnes. I have not previously qualified before this Commission.

Q (By Mr. Payne) What is your position, Mr. Carnes?

A District Engineer for Tennessee Gas in Hobbs, New Mexico.

Q Would you give us a brief resume of your background

and experience?

A I graduated from Kansas State College, BS in Mechanical Engineering in January, 1950. For the past eight and a half years, I have been active in supervisory positions as a petroleum engineer.

Q Are you familiar with the Tennessee Gas Transmission Company's applications in these two cases?

A I am.

MR. PAYNE: Are the witness' qualifications acceptable, Mr. Examiner?

MR. UTZ: They are, yes.

Q (By Mr. Payne) Proceed.

A We will present three exhibits for this hearing, a plat of the Kemnitz area showing the development on the Tennessee Gas leases as covered by these two applications outlined. Exhibit Two will be a schematic presentation of the proposed tank battery on the Kemnitz "B" lease covering application 1527, and Exhibit Three will be a schematic presentation of the proposed tank battery on "B," "C" and "D" leases covering application 1528.

Tennessee proposes to consolidate to commingle the surface storage production from the Kemnitz-Wolfcamp and Kemnitz-Cisco oil pools under these two leases. We propose to--Tennessee proposes to use positive displacement meters to meter the production from both the Cisco and Wolfcamp zones in the common surface storage.

These same type metering equipment and metering installations

have previously been approved in the Phillips Petroleum Company New Mexico lease in Section 25 South that offsets the Kemnitz "B" lease on Order Number R-1201, and have been approved for the purchase of State "E" lease in Section 21 offsetting "A," "B," "C" and "D" leases. That was approved on Order Number R-1216.

Referring to Exhibits Two and Three, we propose to use metering equipment on the downstream site, our separator and our standard hookup.

I have no more testimony to present at this time.

CROSS EXAMINATION

BY MR. UTZ:

Q What does your Exhibit Number Three show?

A Exhibit Number Three merely shows the proposed tank battery arrangement for the "B," "C" and "D" leases, they will be very similar. Adequate test facilities will be installed at both batteries. There is no production at this time on the "D" lease.

Q Exhibit Number Two shows the proposed hookup for your "B" lease and Exhibit Number Three shows the proposed tank batteries for your metering devices for "B," "C" and "D" leases?

A "B," "C" and "D" leases. We have previously been approved for common storage in the Wolfcamp only.

MR. UTZ: Yes. Do you wish to enter Exhibits One, Two and Three in evidence?

A At this time, if I may.

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

Does that conclude your testimony?

A It does.

MR. UTZ: Are there any questions of the witness?

MR. FISCHER: Yes, sir.

MR. UTZ: Mr. Fischer:

CROSS EXAMINATION

BY MR. FISCHER:

Q Mr. Carnes, could you give us the gravities of the two sources?

A Pardon me, the Wolfcamp oil gravity averages 39.8 and from the Cisco it averages approximately 40.1. Both crudes are sweet.

Q Do you happen to have the GOR's?

A The GOR's at the present time from the Wolfcamp field are approximately 1215, that from the Cisco approximately 1500.

Q How many days' storage would you have on each tank battery when they are commingled?

A When they are commingled, approximately four days.

Q On each battery?

A On each battery.

Q How long does it take you--do you have any trouble getting your tanks to run?

A No.

MR. FISCHER: That's all I have.

MR. UTZ: Any other questions of the witness?

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Carnes, do you propose to separately meter the production from each zone prior to commingling?

A Yes sir, our schematic presentation shows that there will probably be no commingling prior to metering.

MR. PAYNE: Thank you.

A You will notice on the Kemnitz "B" battery we in effect have three metering separators, two for production, one for test.

CROSS EXAMINATION

BY MR. UTZ:

Q There will be no possibility of commingling in the pools before metering?

A None.

CROSS EXAMINATION

BY MR. FISCHER:

Q Do you have two separators for each pay?

