

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 27, 1960
EXAMINER HEARING

IN THE MATTER OF:)
)
Application of Hamilton Dome Oil) Case 1868
Company, Ltd. for permission to) Dismissed
commingle the production from)
three separate pools.)

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 27, 1960
EXAMINER HEARING

IN THE MATTER OF:

Application of Hamilton Dome Oil Company, Ltd.
for permission to commingle the production from
three separate pools. Applicant, in the above-
styled cause, seeks an order authorizing it to
commingle the production from the Justis-
Drinkard Pool, the Justis-Fusselman Pool and an
undesignated Tubb pool from wells on a lease
consisting of the S/2 SE/4 of Section 25,
Township 25 South, Range 37 East, Lea County,
New Mexico.

)
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)
)
) Case 1868
) Continued
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)
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)
)

BEFORE: Mr. Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. PAYNE: Application of Hamilton Dome Oil Company,
Ltd. for permission to commingle the production from three
separate pools.

MR. CAMPBELL: Mr. Examiner, Jack M. Campbell, Campbell
and Russell, Roswell, New Mexico. Case 1868, Hamilton Dome Oil
Company, Ltd. would like to move that 1868 be continued on the
docket. That's a case for commingling. They have had some dif-
ficulty in completion of the well in the Drinkard formation and
mechanical difficulty and they are not prepared at this time to
proceed with the case. If the Commission order that has been
advertised with regard to administrative procedures for commingling

NEW MEXICO OIL CONSERVATION COMMISSION

Public Hearing (Elvis A. Ute)

Santa Fe, NEW MEXICO

REGISTER

HEARING DATE February 25, 1960 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
John J. Strzpek	El Paso Nat. Gas Products Co.	Farmington, N.M.
GUY T. BUELL	PAN AM	FOOT WORTH
CHARLES MARSHALL	✓ ✓	FARMINGTON
NANCY ROYAL	—	SANTA FE
Chuck Newman	Atwood's Malone	Roswell
W. B. Bamhill	Carbide	
John Fowler	Remick Macomber	Farmington
W. B. Kelly	Albert White & Gilbert for Murphy	S.F.
Hal M. Stierwalt	Sunray Mid Continent Oil Co.	Farmington, N.M.
Thos W. Brinkley	Sunray Mid Cont Oil Co.	Gulm Okla
William R Loar	—	Box 2039 Tulsa, Okla.
J.E. Willingham	Humble Oil & R. Co	Box 1600 Midland, Tex
Chas Coffman	Franklin, Spun & Supply	Albuquerque, N.M.
A. B. Hollano	CAUCKINS OIL CO.	DENVER COLO
Jason Kellahin	Kellahin & Fox	Santa Fe, N.M.
Howard Brattin	Henry Brattin	Roswell
Burns H. Erbe	Wodrall et al	Albuquerque

NEW MEXICO OIL CONSERVATION COMMISSION

_____, NEW MEXICO

REGISTER

HEARING DATE

February 25, 1960

TIME: _____

NAME:	REPRESENTING:	LOCATION:
Morris B. Jones	Johnston - Spear	Albuquerque
Lewi [unclear]	Nat'l. [unclear] Assn. Inc.	Albuquerque
A.L. Porter, Jr.	O.C.C.	Santa Fe
Jack M. Campbell	Campbell + Russell	Roswell, N.M.
Edwin C. Wood	Lane Well Co	Farmington
W. V. Kastle	Gulf Oil Corp.	Roswell, N.M.
J.H. Hoover	-	-
Geo. L. Kerby	Southern Union Gas Co	Farmington, N.M.
John G. Denton	Westate Pet. Co.	Jal, N.M.
Charles P. Miller	Representing Westate Pet Co.	Hobbs, N.M.
E.D. Coltharp	Continental Oil Company	Artesia, New Mexico
R.G. Davenport	Continental Oil Company	Artesia, New Mexico
W.L. Johnston Jr.	Ray H. Smith Drilling Co.	Archita Falls, Tex
Oran Hejeltin	So. Union Gas Co	Farmington, N.M.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF: :

CASE 1868: Application of Hamilton Dome Oil Company, Ltd. :
for permission to commingle the production :
from three separate pools. Applicant, in the :
above-styled cause, seeks an order authorizing- :
it to commingle the production from the Justis- :
Drinkard Pool, the Justis-Fusselman Pool and :
an undesignated Tubb pool from wells on a :
lease consisting of the S/2 SE/4 of Section 25, :
Township 25 South, Range 37 East, Lea County, :
New Mexico. :

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State Conservation Commission
Hearing Room
Capitol Building
Santa Fe, New Mexico
January 25, 1960

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 1868.

