

CASE 1551 The Texas Co. application for  
DC of the Federal (NCT-1) Well #1,  
29-155-30E, & to commingle from 2 separ-  
ate pools.

passed to  
spec. trans.  
by (30 June)

Case No.

7553

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
NOVEMBER 19, 1958

IN THE MATTER OF:

APPLICATION OF THE TEXAS COMPANY, CASE 1553

TRANSCRIPT OF HEARING

DEARNLEY - MEIER & ASSOCIATES  
GENERAL LAW REPORTERS  
ALBUQUERQUE NEW MEXICO  
Phone CHapel 3-6691

BEFORE THE  
OIL CONSERVATION COMMISSION  
NOVEMBER 19, 1958

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IN THE MATTER OF:

Application of The Texas Company for a dual completion and for permission to commingle the liquids produced from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Peery-Federal (NCT-1) Well No. 1 located 1980 feet from the North and East lines of Section 29, Township 15 South, Range 30 East, Chaves County, New Mexico, in such a manner as to permit the production of oil from an undesignated Devonian oil pool and gas from an undesignated Ellenburger Gas Pool through parallel strings of tubing. Applicant further requests permission to commingle the liquids and low pressure gas produced from the Devonian and Ellenburger formations from all existing and future wells on its Perry-Federal Lease which comprises all of said Section 29.

Case  
1553

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BEFORE:

Elvis Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order, please. At this time, I will give the order in which we will take up the rest of the cases. We have a hardship case with The Texas Company. We will take 1553, 1554, and we have a continued case with Pure Oil Company which was continued from last month and does not appear on the Docket, 1537. The rest of the cases will be in order after 1548. Case 1553.

MR. PAYNE: Case 1553, application of The Texas Company for a dual completion and for permission to commingle the liquids

produced from two separate pools.

MR. WHITE: Charles White, of Gilbert, White and Gilbert, appearing on behalf of The Texas Company. We have one witness who will now stand to be sworn.

(Witness sworn.)

JOHN B. ROSS

the witness, having first been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q State your name, please?

A John B. Ross.

Q By whom are you employed and in what capacity?

A The Texas Company as District Engineer.

Q Where are your offices situated?

A In Midland.

Q Have you previously testified before the Commission?

A No.

Q Will you briefly state your educational background and your professional experience?

A I'm a graduate of the Colorado School of Mines with a degree in Petroleum Engineering; and I've worked as a Petroleum Engineer for approximately 12 years. I've worked as District Engineer for The Texas Company approximately four years.

Q Mr. Ross, are you familiar with the pending application on behalf of The Texas Company?

A Yes, sir, I am.

Q Where is the location of this well?

A It is located in Chaves County, Section 29, Township 15 South, Range 30 East.

Q Has the Oil Conservation Commission heard before and approved any dual completions in this area or within the same zones within one mile of the subject well?

A No.

Q What reservoirs are involved in this application?

A Devonian and Ellenburger.

Q Do you have an exhibit showing the reservoir characteristics?

A Exhibit Number One shows the reservoir characteristics.

Q Will you disburse those exhibits to the Commission?

A (Witness complies.)

Q Why don't you give them a copy of each exhibit at this time?

A All right. This is Exhibit Two, Exhibit Three, Exhibit Four and Exhibit Five.

Q Now, will you continue and explain Exhibit One?

A Exhibit One shows that the top of the Devonian is 10,992 feet, Ellenburger is 11,968 feet. Original bottom hole pressure of the Devonian was 4487 pounds at a minus 7111 feet. Original bottom hole pressure of the Ellenburger was 4864 at a minus of 8106 feet. original gas-liquid ratio and cubic feet for barrel

for the Devonian was 1142 and for the Ellenburger was 26,600.

Liquid gravity for the Devonian is 55 and for the Ellenburger 57. The gas gravity for the Devonian is 0.950, and gas gravity for the Ellenburger is 0.660.

G P M for the Devonian is 1.76; for the Ellenburger 0.364.

Q You've a diagrammatic sketch of the proposed hole completion?

A That is Exhibit Two.

Q Explain that, please.

A Exhibit Two shows the location of the perforations in the Ellenburger 12,068 feet to 12,106 feet. Perforation in the Devonian, 11,050 to 11,134 feet. A Baker Model "D" Production Packer has been set at 11,950 feet between the Ellenburger and the Devonian, and a string of 2 1/16 Hydril tubing has been seated in this packer.

Another string of tubing has been run for the Devonian oil and is seated in a parallel latching sub at 11,050 feet. The purpose of the latching sub is to hold down the bottom of the second string of tubing and provides no connection between the two tubing strings as far as fluid flow goes.

I might say this is more or less a standard dual completion hook up here, many of which have been approved in this State.

Q And does that sketch also show where the cement has been set?

A It shows that 9 5/8 inch casing has been set at 12,298 feet,

and the top of the cement is 7305 feet. That, I believe, fairly well explains the dual installation.

Q What type of production do you expect to obtain from each of these reservoirs?

A The Devonian is an oil reservoir as demonstrated by its original gas-liquid ratio of 1142. The Ellenburger is a gas distill reservoir as demonstrated by its original ratio of 26,660.

Q What is the proposed method of production, by flow or artificial lift?

A Both of these zones will flow at the present time.

Q I direct your attention to what has been marked as Exhibit Three. State what that is and explain what it is intended to show?

A It is a plat showing the location of the subject well on the lease and listing the surrounding leases with their operators and addresses. It also shows there are no wells in the vicinity of this well.

Q Do you have an electric log of this particular well?

A That is Exhibit Four, and we have marked the tops of the Ellenburger and the Devonian on this log and also the perforated intervals in each zone. It shows the top of the Devonian to be 10,992, with perforations in the Devonian from 11,050 to 11,134 feet, and the top of the Ellenburger at 11,968 feet, the perforations at 12,068 feet to 12,106 feet.

