

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
APRIL 5, 1961

EXAMINER HEARING

PHONE CH 3-6691

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF

CASE 2236: Application of Socony Mobil Oil Company for an amendment of Order No. R-1528. Applicant, in the above-styled cause, seeks an amendment of Order R-1528 to eliminate the necessity of metering prior to commingling the production from the Wantz-Abo and Drinkard Pools on the E. O. Carson Lease comprising the W/2 SW/4 and the SE/4 SW/4 of Section 28, and the NW/4 and the SW/4 NE/4 of Section 33, all in Township 21 South, Range 37 East, Lea County, New Mexico.

BEFORE:

Daniel S. Nutter

T R A N S C R I P T O F P R O C E E D I N G S

MR. NUTTER: We will call Case 2236.

MR. MORRIS: Case 2236. Application of Socony Mobil Oil Company for an amendment of Order No. R-1528.

MR. ERREBO: Burns Errebo of Modrall, Seymour, Sperling, Roehl & Harris, appearing on behalf of the applicant. We have one witness.

(Witness sworn)



JOE GORDON,

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

DIRECT EXAMINATION

BY MR. ERREBO:

Q Your name is Joe Gordon?

A Yes, sir.

Q You are employed by Socony Mobil Oil Company?

A Yes, sir.

Q Mr. Gordon, have you ever previously testified before the Commission as an engineer?

A Yes, I have.

Q Would you briefly explain to the Examiner the purpose of this application?

A By this application, we seek to amend previous Commission Order No. R-1528, which granted us permission to commingle through meters the production on our E. O. Carson Lease in regards to the sweet production from all wells in the Brunson, Blinebry, Tubb, Drinkard, Wantz-Abo and Hare Pools. By this application, we seek to commingle, without measurement, the Wantz-Abo and Drinkard production on the E. O. Carson Lease.

Q Have you prepared an Exhibit which shows the schematic diagram of the layout, the surface connections and facilities on this Lease as regards these two zones and on other zones producing from the Lease?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



A Yes, sir. This is the print that we have furnished.

(Whereupon, Socony Mobil's Exhibit No. 1 was marked for identification).

Q That has been labeled Exhibit No. 1?

A Yes.

Q Would you explain the benefits which would accrue from the granting of this application?

A As shown here, we've designated by lines on the left-hand side the well flow lines coming in, and we've designated the zone and the well numbers on those lines, starting at the top, Brunson Well No. 17, and Well No. 18, Blinebry-Tubb dual completion Well No. 19. Production from the Drinkard zone is coming from Wells Nos 1, 3 and 12, and from the Wantz-Abo, Wells Nos. 20 and 22. That is on the north side battery. On the south side battery, which is in a different section, we have also shown these well flow lines. The ones in question here are designated as the Drinkard Well No. 2, the Well No. 6, Well No. 7, and the Wantz-Abo Well No. 14.

As we show here, these well flow lines come together now through separating equipment and then proceed through meters to common tankage. Each zone is producing through its own separating equipment and then going into the common tankage. In the case of the Wantz-Abo and the Drinkard Wells, in all cases here, on both the north and the south sides of the sub-lease, these wells are below top allowable.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



We would like to omit from Order No. R-1528 the requirement for metering of the separate pools here, the Drinkard and the Wantz-Abo, and merely have a meter on the combined Drinkard and Wantz-Abo. The saving here, to us, is in the elimination of separating equipment and treating equipment, which, in the case of these two zones, represents a duplication. The Drinkard requires its own treating; the Wantz-Abo required its own treating equipment. By commingling ahead of the meter here, we are able to eliminate two sets of treating equipment.

Q Have you prepared an Exhibit showing the production from each of the wells from the two zones involved in this application?

A Yes. This is our Exhibit No. 2. It's a two-page summary, commingling summary, based on daily volumes from our E. O. Carson Lease.

(Whereupon, Socony Mobil's Exhibit No. 2 was marked for identification).

Q Is the production from each of those wells from those zones less than the top allowable?

A Yes, sir. As shown here on the commingling summary, we've listed the zone with its top allowable in parenthesis immediately afterwards. The Drinkard has a top allowable of 62. Our Well No. 1 has an allowable of 9 barrels; No. 3, 15-barrel allowable; No. 12, 15-barrel allowable; the Wantz-Abo with a top allowable of 82; our Well No. 20, with a 35-barrel allowable, and No. 22 with a 21-barrel allowable. This shows that all of our



Wantz-Abo and Drinkard wells on this north side battery are above the top allowables for their zone. Similarly, on the south side, the Drinkard, we have three wells with allowables of 3, 7 and 7. Our Wantz-Abo Well on the south side, No. 14, is, at present, off schedule. Before it went off schedule, I believe it had approximately a 10-barrel allowable. It is a low producer.

