

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 24, 1959

EXAMINER HEARING

IN THE MATTER OF:)

Application of The Atlantic Refining)
Company for permission to commingle)
the production from three separate)
pools from three separate leases.)

Case 1811

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
3-6691 5-9546

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing (Elvis A. Utz)Santa Fe, NEW MEXICOREGISTERHEARING DATE November 24, 1959 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
<i>J. W. White IV</i> <i>H. J. Frost Jr</i>	<i>Hervey Dow & Hinkle</i> <i>Atlantic Refining Co.</i>	<i>Roswell</i> <i>Midland</i>
<i>W. P. Taylor</i> <i>W. M. Saylor</i>	<i>" " "</i> <i>Sunray Midcontinent Oil</i>	<i>Roswell</i> <i>Midland</i>
<i>G. J. Savage</i>	<i>Gulf</i>	<i>Roswell</i>
<i>V. M. Hendricks</i>	<i>Gulf Oil</i>	<i>Roswell</i>
<i>Bill Laster</i>	<i>Gulf</i>	<i>Roswell</i>
<i>H. C. Porter</i>	<i>Howard Hatch</i>	<i>Artesian</i>
<i>R. L. Chapman</i>	<i>Shell Oil Co.</i>	<i>Roswell</i>
<i>R. L. Summerell</i>	<i>Shell Oil Co.</i>	<i>Roswell</i>
<i>James H. Hix</i>	<i>Howard Oil Co.</i>	<i>Midland</i>
<i>Jason Kellakin</i>	<i>Kellakin & Fox</i>	<i>Santa Fe</i>
<i>A. E. Robinson, Jr.</i>	<i>TEVALO Inc.</i>	<i>MIDLAND</i>
<i>Frank E. Juby</i>	<i>State Engr. Off</i>	<i>Santa Fe</i>
<i>E. F. MOTTER</i>	<i>Cities Service Oil Co.</i>	<i>Hobbs</i>
<i>L. P. White</i>	<i>Shell Oil Co.</i>	<i>Santa Fe</i>
<i>Nancy Royce</i>	<i>M. Statehouse Repairs</i>	<i>Santa Fe</i>

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 24, 1959

EXAMINER HEARING

IN THE MATTER OF:)

Application of The Atlantic Refining Company)
for permission to commingle the production)
from three separate pools from three separate)
leases. Applicant, in the above-styled cause,)
seeks an order authorizing it to commingle)
the Tubb, Blinebry, and Drinkard production)
from three Federal leases in Section 14,)
Township 25, South, Range 37 East, Lea)
County, New Mexico.)

Case 1811

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The next case on the docket will be 1811.

MR. PAYNE: "Application of The Atlantic Refining
Company for permission to commingle the production from three
separate pools from three separate leases."

MR. CHRISTY: Sim Christy of Hervey, Dow and Hinkle,
for the Applicant, Atlantic Refining Company. We have one witness,
Mr. Examiner.

(Witness sworn.)

HAROLD FROST

called as a witness, having been previously duly sworn, testi-
fied as follows:

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DIRECT EXAMINATION

BY MR. CHRISTY:

Q Would you please state your name, address and occupation?

A Harold Frost from Midland, Texas. I am Production Engineer for The Atlantic Refining Company.

Q Have you previously testified as a petroleum engineer before this Commission and had your qualifications accepted?

A I have.

Q Are you familiar with the matters contained in the application in Case No. 1811 before this Commission?

A I am.

Q Are you further familiar with the area in question and the wells in that area?

A Yes, I am.

MR. CHRISTY: Does the Commission have any questions concerning the witness' qualification?

MR. UTZ: No, sir, he's qualified.

Q Mr. Frost, will you tell us first generally what is sought by the application?

A In this application we are seeking to commingle production from the Blinebry, Tubb and Drinkard Zones on the three Langley Federal Leases in the Justis Field.

Q I believe those are all located in Section 14, Township 15 South, Range 37 East, NMPM, Lea County, New Mexico?

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A That's right.

Q I believe you have a well presently producing in your Langley Federal which is located in the Southeast, excuse me, the Northeast Southeast of Section 14, is that correct?

A That's correct.

Q What formation is that producing from?

A That's producing from the Blinebry formation.

Q Oil production? A Oil production.

Q About what depth?

A It's about 5300.

Q I believe, further, you have an additional well on the Langley Federal A Lease in the Southeast Northeast of Section 14 which is now being completed?

A That's correct.

Q What formation or formations is it being completed in?

A We're anticipating completion in the Blinebry at about 5300 and Tubb at about 5700.

Q Do you anticipate further drilling on these three leases to the Blinebry, Tubb or Drinkard formations?

A We anticipate further drilling, yes.

Q Mr. Frost, I'll refer you to what's been marked Applicant's Exhibit 1, which I believe is a plat of the area.

A That's correct.

Q That shows the two wells we have been discussing.

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I notice also it notes some other wells with a "Q" beside them in this area. Are those Queen wells?