Q Mr. Ross, was this proposed installation one of the similar type that has been approved by this Commission, or do you



know?

A To the best of my knowledge, there have been a number of similar type installations approved by the Commission.

Q Has this type been successful as far as The Texas Company is concerned?

A Yes, it has.

Q Under this type of equipment and on the proposed method of installation, in your opinion, will there be any communication between the zones?

A No, there will be no communication.

Q Is that conclusion strengthened or supported by any test that you might have taken?

A Yes, we have prepared and submitted on October 29th a Packer Leakage Test which indicated there was no communication between these two zones.

MR. WHITE: Insofar as the Packer Leakage Test is concerned, since it has been filed with the Commission, we will ask the Commission to take administrative notice of it.

MR. UTZ: We will take administrative notice of it.

Q (By Mr. White) Directing your attention to that part of the application in regard to the commingling and surface storage, will you refer to Exhibit Five and state what that is?

A Exhibit Five is a schematic diagram of the proposed hook up of the surface facilities for commingling the Ellenburger and the Devonian productions.

Q Would you mind briefly explaining the whole set up to the Examiner, please?

A The Devonian flow from the well to the tank battery is shown in red, and the Ellenburger is shown in green. First, taking the Devonian, the Devonian crude leaves, crude and gas, leaves the well and goes to a high pressure separator, which is shown as number one in red. The gas from this high pressure separator will be sold and the gas will be metered before entering the sales line.

Q What type meters do you contemplate using?

A We plan to use a standard Orifice Meter. The liquid from the high pressure separator marked one travels to the low pressure separator marked number three. This is the metering -- we propose to put a metering separator in this location which will meter the amount of Devonian oil sent to the tank battery.

The gas from this separator will be measured separately by an Orifice Meter, if it is sold to a low pressure gas line. If the low pressure gas is flared, we do not propose to meter the low pressure gas.

Now, the flow from the Ellenburger horizon as shown in green travels to the high pressure separator marked one. The gas in this separator is measured by the separator orifice meter before it goes to the sales line. The liquid from this separator is dumped into the low pressure separator marked three and travels from that separator to the tanks where it is commingled

with the Devonian production.

The gas from the low pressure separator on the Ellenburger side will be separately metered by an orifice meter.

Q Will there be facilities provided to check periodically and calibrate the meters?

A The orifice will be checked with a manometer, and this reading from the meter, and the metering will be performed by gauging into separate tanks, and this gauging of the tank and the meter reading on the separator gives the actual measurement in this tank.

Q The tank battery will be manually operated?

A At this time, the battery will be manually operated. We will be checking the crude for this lead, and I do not herein provide for automatic transfer of the crude.

Q The Texas Company is the only working interest involved?

A That is right.

Q What precautions, if any, have you taken against back flow?

A We propose to place a check valve in each line before they join together going into the stock tanks.

Q Do you intend to drill additional wells on this lease?

A Yes.

Q And commingle that production with this common storage?

A Yes.

Q Mr. Ross, have you obtained formal consent from the operators, the offset operators.

A Yes. The only offset operator is Shell, and we have

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received a waiver from them. We just have one copy of this. We will be happy to provide additional copies. This should be Exhibit Six.

Q Were Exhibits One through Five prepared either by you or under your direction?

A Yes, they were.

MR. WHITE: At this time we offer Exhibits One through Five.

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

(Whereupon the documents marked Applicant's Exhibits One through Five were received in evidence.)

MR. WHITE: That's all the direct testimony we have.

MR. UTZ: Any questions from the Commission? Mr. Fischer.

#### CROSS-EXAMINATION

BY MR. FISCHER:

Q Did you ever give the bottom hole pressure of those holes?

A Yes, sir, the original bottom hole pressure of 4487 pounds for the Devonian as shown on that sheet. The Ellenburger is 4864 at a minus 8106.

Q Do you have any idea at what pressure that Devonian will hit that high pressure separator?

A Our flowing pressure--we ran some tests here if I can find them. Shut in tubing pressure is approximately 1800 pounds.

Q On which one?

A On the Devonian. And flowing pressure, and the allowable rate is approximately 1650 to 60 pounds, the flowing tube pressure. The shut in tubing pressure on the Ellenburger is approximately 3490 pounds. However, it draws down quite far. In our initial test, we tested it at the rate of approximately a million cubic foot per day, and the tubing pressure was approximately 150 pounds.

MR. UTZ: Any other questions of the witness?

Q (By Mr. Utz) Mr. Ross, what will be the line pressure or down stream pressure from the high pressure separator into the high pressure sales line?

A We don't know that, sir. We haven't obtained a market for this gas, and we do not know at this time whether we'll have a market for low pressure gas or high pressure gas or what the sales pressure will be. We are operating these high pressure separators at approximately 500 pounds, or the one that we have in operation; and we could conceivably raise it up more than that actually if the sales line required it.

Q Does the Ellenburger pressure operate at the 500 pounds?

A I doubt it very seriously if we will be able to produce a satisfactory amount of gas at 500 pounds. Now, we do propose to use the Ellenburger for rig fuel for wells drilling in that area, which will take the gas at relatively low pressures.

Q What do you plan to operate the low pressure separators at?

A Approximately 25 to 30 pounds.

Q Can you tell me how far this well is from the nearest high pressure line, gas line?

A It's -- according to our gas-gasoline department, it's approximately ten miles from the nearest line of any sort.. I can't say whether that is high pressure or low pressure.

Q Do you know whose line that is?

A I believe it is Phillips; I'm not absolutely certain of that. I'm not absolutely certain of the location.

