

Case No.

1842

Application, Transcript,
Small Exhibits, Etc.

**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. 1842
Order No. R-1600**

**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 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 owner and operator of the A. B. Baker "A" lease which consists of the NW/4 of Section 26, Township 22 South, Range 37 East, NMPN, Lea County, New Mexico.

(3) That the applicant proposes to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from the five wells presently completed in these pools on the above-described acreage without separately metering the production from each pool.

(4) That all of the wells presently completed on the subject acreage in the Langlie-Mattix and Drinkard Pools 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

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Case No. 1842
Order No. R-1600

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 said A. B. Baker "A" 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 the A. B. Baker "A" lease, consisting of the NW/4 of Section 26, Township 22 South, Range 37 East, MNPM, 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 its 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.



vem/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

M. E. Morgan
MURRAY E. MORGAN, Member

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

JANUARY 5, 1960

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JANUARY 6, 1960

IN THE MATTER OF:

CASE 1842: 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.

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will take next Case 1842.

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

MR. WHITE: If the Commission please, Charles White of Gilbert, White and Gilbert. Skelly Oil Company would like to have that case continued to the January 27th hearing.

MR. NUTTER: Case No. 1842 will be continued to the Examiner hearing on January 27th.

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, 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 by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 13th day of January, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

J. A. Trujillo
NOTARY PUBLIC

My Commission Expires:
October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1842 heard by me on 1-60, 1960.

[Signature], Examiner:
New Mexico Oil Conservation Commission

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ALBUQUERQUE, NEW MEXICO



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

IN THE MATTER OF
CASE NO. 1842

TRANSCRIPT OF PROCEEDINGS

January 28, 1960

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ALBUQUERQUE, NEW MEXICO



I N D E X

WITNESS

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<u>NUMBER</u>	<u>EXHIBIT</u>	<u>MARKED FOR IDENTIFICATION</u>	<u>OFFERED</u>	<u>ADMITTED</u>
App.#1	Plat	5	8	8
" #2	Schematic Diagram	5	8	8

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ALBUQUERQUE, NEW MEXICO



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 its Baker "A" lease comprising the NW/4 of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE
NO. 1842

BEFORE:

Elvis Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: We will take up the next Case Number 1842.

MR. PAYNE: Case 1842. Application of Skelly Oil Company for permission to commingle the production from two separate pools.

MR. WHITE: Charles White, of Gilbert, White and Gilbert of Santa Fe, New Mexico, appearing on behalf of the applicant. We have one witness to be sworn.

(Witness sworn.)

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 duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Baumgardner, will you state your full name for the record, please?

A Arthur Baumgardner.

Q By whom are you employed, Mr. Baumgardner?

A Skelly Oil Company.

Q And in what capacity?

A Production engineer.

Q And where are you located?

A Hobbs, New Mexico.

Q Have you previously testified before the New Mexico Oil Conservation Commission?

A No, sir, I haven't.

Q Will you briefly state your educational background, and your professional qualifications?

A I received a B. S. degree in Missouri School of Mines in 1953; and in petroleum engineering, received an M. S. degree from Oklahoma A. & M., which is now Oklahoma State, in 1955. I worked for Texaco as a trainee for a year, after which time I joined the Skelly Oil Company as a production engineer, and been there since.



MR. WHITE: Are the witness' qualifications acceptable?

MR. UTZ: Yes.

Q (By Mr. White) Will you briefly state the purpose of this application?

A It is to commingle the production from the Drinkard and Langlie-Mattix oil pool in the A. B. Baker "A" lease.

Q Are the royalty interests the same throughout this lease?

A They are.

Q And how about the working interests?

A They are.

Q Will you refer to what has been marked Exhibit Number 1, and explain that, please?

A Exhibit 1 shows the four Drinkard wells, Numbers 1, 4, 5, and 6, and the Langlie-Mattix well Number 2. The proposed flow line is on tank battery. It also shows the offset operators, leases, and wells.

