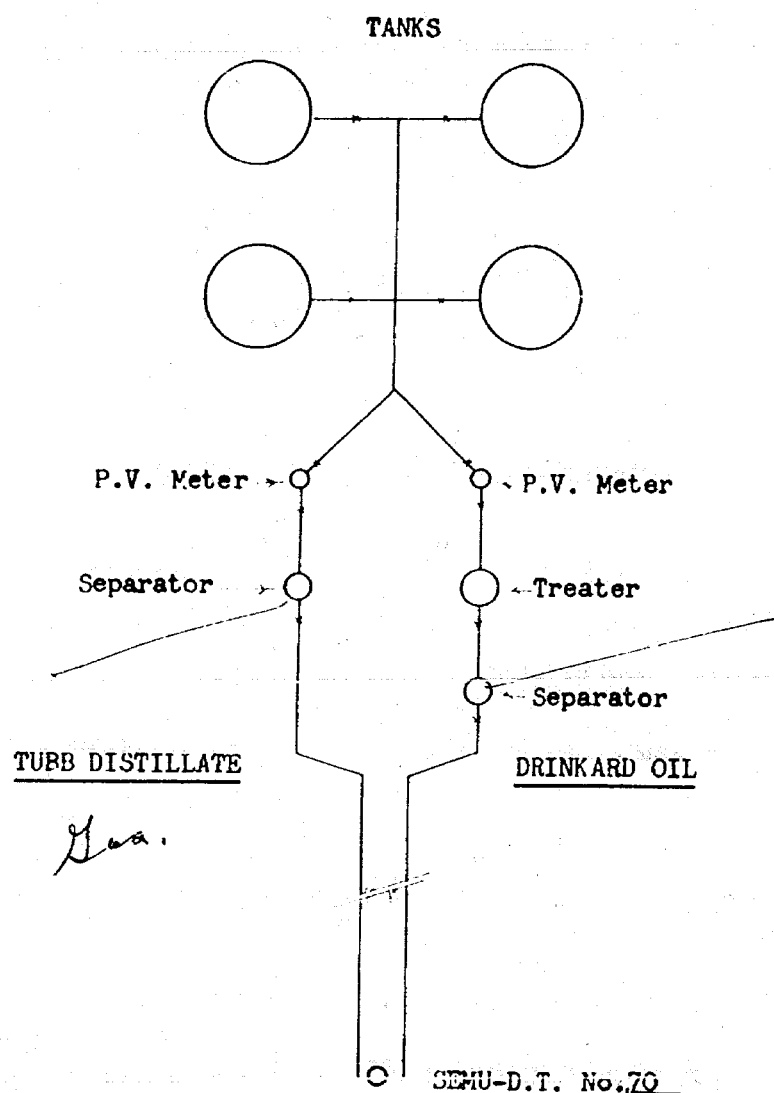


CASE 1678: Application of CONTINENTAL
to commingle production from all wells
on that portion of Southeast Monument
Unit.

Case No.

1878

Application, Transcript,
Small Exhibits, Etc.