Q Can you tell me how much gas you will produce at a top allowable rate on these wells? Are both zones top allowable?

A We have no allowable on the Ellenburger since we have no market for the gas; and it will undoubtedly be limited by its capacity. The allowable for the Devonian is 193 barrels a day and produces based on the initial gas-oil ratio of 1142 times 193, approximately 200,000 cubic feet per day.

Q You are not sure how much gas will be flared on the Ellenburger?

A We don't propose to flare the Ellenburger gas at this time, except in the situation where we maybe sell at say 100 pounds or 150 pounds and subsequently dump the liquid into a lower pressure separator. There may be a small amount of gas flared from that low pressure separator.

Q Did I understand you to say you didn't intend to flare any Ellenburger gas?

A None except a small amount of low pressure gas, possibly.

We propose to use it either for rig fuel or to sell it when a market becomes available.

Q Will you flare the Devonian gas?

A We are flaring the Devonian gas at this time.

Q At the rate of about 200,000 a day?

A Yes, sir.

Q Has your company made any attempt to find a market for this gas?

A Yes. Our gas-gasoline department has tried to find a market for it; but I kind of doubt we'll be able to secure one until we have additional wells and a little more information to offer them to justify the cost of the connection.

Q This is the only completed well in this immediate area?

A Yes.

MR. UTZ: Any other questions of the witness?

EXAMINATION BY MR. FISCHER:

Q Did you say you would put your check valves in the line in each line down stream from the east low pressure separator?

A Before they tie together.

Q There would be no other check valves in there?

A We possibly may put one at the well head; but the one mainly intended for the purpose of preventing one zone from flowing back to the other will be installed at the tank battery.

MR. FISCHER: Thank you.

MR. UTZ: Any other questions of the witness? Any other

statements to be made in this case? The witness may be excused.

(Witness excused.)

MR. UTZ; Is that all you have.

MR. WHITE: Yes, sir.

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

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO)

I, JOHN CALVIN BEVELL, Notary Public in and for the county of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of hearing before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me; that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 25th day of November, 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*John Calvin Bevell*  
NOTARY PUBLIC

My Commission Expires:

January 24, 1962

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 1553.  
heard by me on Nov. 19, 1958.  
*Ernest H. [Signature]* Examiner  
New Mexico Oil Conservation Commission



**OIL CONSERVATION COMMISSION**

P. O. BOX 871

**SANTA FE, NEW MEXICO**

November 28, 1958

C  
O  
P  
Y  
  
Mr. L. C. White  
Gilbert, White & Gilbert  
P.O. Box 787  
Santa Fe, New Mexico

Dear Mr. White:

On behalf of your client, The Texas Company, we enclose two copies of Orders R-1293 and R-1294 issued November 26, 1958, by the Oil Conservation Commission in Cases 1553 and 1554, respectively.

Please note that these orders require that each meter installed in the subject systems shall be tested for accuracy at intervals and in a manner satisfactory to the Commission. It will be necessary for The Texas Company to run a series of tests of sufficient duration to determine that the meters are functioning properly immediately following installation. Thereafter, tests should be made at intervals not to exceed one month and a report of said calibration filed with the Commission. The meters shall be calibrated against a master meter or against a test tank of measured volume.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encls.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 1553  
Order No. R-1293

APPLICATION OF THE TEXAS COMPANY  
FOR AN OIL-GAS DUAL COMPLETION  
AND FOR PERMISSION TO COMMINGLE  
THE LIQUID HYDROCARBON PRODUCTION  
FROM TWO SEPARATE POOLS, CHAVES  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 19, 1958, at Santa Fe, New Mexico, before Elvis A. Utz Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26<sup>th</sup> day of November, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, The Texas Company, is the owner and operator of the Peery-Federal lease comprising all of Section 29, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico, on which lease is located applicant's Peery-Federal (NCT-1) Well No. 1, situated 1980 feet from the North line and 1980 feet from the East line of said Section 29.
- (3) That the applicant proposes to dually complete the above-described Peery-Federal (NCT-1) Well No. 1 in such a manner as to permit the production of oil from an undesignated Devonian oil pool and the production of gas from an undesignated Ellenburger gas pool through parallel strings of 2-1/16 inch Hydril tubing.
- (4) That the applicant further proposes to commingle the liquid hydrocarbon production from the Devonian and Ellenburger

formations from all existing and future wells on the above-described Peery-Federal lease after the production from each of said zones has been separately measured.

(3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(6) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, The Texas Company, be and the same is hereby authorized to dually complete its Peery-Federal (NCT-1) Well No. 1, located 1980 feet from the North line and 1980 feet from the East line of Section 29, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico, in such a manner as to permit the production of oil from an undesignated Devonian oil pool and the production of gas from an undesignated Ellenburger gas pool through parallel strings of 2-1/16 inch Hydril tubing.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Devonian Oil Pool.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

(2) That the applicant, The Texas Company, be and the same is hereby authorized to commingle the production from the Devonian and Ellenburger formations from all existing and future wells on its Peery-Federal lease, consisting of all of Section 29, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico, provided that the production from each of said zones is separately measured prior to commingling.

PROVIDED FURTHER, That the applicant shall check said meters for accuracy at intervals and in a manner satisfactory to

-3-  
Case No. 1553  
Order No. E-1293

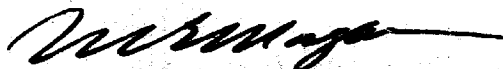
the Commission.