MR. FLINT: Case 1868. Application of Hamilton Dome Oil
Company, Ltd. for permission to commingle the production from
three separate pools.

MR. CAMPBELL: Jack M. Campbell, Campbell and Russell,
Roswell, New Mexico, appearing on behalf of the applicant. We
have two witnesses.

(Witnesses sworn.)

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CHARLES MILLER

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

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q State your name, please?

A Charles Miller.

Q Where do you live, Mr. Miller?

A Hobbs, New Mexico.

Q What is your association with the Hamilton Dome Company, Limited, the applicant in this case?

A Geologist.

Q Have you testified previously before this Commission or its Examiners in your professional capacity?

A Several times, yes, sir.

MR. CAMPBELL: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir, they are.

Q (By Mr. Campbell) Mr. Miller, you testified, did you not, in Case No. 1819 before this Commission in which Hamilton Dome Oil Company, Limited, sought approval of the Commission for commingling oil from the Blinbery and Tubb Pools from its Carlson "B" 25 well No. 2?

A That's right. I testified in that case.

Q What has transpired since that application was approved with regard to the Blinbery production, please?

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A At the time we made the application, we considered the Blinebery oil to be sweet. Later tests found it was on the sour stage, couldn't be qualified as sweet.

Q So you have not commingled that oil, but have been running your Blinebery production into separate tankage?

A That's right.

Q And have you, since that time, completed another well in the Carlson "B" 25 Federal lease?

A Carlson "B" 25 No. 3.

Q Will you please refer to what has been identified as applicant's Exhibit 1 and state what that is?

A This particular well is Carlson "B" 25 No. 3 located nine hundred and ninety feet from the south line, sixteen hundred and fifty feet from the east line, Section 25, Township 25 South, Range 37 East.

Q Now, I notice on the plat that it is shown as West States, and the bottom, the plat indicates West States Company. Is this property ~~owned~~ operated by Hamilton?

A What was primarily Hamilton is now consolidated into West States Company. West States Petroleum Company, Limited, is the correct name.

Q Is the royalty ownership under this tract under this eighty acres common?

A It is common, yes, sir.

Q And is all of the working interest now owned by West



States Petroleum Company?

A Yes, sir. They are the complete operator.

Q And in complete control of the operation?

A Yes, sir.

Q In what formations is the Carlson "B" 25 well No. 3 completed?

A Completed in the Fusselman and in the Drinkard.

Q Are you acquainted with the completion of this well?

A Yes, sir.

Q I refer you to the log which has been identified as Exhibit No. 2, and ask you to state what that is, and refer to it, pointing out to the Examiner the pay zones in these two formations and the perforations, please?

A It is a lateral log, gamma ray neutron log, run by Slumber J. The Fusselman formation is completed in open hole. By that I mean the casing is set above. The Drinkard pay is produced through perforations as shown on Exhibit 5900 feet to 5910, 5920 to 5930, 5936 to 5942.

Q Mr. Miller, in your opinion, are these two zones separate producing formations?

A Very definitely.

Q They are isolated by what?

A In the first place, they are isolated at quite an interval from 5942 to a depth of casing point on the Fusselman which would be, perhaps, in the neighborhood of a little less

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then 900 feet and also a shaley section, dense formation occurs in various places between the two formations.

Q Are the perforations in these two formations within the limits of the presently defined limit of these two respective Pools?

A Well, just the one formation is through perforation. The Fusselman is open hole, but the Drinkard-- Yes, that's right.

MR. CAMPBELL: That's all the questions I have of this witness.

MR. UTZ: Are there questions of the witness?