A We only have one Cisco well on either lease, so they will be continuously metered. On the Wolfcamp, we will have a metering separator and a production separator.

Q What size are your tanks?

A On the Kemnitz "B" lease, they are a thousand barrels and on "B", "C" and "D" they are five hundred barrels. None of the wells on "B," "C" or "D" at this time are top allowable.

Q Is there any water production in the metering?

A At this time, no.

Q None?

A And none is expected.

MR. FISCHER: Thank you.

MR. UTZ: Mr. Carnes, would your company be willing to make any production tests necessary to indicate the producing ability of each of the wells when they are commingled together?

A We would.

MR. UTZ: Are there any other questions of the witness?

(No response).

MR. UTZ: If not, the witness may be excused.

(Witness excused).

MR. UTZ: Are there any other statements to be made in this case?

(No response).

MR. UTZ: If there are no other statements, the case will be taken under advisement.

STATE OF NEW MEXICO)
 : SS
COUNTY OF BERNALILLO)

I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me, 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 23rd day of October, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Jerry Martinez
Notary Public

My Commission Expires:
January 24, 1962

I do hereby certify that the foregoing is a complete record of the proceedings in the New Mexico Oil Conservation Commission hearing held on October 22, 1958.
[Signature] Examiner
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 10, 1958

C

Mr. J. F. Carnes
Tennessee Gas Transmission Co.
P.O. Box 307
Hobbs, New Mexico

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Dear Mr. Carnes:

We enclose two copies of Order R-1273 issued November 5, 1958, by the Oil Conservation Commission in Case 1527, which was heard on October 22nd at Santa Fe before an examiner.

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Please note that this order requires that each meter installed in the subject system shall be tested for accuracy at intervals and in a manner satisfactory to the Commission. It will be necessary for you to run a series of tests of sufficient duration to determine that the meters are functioning properly immediately following installation. Thereafter, tests should be made at intervals not to exceed one month and a report of said calibration filed with the Commission. The meters shall be calibrated against a master meter or against a test tank of measured volume.

Y

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encs.

Case 1527

TENNESSEE GAS TRANSMISSION COMPANY

Post Office Box 307
Hobbs, New Mexico
August 28, 1958

1958 SEP

SEE OFFICE OCC

Commingling

State of New Mexico
Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Re: Application For Dual Completion

Gentlemen:

Attached is an Application For Dual Completion of the Tennessee Gas Transmission Company State A. A. Kemnitz "B", Well No. 5, located in Unit E, Section 25, Township 16 South, Range 33 East, N. M. P. M., Lea County, New Mexico.

Tennessee proposes to utilize parallel strings of 2-3/8 inch tubing for the production of oil from the Kemnitz Wolfcamp Pool and an undesignated Pennsylvanian (Cisco) pool. A schematic diagram of the proposed completion is attached. A similar application was approved on Order No. R-1201 for the dual completion of the Phillips Petroleum Company New Mex "A", Well No. 1, the Southeast offset to the subject well. Administrative approval of this application is therefore respectfully requested.

Tennessee further proposes to commingle the production from these zones into common surface storage after separately measuring the production from each zone by the use of positive displacement meters. A similar request was approved on Order No. R-1201 for the Phillips Petroleum Company New Mex "A" No. 1. If administrative approval to this portion of the Application cannot be granted, then it is respectfully requested that the matter be scheduled for hearing at an early date.

All offset operators have been furnished copies of this Application and waivers requested from each.

Very truly yours,

TENNESSEE GAS TRANSMISSION COMPANY

J. F. Carnes
J. F. Carnes
District Engineer

*Docket Mailed
16 5 58 BP*

JFC/mh

cc: Forest Oil Corporation, Box 4106, Odessa, Texas.
Phillips Petroleum Company, Box 2105, Hobbs, New Mexico.
Sinclair Oil & Gas Company, 520 East Broadway, Hobbs, New Mexico.
N. M. O. C. C., Box 2045, Hobbs, New Mexico

Attachments.

*Commingling
2-3-58*