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



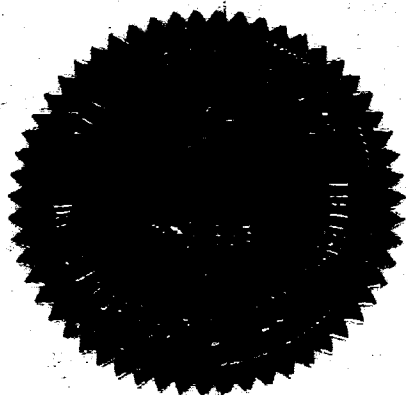
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



A. L. PORTER, Jr., Member & Secretary



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OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

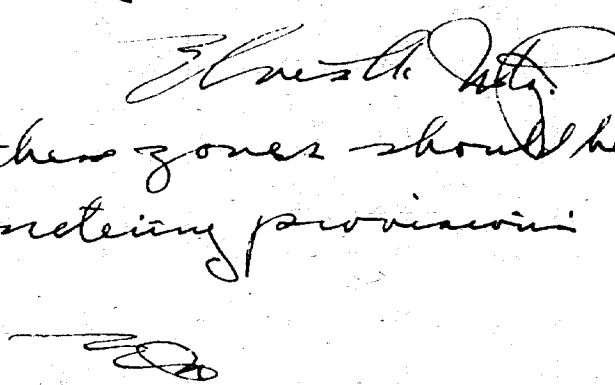
Date 11-20-58

CASE NO. 1553

HEARING DATE 11-19-58

My recommendations for an order in the above numbered case(s) are as follows:

1. approve as usual for dual Under. Ellenburger - oil & ~~Redesignated~~ - Peruvian - oil.
2. There is 200 MCF of Gas being flared from the Peruvian. There is a line within 10 mi. However this is the only well in this area that is producing gas.
3. The comingling of these zones should be approved. General metering provisions & meter tests.

  
\_\_\_\_\_  
Staff Member

RECEIVED  
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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN RE THE MATTER OF THE APPLICATION  
OF THE TEXAS COMPANY FOR PERMISSION  
FOR THE DUAL COMPLETION OF ITS  
PEERY-FEDERAL (NCT-1) WELL NO. 1  
LOCATED IN SECTION 29, TOWNSHIP 15  
SOUTH, RANGE 30 EAST, CHAVES COUNTY,  
NEW MEXICO, AND TO COMINGLE THE  
PRODUCTION BETWEEN THE DEVONIAN AND  
ELLENBURGER FORMATIONS INTO COMMON  
SURFACE STORAGE.

Case No. 1553

APPLICATION

TO: The Oil Conservation Commission of the State of New Mexico.

Comes now The Texas Company and makes application for an order permitting  
the dual completion of its Peery-Federal (NCT-1) Well No. 1 and to comingle  
in common surface storage the crude production from the Devonian reservoir  
and distillate production from the Ellenburger reservoir and in support of  
its application states:

1. That Applicant is the owner and operator of Peery-Federal Lease  
~~comprising~~ comprising all of Section 29, Township 15 South, Range 30 East,  
N.M.P.M., Chaves County, New Mexico.

2. That Applicant is presently completing its wild cat Peery-Federal  
(NCT-1) Well No. 1 upon said Lease, the particular location of which is more  
fully set forth on EXHIBIT A.

3. That the production of commercial oil has been determined in the  
Devonian formation at an approximate depth of 11,000 to 11,165 feet, and  
commercial gas production has been tested from the Ellenburger formation  
from 12,068 to 12,106 feet.

4. A plat showing the location of the Lease, the subject well, and all  
off-set operators so far as known is attached hereto marked EXHIBIT A and  
made a part hereof by reference. It is to be noted that said location is  
outside the limits of a defined oil pool and to Applicant's knowledge there

SANTA FE, NEW MEXICO

*Decket Serial  
11-5 553-15P*

GILBERT, WHITE AND GILBERT  
ATTORNEYS AT LAW  
SANTA FE, NEW MEXICO

1 is no dual completion within the same zones within a mile thereof.

2 5. That the proposed manner and method of installing the dual comple-  
3 tion is set forth on the diagramatic sketch attached hereto as EXHIBIT B and  
4 made a part hereof by reference.

5 6. That in order to provide adequate lease storage facilities for the  
6 anticipated production without duplicating facilities and equipment Applicant  
7 seeks an exception to OCC Rule 309 for permission to comingle the crude pro-  
8 duction from the Devonian, the distillate production from the Ellenburger,  
9 from the two zones into a common tank battery to be located in the center of  
10 Section 29, Township 15 South, Range 30 East, and to produce the low pressure  
11 gas without separate metering. Applicant is willing and able to provide and  
12 install such equipment, as the Commission may deem necessary, including the  
13 metering of the liquid production from each reservoir prior to comingling.

14 WHEREFORE, Applicant prays that this matter be set down for hearing  
15 before this Commission, or one of its Examiners; that notice thereof be given  
16 in accordance with law and that the subject Order issue upon such terms and  
17 conditions as may be just and reasonable in the premises.