CONTINENTAL OIL COMPANY

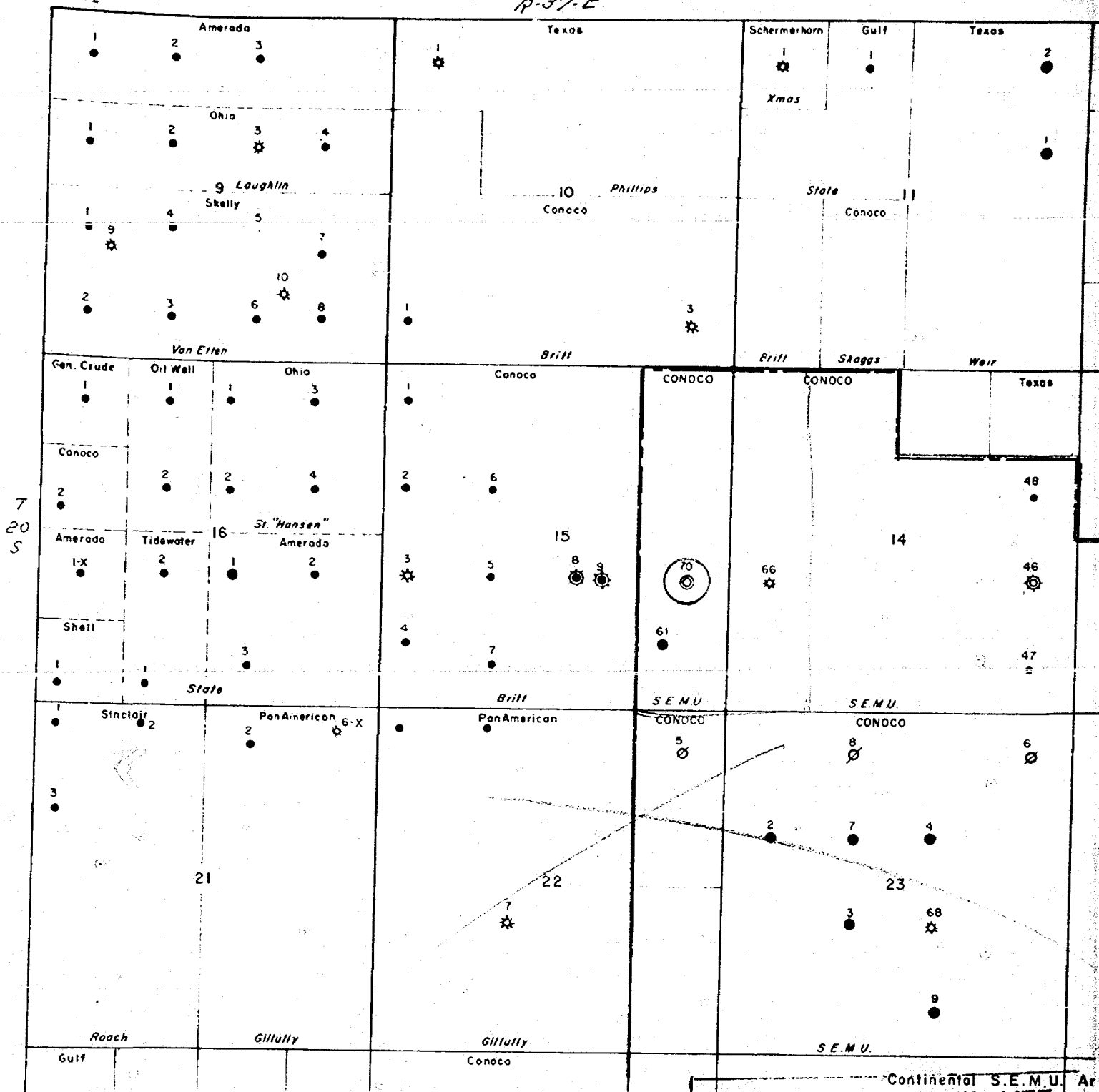
PROPOSED TANK BATTERY LAYOUT
for
COMMINGLING
DRINKARD OIL and TUBB DISTILLATE

S.E.M.U. Lease

BEFORE EXAMINER UTZ
OIL COMMISSION
EXAMINER'S
CASE NO. 1878

CASE: 1878
EXHIBIT: 1

R-37-E



CONTINENTAL OIL COMPANY
OWNERSHIP PLAT - WEIR POOL AREA
Scale: 1"=2000'

Continental S.E.M.U. Ar
BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 1878

CASE: 1878
EXHIBIT: 2



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO
December 22, 1959

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Re: Application of Continental Oil
Company for an Exception to
Rule 303 in order to Commingle
Production after Separate
Measurement from the Weir Tubb
and Weir Drinkard Pools on its
Southeast Monument Unit, a
portion of which is located in
Sections 14 and 15, T-20S, R-37E,
NMPM, Lea County, New Mexico

Gentlemen:

Please find attached three copies of Continental Oil
Company's application for an exception to Rule 303 in order to
commingle production after separate measurement from the Weir
Tubb and Weir Drinkard Pools on its Southeast Monument Unit,
a portion of which is located in Sections 14 and 15, T-20S,
R-37E, NMPM, Lea County, New Mexico.

We respectfully request that this matter be set for
hearing at the earliest convenient date.

Yours very truly,

W. A. Mead

Encl. 3
WAM-PD
Enc. (3)

PIONEERING IN PETROLEUM PROGRESS SINCE 1875

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-Blaine 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 recomplete 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.

ig/

Case 1878

BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

MAIN OFFICE 200
DEC 1 1933

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN EXCEPTION
TO RULE 303 IN ORDER TO COMMINGLE
PRODUCTION AFTER SEPARATE MEASUREMENT
FROM THE WEIR TUBB AND WEIR DRINKARD
POOLS ON ITS SOUTHEAST MONUMENT UNIT,
A PORTION OF WHICH IS LOCATED IN
SECTIONS 14 AND 15, T-20S, R-37E, NMPM,
LEA COUNTY, NEW MEXICO.

