

CASE 1884: Application of SKELLY
to commingle from all wells on that
portion of J.V. Baker lease - Lea Co.

1884

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Case No.

1884

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 28, 1960.

IN THE MATTER OF
CASE NO. 1884

TRANSCRIPT OF PROCEEDINGS

January 28, 1960

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 28, 1960

IN THE MATTER OF:

APPLICATION OF SKELLY OIL COMPANY for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on that portion of the J. V. Baker lease comprising the SE/4 SW/4 of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE
NO. 1884

BEFORE:

Elvis Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: We will take up the next Case Number 1884.

MR. PAYNE: Case 1884. Application of Skelly Oil Company for permission to commingle the production from two separate pools.

MR. WHITE: May the record show the same witness, Arthur Baumgardner, reappearing as for the former case; and also my appearance. Charles White, of Gilbert, White and Gilbert, Santa Fe, New Mexico, appearing for the applicant.

MR. UTZ: Are there any other appearances in this case?

(No response.)

MR. UTZ: You may proceed.

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ARTHUR BAUMGARDNER

a witness, called by and on behalf of the applicant, having been previously sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Baumgardner, is Skelly seeking in this application, permission to commingle the crudes of the Langlie-Mattix oil pool, and from the Drinkard oil pool, in its J. V. Baker lease?

A On the 40-acres in the center of Exhibit 1, yes, sir.

Q And you are familiar with this application?

A Yes, sir, I am.

MR. UTZ: A hundred sixty acre lease?

A Yes, sir, but the only acreage involved is the center 40-acres of the J. V. Baker Number 1 and 9; just the 40-acres there (indicating).

Q (By Mr. White) That would be in the Southeast of the Southwest?

A Yes, sir, Section 22.

Q Are the royalty interests the same throughout?

A Under this 40-acres, yes, sir.

Q And is that also true as to the working interests?

A Yes, sir.

Q Will you explain Exhibit Number 1, please?

A Exhibit Number 1 shows the 40-acres of the Southeast of the Southwest of Section 22; and we propose to commingle the

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oil from Well Number 1 of the Langlie-Mattix oil pool, with the oil from Well Number 1 in the Drinkard Pool. The exhibit shows the proposed flow lines and tank battery.

Q Does it show the offset operators?

A It shows the offset operators, and the offset wells.

Q Will you now explain Exhibit Number 2?

A Exhibit Number 2 is a schematic diagram of the proposed tank battery, with the Langlie-Mattix oil going through the separator on the left, and to either stock tank. The Well Number 9, the Drinkard well, it will go through the heat treaters and into either stock tank. By manipulating the three wheel valves, the oil can be commingled, or produced in separate tanks, for testing purposes.

Q What size tanks are these?

A They are 250-barrel stock tanks.

Q Will you give the well characteristics as to each well?

A The J. V. Baker Well Number 1, for the month of November, produced approximately 1.7 barrels of oil per day, at 35 degrees gravity. The J. V. Baker Number 9 produced approximately 9 barrels of oil per day, at 37 degrees gravity.

Q Will the mixing of these crudes bring a greater, or lesser, price than if separately sold?

A By mixing the crudes, if my calculations are right, these crudes will be sold at approximately 36-2/3 degree gravity, which will be a decrease in income of approximately 23 cents a day.



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that would be a maximum.

Q What economic advantages will you obtain then by this commingling installation?

A The Well Number 1 is producing at the present time approximately 1.7 barrels of oil per day, which is approaching the economic limit of the well. By commingling these two crudes, and eliminating the tank battery, it is thought that the production can be at a lower point before necessary to plug the well; and also by producing such a small quantity of fluid, we get larger evaporation from the stock tank, due to the length of time it requires to fill the tank before selling.

Q How are these crudes classified?

A I believe both crudes are classified as intermediate; however, both tank batteries are again connected to the same pipeline, and are both sold, I believe, under the same rating.

Q Were these exhibits prepared by you, or under your direction and supervision?

A Yes, sir, they were.

MR. WHITE: We offer the exhibits.

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

MR. WHITE: That concludes our direct examination testimony in this case.

QUESTIONS BY MR. UTZ:

Q Mr. Baumgardner, which well is in which pool?

A The Number 1 Well is in the Langlie-Mattix Pool; the



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Number 9 Well is in the Drinkard Pool.

Q Did you say that the ownership under both pools was the same, under this lease?

A Under the 40-acres, yes, sir.

MR. UTZ: Are there any other questions of the witness?

MR. FLINT: Yes.

QUESTIONS BY MR. FLINT:

Q You don't propose to drill any other wells in this 40-acre tract?

A No, sir.

Q How large will the tank be for this commingling production?

A Two 250-barrel tanks.

Q And how is this oil sold?

A I believe it's sold as an intermediate.

Q I mean, is this sold to a pipeline, or trucked?

A No, sir, it is sold to the pipeline.

MR. FLINT: That's all.

MR. UTZ: Are there any other questions of the witness?

(No response.)

MR. UTZ: The witness may be excused.

(Witness excused.)

MR. UTZ: Are there any statements in this case?

(No response.)

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



STATE OF NEW MEXICO)
) SS.
 COUNTY OF BERNALILLO)

I, THOMAS T. TOMKO, Court Reporter, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand this 30th day of January, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Thomas T. Tomko
 Thomas T. Tomko, Court Reporter.