Q Now, will you refer to Exhibit Number 2, and explain that schematic sketch?

A Exhibit Number 2 is a schematic sketch of the proposed tank battery to commingle the oil, with the necessary valves to test either zone any time seen fit.

Q And will you trace the flow of crudes as to Well Number 2 and Wells 1, 4, 5 and 6?

A Well Number 2 comes from the well into the separator

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on the left. It flows into either tank. If the Drinkard oil comes into the heat treater on the right, and also into either tank by a manipulation of the three valves, the oil can be commingled or run into separate tanks for testing purposes. The gas from the heat treater is being sold. The gas from the separator and from Well Number 2, is being vented at the present time.

Q Will you give the production characteristics, please?

A The Baker "A" 2 for the month of November averaged approximately five and a third barrels of oil per day, of 35 degree oil. The Baker "A" 1 produced 35 barrels; the Baker "A" 4 produced 11 barrels; the Baker "A" 5 produced 18 barrels; the Baker "A" 6 produced 9 barrels. This is 40 gravity crude.

Q From your testimony, I assume that wells 1, 4, 5, and 6 produced a total average of 56 barrels of oil per day?

A I think it is 73.

Q Seventy-three?

A Yes, sir.

Q What is the top allowable?

A The top allowable for the four wells is 248 barrels of oil per day.

Q How much gas are you venting, and how much are you selling, if you know?

A The last gas-oil ratio taken on Well Number 2 was taken in March of '59. It showed that the well was making 7.26 MCF of gas per day.



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Q That's being vented?

A Yes, sir, being vented at the present time.

Q Now, in the event you commingle the pools here, will this gas be sold?

A Yes, sir. We can sell it to the same pipeline connection that is serving wells Number 1, 4, 5, and 6, Drinkard wells.

Q Do you have the gas-oil ratios on these wells?

A Yes, sir. The gas-oil ratio on Number 1 well 2825; on Number 4 well is 10,406.

Q Slower, please.

A The Number 5 well is 5,299; the Number 6 well is 8,572. This well, I mean, this gas is being sold.

Q How are these crudes classified?

A I believe they are classified as intermediate. However, the same pipeline connection is connected to both tank batteries now, and the tank battery is serving Number 2, and also serving the Drinkard wells.

Q Do you expect to encounter any unusual corrosion problems?

A None; however, there is some corrosion problem there, because the tank serving Number 2 needs replacing, and for the commingling --

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

A Yes, sir, they were.



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Q Now, I notice here that you are not metering any of these crudes, will you explain that to the Examiner, please?

A We do not intend to meter these crudes, due to the low volume of crude being made there. They may be classified as marginal wells, or in the stripper stage of production.

Q In the event of any water flood, or any reworking the wells, to where they could make your allowables, then would you install meters?

A Yes, sir.

MR. WHITE: That's all I have. We offer the exhibits at this time.

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

MR. WHITE: That's all the testimony we have on direct examination.

QUESTIONS BY MR. UTZ:

Q How much oil is the Number 2 well making?

A The Baker "A" 2 averaged five and a third barrels per day, for the month of November.

Q Five and a third?

A Yes, sir.

Q And the other four wells produced 73?

A Mr. White was right on that. It averaged 56; the 73 is evidently the allowable. 56, that is 40 gravity.

Q And the Number 1, 4, 5, and 6 wells are from which formation?



A The Drinkard formation, and the Drinkard pool.

QUESTIONS BY MR. PAYNE:

Q What is the top allowable for the Drinkard?

A I believe it is 62 barrels of oil per day per well, makes a total of 248.

MR. WHITE: Mr. Baumgardner, have similar orders been issued?

A Yes, sir, there are two orders for commingling without meters. One is Case Number 1754, Order Number 1482, application of Skelly Oil Company for permission to commingle the production from two separate oil pools in Lea County; and Case Number 1825, Order Number R-1440-A, application of Continental Oil Company for permission to commingle production from two separate pools in Lea County.

