

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO

6 22 August 1984

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Getty Oil Company for CASE
10 surface commingling, Rio Arriba 8256
County, New Mexico.

11
12 BEFORE: Michael E. Stogner, Examiner
13

14 TRANSCRIPT OF HEARING
15

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17 A P P E A R A N C E S
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20 For the Oil Conservation Division: W. Perry Pearce
Attorney at Law
21 Oil Conservation Commission
State Land Office Bldg.
22 Santa Fe, New Mexico 87501

23 For the Applicant:
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MR. STOGNER: We will now call Case Number 8256.

MR. PEARCE: That case is on the application of Getty Oil Company for surface commingling, Rio Arriba County, New Mexico.

Mr. Examiner, this case has been previously heard and was re-advertised providing that in the absence of objection the application would be approved based upon the prior record.

I would therefore at this time call for additional appearances in this matter.

There appear to be none, Mr. Examiner. I therefore suggest that the case is ready to be taken under advisement.

MR. STOGNER: Case Number 8256 will be taken under advisement at this time.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of case no. 8256 heard by me on August 22 1984.

Michael R. Stogner, Examiner
Oil Conservation Division

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5 SANTA FE, NEW MEXICO

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7 11 July 1984

8 EXAMINER HEARING

9 IN THE MATTER OF

10 Application of Getty Oil Company CASE
11 for surface commingling, Rio Arriba 8256
12 County, New Mexico.

13 BEFORE: Richard L. Stamets, Examiner

14 TRANSCRIPT OF HEARING

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16 A P P E A R A N C E S

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19 For the Oil Conservation
20 Division:

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22 For the Applicant: William F. Carr
23 Attorney at Law
24 CAMPBELL & BLACK P.A.
25 P. O. Box 2208
Santa Fe, New Mexico 87501

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I N D E X

A. W. LANDERS

Direct Examination by Mr. Carr	3
Cross Examination by Mr. Stamets	11

E X H I B I T S

Getty Exhibit One, Plat	5
Getty Exhibit Two, List of Wells	6
Getty Exhibit Three, Orders	7
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Getty Exhibit Five, Well Tests	9

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MR. STAMETS: We'll call now
Case 8256.

Application of Getty Oil Com-
pany for surface commingling, Rio Arriba County, New Mexico.

MR. CARR: May it please the
Examiner, my name is William F. Carr with the law firm Camp-
bell and Black, P. A., of Santa Fe, appearing on behalf of
Getty Oil Company.

I have one witness who needs to
be sworn.

MR. STAMETS: Any other appear-
ances in this case?

(Witness sworn.)

MR. STAMETS: You may proceed,
Mr. Carr.

A. W. LANDERS,
being called as a witness and being duly sworn upon his
oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your full name and place
of residence?

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A My name is A. W. Landers. I reside at 11328 West 29th Avenue in Lakewood, Colorado, which is a suburb of Denver.

Q By whom are you employed?

A I am employed by Getty Oil Company as a Senior Petroleum Engineer.

Q Have you previously testified before this Commission or one of its examiners and had your credentials as a petroleum engineer accepted and made a matter of record?

A Yes.

Q Are you familiar with the application filed by Getty in this case?

A Yes.

Q Are you familiar with the subject area?

A Yes.

MR. CARR: Are the witness' qualifications acceptable?

MR. STAMETS: They are.

Q Mr. Landers, will you briefly state what Getty seeks to accomplish with this application?

A Well, we wish to obtain blanket approval to surface commingle Pictured Cliffs-Chacra-Gallup and Dakota gases upon application of individual wells for administrative approval to the New Mexico Oil and Gas Conservation Commission.

Q Have you prepared certain exhibits for

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introduction in this case?

A Yes, I have.

Q Would you please refer to what has been marked for identification as Getty Exhibit Number One and review this for Mr. Stamets?

A Well, Exhibit Number One is a location plat showing all Getty wells on their Jicarilla "B" and "C" leases.

The producing formation is shown by the well numbers. All offset operators are shown in the white surrounding the yellow acreage.

The lines indicate Getty's current gas gathering system connected to their compressor located on the Jicarilla "C" lease at the point marked C within a circle.

Q These are all Indian lands?

A These are all Indian Tribal lands.

Q And what do the red dots indicate?

A Let's see, the red dots are wells that were approved on 5-14-84 by the Oil and Gas Conservation Commission.

Q And surface commingling was approved at that date for those wells?

A Yes.

Q At the time you requested approval to surface commingle production from the wells colored in red, did you also seek approval for surface commingling of wells

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from the "B" lease?

A We had three wells we applied for. These were refused because a hearing had not been held for pro-rated gas units on those surface comminglings.

Q You did have an order, did you not, that authorized administrative approval for surface commingling on the "C" lease.

A Right.

Q And you did not have that for the "B" lease.

A We had approval only for the Gallup gas.

Q And you did not have that authority for the Dakota.

A Right, or the Pictured Cliffs.

Q And therefore you had to come on for hearing.

A That's correct.

Q Did you at that time add the wells that are shaded in blue on the "C" lease as well?

A At that time we did add the blue. This is wells that are of low volume, low capacity, which we anticipate should be added to the compressor system.

Q And so all the wells that are shaded on Exhibit One are wells for which you seek surface commingling.

A That is correct.

Q All right. Would you now refer to what

1
2 has been marked for identification as Exhibit Number Two and
3 explain to Mr. Stamets what that shows?

4 A This is the list of wells, right?

5 Q Yes, it is.

6 A Wells, the top list indicates all wells
7 currently being commingled and going through the gas com-
8 pressor system.