I do hereby certify that the foregoing is a copy and record of the proceedings in the examination hearing of Case No. 1884, heard by me on 2-10-60, 1960.
Shirley W. [Signature] Examiner
 New Mexico Oil Conservation Commission

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ALBUQUERQUE, NEW MEXICO

PHONE CN 3-6691



DOCKET: EXAMINER HEARING JANUARY 27, 1960OIL CONSERVATION COMMISSION - 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director:

- CASE 1866: Application of British-American Oil Producing Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its West Bisti-Lower Gallup Sand Unit Agreement, which Unit is to comprise 14,331 acres, more or less, in Townships 25 and 26 North, Ranges 13 and 14 West, San Juan County, New Mexico.
- CASE 1867: Application of British-American Oil Producing Company for a pressure maintenance project in the Bisti-Lower Gallup Oil Pool and promulgation of special rules in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing a pressure maintenance project in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, by the injection of water into the Lower Gallup formation through 17 wells. Applicant further proposes that special rules be adopted governing said project including the transfer of allowables from injection and shut-in wells to producing wells in the project and for establishment of an administrative procedure to convert additional wells to injection.
- CASE 1868: Application of Hamilton Dome Oil Company, Ltd. for permission to commingle the production from three separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Drinkard Pool, the Justis-Fusselman Pool and an undesignated Tubb pool from wells on a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1869: Application of Newmont Oil Company for approval to convert five additional wells in the Loco Hills Pool to water injection. Applicant, in the above-styled cause, seeks an order authorizing it to convert to water injection five additional wells in its water flood project in the Loco Hills Pool, Eddy County, New Mexico. Said wells are the Brigham Well No. 1-A, Yates Well No. 4, Yates A Well No. 10, Yates A Well No. 12, and Coppedge Well No. 2, located respectively in the SE/4 SE/4 of Section 31, Township 17 South, Range 30 East, NE/4 SW/4 of Section 6, SW/4 SW/4 of Section 6, NE/4 NE/4 of Section 6, and NW/4 NW/4 of Section 5, all in Township 18 South, Range 30 East.

CASE 1870: Application of Newmont Oil Company for permission to install four separate automatic custody transfer systems. Applicant, in the above-styled cause, seeks an order authorizing it to install a separate automatic custody transfer system on each of four leases in applicant's water flood project in the Loco Hills Pool, Eddy County, New Mexico.

CASE 1871: Application of Union Oil Company of California for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its North Anderson Ranch Unit Agreement, which Unit is to comprise 360 acres, more or less, consisting of portions of Sections 32 and 33, Township 15 South, Range 32 East, Lea County, New Mexico.

CASE 1872: Application of Gulf Oil Corporation for authority to commingle the production from four separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the production from the following four separate leases and to install an automatic custody transfer system to handle the Pearl-Queen Pool production from all wells located thereon:

Lea-State "AP"lease, E/2 of Section 30;
Lea-State "AQ"lease, N/2 of Section 32;
Lea-State "BG"lease, N/2 of Section 33;
Lea-State "IH"lease, W/2 SW/4 and W/2 SE/4
of Section 29,

all in Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 1873: Application of The Atlantic Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Langlie Federal "A" Well No. 1, located in Unit H, Section 14, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinbry Pool and the production of oil from an undesignated Tubb pool through parallel strings of tubing.

CASE 1874: Application of Val R. Reese & Associates, Inc., for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lybrook Well No. 1-19, located in Unit C, Section 19, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner

as to permit the production of gas from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing.

CASE 1875:

Application of Continental Oil Company for a non-standard gas proration unit and for an order force-pooling the interests therein. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of lots 6, 10, 11, and 12 of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to Shell Oil Company's Taylor-Glenn Well No. 1, located 3226 feet from the North line and 1980 feet from the West line of said Section 3. Applicant further seeks an order force-pooling the interests of those in said non-standard gas proration unit who have gas rights within the vertical limits of the Blinebry Gas Pool, including M. F. Taylor, P. O. Box 574, Amarillo, Texas, and R. B. Glenn, P. O. Box 461, Amarillo, Texas.

CASE 1876:

Application of Continental Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Weir (Drinkard) Oil Pool and Weir-Tubb Gas Pool from all wells on its Britt B-15 lease consisting of the W/2 and the W/2 E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1877:

Application of Continental Oil Company for permission to install an automatic custody transfer system and for permission to produce more than 16 wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from all Skaggs Pool oil wells on its Southeast Monument Unit comprising lands located in Township 20 South, Ranges 37 and 38 East, Lea County, New Mexico.

CASE 1878:

Application of Continental Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Weir (Drinkard) Oil Pool and the Weir-Tubb Gas Pool from all wells on that portion of the Southeast Monument Unit consisting of the W/2 W/2 of Section 14 and the E/2 E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1879:

Application of Amerada Petroleum Corporation for a gas-oil dual completion and for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State EM "A" Well No. 2, located 660 feet from the South and West lines of Section 22, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eumont Gas Pool through the casing-tubing annulus and the tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SW/4 of said Section 22 to be dedicated to the said State EM "A" Well No. 2.

CASE 1880:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Blinebry Oil Pool and the Drinkard Pool from all wells on its V. M. Henderson lease consisting of the N/2 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1881:

Application of Texaco Inc. for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of automatic custody transfer facilities to handle the Crossroads-Devonian Pool production from the U. D. Sawyer lease comprising the E/2 of Section 34, Township 9 South, Range 36 East, Lea County, New Mexico.

CASE 1882:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Tubb Pool and the Blinebry Oil Pool from all wells located on its Mittie Weatherly lease comprising the NW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1883:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Culwin (Queen) Pool and the Culwin-Yates Pool from all wells located on its Federal Lease comprising the NE/4, E/2 NW/4, N/2 SE/4 and the NE/4 SW/4 of Section 6, Township 19 South, Range 31 East, Eddy County, New Mexico.

CASE 1842:

(Continued)

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on its Baker "A" lease comprising the NW/4 of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1884:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on that portion of the J. V. Baker lease comprising the SE/4 SW/4 of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1885:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Drinkard Pool and the Tubb Gas Pool from all wells on its State "K" lease comprising the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1886:

Application of E. P. Campbell for an exception to Rule 107 (e) of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) in order to recompleat his No. 1 Cleveland Well, located in NW/4 NE/4 of Section 33, Township 18 South, Range 26 East, Eddy County, New Mexico, as a "slim-hole" completion in the Pennsylvanian formation at a depth greater than 5000 feet.

