BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
AUGUST 30, 1961

EXAMINER HEARING

IN THE MATTER OF:
CASE 2363

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.
PHONE CH 3-6691
ALBUQUERQUE, NEW MEXICO

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BEFORE THE
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IN THE MATTER OF:

Application to Shell Oil Company for exceptions to Rules 303 and 309, Lea County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Rules 303 and 309 to permit commingling of the production from the Drinkard, Blinebry, and Wantz-Abo Pools and from the Brunson and Hare Pools on its Argo-Argo (A) Lease in Sections 15 and 22, Township 21 South, Range 37 East, and to commingle the production from the aforesaid pools on its Turner Lease in said Section 22, allocating the production from each pool on each of the aforesaid leases on the basis of monthly well tests. Applicant further proposes to commingle the commingled production from each lease, prior to treating, allocating the production to each lease on the basis of continuous metering and sampling.

Case 2363

BEFORE:

Elvis A. Utz, Examiner

EXAMINER HEARING

MR. UTZ: Case 2363.

MR. MORRIS: Application of Shell Oil Company for exceptions to Rules 303 and 309.

MR. SETH: Same appearances and the same witness.

MR. MORRIS: Let the record show that the witness was

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sworn in Case 2361.

JOSEPH G. YOPE,

recalled as a witness herein, having been previously duly sworn on oath, was examined and testified further as follows:

DIRECT EXAMINATION

BY MR. SETH:

Q Will you proceed.

A Exhibit 1, I have a plat of the general area.

Q What does that show?

A The Argo-Argo (A) Lease and the Turner Lease are designated with an arrow, on Exhibit 1, in the lower portion.

Q Tell us what the general purpose of the Application is?

A In this case, Shell proposes to commingle the Drinkard and Wantz-Abo on the Argo-Argo (A) Lease on the basis of monthly well tests, meter this commingled product and transfer it to the Turner Lease, at which point, it will be commingled with a metered commingled product from the Turner Lease, the commingled product from the Turner Lease being produced from the Drinkard Pool and the Blinebry Oil Pool. These two zones will be commingled on the Turner Lease on the basis of monthly well tests and metered, combined with Argo Production, and treated through a central battery and sold to the pipeline through ACT. Also, we are proposing to commingle the Hare and Brunson production from the Argo-Argo (A) Lease on the basis of monthly well tests, meter the

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commingled product, transfer it to the Turner Lease, commingle it with a metered commingled product from the Turner Lease. The commingled product from the Turner Lease will be production from the Hare Oil and Brunson commingled on the basis of monthly well tests. The two metered products will then be treated in a central battery and sold to the pipeline.

Q Do you have a diagram of all of that?

MR. UTZ: You have two separate systems, here, then?

THE WITNESS: That is correct, sir.

MR. UTZ: And you are commingling, there, two pools of each lease?

THE WITNESS: Right.

MR. UTZ: This is a total of how many pools, four?

THE WITNESS: Five. I would like to offer Exhibit 2, which is a diagramatic sketch of the commingling setup for the Drinkard and Blinebry on the Turner Lease, and the Drinkard and Wantz-Abo from the Argo-Argo (A) Lease.

Q (By Mr. Seth) Trace that just briefly, if you would, please.

A Let's start on the Argo-Argo (A) Lease.

Q That is the bottom portion?

A The bottom half of Exhibit 2. Seven Drinkard wells and one Wantz-Abo well produce into a common header. Also connected to this header is a test separator which will be used for monthly well tests. All zones will pass through the production separator

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into a surge tank. The untreated oil will then be transferred with a transfer pump through a positive displacement meter and a continuous sampler into a 2-inch line which carries the oil to the Tur Central Battery. It enters the central battery downstream of the metered Drinkard and Blinebry production from the Turner Lease. The combined commingled product will then go through the treating system, consisting of a heater and a wash tank, into a surge tank, and sold to the ACT system. The Turner production, coming from eight Drinkard wells and one Blinebry well will enter a common header into a common separator, and downstream from the separator will pass through a meter and actually pass through a flow rate controller, first, and then a meter and sampler device before it commingles with the product from the Argo-Argo (A) Lease. Again, a test separator is set up for the Turner production to obtain monthly well tests.

Q Now, are any of these wells capable of producing in amounts greater than the unit allowable?

A From the information we have available, we believe it is not possible for any of the wells involved on the two leases to produce top allowable for the particular pool involved.

Q Do you have a tabulation of those?

