

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 23, 1961

EXAMINER HEARING

IN THE MATTER OF:

Applicant of Amerada Petroleum Corporation for per-  
mission to commingle the production from two separ-  
ate leases. Applicant, in the above-styled cause,  
seeks permission to commingle the Blinebry Oil Pool  
production from all wells presently completed or  
hereafter drilled on its State "D" lease, consis-  
ting of the NW/4 and its State "H" lease, consis-  
ting of the W/2 SE/4, both in Section 1, Township  
20 South, Range 36 East, Lea County, New Mexico.

CASE  
2192

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: This Case will be Case 2192.

MR. PAYNE: Case 2192: Application of Amerada Petroleum  
Corporation for permission to commingle the production from two  
separate leases.

MR. KELLAHIN: Jason of Kellahin and Fox, Santa Fe,  
New Mexico, representing the Applicant. There will be one witness.

(Witness sworn.)

A. E. SYNDER,  
called as a witness, having been previously duly sworn, testified  
as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:



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Q Would you state your name, please?

A A. E. Snyder.

Q By whom are you employed and in what position?

A As District Engineer for Amarada Petroleum Corporation of Southeast New Mexico.

Q Mr. Snyder, have you previously testified before this Commission and qualified as an expert Petroleum Engineer?

A Yes.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes sir, they are.

Q (By Mr. Kellahin) Mr. Snyder, are you familiar with the application, Case 2192?

A Yes sir.

Q Would you state briefly what is proposed in this application?

A This application merely proposes to commingle the production into a common tank battery on two straight leases in the Monument Blinebry Pool.

(Marked Applicant's Exhibits No's 1, 2 & 3 for identification.)

Q Mr. Synder, referring to what has been marked as Exhibit Number 1, would you discuss that Exhibit?

A Exhibit Number 1 is a plat of the Monument Blinebry Pool showing wells that are presently completed or having completed or tested at the time. The Blinebry horizon is an Amerada State "D"



lease composed of the Northwest Quarter of Section of Section 1, Township 20 South, Range 36 East, Lea County, New Mexico, which is outlined in red. Also, the Amerada State "H" lease described as the West Half of the Southeast Fourth of Section 1, Township 20 South, Range 36 East, which is outlined in red. The present battery on the "D" lease is shown as a small, green rectangle.

Q The area then outlined in red is the area in the two leases which you propose to commingle in this application?

A Yes.

Q Is the ownership of the plat common?

A Yes sir, it is.

Q The royalty owner, is he common?

A Yes sir.

Q Are these both State leases, are they not?

A That's right.

Q Ther appear to be three wells shown on the two leases involved, is that correct?

A Yes sir.

Q Are they both producing from the same horizon?

A The State "D" Well No. 5 and 6 and the State "H" No. 8 are all producing from the same horizon.

Q Referring to what has been marked as Exhibit Number 2, will you state what that is?

A Exhibit Number 2 is a very simple schematic battery of the State "D" lease showing production from the wells coming into



a Treater Station, goes over to the salt line, salt water moat, or the salt water disposal line, and oil line into the battery and into the tanks themselves.

Q How much storage will you have in this installation?

A 1200 barrels.

Q Is that adequate to handle the production from the two leases?

A Yes sir.

Q How much storage will that give you?

A At current allowables, that would give us about 25 day's storage.

Q How will you measure the production from the two separate leases?

A The individual test on the two leases will be tested periodically, and the production all dated according to those tests.

Q Are the wells to be allowable wells?

A No sir, the first two are top allowable, the State "D" No. 6 and the State "H" No. 3 are top allowable, and the State "D" No. 5 is a considerably below top allowable.

Q And the production from all three of the wells then will be measured on well tests, is that correct?

A Yes sir.

Q Do any of the wells make any gas?

A They all make some gas; their ratios are less than 2,000 to 1.



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Q Will the gas be separately metered?

A It will be all ~~rated~~ <sup>purified</sup> on the basis of the tests.

Q And is it marketed at any time?

A Yes sir.

Q Why do the wells make water?

A All of the wells now are making small amounts of water.

Q Will that be handled or stated on the basis of well tests?

A Yes sir.

Q How often will the tests be taken?

A Of course, we have our regular yearly gas-oil ratio tests, that which we take, and take test every other month besides the yearly tests.

Q On the basis of that information, do you feel that you could accurately account for the production on the two separate leases?

A Yes sir.

Q I believe you stated that they are State leases, both of them?

A That's right.

Q The beneficiary is the same on both leases?

A Yes sir.

Q Do you have the permission of the State Land Commissioner to commingle the production from the two leases?

A Yes sir, that is State's Exhibit Number 3, and they have



approved this application.

Q Were Exhibits 1 and 2 prepared by you or under your supervision?

A Yes sir.

Q And Exhibit 3 is a photo-copy of a letter in your files?

A Yes sir.

MR. KELLAHIN: At this time, I would like to enter Exhibits 1, 2 and 3.

MR. UTZ: At this time, Exhibits 1, 2 and 3 will be entered into the record.

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

MR. UTZ: You say Exhibit 3 was permission from the Land Office?

MR. KELLAHIN: It's not had the approval. Mr. Utz, on the second page of the letter.

#### CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Synder, you have a total of 1,200 barrels in the two tanks?

A Yes.

Q What did you say the allowable was for these three wells?

A The allowables are top allowable and 47 barrels a day -- I'm sorry, I made a mistake on that. We wouldn't have 25 day's storage there. The total monthly allowable for the two leases is just a little less than 3,000 barrels. We would have roughly ten



day's of storage in there.

Q What is this pool, Monument Blinebry?

A Yes sir.

Q I believe you stated you would be willing to take any well tests in accordance with the order of the Commission?

A Yes sir.

MR. UTZ: Any other questions of the witness?

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Snyder, if these two leases would be contiguously by a Commission definition, that application would be eligible for additive approval, would it not?

A That's right.

MR. PAYNE: Thank you.

MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Any other statements in this case? The case will be taken under advisement.

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STATE OF NEW MEXICO )  
 : ss  
COUNTY OF BERNALILLO)

I, LA VERNE E. JAMES, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial  
seal this 3rd day of March, 1961.

Lalorne James  
Notary Public - Court Reporter

My commission expires:

January 6, 1965.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2192, heard by me on Jul. 23, 1961.

*Wm. H. H.*, Examiner  
New Mexico Oil Conservation Commission

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