Q (By Mr. Payne) Mr. Baumgardner, do you plan to drill any more Drinkard or Langlie-Mattix wells on your A. B. Baker "A" lease?

A No, sir, not at the present time.

Q If you do drill any more, you would not propose to commingle them, providing they were capable of making top allowable?

A If we did, we would certainly put meters on them.

Q Do you feel that the approval of this application will allow you to produce the Number 2 Well to a more advanced state of depletion?

A Yes, sir, by eliminating the tank battery, we figure

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that we can lower the levelling cost on the well,,and thereby produce it at a lower limit, and extend the life of the well.

MR. PAYNE: That's all.

MR. UTZ: Are there any other questions of the witness?
If not, the witness may be excused.

(Witness excused.)

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

(No response.)

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

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ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

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 true and correct transcript of the proceedings in the case of No. 1842, heard by me on 2-6-60, 1960.
James A. [Signature] Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6591



DOCKET: EXAMINER HEARINGS JANUARY 6, 1960OIL CONSERVATION COMMISSION - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner, or A. L. Porter, Jr., Secretary-Director.

- CASE 1835: Application of Continental Oil Company for two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order establishing two non-standard gas proration units in the Eumont Gas Pool, one consisting of the N/2 of Section 3, the other consisting of the S/2 of said Section 3, Township 20 South, Range 36 East, Lea County, New Mexico. Applicant proposes to dedicate the units respectively to its Reed A-3 Well No. 2, located 1980 feet from the North line and 660 feet from the East line of said Section 3 and to its Reed A-3 Well No. 3, located 1980 feet from the South line and 660 feet from the East line of said Section 3. Applicant further proposes the cancellation of an existing Eumont gas proration unit comprising the E/2 of said Section 3 and presently dedicated to the said Reed A-3 Well No. 3.
- CASE 1836: Application of Continental Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the Arrowhead Pool production from all wells on its State J-2 lease consisting of the N/2 and the SE/4 of Section 2, Township 22 South, Range 36 East, Lea County, New Mexico.
- CASE 1837: Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Balish "A" Well No. 27, located in the NE/4 SE/4 of Section 21, Township 17 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Abo pool and the production of oil from an undesignated Wolfcamp pool through parallel strings of tubing.
- CASE 1838: Application of El Paso Natural Gas Company for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Huerfano Unit Well No. 111 (GD), located in Unit F, Section 20, Township 26 North, Range 9 West, San Juan 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 1839: Application of Franklin, Aston & Fair, Inc., for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Empire-Abo Pool production from three separate State leases, one in Section 6, Township 18 South, Range 28 East, and the other two in Section 31, Township 17 South, Range 28 East, Eddy County, New Mexico.
- CASE 1840: Application of Pan American Petroleum Corporation for a non-standard gas unit. Applicant, in the above-styled cause, seeks an order establishing a 264-acre non-standard gas unit in the Blanco-Pictured Cliffs Pool consisting of the N/2 of Section 6, Township 29 North, Range 9 West, San Juan County, New Mexico, to be dedicated to the Houck Gas Unit Well No. 1, located 1650 feet from the North and East lines of said Section 6.