CASE 1887:

Application of Monsanto Chemical Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks an exception to February 15, 1960, to the "no-flare" provision of Order R-1427 for five wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

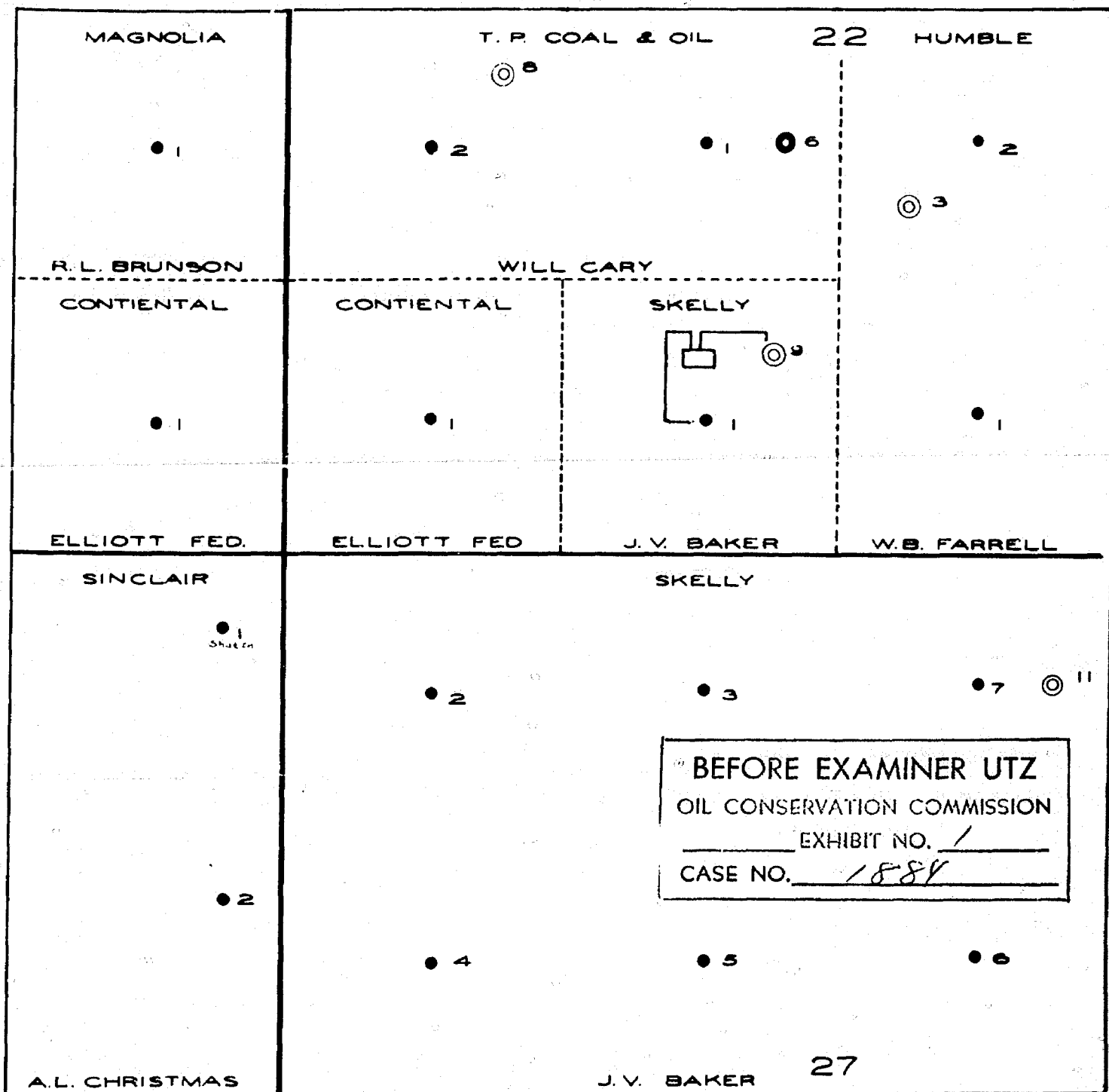
CASE 1888:

Application of C. W. Trainer for off-lease storage of oil production. Applicant, in the above-styled cause, seeks permission to store the Pearl-Queen Oil Pool production from his Rushing lease, consisting of the W/2 NE/4 of Section 22, Township 19 South, Range 35 East, Lea County, New Mexico, in a tank battery located on his Signal State lease, consisting of the E/2 NW/4 of said Section 22.