Q Could you tell the Examiner briefly and generally what items, what major items of equipment would be eliminated by the consolidation, which would be made possible with the granting of this application?

A Specifically, we would be able to eliminate the heater treater equipment on both the north and south side batteries. That would be two small heater treaters, and also two meters which would represent an approximate investment to us of five thousand dollars.

Q Would it make for any more efficient operation of the Lease?

A Yes, sir, insofar as we would, with a smaller investment, would be able to prolong production from this Lease.

Q Do you have anything further to give the Examiner in connection with this application?

A No, sir.

Q Did you prepare these two Exhibits, or were they prepared under your supervision and direction, Exhibits No. 1 and 2?

A Yes, sir, they were both under my supervision and pre-



pared by me.

MR. ERREBO: We offer those two Exhibits in evidence.

MR. NUTTER: Mobil's Exhibits 1 and 2 will be entered in evidence in this case.

(Whereupon, Mobil's Exhibits Nos. 1 and 2 were received in evidence.)

MR. ERREBO: That's all we have.

MR. NUTTER: Does anyone have any questions of Mr. Gordon?

MR. PAYNE: Yes.

MR. NUTTER: Mr. Payne.

CROSS-EXAMINATION

BY MR. PAYNE:

Q What, exactly, does Order R-1528 allow you to commingle?

A To quote from Order R-1528, "It is therefore ordered that the applicant, Socony Mobil, Incorporated, be, and the same is hereby authorized to commingle the production from the Brunson Pool, Drinkard Pool, Hare Pool, Wantz-Abo Pool, Blinebry Gas Pool, and Tubb Gas Pool, from all wells on its E. O. Carson Lease," and here it goes into the description of the acreage, "Provided, however, that the production from each Pool shall be separately metered prior to commingling."

Q Now, it appears from your Exhibit No. 2 that not only are the Drinkard and Wantz-Abo Wells now marginal, but all of the wells are.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



A Yes, sir.

Q In every Pool?

A Yes, sir. Our request for hearing and our application only asked for the Wantz-Abo and the Drinkard.

MR. ERREBO: You anticipate that you will probably be in before the Commission soon, will you not --

A Yes.

MR. ERREBO: -- to cover the other zones?

A We sure will be back.

Q (By Mr. Payne) In the meantime, what you propose to do is separately meter the production from the Brunson, separately meter the production from the Blinebry-Tubb together, and separately meter the production from the Hare?

A Yes, sir. These meters have in all -- except the one case of the Wantz-Abo on the south side -- these meters are in place and working at the present time. We are now beginning to meet with production problems in the treating of Wantz-Abo crude, so we're going to be able to, if granted, we are going to be able to eliminate the setting of additional treating equipment, and also the removal of some of our presently installed metering equipment.

Q At the present time, what you propose to do is meter the Wantz-Abo and Drinkard together --

A Yes, sir.

Q -- meter their total?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A Yes.

Q Is every well producing from all of these pools now marginal?

A Yes, sir. It's shown on the first page; the sweet production, every well is marginal.

MR. ERREBO: That's Exhibit No. 2 you are referring to there, is it not?

A Yes.

Q (By Mr. Payne) That's both on the north side and the south side?

A Yes, sir.

Q You are not asking anything here relative to the sour on the two sides?

A No, sir.

Q Why, Mr. Gordon, do you propose to continue separately metering the production from some of these pools if all the wells thereon are marginal on this Lease?

A It was overloaded at the time the request was entered for the Wantz-Abo and Drinkard.

MR. ERREBO: If it were possible, Mr. Payne, we would like to amend our application to cover those, but I doubt that could be done.

MR. NUTTER: I think the advertisement in this is very restricted.

MR. ERREBO: Yes, sir.



MR. NUTTER: Do you have any further questions of Mr. Gordon?

MR. PAYNE: I have one further observation to make. The ad is broad enough to allow metering the Wantz-Abo or Drinkard. Whereas they are proposing to commingle them together, the ad would be broad enough to allow metering in the other, which will eliminate another meter. At the present time they propose to meter the Wantz-Abo and the Drinkard as a total. The ad is broad enough, if the Commission wishes to allow them to remove the meter from both the Drinkard Pool and the Wantz-Abo Pool, eliminating two meters rather than one.