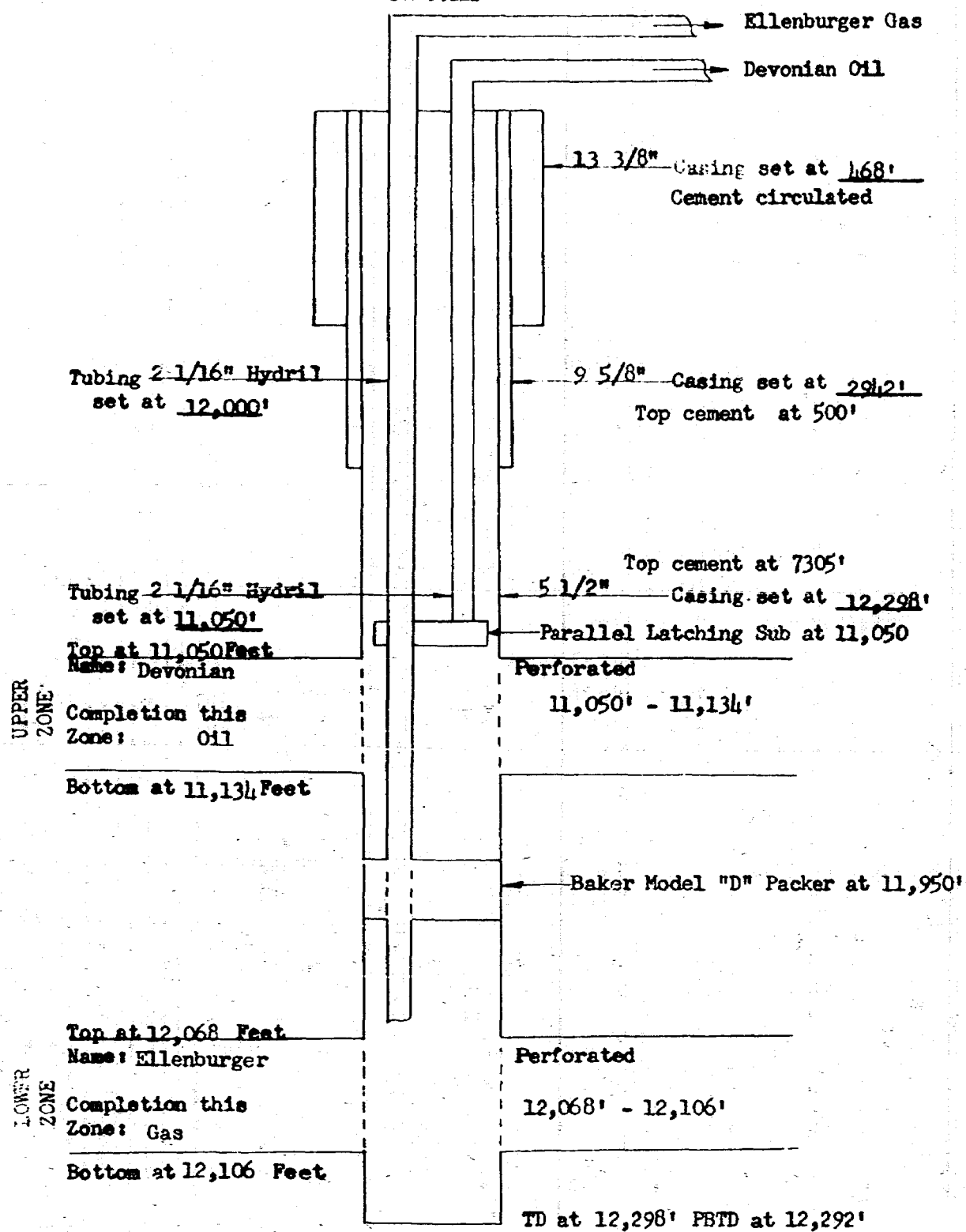
18 THE TEXAS COMPANY

19 BY GILBERT, WHITE AND GILBERT

20  
21 By

  
22 One of its Attorneys  
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DIAGRAMMATIC SKETCH SHOWING DUAL COMPLETION INSTALLATION  
PROPOSED



COMPANY: THE TEXAS COMPANY

LEASE: Peery Federal (NCT-1) Well No. 1

FIELD: Undesignated

DATE: October 10, 1958



DOCKET: EXAMINER HEARING NOVEMBER 19, 1958

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner:

- CASE 1337: Application of Gulf Oil Corporation for permission to commingle the production from two separate oil pools. Applicant, in the above-styled cause, seeks an order amending Order R-1093 and Order R-1093-A to authorize it to commingle the production from the Montoya formation with the production from the Ellenburger, Fusselman, and McKee formations on its Learcy Mc-Buffington Lease consisting of the S/2 of Section 13, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1548: Application of Shell Oil Company for an automatic custody transfer system and for permission to commingle the production from four separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system and to commingle the production from the Vacuum Pool on four State Leases located in Sections 29, 30, and 31, Township 17 South, Range 35 East, Lea County, New Mexico.
- CASE 1549: Application of Tidewater Oil Company for two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing a 120-acre non-standard gas proration unit, in both the Tubb Gas Pool and the Blinbry Gas Pool, each to comprise the S/2 SE/4 and SE/4 SW/4 of Section 36, Township 21 South, Range 37 East, Lea County, New Mexico, and to be dedicated to applicant's State "Q" Well No. 1, located in the SE/4 SW/4 of said Section 36, which well is dually completed in the aforesaid pools.
- CASE 1550: Application of Tidewater Oil Company to commingle the production from several separate oil pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Ellenburger, McKee, Fusselman, Montoya and any other pool or pools encountered which produces oil of similar qualities on its Coates "C" Lease comprising the E/2 and SE/4 NW/4 and NE/4 SW/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant further requests permission to commingle production from the Drinkard formation on said lease with any other pool or pools encountered which produce sour crudes. Applicant proposes to separately meter production from each pool prior to being commingled. Applicant further seeks permission to produce more than sixteen wells into said common facilities.
- CASE 1551: Application of Pan American Petroleum Corporation for permission to commingle the production from three separate leases and for permission to produce more than sixteen wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Empire-Abo Pool from the three separate Federal leases hereinafter described:

LC-065478-B N/2 NW/4, NE/4, N/2 SE/4, and E/2 SW/4  
Section 3; E/2 Section 10

NM-025604 S/2 SE/4 Section 3; W/2 Section 10

LC-067858 N/2 and SW/4 Section 11

all in Township 18 South, Range 27 East, Eddy County, New Mexico. Applicant further requests authority to produce more than sixteen wells into the common tank battery for said leases. Applicant proposes to separately meter production from each of the above-described leases prior to being commingled.