CROSS-EXAMINATION

BY MR. UTZ:

Q I was trying to follow you. In your 5900, what zone was that?

A That's the Drinkard zone.

Q Is that marked on this?

A Yes, it is marked on the log on the top part of the log.

Q The casing point on the Fusselman is what?

A I believe that was 6772. It was right on top of the Fusselman. I don't have the figure, but when I get that figure, I'll get it for you. I thought it showed here, but it does not. I beg your pardon, here it is. Open hole 6756. It is typed in right here.

Q Speak up so the Reporter can hear you. Casing is at



5766; is that correct?

A Open hole 5766 total depth.

MR. CAMPBELL: Pardon me, if I may say a word here. I believe that's in error, that's the top of the Fusselman formation, isn't that, Charlie, and it is 65. It is shown there on the log. Can you find that for them when you testify?

Mr. BENTON: Yes.

MR. CAMPBELL: Let's leave that until the other witness testifies.

MR. UTZ: The witness may be excused.

(Witness excused.)

MR. CAMPBELL: Mr. Benton, will you take the stand, please?

CHARLES BENTON

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

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Will you state your name, please?

A Charles Benton.

Q Where do you live, Mr. Benton?

A Jal, New Mexico.

Q By whom are you employed and in what capacity?

A By the West States Petroleum Company. Formerly, it

is - it was formerly Hamilton Dome Oil Company, Limited.

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Q In what capacity do you work for them?

A As Division Superintendent.

Q You've testified before the Examiner, did you not, in Case No. 1819 involving Carlson "B" 25 well No. 2?

A Yes, sir, I did.

Q Mr. Benton, you are acquainted with the completion of Carlson "B" 25 well No. 3, are you not?

A Yes, sir, I am.

Q The Examiner has requested information concerning the casing point on the Fusselman. Can you give that information to him, please?

A According to our log, it should be at 6652. As it is shown here on the log, it is hard to see it two feet below the 50 mark where it says "Scale" change there.

MR. UTZ: Yes, I found it.

Q (By Mr. Campbell) Now, Mr. Benton, the application here is for authority on the lease to commingle production from the Fusselman and the Drinkard formation; is it not?

A That is right.

Q Did you prepare the mechanical setup for the metering and storage of the production from this well on this lease?

A I supervised it, yes.

Q I refer you to what has been identified as Hamilton Dome Exhibit No. 3, and ask you to state what that is?

A Using the top as the north, and the line designated



at the top, flow line comes from our well No. 2, goes to the south separator, and in this case it has a little water in it, so it goes through the treater before going to the separator.

MR. UTZ: Which color line is that, sir?

A That would be the dark green. And then, the light green is the oil going into the two tanks designated as Tubb tanks. And then, from our No. 3 well, you can see the two flow lines at the left top Drinkard flow line, Fusselman flow line, and at the present time, we have one tank designated for each. There is no water production in either well. And those lines are not connected at present. They can be connected if this petition is granted.

Q Have you facilities-- How are you going to measure the production from these wells?

A We have meter separators for each well.

Q In your opinion, can the production from these wells be produced in this manner and stored in this manner without waste?

A It would require at least two more five hundred barrel tanks if this petition were not granted.

Q My question is: If the petition is granted, and you are permitted to produce and commingle this oil in the manner in which you have diagrammed here, can it be done without waste of oil from the formation?

A Yes.

Q Have you made any test of the gravity of the oil from



the two formations?

A Yes, we have.

Q What are the results of those tests?

A These tests on the Fusselman and the Drinkard are very close together, 374 corrected degrees and that is early in the life of the well. Our experience with the Tubb well is that it increased in gravity up to 398, and, we anticipate that the Fusselman and the Drinkard will also increase in gravity with production. It is new, and there is some mud contamination and other things--sedimentation. The formation was over 90 percent soluble to the acid that was used; so it has quite a bit of sedimentation to get rid of there at the beginning.

Q You will continue to produce and meter and store the oil from the Blinebery Pool from your number 2 well in separate tankage, will you not?

A Yes, sir. And it is being shipped on a sour line, and in different tank battery entirely.

Q Do you contemplate additional drilling on this particular lease?

A Yes, sir, we do.