A P P L I C A T I O N

Comes now applicant, Continental Oil Company and respectfully
requests an exception to statewide Rule No. 303 for permission to commingle
production after separate measurement from the Weir Tubb and Weir Drinkard
pools on its Southeast Monument Unit, a portion of which is located in
Sections 14 and 15, T-20S, R-37E, Lea County, New Mexico and in support there-
of would show:

- 9/16/4
15 in
Weir
1. That applicant is the operator of the Southeast Monument
Unit, a portion of which consists of the W/2 of the W/2 of Section 14 and
the E/2 of the E/2 of Section 15, T-20S, R-37E, NMPM, Lea County, New Mexico.
 2. That the mineral rights under the above described lease
are held by the Federal government.
 3. That oil production from the Weir Drinkard pool and distillate
production from the Weir Tubb pool ^{gas} has been obtained on the above described
lease.
 4. That the installation of two separate tank batteries would
require needless expense.
 5. That applicant proposes to install accurate metering and test
facilities so that the production from each pool will be accurately measured
and reported and the performance of each well will be accurately checked.
 6. That the proposed exception to Rule 303 is in the interest
of conservation and the prevention of waste.

Wherefore, applicant prays that this matter be set for hearing
before the Commission's duly qualified examiner and that upon hearing an
order be entered granting applicant permission to commingle the oil produced
from the Weir Drinkard pool and the distillate produced from the Weir Tubb
pool on its Southeast Monument Unit. gas

Respectfully submitted,

W. A. Mead

Wm. A. Mead
Division Superintendent
of Production
New Mexico Division

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-2-8-60

CASE 1875

Hearing Date 1-27-60

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

1. Grant Continentals request for permission to commingle ^{liquid hydrocarbon} production from the Win-Dubt Gas pool and the Win-Drinkard Oil pool ~~with~~ on a portion of the ~~303~~ Southeast Monument unit consisting of:

~~the~~ 205-37E,

Sec. 14, W/2 W/2

Sec. 15 E/2 E/2

2. Meters shall be tested every 30 days until further notice of the Commission.
3. The mechanical completion shall be such that each well on this lease can be tested each 30 days.

4. Exception to 303 Rule.

Christ. W. W.

Staff Member

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. 1878
Order No. R-1596

APPLICATION OF CONTINENTAL OIL
COMPANY FOR PERMISSION TO COM-
MINGLE THE PRODUCTION FROM TWO
SEPARATE POOLS IN LEA COUNTY,
NEW MEXICO

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 Elvis 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, Elvis 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 operator of the Southeast Monument Unit, a portion of which consists of the W/2 W/2 of Section 14 and the E/2 E/2 of Section 15, Township 20 South, Range 37 East, NEPM, Lea County, New Mexico.
- (3) That the applicant proposes to commingle in common tankage the liquid hydrocarbon production from the Weir (Drinkard) Oil Pool and the Weir-Tubb Gas Pool from all wells on the above-described portion of the Southeast Monument Unit after separately metering the production from each pool.
- (4) That approval of the subject application will neither cause waste nor impair correlative rights, provided adequate treating, testing, and storage facilities are installed.

-2-
Case No. 1878
Order No. R-1596

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to commingle in common tankage the liquid hydrocarbon production from the Weir (Drinkard) Oil Pool and the Weir-Tubb Gas Pool from all wells on that portion of the Southeast Monument Unit comprising the W/2 W/2 of Section 14 and the E/2 E/2 of Section 15, Township 20 South, Range 37 East, MNPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the production from each pool shall be separately metered prior to commingling.

(2) That all meters shall be operated and maintained in such a manner as to ensure an accurate measurement of production at all times.

That all meters shall be checked at intervals not to exceed one month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

(3) That the applicant shall install adequate testing facilities to permit the testing of all wells now or hereafter completed on the above-described acreage at least once each month to determine the individual production from each well.