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SKELLY OIL COMPANY

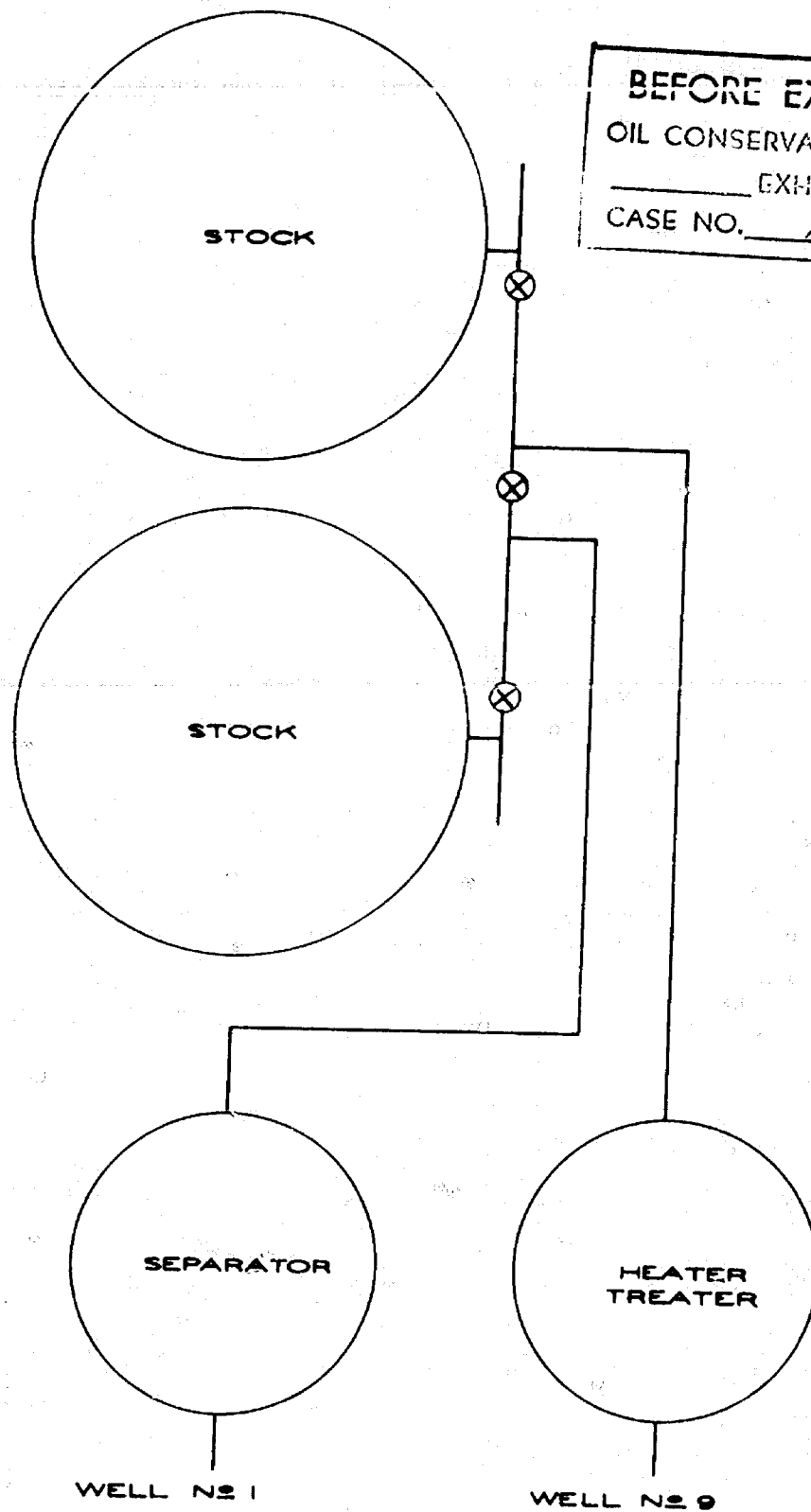
J. V. BAKER LEASE
 LEA COUNTY, NEW MEXICO
 SECTION 22-T22S-R37E



- DRINKARD
 ○ LANGLEIE MATTIX
 ● CARY