CASE 1552:

Application of Pan American Petroleum Corporation for permission to commingle the production from four separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Abo formation adjacent to the Empirc-Abo Pool from the four separate State leases hereinafter described:

E-5461 NW/4 NW/4 Section 2

B-7244-30 S/2 NW/4, NW/4 SW/4, and SE/4 SW/4 Section 2

B-8814-12 NE/4 SW/4 Section 2

E-7633 SW/4 SE/4 Section 2

all in Township 18 South, Range 27 East, Eddy County, New Mexico. Applicant proposes to separately meter the production from each of said leases prior to being commingled.

CASE 1553:

Application of The Texas Company for a dual completion and for permission to commingle the liquids produced from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its Peery-Federal (NCT-1) Well No. 1 located 1980 feet from the North and East lines of Section 29, Township 15 South, Range 30 East, Chaves County, New Mexico, in such a manner as to permit the production of oil from an undesignated Devonian oil pool and gas from an undesignated Ellenburger Gas Pool through parallel strings of tubing. Applicant further requests permission to commingle the liquids and low pressure gas produced from the Devonian and Ellenburger formations from all existing and future wells on its Peery-Federal Lease which comprises all of said Section 29.

CASE 1554:

Application of The Texas Company for an automatic custody transfer system and for permission to commingle the production from five separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system and to commingle the production from the Bisti-Lower Gallup Oil Pool on five Navajo Allottee Leases located in Sections 14, 15, and 23, Township 25 North, Range 11 West, San Juan County, New Mexico. Applicant proposes to separately meter the production from each lease prior to being commingled.

CASE 1555:

Application of H. K. Riddle for two non-standard oil proration units and two unorthodox oil well locations. Applicant, in the above-styled cause, seeks an order establishing a 61-acre non-standard oil proration unit consisting of Lots 1, 2, 3, and 4 of Section 18, said unit to be dedicated to a well to be drilled on an unorthodox location 1980 feet from the South line and 252 feet from the West line of said Section 18; applicant further seeks

the establishment of a 63-acre non-standard oil proration unit consisting of Lots 1, 2, 3, and 4 of Section 19, said unit to be dedicated to a well to be drilled on an unorthodox location 660 feet from the North line and 256 feet from the West line of said Section 19, all in the Bisti-Lower Gallup Oil Pool, Township 26 North, Range 13 West, San Juan County, New Mexico.

CASE 1556:

Application of Chaco Oil Company for an exception to Rule 104 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order authorizing it to drill four additional oil wells in the Red Mountain-Mesaverde Oil Pool in the S $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 20 and the NW $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 29, Township 20 North, Range 9 West, McKinley County, New Mexico.

CASE 1557:

Application of Cities Service Oil Company for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its State "P" No. 3 Well located 990 feet from the South and West lines of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Blinebry Oil Pool and from an undesignated Glorieta oil pool through parallel strings of tubing.

MAIN OFFICE 600  
GILBERT, WHITE AND GILBERT  
ATTORNEYS AND COUNSELORS AT LAW  
BISHOP BUILDING  
SANTA FE, NEW MEXICO  
CARL H. GILBERT  
L. C. WHITE  
WILLIAM W. GILBERT  
SUMNER S. GCH  
EDWIN E. PIPER, JR.

November 25, 1958

Case File  
Case 1553

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Re: IN RE THE MATTER OF THE APPLICATION OF  
THE TEXAS COMPANY FOR PERMISSION FOR THE  
DUAL COMPLETION OF ITS PEERY-FEDERAL  
(NCT-1) WELL NO. 1 LOCATED IN SECTION 29,  
TOWNSHIP 15 SOUTH, RANGE 30 EAST, CHAVES  
COUNTY, NEW MEXICO, AND TO COMINGLE THE  
PRODUCTION BETWEEN THE DEVONIAN AND  
ELLENBURGER FORMATIONS INTO COMMON  
SURFACE STORAGE. Case No. 1553

Gentlemen:

Enclosed herewith is copy of letter which we received from  
John A. Anderson, Supervisor of the U.S.G.S., wherein the  
U. S. Department of Interior approves the application in the  
above entitled matter.

Very truly yours,

*L. C. White*

L. C. WHITE

LCW:loa  
Enclosure

cc: Mr. H. N. Wade,  
Petroleum Engineer  
The Texas Company  
P. O. Box 1720  
Fort Worth 1, Texas



MAIN OFFICE OCC  
NOV 24 1958

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
P. O. Box 6721  
Roswell, New Mexico

IN REPLY REFER TO:

November 24, 1958

The Texas Company  
Box 352  
Midland, Texas

Attention: Mr. John B. Ross

Gentlemen:

Your letter of November 13, 1958, furnishes additional information concerning the commingling of oil produced from the Devonian and Ellenburger formations by your Perry-Federal well No. 1, in accordance with our request of November 4, 1958.

The Texas Company Perry-Federal well No. 1 is located in the SW 1/4 sec. 29, T. 15 S., R. 30 E., N.M.P.M., on Federal lease New Mexico 0338-A, within the Little Lucky Lake unit area. This well was dually completed on October 12, 1958 for 1053 BOPD from the Devonian formation, 11,050 to 11,134 feet, and 1,058,000 cubic feet of gas and 28 barrels of condensate per day from the Ellenburger formation at 12,068 to 12,106 feet.

The method you propose to measure the oil production from the Devonian and Ellenburger formations produced from your No. 1 Perry well is hereby approved, subject to like approval by the New Mexico Oil Conservation Commission.

