

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 973

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico

October 17, 1955

IN THE MATTER OF: -----

Application of Wilson Oil Company for an exception to Rule 309 for a centralization of tank batteries in the Wilson Pool, Lea County, New Mexico. Applicant is the owner of the following State Leases in Sections 14 and 23, Township 21 South, Range 34 East: B-11610, B-9084 and E-229. Applicant desires to produce a maximum number of fifteen wells into a tank battery presently located in the SW/4 NE/4 of Section 23, Township 21 South, Range 34 East. Applicant at present has twelve producing wells located on the above leases and has received approval to drill three additional wells as unorthodox locations on these leases.

Case No.
973

Before: Acting Chairman Warren B. Mankin

TRANSCRIPT OF HEARING

ACTING CHAIRMAN MANKIN: The next case is 973.

MR. SETH: We would want the record to show the same appearances and the same witness.

R A Y M O N D L A M B

having first been duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. SETH:

Q Mr. Lamb, you are Vice President of the Wilson Oil Company?

A That is correct.

Q Are you familiar with the application in 972?

A I am.

MR. SETH: We would like to have the letter from the Wilson Oil Company signed by Mr. Lamb, dated September 23, 1955, directed

to the Oil Conservation Commission relative to this particular case, made a part of the record.

Q Mr. Lamb, would you state please the general plan of this application, and if you have plats if you would give them.

(Marked Wilson Oil Company's Exhibits No. 1 and 2, for identification.)

Q Would you describe, please, referring to Applicant's Exhibit 1 here, the leases that are involved and the ownership of the leases?

A The leases involved are Wilson Oil Company's State No. B-9084, B-11610, and E-229. These leases are owned by the Wilson Oil Company and there are no outside interests other than the state common school land.

Q The common school fund is the sole beneficiary?

A That is right.

Q Are they separately colored on the plat?

A They are.

Q State if you would please, the number of wells that are presently within the area covered by the application.

A There are twelve producing wells on the tracts identified, and cover a total of 16 proration units.

Q Have you received approval from the Commission to permit you to drill additional wells in unorthodox locations?

A We have under Order R-243-A, permission to drill a number of unorthodox locations.

Q Is it the intention of the applicant that these wells, if drilled, be flowed into the common tankage which is the subject of this application?

A That is correct, but in no event will the number exceed 15.

Q Would you next describe the location of the battery?

A The battery is in approximately the center of the section, a little to the northeast of the center. I don't have the exact footage, but it is located more by elevation than by a footage description.

Q From what formation or pool do these wells produce?

A They are all producing in the Wilson Pool from the Yates-Seven Rivers formation.

Q How much storage is there at this location?

A We will have a total of 4,000 barrels of storage which will carry eight and a half days of production.

Q Do you have facilities and tankage that will permit the testing of production from each well individually from time to time?

A We will have adequate testing facilities, permanent and portable equipment in which we can test each and every well.

Q Is that of a type that is commonly used in this area?

A Yes.

Q Are your methods similar to those used by other operators?

A Yes.

Q Are all of the wells within this area full allowable wells?

A They are all top allowable wells.

Q Have you made application or requested approval by the Commissioner of Public Lands?

A I have. It was received in a letter dated October 3, 1955 from the Commissioner of Public Lands.

Q Did he give his approval? A He did.

MR. SETH: We would like to offer Applicant's Exhibits 1 and 2.

ACTING CHAIRMAN MANKIN: Any objection to the entering of

Exhibits 1 and 2 of the applicant? If not they will be so entered in the record in this case. Do you have anything else, Mr. Seth?

MR. SETH: Just one more question.

Q In this case did you also furnish a list of the offset operators?

A I did under date of September 23, 1955.

MR. SETH: I believe that is all the questions.

A I have one other thing which I might add in that we have established a location which we refer to as our No. 43, originally identified as 21-A under the unorthodox location, permission from the Commission of R-243.

MR. NUTTER: Where is that?

A 1950 feet from the east line and 1520 feet from the south line in Section 23.

ACTING CHAIRMAN MANKIN: That is so shown on your plat, Exhibit No. 1?

A That is right.

ACTING CHAIRMAN MANKIN: Which differs from the plat which is entered with your application?

A That is right, by that location.

CROSS EXAMINATION

By MR. NUTTER:

Q That puts it down in the southeast quarter of the southeast quarter, doesn't it?

A No. It will be in the northwest of the southeast.

Q Up in the same quarter as Well No. 21?

A That is correct.

By MR. GURLEY:

Q You stated that you have storage capacity for how many days?

A Eight and a half days.

Q All the wells including your 43?

A That is right. I might add that 43 when it is completed, will not add to the allowable set for the three leases.

By MR. KITTS:

Q Into what tankage are the wells now producing?

A They are falling into the three separate batteries at the location designated. Actually there are three batteries at this location. It certainly will be more efficient and economical for us to set it up as one complete battery for the entire unit.

MR. NUTTER: The three batteries are for the same three separate leases?

A That is correct.

MR. GURLEY: You intend to use the equipment for the batteries?

A Yes. Actually we won't need to add to, we will have excess.

MR. GURLEY: Do you have any other wells other than shown here producing into the three batteries at this time?

A No. The only other wells which we anticipate are the ones which are the unorthodox locations which were approved. I might add there are two others approved on these leases.

ACTING CHAIRMAN MANKIN: Any other questions of the witness?

By MR. NUTTER:

Q What testing facilities will you have?

A As far as separators, we will have the permanent separator with the capacity to carry the full load of the oil, one test separator, which we can produce the oil into any tank through our manifold portable testing unit that can be moved to each well, and the one hundred barrel test tank which we can move to each well.

In other words, in this case, test three wells at one time.

Q Test three wells as well as maintain your production from the other wells?

A That is right.

MR. NUTTER: I believe that is all I have.

ACTING CHAIRMAN MANKIN: No other questions? The witness may be excused.

(Witness excused.)

MR. KITTS: I think the record should show that that letter from Wilson Oil will be made a part of the record.

ACTING CHAIRMAN MANKIN: Yes, the letter will be made a part of the record. If there is nothing else we will take the case under advisement. The hearing is adjourned.

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings in the matter of Case No. 973 were taken by me on October 17, 1955, that the same is a true and correct record to the best of my knowledge, skill and ability.


Reporter