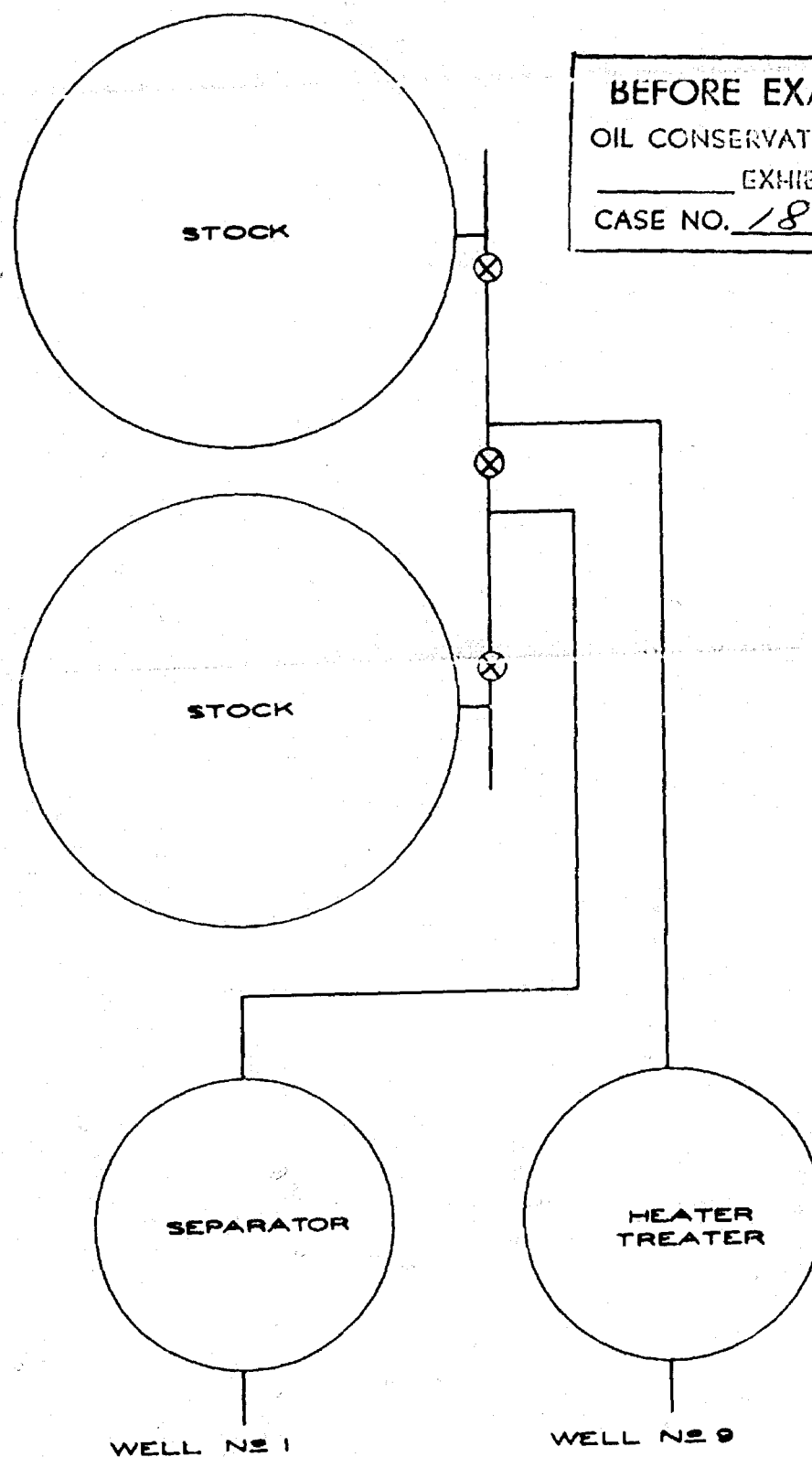
SKELLY OIL COMPANY
J. V. BAKER LEASE
SECTION 22-T22S-R37E

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 1889



SKELLY OIL COMPANY
J. V. BAKER LEASE
SECTION 22-T22S-R37E