Very truly yours,

JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

Copy to: *Artesia*  
Farmington (w/cy of ltr & plat)  
Gilbert, White & Gilbert  
Bishop Building  
Santa Fe, New Mexico

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 1  
CASE NO. 1553

RESERVOIR CHARACTERISTICS

THE TEXAS COMPANY

PEERY-FEDERAL WELL NO. 1

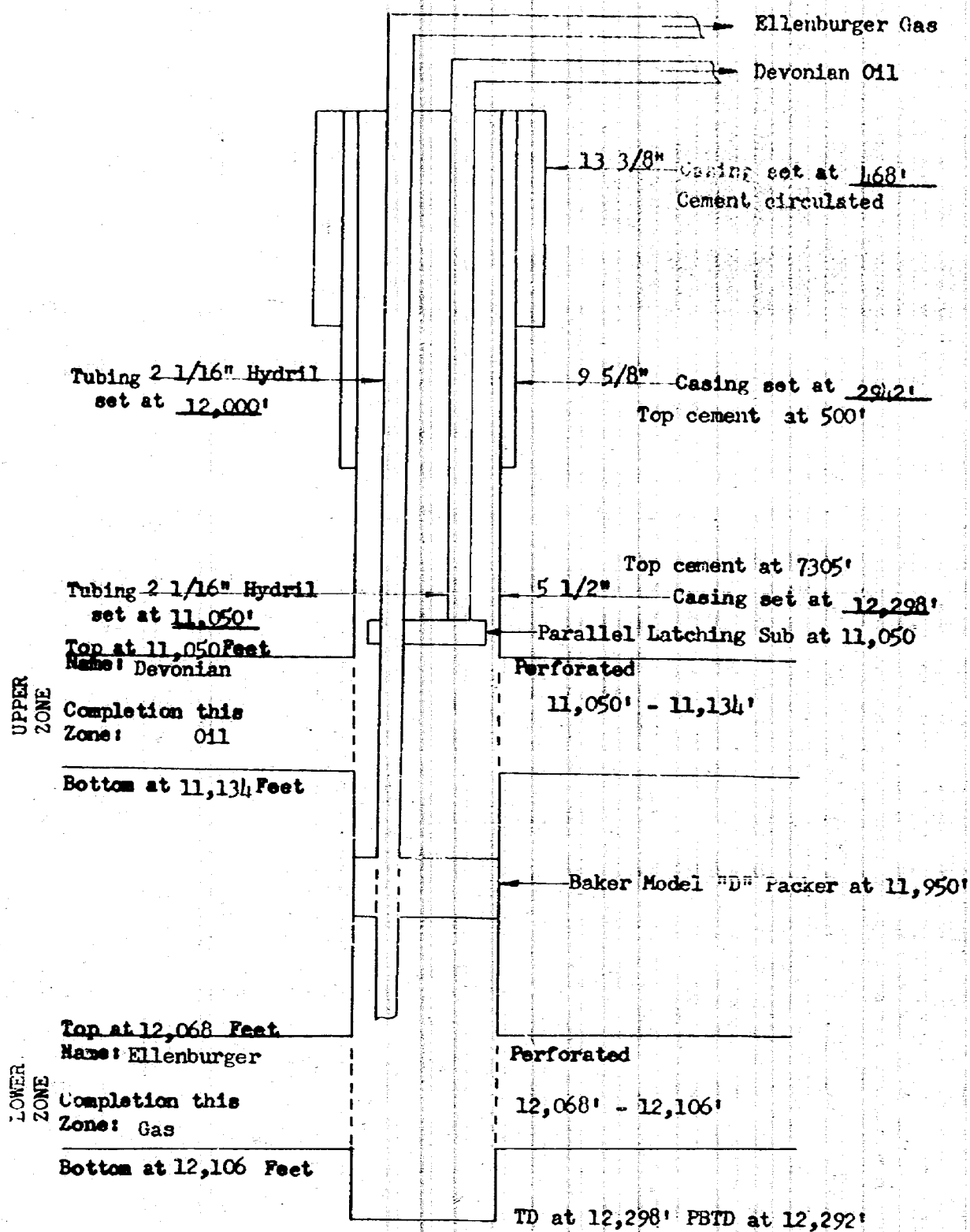
UNDESIGNATED (DEVONIAN & ELLENBURGER) POOLS

UNIT "G", SECTION 29, T-15-S, R-30-E

CHAVES COUNTY, NEW MEXICO

<u>Characteristics</u>	<u>Devonian</u>	<u>Ellenburger</u>
Top of formation, feet	10,992	11,968
Bottom Hole Pressure, psi	4487 @ -7111'	4864 @ -8106'
Gas-Liquid Ratio, ft. <sup>3</sup> /bbl	1142	26,600
Liquid Gravity, °API	55	57
Gas Gravity	0.950	0.660
G P M Content of gas	1.76	0.364

DIAGRAMMATIC SKETCH SHOWING DUAL COMPLETION INSTALLATION



BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 2  
CASE NO. 1553

COMPANY: THE TEXAS COMPANY

LEASE: Peery Federal

Well No. 1

FIELD: Undesignated

DATE: October 10, 1958

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 3  
CASE NO. 1553

Wilson - Fed.

Kinsman - Federal

Federal

The Texas Co. Lse.

The Texas Co.

Texaco Seaboard  
Inc. Lse.

Sec. 19

Sec. 20

Sec. 21

Sec. 30

Sec. 29

Sec. 28

Federal

Shell Pet. Lse.

Federal

Texaco Seaboard  
Inc. Lse.

(29)

1980'

1980'

Peery - Federal

The Texas Co. Lse.  
640 Ac.

T  
15  
S

Sec. 31

R 30 E

Sec. 32

Sec. 33

Federal

Shell Pet. Lse.