A Yes, sir. Starting on the Argo-Argo (A) Lease, the Wantz-Abo well is No. 5, Argo No. 5. 24-hour test, is pumping, produced 18 barrels of oil and no water. The Drinkard wells, Argo No. 2, 24-hour test, gas lifting, produced 21 barrels of

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of oil and no water. Argo No. 3, 24-hour test, flowing on intermitter, 15 minute flowing time, 45 minute shut-in through a twenty sixty-fourths inch choke, maximum shut-in tubing pressure 550 PSI. It produced 20 barrels of oil and no water. Argo No. 4, 24-hour test, flowing, 15 minutes on, 45 minutes off through a 64 inch choke, maximum shut-in pressure of 330 PSI. It produced 9 barrels of oil and no water. Argo (A) No. 1, 24-hour test, flowing, 7 minutes on, 23 minutes shut-in through a sixty-fourths inch choke, shut-in tubing pressure 875 PSI, flowed 6 barrels of oil and no water, a very high GOR well, 80,000 on that test. Argo No. 2, 24-hour test, gas lifting, 12 barrels of oil and no water. Argo (A) No. 3, 24-hour test, flowing, 15 minutes on, 45 minutes off through a twenty sixty-fourths inch choke, maximum shut-in tubing pressure of 350, produced 22 barrels of oil, a tenths per cent water. Argo (A) No. 5, flowing, 24-hour test, flowing 30 minutes on, shut-in 23 1/2 hours, maximum shut-in tubing pressure 440 PSI through a thirty-two sixty-fourths inch choke, flowed 4 barrels of oil.

On our Turner Lease, the Drinkard wells, our Turner No. 1, 24-hour test, flowed 15 minutes on, 3/4-hours shut-in, maximum shut-in tubing pressure of 285 PSI through a forty-eighth sixty fourths inch choke, flowed 10 barrels of oil. The Turner No. 2, 24-hour test, flowing, 30 minutes on, 1 1/2-hours off, maximum shut-in tubing pressure 315 pounds PSI, flowed 12 barrels of oil. Turner No. 3, 24-hour test, flowing 1 hour and 10 minutes,

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every 6 hours, and a maximum shut-in tubing pressure of 600, flowing tubing pressure of 185, produced 14 barrels of oil. Turner No. 5, 24-hour test, flowing 4 hours 45 minutes per day, maximum shut-in is 1200 PSI, flowed 4 barrels of oil. Turner No. 6, 24-hour test, 15 minutes on, 45 minutes off, 325 pounds maximum shut-in tubing pressure through a twenty sixty-fourths inch choke, flowed 11 barrels of oil, minimum flowing pressure on that was 95 pounds. Turner No. 12, 24-hour test, flowing 20 minutes on, 1 hour and 5 minutes off, maximum flowing shut-in tubing pressure of 635 through a twenty sixty-fourths inch choke, flowed 17 barrels of oil. Turner No. 13, 24-hour test, flowing 25 minutes every 2 hours, 770 maximum shut-in tubing pressure through a twenty sixty-fourths inch choke, flowed 20 barrels of oil. Turner No. 15, 24-hour test, flowing 1 hour every 12 hours, 880 pounds maximum shut-in pressure, flowed 3 barrels of oil. And our one Blinebry well is Turner No. 16. In 24 hours it pumped 15 barrels of oil and 2 barrels of water.

We believe it is highly doubtful that any of these wells are capable of producing top allowable.

Q Now, do you have a parallel system?

A I offer Exhibit 3, which is a diagramatic sketch of a parallel system, and handling the Hare and Brunson crudes for the two leases.

Q Now, Exhibit 3. Is this similar to the physical setup on Exhibit 2?

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A Yes. It is similar except for the free water knockout. You notice in the lower part of Exhibit 3, just before the run tank, we had a free water knockout installed. This is due to the fact that the Brunson Field on our Argo Lease is producing water, and we have a salt water disposal connection point at that spot.

Q Is this the only significant difference?

A Yes, sir; it is.

Q Now, would you cover the production on the Hare and the Brunson wells?

MR. UTZ: Mr. Seth, the more I think of it, the more I think I would rather have copies of his tests or tabulations, either one.

MR. SETH: All right.

MR. UTZ: And also save time and record, here.

THE WITNESS: Right.

Q (By Mr. Seth) Then, you will provide a tabulation on the production data on the Hare and Brunson wells on both these lists?

A Yes, sir; I will.

Q From the data that is available to you, do you have an opinion as to whether or not any of these wells are capable of producing the top unit allowable?

A From the data we have available, it appears that neither the Brunson nor the Hare wells are capable of producing top allowable on either the Argo-Argo (A) Lease or the Turner. All

of the Brunson wells are on pump or artificial lift, and all but two of the Hare wells on the two leases are being artificially lifted.

Q Is there anything further on the production data that you would like to mention?

A No, sir.

MR. SETH: I believe that is all in this case.

Q (By Mr. Utz) Mr. Yope, is this Argo-Argo (A) Lease actually one lease or two leases?

A It is one lease, New Mexico Lease No. 1195, I believe it is.

Q All of the Argo and Argo (A)?

A It originally started out being called the Argo-Argo (A) because of the two circuits that it is covering. You know, it is part of the N15 and part of the N Section 22. We are operating it and have been for several years as a single lease.

MR. UTZ: Are there other questions? The witness may be excused. Are there other statements in this case? The case will be taken under advisement.

(Whereupon the Hearing of Case 2363 was concluded.)

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STATE OF NEW MEXICO )
) ss.
COUNTY OF BERNALILLO )

I, MICHAEL P. HALL, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill, and ability.

IN WITNESS WHEREOF, I have affixed my hand and notary seal this 30th day of August 1961.

Court Reporter - Notary Public

My Commission expires:

June 20, 1965.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2363, heard by me on 6 Aug 30, 1961.

, Examiner
New Mexico Oil Conservation Commission