

Casa No.

307

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPTION OF HEARING

CASE NO. 307

September 20, 1951
(Date)

E. E. GREESON
ADA DEARNLEY
COURT REPORTER
BOX 1303
PHONE 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

In re:

In the Matter of Application of)
Amerada Petroleum Corporation for)
an order excepting it from Rule 404)
of the Rules and Regulations of the)
New Mexico Oil Conservation Commission)
in the specific matter of gas-lift)
operations with gas from its Birdie C.)
Roach well No. 1 in NW SW Section 26,)
Township 12 South Range 33 East, NMPM,)
Hightower Pennsylvanian Pool, Lea County,)
New Mexico.)

No. 307

TRANSCRIPT OF HEARING

Regular Hearing
September 20, 1951.

(Notice of Publication read by Mr. Kellahin before proceeding with
the evidence.)

MR. KELLOUGH: By way of explanation I wish to say that this is an application by Amerada Petroleum Corporation for an exception to Rule 404 so as to be permitted to use gas from Amerada's Birdie Roach well in the Hightower pool to gas lift wells in the Hightower and the Bagley field.

B. J. SINEX,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. KELLOUGH:

Q Will you state your name, please.

A B. J. Sinex.

Q Where do you live?

A Menument, New Mexico.

Q What is your profession or occupation?

A Petroleum engineer.

Q What has been your professional education?

A Four years in the University of Oklahoma. Education was four and I had two years with Lyon Oil Refining Company, Eldorado and eleven years with Amerada.

Q You received your degree from Oklahoma University?

A Right.

Q Are you now employed by Amerada?

A Yes, sir.

Q In what capacity?

A Petroleum engineer.

Q Are you familiar with the area involved in this proceeding?

A Yes, sir.

(Marked Exhibit No. 1, Case No. 307 for identification.)

Q I hand you what has been marked as Exhibit No. 1 and ask you to state what this Exhibit shows and what it is.

A At the top of the map we have outlined in red the Bagley field and at the bottom we have outlined in red the Hightower field. The sub well, the Birdie C. Roach has a red circle around it. The number one and the pay wells are shown by a dot with the Circle Around and the Devonian have just the dot and no circle.

Q Would you state for the record the location of the Birdie Roach well?

A It is located in the northwest quarter of the southwest quarter of Section 26, Township 12, South Range 33 East.

Q When was the well completed?

A January 13, 1950.

Q What formation?

A Pay.

Q Was that well completed as a gas well?

A Yes, sir.

Q At what depth was that well produced from?

A Through perforation at 8660 to 8665.

Q What was the open flow potential of that well?

A The open flow was 8 million 3 hundred thousand cubic feet per day.

Q Is there any market available in the field for gas from that well?

A There is, I might say, a limited market. We do sell some gas from this well for fuel purposes for the drilling.

Q No refinery in the field?

A No pipeline connection.

Q No pipeline connection?

A No, sir.

Q You are making a few sales for fuel?

A Right.

Q Are you using some of the gas for fuel on your own operation?

A Yes, sir.

Q In your opinion is it necessary and will it be necessary to gas lift wells in this Hightower and Bagley field?

A Yes, it will. We will probably have low gas oil ratios and water encroachment and we are lifting at the Hightower field and the Bagley field at the present time. We have installed gas lift now.

Q You are now using such casing head gas from oil wells as you have available, is that right?

A That is right. We have two wells of sufficient pressure flowing to that line.

Q It is your intention if permitted by the Commission to supplement that gas with the gas from the Roach wells?

A That is right.

Q Which is a gas well?

A That is right.

Q What, in your opinion, is the best method of artificial lift to be used in these wells?

A I would say gas lifting is the best.

Q Would that have the effect of conserving critical material?

A It would.

Q Would it also avoid mechanical hazards encumbent on pumping?

A Yes, sir.

Q The gas lift operations which you contemplate require use of high pressure gas, is that right?

A That is correct.

Q You have such gas available here in excess of that amount which you are now selling and using for fuel purposes to use for this pump?

A That is right.

MR. KELLOUGH: I believe that is all the questions I have at this time. We wish to offer in evidence Exhibit No. 1.

MR. SPURRIER: It will be received. Do you have another witness?

MR. KELLOUGH: No.

MR. SPURRIER: Are there any questions of this witness? If not, the witness will be excused. The case will be taken under advisement.

MR. BOOTH: If the Commission please, we, as stated in our application, are requesting permission to use this gas to lift

any wells as may be necessary, not limited to any specific wells.
As long as the gas is available and the wells need it in the future
we have asked in our application that permission be granted.

MR. WHITE: Are you asking for an indefinite period?

MR. KELLOUGH: Well, during the time that a gas lift is
required to produce these wells and until there is a market
available for the gas.

MR. SPURRIER: The next case is Case No. 308.

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

I HEREBY CERTIFY that the foregoing and attached transcript
of proceedings in Case No. 307, before the Oil Conservation
Commission taken on September 13, 1951, at Mabry Hall, Santa Fe,
New, Mexico, is a true and correct record to the best of my
knowledge, skill and ability.