- CASE 1841: Application of Sinclair Oil & Gas Company for the creation of a new pool in the Potash-Oil Area and for the promulgation of special rules and regulations pertaining thereto. Applicant, in the above-styled cause, seeks an order creating a new pool for Yates production in the Potash-Oil Area as defined by Order R-111-A, said pool to comprise the SE/4 NW/4 of Section 16, Township 20 South, Range 33 East, Lea County, New Mexico, and such other acreage as may reasonably be proven productive from the same common source of supply. Applicant further seeks the promulgation of special rules and regulations for said pool as follows:
- A. Cable Tool Casing Program.
- Same as Order R-1078 for Teas Pool.
- B. Rotary Tool Casing Program.
- Surface casing set at 600 feet and cement circulated. No salt protection string. Production casing to be set through pay from 3146 feet to 3232 feet (approximately) with cement circulated to at least 50 feet into surface casing.
- CASE 1842: 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 1843: Application of Roy H. Smith Drilling 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 Maljamar-Yates Pool and the Pearsall Pool from all wells on its Walker "A" lease, comprising the S/2 NE/4 of Section 5, Township 18 South, Range 32 East, Lea County, New Mexico.
- CASE 1844: Application of Texaco Inc. for permission to commingle the production from two separate pools and for permission to install an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Ellenburger and Justis-McKee Pools from all wells on its C. E. Penny lease consisting of the NW/4 of Section 19, Township 25 South, Range 38 East, Lea County, New Mexico, and for permission to install an automatic custody transfer system to handle said commingled production.
- CASE 1845: Application of Western Natural Gas Company for an oil-gas dual completion and for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Bonnie Schlosser Federal Well No. 1, located 790 feet from the North line and 1980 feet from the West line of Section 10, Township 27 North, Range 11 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing. Applicant further seeks an unorthodox Dakota gas well location for the said Bonnie Schlosser Federal Well No. 1.

CASE 1846: Application of Rice Engineering and Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to recomplete the Lowe Oberholtzer Well No. 2 as a salt water disposal well. Said well is located 1980 feet from the North and East lines of Section 8, Township 12 South, Range 38 East, Gladiola Pool, Lea County, New Mexico. Applicant proposes to inject the produced salt water in the Devonian formation in the interval from 12,223 feet to 12,500 feet.

CASE 1847: Application of Rice Engineering and Operating, Inc. for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its Hobbs SWD Well No. F-29 to be located 1880 feet from the North line and 1742 feet from the West line of Section 29, Township 18 South, Range 38 East, Hobbs, Pool, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the San Andres formation in the interval from 4700 feet to 5000 feet.

CASE 1848: Application of El Paso Natural Gas Company for an exception to Paragraph 3 of Order R-1065. Applicant, in the above-styled cause, seeks an extension of time to make up the accrued underproduction of the Jones 4-A Well (a pressure build-up test well), located in Unit B, Section 13, Township 28 North, Range 8 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.

CASE 1849: Application of Western Natural Gas Company for an exception to the over-production shut-in provisions of Order R-520, as amended by Order No. R-967, for 3 wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order permitting the following-described gas wells in the Jalmat Gas Pool, Lea County, New Mexico, to compensate for their overproduced status without being completely shut-in in order to prevent possible waste.

Wells Federal No. 1 Well, SW/4 NE/4 of Section 6,
T-26-S, R-37-E.

Guthrie No. 1 Well, SW/4 SE/4 of Section 34,
T-23-S, R-36-E.

State McDonald A-15 Well No. 1, NW/4 SW/4 of Section 15,
T-22-S, R-36-E.

DOCKET: EXAMINER HEARING JANUARY 27, 1960

OIL 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, 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 recompleate 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.

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. 1754
Order No. R-1482

APPLICATION OF SKELLY OIL COMPANY
FOR PERMISSION TO COMMINGLE THE
PRODUCTION FROM TWO SEPARATE OIL
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 September 2, 1959, 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 14th day of September, 1959, 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, Skelly Oil Company, is the owner and operator of the W/2 SW/4 and NE/4 SW/4 of Section 3, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to commingle the production from the Langlie-Mattix Oil Pool and from an undesignated Blinbry oil pool from the four wells presently completed on the above-described acreage without separately metering the production from each pool.

(4) That of the four wells presently completed on the subject acreage, three Langlie-Mattix wells are capable of producing a total of about 9 barrels of oil per day and the one Blinbry well is capable of producing about 10 barrels of oil per day.

-2-

Case No. 1754
Order No. R-1482

(5) That because of the marginal character of the producing wells on the subject acreage, the applicant's request for permission to commingle, without prior metering, should be granted, provided that a monthly test is conducted on all wells located on the subject acreage to determine the individual production from each well.

