

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 20, 1961

EXAMINER HEARING

CASE 2384

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 20, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of General American Oil Company of Texas,
for an exception to Rule 309-A, Eddy County, New
Mexico. Applicant, in the above-styled cause, seeks) Case
an exception to Rule 309-A to permit the Loco Hills) 2384
oil production from applicant's State Lease B-1778,
located in Section 36, Township 17 South, Range 29 East,
NMPM, Eddy County, New Mexico, to be transported, prior
to measurement on said State Lease B-1778, to appli-
cant's Federal Lease LCO60520, located in Section 31,
Township 17 South, Range 30 East.

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case 2384.

MR. MORRIS: Application of General American Oil Company
of Texas for an exception to Rule 309-A.

MR. CAMPBELL: Mr. Examiner, Jack M. Campbell, Campbell
& Russell, of Roswell, New Mexico, appearing on behalf of the
applicant. I have one witness, Mr. Miller.

(Witness sworn.)

RAY MILLER

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

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DIRECT EXAMINATION

BY MR. CAMPBELL:

Q State your name, please.

A Ray Miller.

Q Where do you live?

A Artesia.

Q By whom are you employed?

A General American Oil of Texas, New Mexico District.

Q Have you previously testified before this Commission, or its Examiners, in your professional capacity?

A I have.

MR. CAMPBELL: Are the witness's qualifications acceptable?

MR. NUTTER: Yes, sir.

Q Are you acquainted with the application of General American Oil Company of Texas in Case 2384 before the Commission?

A I am.

Q Will you state to the Examiner generally what it is that you are seeking to do by this application, and in so doing, you may refer to what has been identified as Applicant's Exhibit No. 1 in this case?

A As the Examiner is aware, we have recently been granted a permit to institute water flood in Loco Hills area. We feel that in connection with this water flood project, why, our operations will be made more efficient by centralizing the location of three tank batteries at present on these two different leases. One

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of these is the tank battery located in the SE SE of Section 36, Township 17 South, Range 29 East. It is shown on this exhibit, those circles colored in brown and we propose to move that battery to approximately 2,200 feet from the south line and 1,500 feet from the west line, Section 31, Township 17 South, Range 30 East, on Government lease, Las Cruces 060520 as shown on this plat as those circles colored in red is the proposed location of the battery. Also shown on the plat is, in orange circles, are the present Beeson "F" tanks, and in green circles are shown the proposed location of these same Beeson "F" tanks. The red lines shown are proposed flow line coming from the State B-1778 lease to the battery, the State "B" battery which will be located on the Beeson "F" lease.

Q The reason for this application, then, is that you are moving tank batteries from the State Lease B-1778 to the Beeson Federal Lease, LC 060520?

A That is correct.

Q When you get this water flood project underway, where will your plant be?

A Immediately north of that centralized tank battery.

Q Do you intend to commingle any oil from the State lease and the Federal lease?

A No, we do not, not while it is in our custody, no.

Q The only change will be that you will be transporting the oil from your State lease to the tank battery, for the State oil



on the Federal lease. Why did you want to do this?

A It will centralize our gauging activities, increase our efficiency in that way, and then, with the pipelines in that area fairly well loaded we are going to have to set some shipping pumps at these various batteries. If we centralize them one shipping pump will take care of all of it. Otherwise, we will have to set three shipping pumps. Then we anticipate that these State wells eventually will be making quite a quantity of water, and we wish to utilize the horsepower provided by our pumping units to transfer this entire fluid up to a central point, and then we will separate the water and oil and, by gravity, take the water over to our water plant to reinject these wells.

Q Do you believe that by following this procedure you will improve the economic feasibility of your water flood project?

A I do.

Q Have you, at my suggestion, discussed this matter with the U.S.G.S. as to the Federal lease, and with the State Land Office in connection with the State lease involved?

A I have.

Q Have either of those agencies indicated any objection to the plan that you propose to use here?

A They did not.

Q If this is approved will it, in fact, perhaps, to some extent expedite the commencement of the operations of the water flood project in this area, by making its economic feasibility more

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apparent?

A I believe it will, yes.

MR. CAMPBELL: I would like to offer Applicant's Exhibit No. 1 in evidence.

MR. NUTTER: Applicant's Exhibit 1 will be admitted in evidence.

MR. CAMPBELL: I have no further questions at this time.

MR. NUTTER: Does anyone have any questions of Mr. Miller? You may be excused.

Do you have anything further to add, Mr. Campbell?

MR. CAMPBELL: No, I do not, Mr. Examiner.

MR. NUTTER: Does anyone have anything they wish to offer in Case 2384? Take the case under advisement.

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STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, JUNE PAIGE, 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 2nd day of October, 1961.

Jane Paige

 Notary Public - Court Reporter

My commission expires:

May 11, 1964.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2384, heard by me on 9/20, 1961.

[Signature]
 _____, Examiner
 New Mexico Oil Conservation Commission

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I N D E XWITNESSPAGE

RAY MILLER

Direct Examination by Mr. Campbell

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