

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

Case No. 1535

TRANSCRIPT OF HEARING

October 22, 1958

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BEFORE THE
OIL CONSERVATION COMMISSION
October 22, 1958

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IN THE MATTER OF: :

Application of Carper Drilling Company for :
permission to commingle the oil produced from :
two separate oil pools. Applicant, in the :
above-styled cause, seeks an order author- :
izing it to commingle the production from :
three wells completed in the Corbin Pool and :
one well completed in the Maljamar Pool, all :
on its Wyatt lease in Sections 33 and 34, :
Township 17 South, Range 33 East, and Section :
5, Township 18 South, Range 33 East, Lea :
County, New Mexico, and to ascertain the :
production from each well by means of :
periodic tests. :

Case 1535

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Mabry Hall
Santa Fe, New Mexico

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The next case will be 1535.

MR. PAYNE: Case 1535, "Application of Carper Drilling
Company for permission to commingle the oil produced from two
separate oil pools."

MR. LOSEE: A. J. Losee, Losee and Stewart, Artesia, New
Mexico, representing Carper Drilling Company, the applicant herein.
We have one witness, Mr. Rowley.

(Witness sworn in).

MR. LOSEE: Before we commence the examination of the witness, I would like for the record to show that as attorneys for the applicant, we mailed copies of this application at the time of its filing, to all of the offset operators and to the USGS and at the date of this hearing, I believe the Commission's files will reflect that with two exceptions, all of these offset operators and the USGS have made no objection to the application as proposed.

MAURICE ROWLEY

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

DIRECT EXAMINATION

BY MR. LOSEE:

Q Would you state your name, please, sir?

A Maurice Rowley.

Q Where do you live, Mr. Rowley?

A Artesia, New Mexico.

Q What is your business?

A I am Vice-President in charge of production for Carper Drilling Company.

Q Have you previously testified before the Commission as an expert witness?

A I have.

Q Are you familiar with this pending application?

A I am.

MR. LOSEE: Are Mr. Rowley's qualifications acceptable?

MR. UTZ: They are.

Q (By Mr. Losee) Is Carper Drilling Company the owner of what they call the Wyatt Federal Lease, LC-062391 embracing the south half of the south half of Section 33, the south half of the south half of Section 34, Township 17 South, Range 33 East, all of Section 5 and the east half of the northwest quarter of Section 6, Township 18 South, Range 33 East?

A They are.

Q Mr. Rowley, are the royalties and overriding royalty interests on this land embraced in this lease identical?

A They are.

Q Would you please refer to what has been marked Exhibit A and state what it is?

A Exhibit A is a plat showing the location of the four wells we are discussing and the location of the tank battery.

Q Now, I believe it shows two tanks, or two batteries, at any rate. What size are the tanks located in Section 33?

A They are 250 barrel tanks, two of them.

Q Two hundred and fifty?

A Yes, sir.

Q Now, this tank located in Section 5, what size is it?

A A 210 barrel tank.

Q Do you have a separator in connection with the main battery?

A In connection with this one up here.

Q In Section 33?

A Yes, sir.

Q There is no separator down in Section 6?

A No.

Q Section 5--excuse me, how do you get the oil from Section 5 up to the main battery?

A Hauled by truck, licensed trucker.

Q Now, would you state what formations wells one, two and six are producing out of?

A Wyatt Number 2 and 6 are producing from the Corbin Pool.

Q And the Wyatt Number 3, what formation?

A The Wyatt Number 3 is producing from the Maljamar Pool.

Q By this application, does Carper Drilling Company request permission to commingle the oil from this Well Number 3 with their Wells Number 1, 2 and 6 into this main tank battery?

A We do.

Q Can you state the present average daily production of each of these wells?

A Yes sir, the Wyatt Number 1 averaged daily production is three barrels; Number 2, eight barrels; Number 3, ten barrels; Number 6, fourteen barrels.

Q Are these flowing or pumping wells?

A They are pumping wells.

