

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
January 30, 1957

IN THE MATTER OF:

Case No. 1202

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

1000 West Broadway

Hobbs, NEW MEXICO

REGISTERHEARING DATE January 30, 1957 TIME: 10:00 A.M.

NAME:	REPRESENTING:	LOCATION:
S. L. Kelley	Stanolind Oil	Roswell
E. Kirk Newman	Gas Co	-
W. S. Meek	✓	-
R. W. Hendrickson	✓	Hobbs
E. J. FISCHER	OCC	Hobbs
Mary Curry	Buffalo	Artesia
Ralph Jay	"	"

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
January 30, 1957

IN THE MATTER OF:

THE APPLICATION OF BUFFALO OIL COMPANY FOR PERMISSION TO COMMINGLE OIL PRODUCED FROM THE MALJAMAR-PADDOCK POOL WITH PRODUCTION FROM THE MALJAMAR POOL, LEA COUNTY, NEW MEXICO, IN EXCEPTION TO RULE 303 OF THE NEW MEXICO OIL CONSERVATION COMMISSION RULES AND REGULATIONS. APPLICANT, IN THE ABOVE-STYLED CAUSE, SEEKS AN ORDER GRANTING PERMISSION TO PRODUCE ITS MITCHELL "B" 19 P WELL, SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST, IN THE MALJAMAR-PADDOCK POOL INTO COMMON TANKAGE WITH ITS MITCHELL "B" WELLS NOS. 17, 18, 25 AND 27, ALL IN SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST, IN THE MALJAMAR POOL, AND LIKEWISE TO PRODUCE ITS MITCHELL "B" 22 P WELL, SECTION 20, TOWNSHIP 17 SOUTH, RANGE 32 EAST, IN THE MALJAMAR-PADDOCK POOL INTO COMMON TANKAGE WITH ITS MITCHELL "B" WELL NOS. 9, 10, 11 AND 12, ALL IN SECTION 19, TOWNSHIP 17 SOUTH, RANGE 32 EAST, IN THE MALJAMAR POOL.

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order please, the first case on the Docket this morning will be Case No. 1202.

MR. GURLEY: This is Case No. 1202, the application of Buffalo Oil Company for permission to commingle oil produced from the Maljamar-Paddock Pool with production from the Maljamar Pool, Lea County, New Mexico, in exception to Rule 303 of the New Mexico Oil Conservation Commission Rules and Regulations. Do you have any witnesses?

MAX E. CURRY

having first been duly sworn, testified as follows:

MR. CURRY: I am Max E. Curry, District Superintendent for Buffalo Oil Company. I have previously qualified before the New Mexico Oil Conservation Commission.

By this application, Buffalo Oil Company requests that the Commission set out an order granting exception to statewide Rule 303 whereby applicant will be permitted to produce each of two marginal wells in the Maljamar Paddock Pool into separate tank batteries provided for Maljamar Pool oil production. In support of that application, I wish to point out the following facts.

1. Buffalo is the sole owner and operator of all oil and gas working interests within the areas affected by this application. Exhibit No. 1 is a plat showing the Maljamar Paddock Pool and portions of the Maljamar Pool.

2. All Royalty interests are unaffected by this application as they are identical for each of the producing horizons.

3. Applicant's Mitchell B-19P is completed in the Paddock formation of the Maljamar Paddock Pool at an approximate depth of 5300'. The oil from this well is produced into a tank battery located near the center of the SW/4 of Sec. 17, T-17S, R-32E as shown on Exhibit No. 1. Adjacent to this battery is another which receives the oil produced from applicant's Mitchell B-17, 18, 25, and 26 wells, all of which are completed in the vertical limits of the Maljamar Pool. It is the applicant's request that the oil produced from the Paddock Pool be produced into and stored in the battery with the Maljamar Pool production.

4. Applicant's Mitchell B-22P is completed in and producing from the vertical limits of the Maljamar Paddock Pool. The oil produced from this well is gathered in a tank battery located near the center of the NE/4 of Sec. 19, T-17S, R-32E. This battery is also adjacent to a battery where Maljamar Pool production is stored. Applicant's Mitchell B-9, 10, 11, and 12 wells are completed in the Maljamar Pool and produce into this battery. Approval of applicant's petition will permit the oil produced from the Mitchell B-22P to be produced into and stored in the Maljamar Pool tank battery.

5. Exhibit No. 1 shows the present development of the Maljamar Paddock Pool. Buffalo is the only operator in this pool. The location of the two producing wells and the dry tests to the Paddock horizon indicate that the structure of this pool lies entirely under Buffalo leases. The operator has no plans for further development for Paddock production in this immediate area.

6. Applicant will abandon and salvage each of the two tank batteries now used for Paddock oil production storage upon approval of this petition by the Commission. Separate separating facilities will be maintained for each of the Paddock wells and, if desired by the Commission, the operator will provide adequate metering facilities for gas and oil production from that producing horizon.

7. Exhibit No. 2 shows the January allowable for each of the two producing wells in the Paddock Pool as well as the top allowable for wells of comparable depth in the state. The exhibit also shows the latest production tests for each of these wells and their accumulated recovery as of January 1, 1957. Both wells, as shown by Exhibit No. 2, are marginal wells.

8. It may be noted from Exhibit No. 1, that both the Maljamar Paddock Pool wells and the Maljamar Pool wells referred to above are located on Federal leases. The U. S. G. S. has been informed of this petition and has verbally approved of the project.

9. Approval of applicant's petition will prevent economic waste insofar as to release the surplus equipment for use elsewhere, it will eliminate the labor and materials necessary to maintain and operate two extra tank batteries and will permit an extended producing life of the two Paddock wells by decreasing the lifting cost of the oil.

10. Applicant has shown that approval of this petition will in no way impair correlative rights and will prevent economic waste; therefore, applicant prays that the commission will set out an order permitting the commingling of the Maljamar Paddock oil production with that produced from the Maljamar Pool.

Applicant offers Exhibits No. 1 and 2 as evidence in this case.

MR. GURLEY: Were these Exhibits prepared by yourself or with your help?

A Yes, I did.

MR. NUTTER: Is there objection to admission of Buffalo's Exhibit 1 and 2 in Case 1202? If not, they will be admitted. Do you have anything further Mr. Curry?

A No, that is all I have.

MR. NUTTER: Does anyone have any questions of Mr. Curry?

MR. FISHER: I do.

MR. NUTTER: Mr. Fisher.

MR. FISHER: What is the gravity?

A The gravity of the Paddock production is around 39 degrees, and that of the Maljamar Pool will run 36 to 37, and -

MR. NUTTER: Mr. Curry, as I understand it now, you want to commingle the production of your B 19 Well, which is a Paddock well with the Maljamar production in the tank battery in Section 17? Now, will adequate facilities be installed to permit the separate testing of the two formations?

A Yes, they very definitely will. As you know the Maljamar Pool itself, is subject to quite frequent periodic tests due to the nature - the way the allowable is set there, and it is our policy to take tests quite frequently on the Paddock well.

MR. NUTTER: So that you will be able to measure the production of the various wells individually in that battery?

A Yes.

MR. NUTTER: How about the battery down in Section 19, will the B 22 P, will the installation be such that it can be measured separately?

A It will be if it is in the same category as the other battery. We provide our hook up there with permanent facilities which we use portable testing equipment and do it quite frequently.

MR. NUTTER: Does anyone else have any question of Mr. Curry? If not the witness may be excused. Does anyone have anything further that they wish to offer in this case? If not, we will take the case under advisement.