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 1884



SKELLY OIL COMPANY
 J. V. BAKER LEASE
 LEA COUNTY, NEW MEXICO
 SECTION 22-T22S-R37E

EXHIBIT No. 1

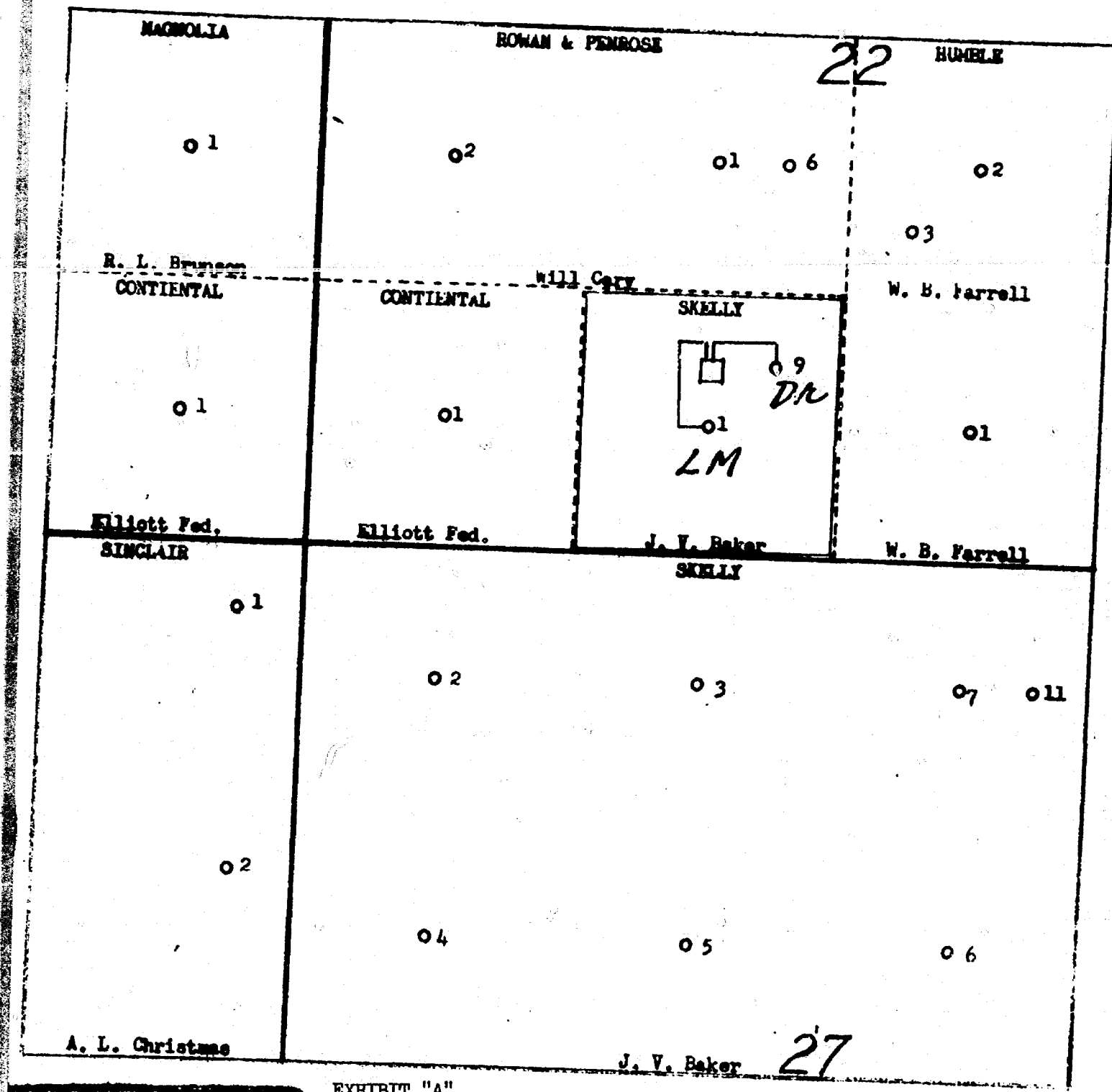
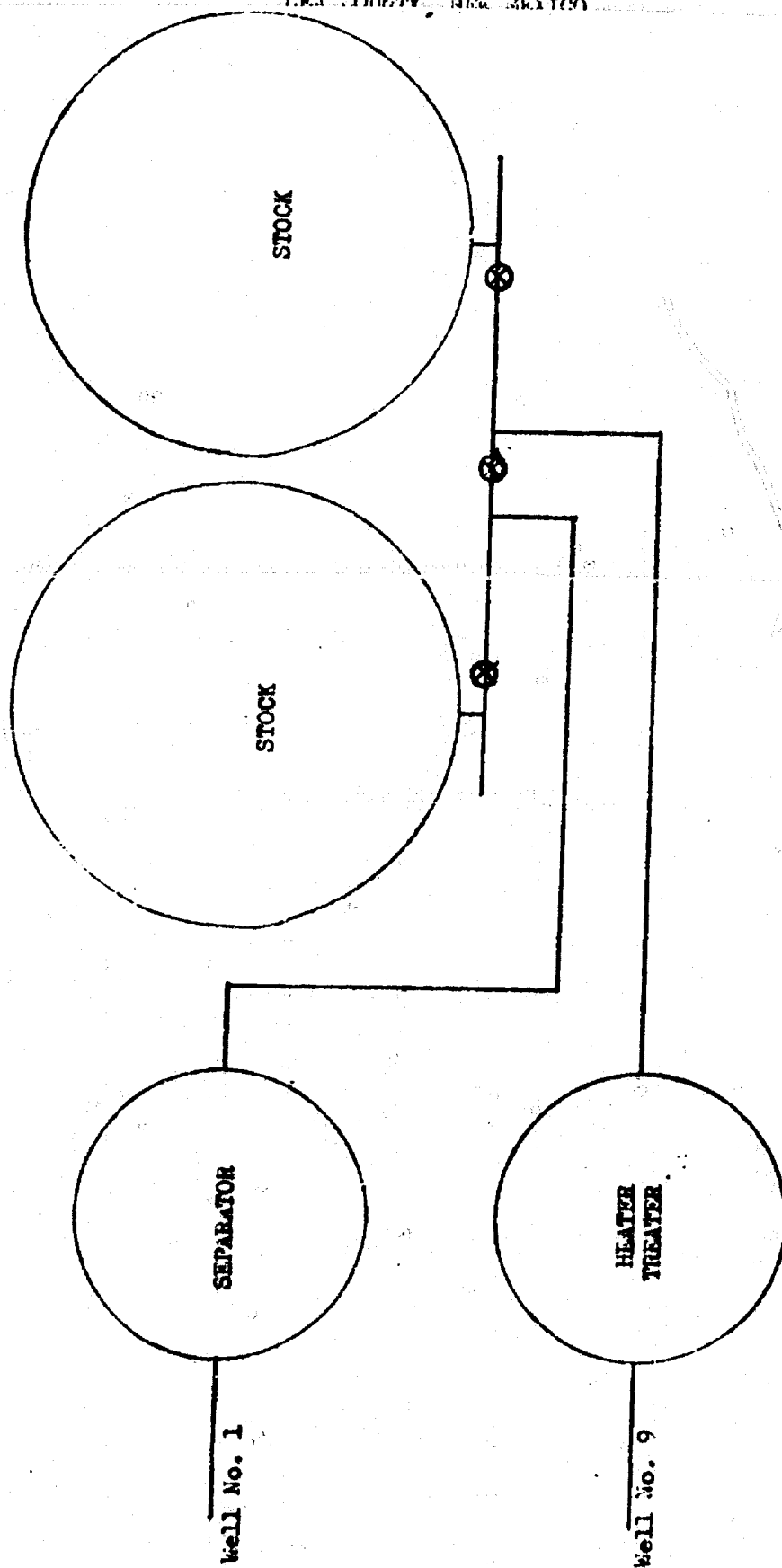


