

BEFORE THE
OIL CONSERVATION COMMISSION
MABRY HALL
Santa Fe, New Mexico
October 19, 1960

EXAMINER HEARING

IN THE MATTER OF:

Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Vinson-Ramsay "B" Well No. 6, located in Unit K, Section 36, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Tubb Pool through parallel strings of 1½-inch tubing.

Case 2103

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. MORRIS: Application of Gulf Oil Corporation for an oil-oil dual completion.

MR. KASTLER: Bill Kastler, from Roswell, New Mexico, appearing on behalf of Gulf Oil Corporation. Our witness in this case is Mr. J. C. Johnson.

(Whereupon witness sworn.)

J. C. JOHNSON

called as a witness, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. KASTLER:

Q Will you state your name, by whom you are employed and what position and where you are employed.

A My name is J. C. Johnson. I'm employed by Gulf Oil

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Corporation as a Petroleum Engineer at Kermit, Texas.

Q Have you previously appeared as a witness before the New Mexico Oil Conservation Commission?

A No.

Q Would you then please outline your educational background and any degrees you might have obtained.

A I graduated from Oklahoma State University in 1956, received a degree of B.S. in Chemical Engineering, Petroleum option.

Q After receiving your degree, what experience have you had?

A I worked the most part as a Petroleum Engineer for Sinclair Oil Company and Gas Company in Nowata, Oklahoma, then served 6 months in the United States Army, then in September, 1957, started to work for Gulf Oil Corporation.

Q Since being employed by Gulf, have you at all times been employed as Production Engineer?

A That is correct.

Q And were you at all times employed either in West Texas or Southeast New Mexico.

A Yes, sir.

Q What are your present duties in connection with Southeast New Mexico.

A I do all the engineering work in our production engineering and designing work office, completion of wells and so forth.

Q Are you familiar with Gulf's Vinson-Ramsay Lease No. 6?

A Yes.

Q Vinson "B" Lease and Well No. 6?

A Yes, sir.



Wimberley lease, described as the W/2 of the Southwest Quarter, Section 24, the Northwest Quarter and the Southwest of the Northeast of Section 25 and the Northeast Northeast of Section 26, all in Township 25 South, Range 37 East, Lea County, New Mexico. This plat shows the location of all the wells on this lease and off-setting wells in the Justice Pools and Amerada Wimberley lease. We have two wells in the Langlie Mattix, three in the Blinebry, eight in the Drinkard and six in the Fusselman.

Q What zones are you proposing to commingle?

A The three zones we propose to commingle are the Blinebry, the Drinkard and the Fusselman.

Q Is the ownership of this lease common throughout, Mr. Snyder?

A Yes, sir.

Q The royalty ownership is common?

A Yes, sir.

Q It's a fee lease, is it not?

A Yes, sir.

Q No State or Federal Lands are involved here?

A No.

Q Are you familiar with the fluids from the different zones?

A Yes, sir; the fluids from these three zones are very similar. The gravities range from 35 through 37 on all of the zones. So there would be no either increase or decrease in the value of the liquids by commingling them.

Q Will the installation you propose reduce the weathering



of the fluids?

A It will reduce the weathering of the fluids.

Q To some extent enhance the value of the product.

A From that standpoint, it would.

MR. KELLAHIN: Would you have the diagram of the proposed installation marked as Exhibit No. 2?

(Whereupon Exhibit No. 2 was marked for identification.)

Q (By Mr. Kellahin) Referring to what has been marked as Exhibit No. 2, would you discuss that exhibit?

A This exhibit is simply a diagrammatic sketch of the proposed installation, showing the Blinebry, Drinkard and Fusselman zones coming through a header; each zone through its own separator and treater prior to metering the fluids from that zone and it all goes into the battery where it can run through an automatic unit to the pipeline. The facilities are also made for testing of each well in each zone and have separate separators and treaters and meters for the fluids in the zone so each well can be tested periodically.

Q What type of testing meters would you propose to use?

A These were positive displacement meters on the test.

Q What storage facilities would you have in this installation.

A 1500 barrels of storage.

Q Will the 1500 barrels storage be adequate for the maximum unattended period of time on this lease?

A Yes, sir; more than sufficient.

Q What will be the maximum unattended period?

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A 16 hours.

Q Is there a switcher located on the lease?

A The house is about 300 yards from the battery.

Q What safety features are included in this installation?

A The normal safety feature BS & W monitor in the automatic custody transfer unit so if bad oil starts to the pipe line, it will be diverted into what we have shown here on the sketch as a bad oil tank and at the time this happens there will be a light on top of the battery that will start blinking so the switcher can see if he happened to be in the vicinity anyplace. Oil will continue to go in this tank until it reaches a point near the top, at which time it will hit a high level switch and this switch in turn will shut in a motor valve out on the Fusselman zone which in turn shuts in all the Fusselman wells. The reason we deemed it necessary to put in automatic shut-in valves on the Fusselman wells was because of the amount of water they make. We have sufficient storage to handle all the production water and oil from all three zones for more than 16 hours but just as an additive feature, they thought it would be good to shut them at the head well.

Q Is your storage sufficient to take care of the other two zones?

A In the event it's shut in, we have a $1\frac{1}{2}$ day capacity on the other two zones.

Q Who is the purchaser from this lease?

A Texas-New Mexico Pipeline.

Q Have they agreed to this installation?

A Yes, sir.



MR. KELLAHIN: At this time, I would like to offer in evidence Exhibits 1 and 2.

MR. NUTTER: Amerada's Exhibits 1 and 2 will be entered in evidence.

MR. KELLAHIN: That is all the questions I have.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Snyder, you said 1500 barrels of storage, is that plus storage in the bad oil tank?

A Yes, sir; 3 500 barrel tanks.

Q So after the bad oil tank is full and the Fusselman is shut in, you have less than 1500 barrels available storage.

A Yes, sir; but, will be something less than a thousand barrels of storage after that is shut in.

Q You stated you had $1\frac{1}{2}$ days capacity.

A Yes, sir.

Q In this, does that mean the 1500 barrels for the three zones or does it mean in the something less than 1000 barrels in the two zones?

A Something less than for the two zones that are not shut in.

Q I see. What is the classification of the fluids that are produced from these three zones, sweet, sour or intermediate or what?

A I believe they would all be classified as sour crudes, yes, sir.

MR. NUTTER: Any further questions of Mr. Snyder?



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(No response)

MR. NUTTER: You may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: That is all.

MR. NUTTER: Does anyone have anything further for Case 2102?

(No response)

MR. NUTTER: We will take the case under advisement and call Case 2103.



I N D E XWITNESSESPAGE

A. E. SNYDER
Direct Examination by Mr. Kellahin
Cross Examination by Mr. Nutter

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E X H I B I T S

<u>Number</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
1	2	6	6
2	4	6	6

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STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO)

I, LEWELLYN NELSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 4th day of November, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lewellyn F. Nelson
 Notary Public

My Commission Expires:

June 14, 1964.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 2103
 heard by me on 10/19, 1960
[Signature], Examiner
 New Mexico Oil Conservation Commission

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