Federal  
Shell Pet. Lse.  
Box 845  
Roswell

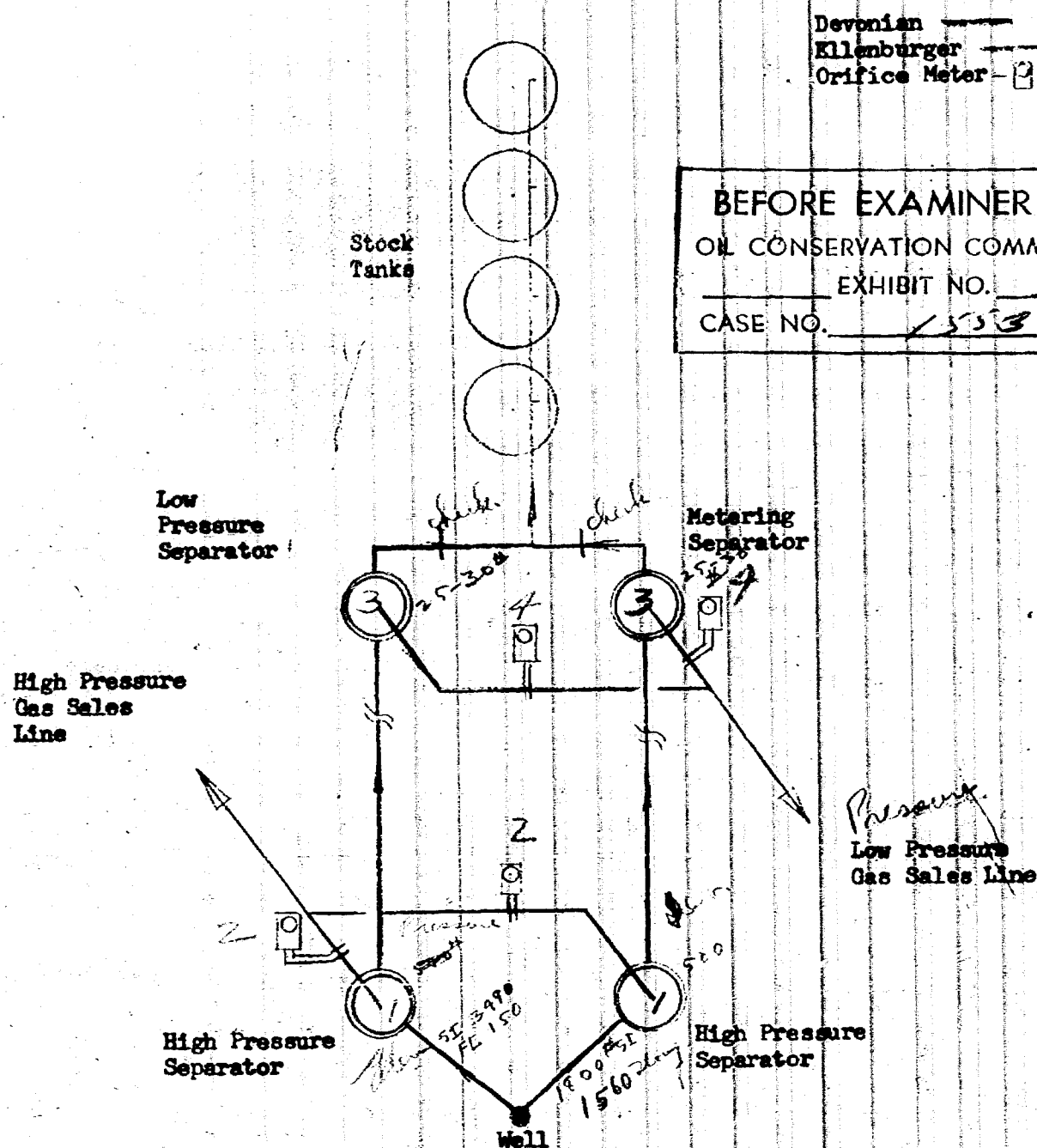
Federal

Texaco Seaboard  
Inc. Lse.

CHAYES COUNTY, NEW MEXICO

1" = 1000'





SCHEMATIC DIAGRAM OF PROPOSED HOOKUP FOR COMMINGLING, LIQUID AND GAS PRODUCTION

DEVONIAN AND ELLENBURGER RESERVOIRS

THE TEXAS COMPANY  
PERRY-FEDERAL LEASE, SECTION 29, T-15-S, R-30-E  
CHAVES COUNTY, NEW MEXICO

11-13-58  
JBR

BEFORE EXAMINER UTZ  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 6  
CASE NO. 1553

BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

IN RE THE MATTER OF THE APPLICATION  
OF THE TEXAS COMPANY FOR PERMISSION  
FOR THE DUAL COMPLETION OF ITS  
PEERY-FEDERAL (NCT-1) WELL NO. 1  
LOCATED IN SECTION 29, TOWNSHIP 15  
SOUTH, RANGE 30 EAST, CHAVES COUNTY,  
NEW MEXICO, AND TO COMINGLE THE  
PRODUCTION BETWEEN THE DEVONIAN AND  
ELLENBURGER FORMATIONS INTO COMMON  
SURFACE STORAGE

Case No. 1553

CONSENT TO ORDER GRANTING APPLICATION

TO: The Oil Conservation Commission of the State of New Mexico:

Comes now the undersigned, one of the off-set operators and an  
interested party in the above proceeding, acknowledges the receipt of a  
copy of the Application and consents that the Commission issue its Order  
as prayed for by the Applicant.

*W. L. Dennis*  
for Shell Oil Co.

Its

GILBERT, WHITE AND GILBERT  
ATTORNEYS AT LAW  
SANTA FE, NEW MEXICO