EXHIBIT "A"

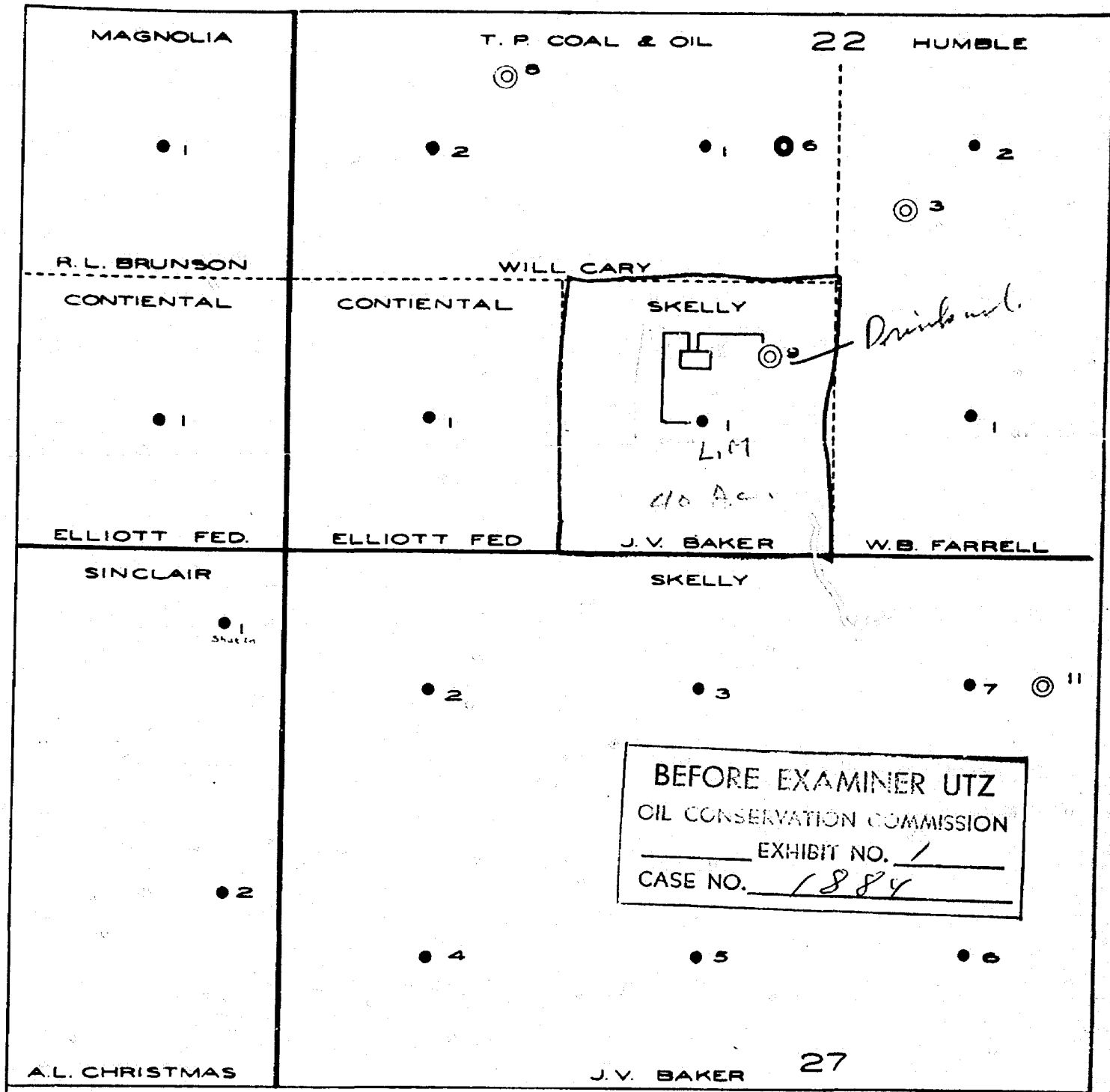
SKELLY OIL COMPANY
J. V. BAKER LEASE
LEA COUNTY, NEW MEXICO

EXHIBIT No. 2



SKELLY OIL COMPANY

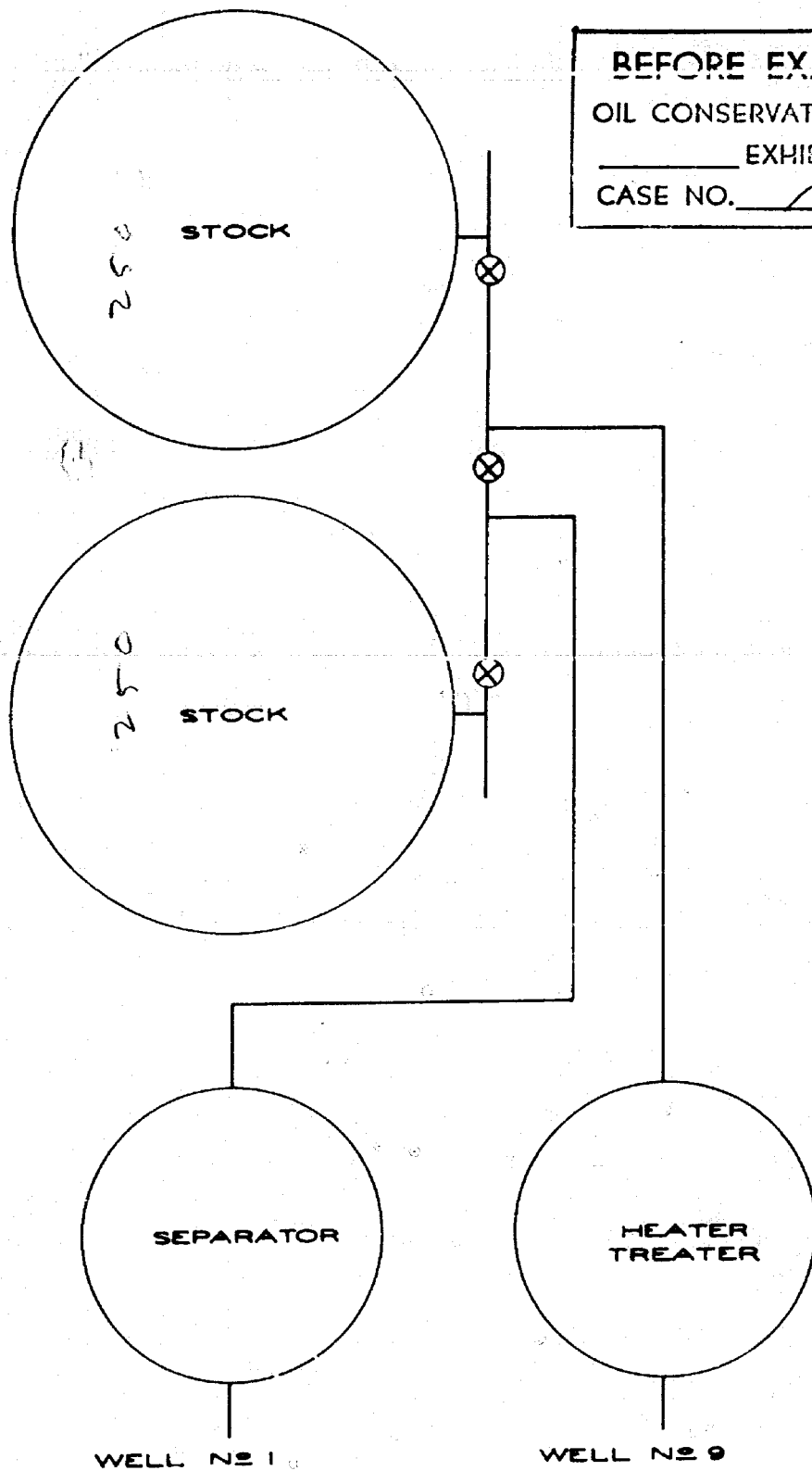
J. V. BAKER LEASE
LEA COUNTY, NEW MEXICO
SECTION 22-T22S-R37E



- ⊙ DRINKARD
- LANGLEIE MATTIX
- CARY

SKELLY OIL COMPANY
J. V. BAKER LEASE
SECTION 22-T22S-R37E

BEFORE EXAMINER 117
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 1884



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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 2-1-60

CASE 1884

Hearing Date 1-27-60

My recommendations for an order in the above numbered cases are as follows:

1. Grant Skelly's application for an exception to Rule 303, to commingle the oil production ^{apportioned} from its J. V. Baker lease in the Langlie-Mattis oil pool and Drinkwater oil Pool. The portion of the above lease for which this application should be granted is.