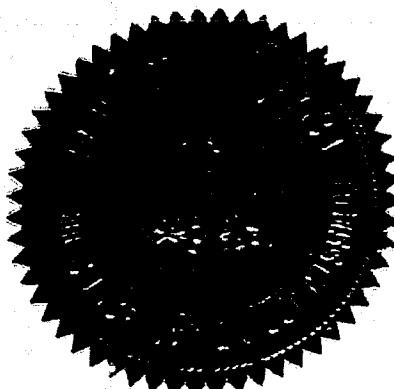
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



vem/

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 27, 1960

IN THE MATTER OF:

APPLICATION OF CONTINENTAL OIL COMPANY
for permission to commingle the production
from two separate pools. Applicant, in the
above-styled cause, seeks an order author-
izing 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 NO.
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 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 NO.
1878

BEFORE:

ELVIS A. UTZ - EXAMINER

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
JOHN A. QUEEN	
Direct Examination by Mr. Kellahin . . .	3
Questions by Mr. Utz	7
Questions by Mr. Payne	7
Questions by Mr. Utz	9

E X H I B I T S

<u>NUMBLR</u>	<u>EXHIBIT</u>	<u>RECEIVED</u>
App. 1	Schematic Drawing	7
App. 2	Map	7



TRANSCRIPT OF PROCEEDINGS

MR. UTZ: Case 1876.

MR. KELLAHIN: If the Examiner please, Jason Kellahin, representing the Applicant, I believe it would be possible, since an identical situation exists in Case 1878, the only difference being a different unit, that the two cases could be consolidated just for the purposes of testimony.

MR. UTZ: There are two different units aren't there?

MR. KELLAHIN: Yes, sir, they are. The set-ups will be identical.

MR. UTZ: Is there any objection for consolidation of the two cases for purposes of testimony only? If not, proceed.

MR. KELLAHIN: Let the record show Mr. Queen has already been sworn.

JOHN A. QUEEN

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Queen, are you familiar with the applications in Cases No. 1876 and 1878?

A I am.

Q Would you state briefly what is proposed in those two cases?

A Yes, sir. In April, 1959, Continental Oil Company

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ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



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ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

completed its Britt B-15 No. 9 well as a discovery well and if I may pass out the Exhibits, we have ample exhibits. As I previously testified that Continental, in April, 1959, completed its Britt B-15 No. 9 as discovery well of the Weir-Tubb Gas Pool as extension of the Weir-Drinkard Oil Pool. At the present time we have one well completed in these pools on the Britt B-15 lease and another well drilling, the SEMU No. 70 which is being considered in Case 1878. Our future plans call for the installation of an LACT on this lease and on the SEMU, southeast monument unit lease, if future developments of this area warrant, and in order to avoid unnecessary expenditures for tanks, we would like to commingle production in the Drinkard and Tubb zones of the Weir pools after separate measurements. Exhibit No. 1, which we have furnished you is a schematic drawing for both Case 1876 and 1878 for the Britt B-15 No. 9 and the SEMU No. 70 to show our proposed installation. This distillate from the Tubb zone, and it is possible that this will be oil, however, we do not know at this date, and the oil from the Drinkard zone will be metered by positive volume or positive displacement meters before going to the tanks. Tank gauges will be made daily so that in the event that one meter fails, production can still be determined from tank gauges from the other meter reading and the meters will be calibrated periodically as required by the Commission's Rules and Regulations.

Q Referring to what has been marked as Exhibit No. 2 in each of the cases, would you discuss those exhibits, please?



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A Exhibit 2, for Case 1876 shows the outline of the Britt B-15 lease which consists of the W/2 of Section 5 and the W/2 of the E/2 of Section 15, Township 20 South, Range 37 East. The Well No. 9 which has been duly completed as previously stated is circled in red. Exhibit 2 for 1878 case shows a part of the SEMU, outlined in red. This well has been successfully completed in the Drinkard formation and present plans are to complete it as a dual completion as a Drinkard-Tubb producer.

Q Now, as I understand your testimony, the Britt B-15 well has already been dualled, has it not?

A That is correct.

Q And production from the Drinkard Zone is distillate in the well?

A No, sir, the Drinkard is oil and the Tubb is distillate.

Q What is the status on the well on the SEMU unit?

A It has been completed as a Drinkard well and at the present time operations are completing it for dual formations. On the Tubb application there is some question whether the Tubb will be distillate or an oil well.

Q Referring again to Exhibit No. 2, is the royalty under the two wells common as to each tank meter?

A Yes, sir.

Q They are different as to the two wells?

A No, sir, they are not. They are identical through-



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out; however, one is in the Southeast Monument Unit as approved by the U.S.G.S. and the other one is a Federal acreage that is not in the SEMU Unit.

Q In your opinion, would the granting of this application be in the interests of protecting royalty rights and prevention of waste?

A It would.

Q What about the gravity of the fluids of the two zones?