MR. MORRIS: And throwing it in with another pool.

MR. NUTTER: This is prior to commingling from those two Pools. It doesn't say anything about metering it after it's commingled. That presumes it's still required?

MR. ERREBO: That would be the gist of our request, is that right, Mr. Gordon?

A Yes.

MR. NUTTER: Does that Order go on any further and say anything further about treating the oil prior to metering it?

A Yes, Paragraph 2, "that in the event any of the wells in the aforesaid Pools produce water production from said Pools, production shall be adequately treated prior to commingling."

MR. NUTTER: How many treaters do you have out there at the present time?

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



A I cannot give you a definite answer on that.

MR. NUTTER: At any rate, any zones that require treating are being treated prior to being commingled?

A Yes, sir.

MR. NUTTER: At the present time you do find it necessary to treat Drinkard oil and Wantz-Abo oil --

A Yes, sir.

MR. NUTTER: -- on both of the batteries?

A The Wantz-Abo production in this case is showing an increasing need for treating, which is brought about by our need for additional facilities here for Wantz-Abo oil.

MR. NUTTER: I see. Does this schematic diagram here show all the lines that carry oil, or are there some additional lines in these facilities that are not shown?

A Not that I am aware of.

MR. NUTTER: How do you test your meters?

A By prover loops installed immediately downstream in the meter.

MR. NUTTER: So you do probably have some common lines connecting the lines that go into a prover tank?

A Yes, sir. We use a portable meter on this Lease to test against, and we do have connections there.

MR. NUTTER: On each one of the meters?

A No, sir, they're common, where possible. Because of your piping layout, in order to place the meter on the prover loop, we

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



have had to pipe the prover loop away from the meter itself. We cannot very easily get in with our portable meter to the meter location adjacent to the meter, so we do have remote prover loops.

MR. NUTTER: What type of meters are you using?

A In this case, they are all positive displacement dump vessels.

MR. NUTTER: Any further questions?

BY MR. PAYNE:

Q Do you propose any further Wantz-Abo or Drinkard production on this Lease?

A No, sir.

Q Any further development, I mean?

A No, sir, I do not believe so.

Q What about the other pools? Do you propose any additional development in them on the Lease?

A To my knowledge, at the present time, we do not contemplate any additional development.

Q Do you propose reworking any of your Drinkard or Wantz-Abo Wells?

A Yes, sir, I would say that would always have to be a possibility.

Q Do you think you might get any top allowable wells if you did rework either the Drinkard or Wantz-Abo Wells?

A Perhaps we might.

Q You would be willing to notify the Santa Fe office of the

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



Commission, in that event --

A Yes.

Q -- if either of your Drinkard or Wantz-Abo Wells become capable of top allowable production?

A Yes, sir, we would be more than happy, if we had a top allowable well, to notify you and install meters.

MR. PAYNE: Thank you.

MR. NUTTER: Any further questions?

REDIRECT EXAMINATION

BY MR. ERREBO:

Q I'm wondering what useful purpose would be served by the metering of the combined stream from the two zones.

A At the present time we ourselves are checking out these meters to satisfy ourselves as to their accuracy over continued time, and the amount of maintenance required to keep them in calibration, the operating difficulties encountered. At the present time, having a meter over line before it goes into the common tank, we are able to establish meter total and compare it against a tank total. This is providing our operational check on these meters, the meters are all made by the same manufacturer, and he is proving to us the efficiencies of his particular brand of meter.

Q But, actually, from the Commission's point of view, in writing this Order, they would have full power, if they so desired, to eliminate all metering, which would include the metering of the stream from both zones. I wonder if it would not be your request,

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



A Yes. Usually these are two-phase and sometimes three-phase metering separators. Where possible, we install that type of equipment. In other cases, we have installed metering pots or metering vessels downstream.

Q But there is a metering facility on the test loop which isn't actually shown unless it would be a part of the test separator?

A Yes, sir.

MR. NUTTER: If there are no further questions, Mr. Gordon will be excused.

(Witness excused)

MR. NUTTER: Do you have anything further, Mr. Errebo?

MR. ERREBO: Not in connection with this case.

MR. NUTTER: Does anyone have anything they wish to offer in Case No. 2236? We will take the case under advisement and recess the hearing until 1:30.

DEARNLEY-MEIERS REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript under my personal supervision, 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, the 17th day of April, 1961, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

[Signature]
NOTARY PUBLIC

My Commission expires:
June 19, 1963

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2236 heard by me on 4-5, 1961.

[Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