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

IT IS THEREFORE ORDERED:

That the applicant, Skelly Oil Company, be and the same is hereby authorized to commingle the oil production from the Langlie-Mattix Pool and from an undesignated Blinbry pool from all wells presently completed on the W/2 SW/4 and the NE/4 SW/4 of Section 3, Township 23 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 on the subject acreage shall at any time in the future become capable of producing in excess of top unit allowable for its producing zone, the authority granted by this order shall terminate unless the production from each of the two pools is separately measured prior to commingling.

PROVIDED FURTHER, That the applicant shall conduct monthly tests of all wells located 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

S E A L

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

lcr/

W/Cas 1842

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. 1825
Order No. R-1440-A

APPLICATION OF CONTINENTAL OIL
COMPANY FOR PERMISSION TO COM-
MINGLE 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 December 11, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 16th day of December, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 Lockhart A-17 Lease comprising among other acreage, the E/2 NE/4 and the NE/4 SE/4 of Section 17, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to commingle the production from the Blinebry Oil Pool and the Tubb Gas Pool from all wells located on the above-described acreage without separately metering the production from each pool.

(4) That the wells currently completed in the Blinebry Oil Pool and the Tubb Gas Pool on the subject acreage are capable of producing a total of between 20 and 25 barrels of oil per day.

(5) That because of the very marginal character of the producing wells on the subject acreage, the applicant's request for

-2-

Case No. 1825

Order No. R-1440-A

permission to commingle without prior metering should be granted, provided that a monthly test is conducted on all wells located on the subject acreage to determine the individual production from each well.

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

(7) That Order No. R-1440, granting authority to commingle the production as herein proposed, but requiring separate metering, should be superseded by the order issued in this case.

IT IS THEREFORE ORDERED:

(1) That Order No. R-1440 be and the same is hereby superseded.

(2) That the applicant be and the same is hereby authorized to commingle the production from the Blinbry Oil Pool and the Tubb Gas Pool from all wells presently completed on the E/2 NE/4 and the NE/4 SE/4 of Section 17, Township 21 South, Range 37 East, NMPN, Lea County, New Mexico, without separately metering the production from each of said pools prior to commingling.