Q All pumping. Do you know the gravity of the oil from the wells producing out of the Corbin Pool?

A Thirty-four degrees.

Q Do you know the gravity of the oil produced in this well in the Maljamar Pool?

A About thirty-five.

Q Is there any water produced in connection with this oil?

A No, sir.

Q Will you please refer to Exhibit B and state what that is, sir?

A This is the production record of the Carper Drilling Company, Inc., Wyatt Lease Wells Number 1, 2, 3 and 6 by years and months.

Q Will you please refer to Exhibit C and state what that is, sir?

A This is a record of the periodic production tests taken by Carper Drilling Company on their Wyatt Wells 1, 2, 3 and 6.

Q Please refer to what has been marked Exhibit D and state what that is, sir?

A Exhibit D shows an estimated cost of constructing the separate tank battery for the Carper Drilling Company Wyatt Number 3 Well.

Q What is the amount you estimate it would cost to set this separate tank battery?

A \$2,938.30.

Q Mr. Rowley, would Carper Drilling Company be willing to make periodic tests of the amount of production from each of these

wells as requested by the Commission?

A They would.

Q If this application is approved by the Commission, would it prevent waste and protect the correlative rights of the persons involved?

A Yes, sir.

Q Mr. Rowley, were these exhibits prepared under your direction or supervision?

A They were.

MR. LOSEE: At this time, we offer Exhibits A through D.

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

MR. LOSEE: We have no further questions.

MR. UTZ: Any questions of the witness?

MR. PAYNE: Yes, sir.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Rowley, as I understand it, you don't intend to separately meter the production from each pool prior to commingling, is that right?

A No sir, we didn't plan to.

Q Now, an additional tank battery for the well producing from the Maljamar Pool would cost you in the neighborhood of three thousand dollars. Do you have any figures on how much a separate metering device would cost you?

A Well, it would run somewhere in the neighborhood of a

thousand dollars. Nine hundred and fifty, and by the time you hooked it up, it would probably be a thousand dollars or a little more.

MR. PAYNE: Thank you.

A In that neighborhood.

REDIRECT EXAMINATION

BY MR. LOSEE:

Q Mr. Rowley, are any of these wells top allowable wells?

A No sir, they are not.

Q Have any of them been top allowable wells in the last three years?

A No sir, they haven't.

MR. UTZ: Any other questions?

RECROSS EXAMINATION

BY MR. FISCHER:

Q Do you have any trouble with these tank batteries?

A No, not too much. Occasionally we do a little, but not very often.

Q That would be adequate storage with your present production, is that right?

A Yes sir, we think it's adequate for that, sure.

Q More than thirty days?

A Yes, sir.

MR. FISCHER: Thank you.

MR. UTZ: Any other questions of the witness?

(No response).

RECROSS EXAMINATION

BY MR. UTZ:

Q Mr. Rowley, is the royalty ownership common under these two leases --

A Yes, it is.

Q Or four leases?

A It's all one lease.

Q It is all one common lease with the same royalty?

A Yes sir, it is a Federal lease.

Q Were you applying for a commingling of all wells drilled or to be drilled on these leases or just for these four wells?

A Right, at the present, just for these four wells. We don't anticipate any more drilling in there for quite some time from the production history on the wells.

MR. UTZ: Any other questions of the witness?

(No response).

Q (By Mr. Utz) Mr. Rowley, would you be willing to install a meter for this one ten-barrel well so that the oil would be metered from two different pools?

A Yes sir, I would if the Commission insisted on it. It is a pretty small well for that expenditure, but we certainly would.

Q Would you care to estimate the pay-out time on a meter for the ten-barrel well?

A Oh, I expect in the neighborhood of eighteen months.

MR. UTZ: Any other questions of the witness?

(No response).

MR. UTZ: If not, the witness may be excused.

(Witness excused).

MR. UTZ: Did you enter these exhibits?

MR. LOSEE: Yes, sir.

MR. UTZ: Any other statements to be made in this case?

(No response).

MR. UTZ: If not, the case will be taken under advisement.

