

DOCKET: EXAMINER HEARING SEPTEMBER 2, 1959

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

The following cases will be heard before Elvis A. Utz, Examiner, or  
A. L. Porter, Jr., Secretary-Director.

CASE 1750: Application of Aztec Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Robinson Pool from two separate leases, a State lease and a Federal lease, in Township 16 South, Range 32 East, Lea County, New Mexico, after separately metering the production from each lease.

CASE 1751: Application of Rice Engineering and Operating, Inc., for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to complete a salt water disposal well in the San Andres formation at a point 100 feet from the South line and 250 feet from the West line of Section 9, Township 20 South, Range 37 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4300 feet to 4900 feet.

CASE 1752: Application of Skelly Oil Company for an oil-oil dual completion and for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Hobbs "A" Well No. 6, located 1650 feet from the North line and 330 feet from the West line of Section 30, Township 25 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinebry Pool and the production of oil from an undesignated Tubb oil pool. Applicant further seeks permission to commingle the production of similar grade crudes from the pools underlying its Hobbs "A" lease comprising the NW/4 of said Section 30.

CASE 1753: Application of Joseph I. O'Neill, Jr., for an oil-oil dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Federal "E" Well No. 3, located 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 30 East, Eddy County, New Mexico, and for permission to commingle the production from the two zones of the said dually completed well.

CASE 1754: Application of Skelly Oil Company for permission to commingle the production from two separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Langlie-Mattix Pool and from an undesignated Blinebry oil pool from all wells on its R. R. Sims lease comprising the W/2 SW/4 and NE/4 SW/4 of Section 3, Township 23 South, Range 37 East, Lea County, New Mexico.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 17, 1961

J. I. O'Neill, Jr.  
410 West Ohio  
Midland, Texas

Attention: Mr. E. T. Anderson

Gentlemen:

Reference is made to your letter of February 6, 1961, wherein you point out that your Federal "E" Well No. 3, a dual completion in the Yates and Queen zones, has declined to the point where the Yates is producing an average of less than three barrels per day and the Queen is producing some seven or eight barrels per day. The production from this well is commingled with Queen production from two other wells on the same lease which also make approximately seven or eight barrels per day each.

Order No. R-1481 authorized the commingling of production from these two pools provided that each would be separately metered prior to such commingling. It is our understanding that now the wells have become so marginal, it is no longer economically feasible to test and recalibrate these meters and that you desire to discontinue metering the production and would base your production from each zone upon periodic tests of the wells involved.

The separate metering requirement in Order No. R-1481 was only intended to be applicable until such time as every one of the subject wells had

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

-2-

February 17, 1961

J. I. O'Neill, Jr.  
Midland, Texas

declined to a low marginal status. Accordingly, this provision in the Order is now moot and no longer is compliance therewith required. Meters will be required of course if at any time either of the pools become capable of making top allowable.

Very truly yours,

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

ALP/DSH/ig

cc: Oil Conservation Commission  
Drawer DD  
Artesia, New Mexico

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JOSEPH I. O'NEILL, JR.  
OIL PROPERTIES

410 WEST OHIO  
MIDLAND, TEXAS

February 6, 1961

TELEPHONE  
MUTUAL 3-2771

*File  
1753*

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

Attention: Mr. Daniel S. Nutter

Re: Joseph I. O'Neill, Jr. Federal "E" Lease,  
Culwin Pool, Eddy County, New Mexico

Gentlemen:

Our Federal "E" No. 3 is dually completed in the Yates and Queen zones. Following are the recent tests from the Yates zone: Jan. 3, 1961 - 3 bbls; Jan. 4, 1961 - 3 bbls; Jan. 5, 1961 - 3 bbls; Jan. 6, 1961 - 0 bbls; Jan. 7, 1961 - 1 bbl; Jan. 8, 1961 - 0 bbls; January total 50 barrels of oil.

The total production from the Queen zone wells No. 1, No. 2, and No. 3, was 733 barrels of oil in January, or 23.3 barrels per day average. These three wells are of about the same magnitude, that is, 7 or 8 barrels per day.

There was a hearing held covering this dual completion, at which time we were advised by the Commission that it would be necessary for us to meter both zones from well No. 3, which we did by means of displacement type meters. Since that time, this property has become very marginal, as evidenced by the above figures, and recently the meter has drifted as to calibration. Recalibrating the meter will require an expenditure of approximately \$150.00 which makes the Yates zone almost uneconomical to produce.

We request that the Commission grant us an exception from metering this marginal zone. In the event either one of the zones became capable of producing more than this marginal amount of oil, we would be glad to recalibrate and put back on meter measurement. If you wish, we could submit a test every three to six months by putting each zone in a separate tank and reporting same to the Commission. Please advise.

Very truly yours,

JOSEPH I. O'NEILL, JR.

*E. T. Anderson*  
nb  
E. T. Anderson

ETA/nb

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

September 15, 1959

Mr. Jason Kellahin  
Box 1713  
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Joseph I. O'Neill, we enclose two copies of Order No. R-1481 issued by the Oil Conservation Commission on September 14, 1959 in Case No. 1753.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

lr/

Enclosures

*Copy to  
Hobbs +  
Artesia*

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P

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JOSEPH I. O'NEILL, JR.  
OIL PROPERTIES

410 WEST OHIO  
MIDLAND, TEXAS

September 1, 1959

TELEPHONE  
MUTUAL 3-2771

New Mexico Oil Conservation Commission  
Mabry Hall, State Capitol  
Santa Fe, New Mexico

Re: Case No. 1753

Gentlemen:

Attached you will find the original and two copies of engineering data and exhibits in connection with the above numbered case.

Very truly yours,

JOSEPH I. O'NEILL, JR.

A handwritten signature in black ink, appearing to read "E. T. Anderson", with a long, sweeping underline that extends to the right.

E. T. Anderson  
Superintendent

ETA/nb

Attachments - 3