A They are Queen wells and owned by Johnson and French.

Q They are not involved in this application?

A They're not involved.

Q I refer you to what has been marked as Exhibit 2 and ask you, it appears to be a schematic drawing, and I'll ask you to explain that briefly to the Examiner.

A That schematic shows the present hookup for the existing well on the Langley Federal Lease. We have a separator producing into two tanks and a gas meter.

Q Do you anticipate that you may encounter further production on this well?

A Yes. It's possible to have a Tubb completion there.

Q I see. This is the setup as we have it now --

A That is --

Q -- on Exhibit 2? A Right.

Q I refer you to Exhibit 3 and ask you to explain that exhibit, which appears to be an enlargement on Exhibit 2.

A Exhibit 3 shows the setup as we would have if we had all three zones productive on the three separate leases. The top one, of course, is the existing well, and we have added a dump type meter on the oil going to the tanks. It also shows that for each zone on each lease we have a separator, a dump meter and gas



meter, to meter all production prior to commingling in common storage.

Q I notice also you have a heater treater there between the separator and the meter.

A That's right. Whenever a well does not produce pipeline oil we insert a heater treater between the separator on the meter so that the oil is still metered by zone and by lease.

Q Do you have a method for testing these meters?

A Yes, we have a test line on there so that those meters can be calibrated in the tank any time it's desired.

Q Would you make such calibration tests at any time the Commission required it?

A Yes, we would.

Q What type of crude are you now producing and expect to produce, is it sour or sweet crude?

A It's intermediate as far as we know.

Q Suppose you encountered sweet or sour crude in these further drilling operations or zones?

A If we got sour crude we would build a separate tank battery, it would not be commingled.

Q Is it a dump type meter? A Yes.

Q Has it any paraffin coating on it?

A Yes, they are plaster-coated to prevent adherence of paraffin on the inside.

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Q Are there other similar installations to this in the Lea County area or the Justis Pool, similar type of mechanical installation?

A Yes, we have two and Gulf has one in the same field.

Q Have the others of yours been approved by the Commission?

A Yes.

Q They are similar in nature to this?

A Yes.

Q How much experience have you had with these? Have you had them on a long time?

A First one has been on a year.

Q Have you encountered any mechanical difficulties in this commingling?

A No difficulties at all.

Q I assume this would result in a considerable economic saving to the operator?

A Yes, it would.

Q Do you see where it might violate any correlative rights of interested parties?

A No, I can't see that it would.

Q Do you have any other comments on these exhibits, Mr. Frost?

A No, I don't believe I do.

Q And do you have any other comments on the application?



A No.

Q Were the Exhibits 1 through 3 inclusive prepared by you or under your direction and supervision?

A They were.

MR. CHRISTY: That's all from this witness.

MR. UTZ: Do you want to introduce your Exhibits at this time?

MR. CHRISTY: I will when we get through, yes.

MR. UTZ: All right.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Frost, do I understand that there is only one well completed in the Blinebry on these three leases at this time?

A That's right. That's on the Langley Federal.

Q No. 1?

A The No. 1.

Q And you intend to dually complete this well?

A The Langley Federal A. O., the Langley Federal.

Q Yes, it is a single completion?

A It's a single completion, right at the present time we don't anticipate dualing it.

Q The well you are drilling in the Langley Federal A you intend to complete?

A That's correct.

Q In the Blinebry and Tubb?



A In the Blinebry and Tubb.

Q Did I understand you to say that this was sweet crude in both zones?

A Intermediate.

Q On Exhibit 3, as I interpret that, both the gas and oil from each lease will be metered separately before both commingling?

A Each zone on each lease.

Q Each zone on each lease? A That's correct.

Q And it's dump type meters? A Right.

Q This is the first order for commingling that you have requested on any of these leases?

A That's right.

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

MR. PAYNE: Yes, sir.

MR. UTZ: Mr. Payne.

BY MR. PAYNE:

Q These are all Federal leases, are they not?

A That's correct.

Q Does the U.S.G.S. require you to separately meter each lease?

A To my knowledge they would.

Q That's why you propose to meter each zone of each lease?

A That's correct.

Q Do you have the gravities of the fluids in these three



pools?

A No, I don't. Do you have it? The Blinebry is approximately 40, the Tubb and Drinkard approximately 38.

Q So that you don't lose any value when you commingle production from the three pools?

A No, we don't.

Q You don't intend to produce more than sixteen wells into a common tank battery, do you?

A No, we don't anticipate that many wells on the lease.

Q Could be, however, twenty-one, couldn't there?

A Yes.

MR. PAYNE: That's all, thank you.

MR. UTZ: Are there other questions? If there are none, the witness may be excused.

(Witness excused.)

MR. CHRISTY: We would like to offer in evidence Applicant's Exhibits 1, to 3 inclusive.

MR. UTZ: Without objection they'll be accepted.

MR. CHRISTY: That's all we have for the Applicant.

MR. UTZ: Any other statements to be made in this case? If there are none, the case will be taken under advisement.