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

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

S E A L

MURRAY E. MORGAN, Member

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

you/

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 2-1-60

CASE 1842 Hearing Date 1-27-60

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

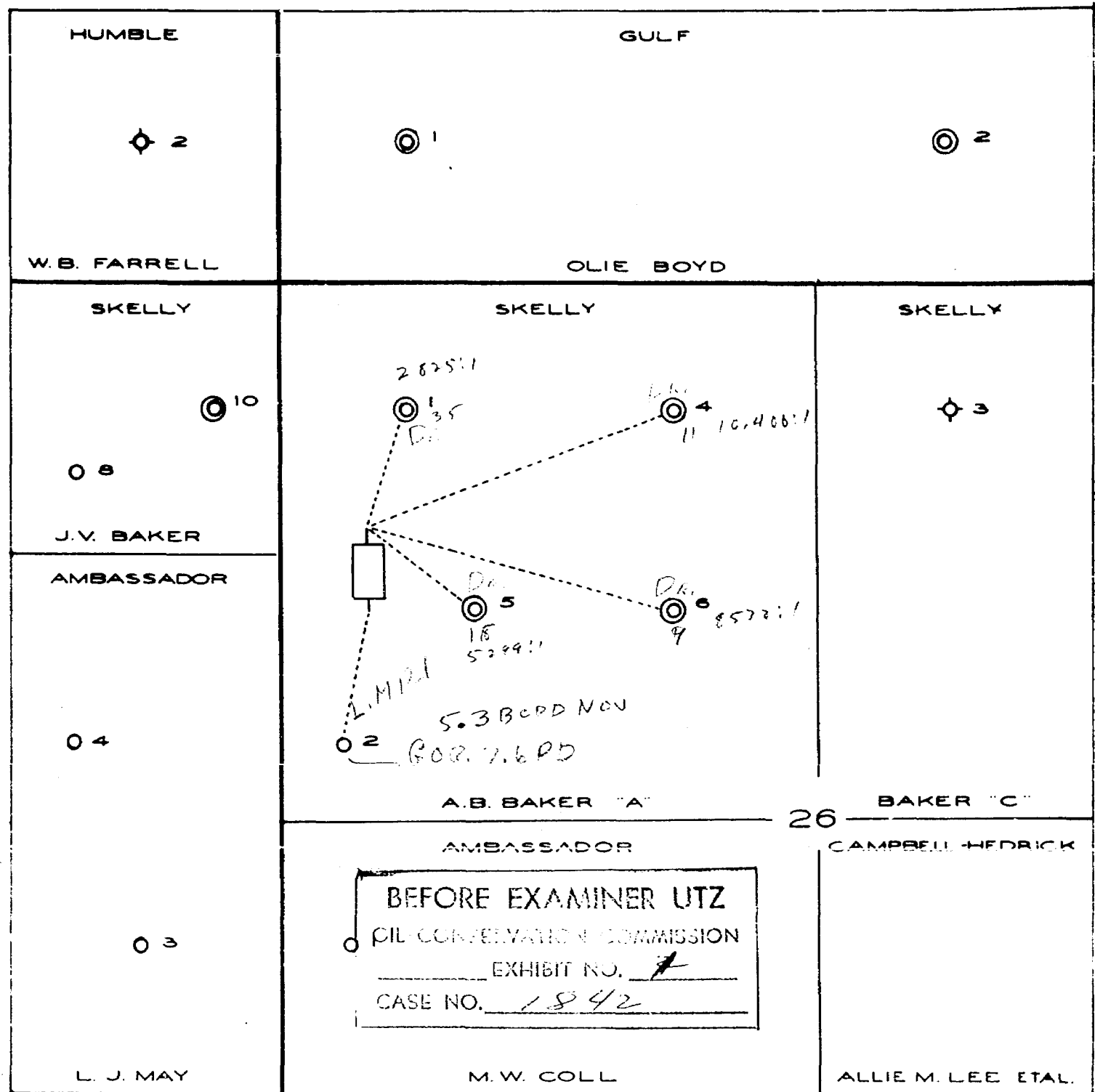
1. Grant Skelly's application for commingling in exception to Rule 303, oil production on its H.B. Baker "A" lease in the Langlie Mathis oil pool and Drinkard oil pool. The lease consists of:
22 S - 37 E,
Sec. 26, NW/4.
160 Acres.
2. Do not require the metering of production for each pool due to the extremely marginal nature of the wells.
3. If any wells should become ~~at the~~ reasonably close to Non Marginal wells from either pool then that pool shall be metered.
4. Common ownership.

Thos. W. [Signature]