A We have measured the gravity and production on the Britt B-15 well and therefore propose it to be approximately the same as on the SEMU No. 70 well after it is completed. The Drinkard is producing approximately 1,485 barrels of oil per month of 36.5 API gravity. The Tubb formation in the SEMU 70 produced 2,065 barrels of oil, or distillate on the 46.5 degrees gravity.

MR. UTZ: Did I understand you to say per month?

A Yes, sir.

After these two fluids are combined, they should yield oil of approximately 42.2 gravity, API.

QUESTIONS BY MR. KELLAHIN:

Q Does that result from the higher gravity from the over-all production?

A Yes, sir, it would to apply this figure to the economics it would show approximately \$260.00 per month increase in revenue to the operators and to the royalty owners by combining the



two fluids.

Q Would you have adequate tankings?

A Yes, sir.

Q Were Exhibits 1 and 2 in Case 1876 and Exhibits 1 and 2 in Case 1878 prepared by you or under your direction?

A Yes, sir, they were.

MR. KELLAHIN: At this time, we would like to offer the Exhibits in the two cases.

MR. UTZ: Without objection they will be accepted into the record.

(Thereupon the documents referred to above were received in evidence as Applicant's Exhibits 1 and 2 in Case No. 1876 and 1878.)

MR. KELLAHIN: That's all the questions I have.

QUESTIONS BY MR. UTZ:

Q Mr. Queen, I believe I understand this correctly, but I'd like to clarify it if I may. All you intend to do is to meter the two zones from each well and commingle the two pools for each well?

A Into two separate tank batteries.

Q And the oil will be gauged in the tank batteries?

A It will be metered and also gauged in the tank batteries.

QUESTIONS BY MR. PAYNE:

Q Do you feel that your meters will have to be cor-

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PHONE CM 3-6691



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ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

rosion resistant to be of the Drinkard's characteristic?

A At this time we do not anticipate it; however, a great many reservoirs will produce roughly sweet fluids as some people refer to them. There is a certain reservoir pressure at which time they will drop over the classification and called corrosive fluids and this may be the case here.

Q Do you feel justified in assuming that the Tubb production from your SEMU 70 well will be practically the same as the Tubb production from your Britt well?

A Yes, sir. The Britt well is now classified as a gas well, the Britt B-15 No. 9. It is our opinion that within a matter of a few months it will be classified as an oil well. As you know, I testified that the gravity was 46.5. At the time this well was completed it was 50.6, so evidently this well is drilled near the oil-gas contact.

Q Now, it will be the liquid hydrocarbon production which is separately metered?


A That is correct.

Q That's all you propose to actually commingle?

A That's all that will be commingling in the tanks, yes, sir.

Q In other words, the dry gas production from the Tubb will not be commingled with the casinghead gas from the Drinkard prior to going --

A No, sir.



MR. PAYNE: Thank you.

QUESTIONS BY MR. UTZ:

Q Mr. Queen, this application does not pertain only to these two wells, but all wells on each lease, is that correct?

A That is correct. At the present time, the unknown factor as to the size of the reservoir could not let us say how many we anticipate. We do have one more well proposed at the present time which is located approximately 1320 feet north and west of the Britt B-15 No. 9 well. We honestly do not know whether we have a small free gas cap at this time or how large it is, but evidently there is one there.

MR. PAYNE: In all probability, if you get considerable production on these units, you will ask to install LACT equipment in any event?

A Yes, sir, I stated that we would anticipate installing an LACT unit at some future date.

MR. UTZ: You don't anticipate any more than 16 wells on either pool on either lease?

A No, sir, we do not.

MR. UTZ: Are there any other questions? If not, the witness may be excused. Are there any other statements to be made in this case? If not, the case will be taken under advisement.

Case No. 1879 will be the last case for the day.

(Witness excused.)

MR. KELLAHIN: If the Examiner please, Jason Kellahin,

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of the Kellahin & Fox, representing the Applicant. At this time, we would like to request that this case be continued to be heard before the same Examiner at the last examiner hearing in February.

MR. UTZ: Is there objection to counsel's motion? If not, the case will be continued to February 25th. This hearing will be recessed until 9:00 o'clock tomorrow morning.

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, LAURA MORENO, 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, ability and skill.

WITNESS my hand this 10 day of February, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Laura Moreno.
Laura Moreno, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Ex parte hearing of Case No. 1828 heard by me on January 27, 1960.
[Signature], Examiner
New Mexico Oil Conservation Commission

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ALBUQUERQUE, NEW MEXICO

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