9 The second list of wells is the list
10 which was approved on May the 14th, '84 by the Conservation
11 Commission, and the third list is wells which we propose to
12 add at this time, which are the blue wells on the map.

13 Q Now I believe you indicated that Getty
14 has previously received commingling, or authority to com-
15 mingle production from certain wells in the area.

16 A That is correct.

17 Q Would you refer to Getty Exhibit Number
18 Three, which is a packet of Oil Commission orders, and re-
19 view for Mr. Stamets the previous approvals which have been
20 received for commingling in this area?

21 A Order Number R-2607, which is dated the
22 20th day of November, 1963, grants an exception of Rule 21-A
23 of the General Rules and Regulations, allowing commingling
24 of the Pictured Cliff and Chacra gas with Gallup casinghead
25 gas and gives the Secretary-Director authority to adminis-
tratively approve additional wells.

The next is an approval letter by Mr.
Porter which grants, a letter dated 5-29-68 by Mr. A. L.

1
2 Porter, Secretary-Director, approved commingling of Gallup
3 casinghead gas from Jicarilla "B" with the Jicarilla "C",
4 subject to USGS approval and the USGS approval is attached.

5 Order Number 5854, dated November the
6 14th, 1978 grants approval to commingle Gallup and Dakota
7 production downhole on certain wells and authorizes the Di-
8 vision Director authority to administratively approve ad-
9 ditional wells on application for all wells on the "B" and
"C" leases.

10 Order Number R-5388-A, dated November the
11 14th, 1978 amends Order R-5388 to provide for administrative
12 approval to downhole commingle Pictured Cliffs and Chacra
13 production from any well on the Jicarilla "B" and "C"
14 leases.

15 Q Mr. Landers, now for the record what
16 pools are you proposing to surface commingle?

17 A We propose to commingle the South Blanco
18 Pictured Cliff, the Otero Chacra, Otero Gallup, and the
Basin Dakota Pools.

19 Q In the area covered by your "B" and "C"
20 leases is the ownership common throughout?

21 A It is. It's 100 percent Getty Oil Com-
22 pany working interest and the royalty is all Indian Tribes.

23 Q How do you currently measure the produc-
24 tion from each of these leases?

25 A We have individual meters on all gas
wells.

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Q And how -- how is oil well gas?

A Oil well gas is metered at the tank battery and allocated back on GOR basis to individual wells.

Q Would you now refer to what has been marked as Getty Exhibits Four and Five and explain to Mr. Stamets what these show?

A This -- each lease, the Jicarilla "B" and the Jicarilla "C", these are well tests indicating the volumes of gases which these wells produce at this time.

You'll note that the volumes are quite low except on new wells. This is one reason we're applying for these for compression purposes.

Q Are you having any problems with fluids at this time?

A There are some fluids that we have to blow down. The wells will quickly build up and we have to blow the wells down in order to get them back on the lines.

Q And when you blow these wells down, what do you do with the -- with the gas, or the liquids?

A The liquids are all saved through a stackpack, which is a separation facility, and goes into a separate tank.

Q What benefits will Getty derive from the proposed surface commingling?

A We can -- we can produce wells which will stay on the line and be nonproductive. Line pressures are sufficiently high that we're unable to produce against them

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and by allowing us to -- to commingle the surface and compress them, we can produce the wells full time and save additional gas and not waste any gas that's blown down when we go off the liquids.

Q When you blow off the liquids, is that gas just vented to the atmosphere or --

A Yes, it is.

Q Do you anticipate any compatibility problems resulting from the surface commingling?

A I see no problems; they're all about the same BTU content and same gravity gases.

Q In your opinion will granting the application result in the increased recovery of hydrocarbons?

A We certainly hope so and believe it will.

Q That's because you won't be having to let any of it escape --

A Right.

Q -- to the atmosphere.

Will granting the application be in the best interest of conservation, the prevention of waste, and the protection of correlative rights?

A Yes, it will.

Q Were Getty Exhibits One through Five prepared by you or under your direction and supervision?

A That's correct.

MR. CARR: At this time, Mr. Stamets, we would offer Getty Exhibits One through Five into

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evidence.

MR. STAMETS: These exhibits will be admitted.

MR. CARR: I have nothing further on direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q I'd like a little clarification on what you're seeking here.

You're seeking the amendment of Order 5388-A to provide that all three or all four of these formations, the Pictured Cliff, Chacra, Gallup and Dakota be authorized for administrative approval?

A On both leases. We have -- see, 5388 does not apply to the Jicarilla "B" lease.

Jicarilla "B" we only have the letter approval --

Q Okay.

A -- for it. In other words, we have a master meter on the Jicarilla "B" so all gases are metered before they go to the Jicarilla "C" compressor.

Q If we make that change, then, then you would file for individual wells --

A That is correct.

Q -- as provided in the order.

A Absolutely correct.

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Q So this order would not authorize any particular wells to be commingled.

A Unless you -- we did list these wells under Exhibit Two.

Q Uh-huh.

A At the bottom of the page, which we -- we wish to administratively approve if this order is -- it is approved.

MR. CARR: Let's go off the record for a minute.

(Thereupon a discussion was had off the record.)

MR. STAMETS: Are there any other questions of this witness? He may be excused.

Anything further you wish to add in this case?

MR. CARR: Nothing further, Mr. Stamets.

MR. STAMETS: The case will be taken under advisement.

(Hearing concluded.)

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C E R T I F I C A T E

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Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 8256 heard by me on 7-11 19 84.

Richard J. [Signature], Examiner
Oil Conservation Division