225-37E,

Sec. 22, SE 1/4 SW 1/4, 40 acres.

2. If at any time either well on this tract becomes capable of producing close to ^{now} a marginal allowable the production from that pool shall be metered.
3. Production from neither pool need be metered.
4. Ownership common.

Handwritten signature

Staff Number

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF
NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SKELLY OIL COMPANY FOR AN EXCEPTION TO
RULE 303 TO PERMIT COMMINGLING OF CRUDE
FROM THE LANGLIE-MATTIX OIL POOL AND FROM THE
DRINKARD OIL POOL ON APPLICANT'S J. V. BAKER
LEASE.

No. ¹⁸⁸⁴~~1884~~

APPLICATION

TO:

The Honorable Oil Conservation Commission of the State of New Mexico.

Comes now the applicant, Skelly Oil Company, and respectfully alleges
and states as follows:

1. That it is the owner and operator of its J. V. Baker lease, part
of which is the SE/4 SW/4 Section 22, Township 22 South, Range 37 East,
Lea County, New Mexico.

2. That there is no diversity of royalty ownership underlying the
above described 40 acre part of the lease.

3. That applicant has two wells on the 40 acre tract with well No. 1
completed in the Langlie-Mattix Pool and well No. 9 completed in the Drinkard
Oil Pool.

4. That applicant proposes to commingle production from well No. 1,
which is capable of producing around 5 BOPD from the Langlie-Mattix Oil
Pool, into common tankage with well No. 9, which is capable of producing
around 12 BOPD from the Drinkard Oil Pool.

5. That adequate testing facilities will be installed to enable
accurate well testing, thereby, enabling accurate production records by
pools to be maintained.

6. Attached hereto marked EXHIBIT "A" and made a part hereof by
reference is a plat which shows the location of applicant's J.V. Baker 40
acre tract, well locations, flow lines and tank battery location, and
offset operators.

7. That attached hereto marked EXHIBIT "B" and made a part hereof

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

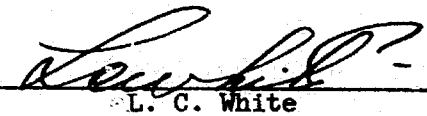
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1 by reference is a diagrammatic sketch, which shows the proposed method of
2 testing and storage of the production produced.

3 WHEREFORE, applicant prays that this application be set for hearing,
4 that notice be given as required by law, and that upon the evidence adduced
5 the Commission issue an order permitting applicant to commingle its production
6 from the Langlie-Mattix and Driskard Oil Pools underlying its described 40
7 acre tract on the J. V. Baker lease, Lea County, New Mexico, as more fully
8 set out in this application.
9

GILBERT, WHITE AND GILBERT

By


L. C. White

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

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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. 1884
Order No. R-1601

APPLICATION OF SKELLY OIL COM-
PANY FOR PERMISSION TO COMMINGLE
THE PRODUCTION FROM TWO SEPARATE
POOLS IN LEA COUNTY, NEW MEXICO,
WITHOUT SEPARATE MEASUREMENT

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 27, 1960, at Santa Fe, New Mexico, before Elvís 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 8th day of February, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvís 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 is the owner and operator of the J. V. Baker lease, a portion of which consists of the SE/4 SW/4 of Section 22, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from the two wells presently completed on the above-described acreage without separately metering the production from each pool.
- (4) That both of the wells presently completed in the subject pools on the subject acreage are low marginal wells.
- (5) That because of the marginal character of the subject producing wells on the subject acreage, the applicant's request for permission to commingle, without prior metering, should be

-2-
Case No. 1884
Order No. R-1601

granted, provided that a monthly test is conducted on each of the subject wells to determine the individual production from each well.

(6) That the ownership in each of the subject pools on the subject portion of the J. V. Baker lease is common throughout.

(7) That approval of the subject application will neither cause waste nor impair correlative rights.

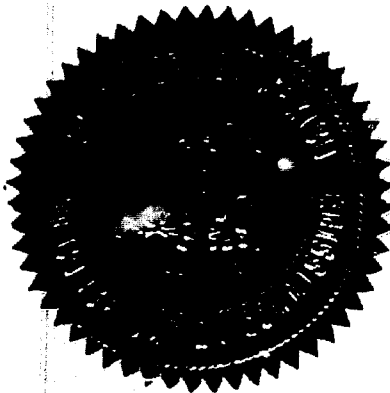
IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to commingle the oil production from the Langlie-Mattix Pool and the Drinkard Pool from all wells presently completed on that portion of the J. V. Baker lease consisting of the SE/4 SW/4 of Section 22, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, without separately metering the production from each of said pools prior to commingling.

PROVIDED HOWEVER, That if any well in the Langlie-Mattix or Drinkard Pools on the subject acreage shall at any time in the future become capable of producing considerably in excess of the present level of liquid hydrocarbon production, the authority granted by this order shall terminate unless the production from each of the two pools is separately metered prior to commingling.

PROVIDED FURTHER, That the applicant shall conduct monthly tests of all wells presently completed in the subject pools on the subject acreage to determine the individual production from each well.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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