DATED AT Albuquerque, this 5TH day of October, 1951.


REPORTER

DOCKET
OIL CONSERVATION COMMISSION

Regular Hearing
September 20, 1951

Resume of cases to be heard at hearing of the New Mexico Oil Conservation Commission September 20, 1951, at 10 o'clock a. m. on that day at Mabry Hall (the new Capitol office building), Santa Fe, New Mexico:

FIRST - Consideration of the Allowable for October, 1951.

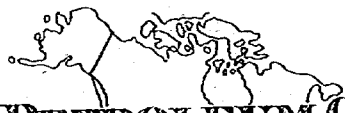
CASE 307: In the matter of application of Amerada Petroleum Corporation for an order excepting it from Rule 404 of the Rules and Regulations of the New Mexico Oil Conservation Commission in the specific matter of gas-lift operations with gas from its Birdie C. Roach well No. 1 in NW SW Section 26, Township 12 South, Range 33 East, NMPM, Hightower Pennsylvanian Pool, Lea County, New Mexico.

CASE 308: In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for reconsideration, clarification, amendment, revocation and necessary extension of certain rules and regulations of the Commission, as follows:

- (1) Oil and gas proration and allocation, being Section "G", Rules 501 - 507, inclusive, and Section "H", Rules 601 - 605, inclusive.
- (2) Oil purchasing and transporting, being Section "J", Rules 801-803, inclusive.
- (3) Rules in regard to reports, being Section "M", Rules 1101-1125, inclusive.
- (4) Rules of procedure, being Section "N", Rules 1201-1212, inclusive.
- (5) Rules of administration, being Section "O", Rules 1301-1304, inclusive.

The listed paragraphs 1, 2, 3, 4 and 5 having reference to the Rules and Regulations of the New Mexico Oil Conservation Commission heretofore adopted and effective January 1, 1950.

GENERAL OFFICES
120 BROADWAY NEW YORK



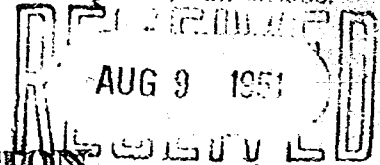
AMERADA PETROLEUM CORPORATION

BEACON BUILDING
P. O. BOX 2040

TULSA 2, OKLA.

August 7, 1951

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO



Case 307

Sept 20-hearing

Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Enclosed for filing find three copies of
Application for Exception to Rule 404.

Will you please issue the necessary notices
and set this matter on the September docket if pos-
sible.

Very truly yours,

Booth Kellough
BOOTH KELLOUGH
Attorney

BK:MGH
encls

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
AMERADA PETROLEUM CORPORATION FOR AN
EXCEPTION TO RULE 404 SO AS TO AUTH-
ORIZE GAS-LIFT OPERATIONS WITH GAS
FROM BIRDIE C. ROACH WELL NO. 1
LOCATED IN NW/4 OF SW/4 SECTION 26
12S-33E, LEA COUNTY, NEW MEXICO

CASE NO. _____

A P P L I C A T I O N

COMES NOW Amerada Petroleum Corporation and alleges and states:

1. That on January 13, 1950 Applicant completed its Birdie C. Roach No. 1 well located in the center of NW/4 SW/4 of Section 26-12S-33E, in the Hightower Pennsylvanian pool, Lea County, New Mexico.
2. That said well was completed as a gas well in the Pennsylvanian formation through perforations from 8660' to 8685' and had an open flow potential of 8,300 Mcf with a gas-condensate ratio of approximately 17,000 cuft. of gas per barrel of condensate of approximately 69° API gravity.
3. That there is no available market for the sale of said gas.
4. That due to low gas-oil ratios and water encroachment of wells on other leases in the Hightower field and also of wells in the nearby Bagley field, it is, and will be in the future, necessary to install artificial lift equipment to maintain production of oil from both of said fields. That the best and most economical method of operation is by gas-lift which requires a source of high pressure gas and the Birdie C. Roach No. 1 well can beneficially be used to supply gas for that purpose without waste.
5. That in order to prevent waste, conserve critical material and equipment, and avoid the mechanical hazards incident to other types of artificial lifting methods, an exception should

be granted to Rule 404 of the Rules and Regulations of the New Mexico Oil Conservation Commission so as to authorize the use of gas produced from the above described Birdie C. Roach No. 1 well for the purpose of lifting oil produced from other wells in the Hightower field and the Bagley field.

WHEREFORE Applicant respectfully requests that the Commission set this application for hearing and that due and proper notice be given as required by law and that at the conclusion of said hearing the Commission enter its order granting Applicant an exception to Rule 404 authorizing gas-lift operations as herein requested and for such further relief to which Applicant may be entitled.

Dated this 7th day of August, 1951.

AMERADA PETROLEUM CORPORATION

Harry D. Page and Booth Kellough
Attorneys

By Booth Kellough
Booth Kellough