SKELLY OIL COMPANY

EXHIBIT I

A.B. BAKER "A"
SECTION 26-T22S-R37E
LEA COUNTY NEW MEXICO



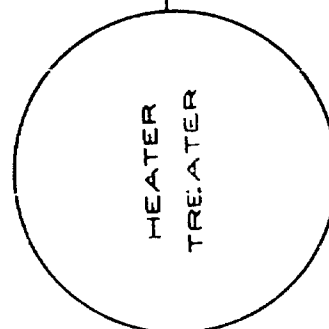
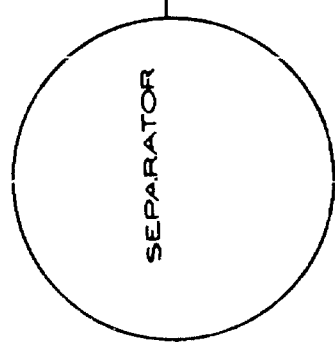
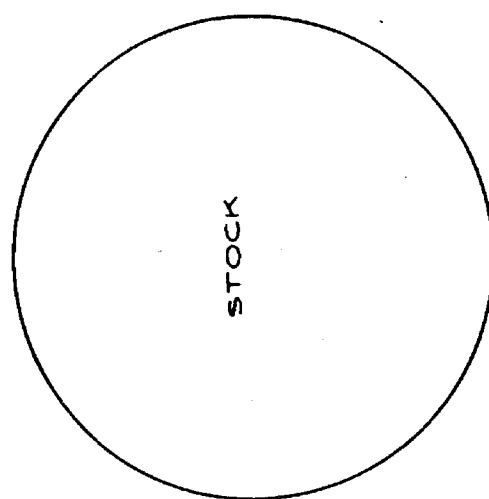
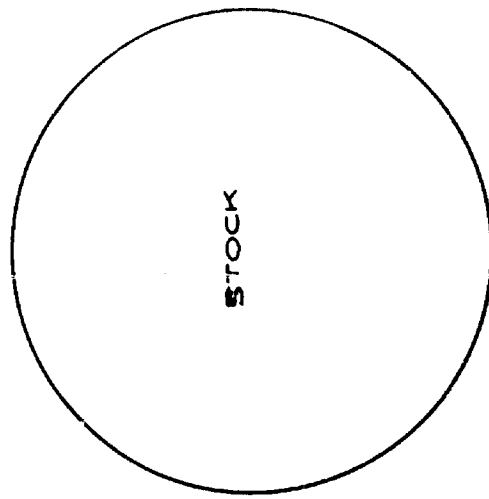
- LANGLEIE MATTIX
- ⊙ DRINKARD
- ⊕ PLUG & ABANDONED

SCALE 8 INCHES = 1 MILE

SKELLY OIL COMPANY
A. B. BAKER "A" LSE.
LEA COUNTY NEW MEXICO

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 1842

*R-1482
R-1440-A
Not connected*



WELL NO 2
*18 bbs.
Dec
Ray-*

WELLS NO
1, 4, 5, 6
*(35/11) (18) (9)
BBS.*

*26 bbs.
for all wells*

*(24 bbs.
for all wells -
top of the*

Brick

Separate measurement?

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 BAKER "A" LEASE

No. 1842

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 Baker "A" lease, which
consists of the NW/4 Section 26, Township 22 South, Range 37 East, Lea
County, New Mexico.

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

3. Applicant has Baker "A" Well No. 2 producing around 10 BOPD from
the Langlie-Mattix Oil Pool.

4. Applicant has Baker "A" Wells Nos. 1, 4, 5 and 6 producing a
total of around 73 BOPD from the Drinkard Oil Pool, which has a top allow-
able of 62 BOPD per well.

5. That applicant proposes to commingle production from well No. 1
into common tankage with wells Nos. 1, 4, 5, and 6.

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

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

8. That attached hereto marked EXHIBIT "B" and made a part hereof
by reference is a diagrammatic sketch, which shows the proposed method of
testing and storage of the production produced.

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

Drinkard Mattix
1-18-69

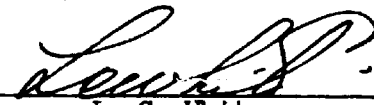
12-27-59

Drinkard Mattix

1 WHEREFORE, applicant prays that this application be set for hearing,
2 that notice be given as required by law, and that upon the evidence adduced
3 the Commission issue an order permitting applicant to commingle its pro-
4 duction from the Langlie-Mattix and undesignated Blinbry Oil Pools under-
5 lying its Baker "A" lease, Lea County, New Mexico as more fully set out in
6 this application.
7

8 GILBERT, WHITE AND GILBERT

9 By


10 L. C. White

11 GILBERT, WHITE AND GILBERT
12 ATTORNEYS AT LAW
13 SANTA FE, NEW MEXICO
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