Q What type drilling would you contemplate?

A On the forty acres, which is the Southeast of the Southeast, there is a location applied for and granted by the United States Geological Survey, 990 from the south and east lines, and it is projected for Fusselman-Drinkard production.



Q And in the event you obtain such production, you desire this order, if it is issued, to authorize production from those two formations into this same system, do you not?

A Yes, sir.

Q You desire the order to cover the entire lease, in other words?

A Yes, sir.

MR. CAMPBELL: That is all the questions I have of this witness.

MR. UTZ: Let me get myself straight on just what the lease consists, the Carlson "B" 25?

A Yes, sir. It is 80 acres.

MR. UTZ: 80 acres.

A It is same royalty owners on both forty. It is the United States Geologic Survey, and the same sub-lessee, Western Petroleum Company, formerly the Indiana Petroleum Company.

MR. FLINT: Mr. Benton, then you would request that should an order be issued authorizing commingling, that it provide for commingling of these three pools from all wells presently or hereafter drilled on this 80 acre tract?

A Yes, providing the test showed that they were sweet oil.

MR. FLINT: This 37.4 gravity that's--that applies to--

A That is the early production on the Fusselman and Drinkard, yes, sir. We anticipate that it will be over, approximately one degree, or a little over one degree, possibly. In

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fact, we know experience should prove that. And it will bring it within one degree of each other. The Tubb is only 46, I mean, 27 percent of the oil according to the zoning regulation by the Commission, approximately.

MR. UTZ: Mr. Benton, what are these vertical brown lines on your diagram between your separators, metering separators?

A The dark brown line is water drainage from the bottom of the tank, provided there should be any, and the yellow lines are gas. Now, at the bottom you see that there is a gas line hooked to each tank which is for the purpose of rolling the oil or causing it to revolve to separate the water and the oil, providing it becomes necessary. Those are cone bottomed tanks, and quite often sedimentation can be drawn off that way.

MR. FLINT: Did you state, Mr. Benton, as to whether there is any corrosion or paraffin problems?

A We have not experienced any, and the offset operators have not shown any yet.

MR. UTZ: Is there any danger of oil from one pool getting into the other pool through these water drain lines from your separator?

A When the oil is shipped, there is a seal put on each one and on the rolling lines, and on the drainage lines. There could be no way without deliberate intent to do so.

MR. UTZ: No oil ever goes out with the water?

A We have not been draining any. We have a heater, and

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we will circulate it. It has been our custom in other tank batteries, circulate to separate the oil and the water by heat process. And in the early production, I'll say this: That in this Tubb, before we installed this heater treater that you see at the right-hand lower side, we had to steam some tanks before we decided that the water was there to stay in a small degree, and that was to drop the water out, heat the oil, and drop the water out.

MR. UTZ: Where does this other water eventually go? From your drainpipe to the pit?

A To the pits, yes, sir. It would be in the upper left-hand side about, well, the required distance from any possible heater that could be set. I might state that if the petition is granted, these lines will be connected with manifold, and we will be able to test any one well separately at any time, and measure it against the tank as the order requires.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused.

(Witness excused.)

MR. CAMPBELL: I would like to offer Hamilton Dome Exhibit No. 1, 2, 3 in evidence.

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

MR. MILLER: Sir, I would like to make a statement.

MR. CAMPBELL: Will you come back over here, Mr. Miller, and take the witness stand?



(Witness resumes stand.)

MR. CAMPBELL: Mr. Miller, did you have something you wanted to add?

A Nothing particular to the testimony, no, sir.

MR. CAMPBELL: You wish to make a statement?

A First, I want to thank the Commission for staying at this late hour to make this hearing possible. It saved us a lot of trouble. We got snowbound, couldn't make it on schedule. The second thing, if it pleases the Commission to grant approval of this hearing, that it be done as quick as possible for this reason: That we would like to get as much of this February allowable, as much as we can before the month expires. We only have four days to do it. If it pleases the Commission, we would like to have the approval as soon as possible so that we can get the February allowable.

MR. UTZ: Thank you. Any other statements to be made?

If not, the case will be taken under advisement, and the hearing is adjourned.

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