

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

IN THE MATTER OF
CASE NO. 1883

TRANSCRIPT OF PROCEEDINGS

January 28, 1960.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



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MR. UTZ: Proceed.

J. E. ROBINSON, JUNIOR

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

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Robinson, what is Texaco seeking by this application?

A We are seeking to commingle the crude from the Queens zone in the Culwin Pool, with the Yates production from an undesignated Yates pool.

Q Is Texaco the owner and operator of U. S. A. Federal lease?

A Yes, sir, they are.

Q Will you refer to Exhibit Number 1, and explain that to us?

A Exhibit Number 1 is a plat showing Texaco, Incorporated, U. S. A. Federal lease, located in Section 6 of 19 South, 31 East. It also shows the other wells in the immediate area, with the offset operators and their addresses. All of the wells listed are in the Culwin Pool, with the exception of Texaco's well, which is a proposed dual well, and O'Neill's Federal "E" Well Number 3, which is a dual Culwin and undesignated Yates well. This well was the discovery well in the Yates formation.

Q Does Exhibit Number 2 -- is it a schematic diagram



of your commingling installation?

A That's correct.

Q And it is the same installation as the other two, to which you have testified?

A With the exception that the oil will come into treaters, rather than separators. The Queen will go into a treater, where what free gas, if any, will be taken off. The liquid production will go on downstream, and will be measured through a P. D. meter. The Yates will go into a treater, and what free gas, if any, will be taken off and will be tied in with the Queen gas, and will be flared now, since there is no market.

The liquid production will be passed through a P. D. meter, and will be commingled with the Queen production, prior to going into a conventional tank battery, consisting of two high 500-barrel stock tanks.

Q Are they sour crudes?

A Yes, sir, they are.

Q What corrosive measures are you going to take?

A We will install corrosive resistant meters, and we will plastic-coat the bottom of the tank batteries, and up 18 inches on the side. It will be the most corrosive part of the tank battery in that your water, if you have any water in the system, it will be on the bottom and 18 inches up on the side.

Q Now, will you give the production characteristics, and in so doing, refer to Exhibit Number 3?

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A Exhibit Number 3 shows the production characteristics. The Queens zone is a sour crude. It has a gas-oil ratio that is too small to measure. It has a gravity of 33.8 degrees, corrected at 60 degrees. The bottom hole pressure has not been taken; it will be taken after the well is completed.

The Yates zone, we have not completed as yet. We are attempting a completion. It will be a sour type crude, with the gas-oil ratio as estimated as being too small to measure. We are still recovering load oil there, and do not have any gas measurements available. However, we think that it will be too small to measure. It will be a gravity of 34.5 degrees, which is estimated from the gravity recovered from Joseph I. O'Neill's Federal "E" Well Number 3, which is located in Unit "H", Section 1, 19 South, 30 East. The bottom hole pressure will be taken after the well is completed.

On commingling status, the Queen will have an allowable of 30 barrels of oil per day. It has a gravity of 33.8 degrees, and a price per barrel of sour crude at \$2.74, so the revenue per day is \$82.20.

The Yates zone has not been completed. We are estimating that it will be a marginal well, and will produce approximately 15 barrels a day, with a gravity of 34.5 degrees, with a price per barrel of \$2.77, or revenue per day of forty-one fifty-five.

The total revenue will be \$123.75 when tanked separately. By commingling, we will have an allowable of 45 barrels a day,

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with a composite gravity of 34 degrees, a price per barrel of \$2.77, for a revenue per day of \$124.65, or an estimated increase by commingling of approximately 90 cents a day.

These two zones are being commingled by O'Neill, for which he was granted authority by Order Number R-1481, dated September 145h, 1959. The oil is being trucked from this area.

Q Is it Texaco's desire that the order also authorize them to commingle the same crudes in any future wells that might be drilled?

A That's correct. That is what we are asking for.

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

A Yes, sir, they were.

MR. WHITE: We offer the exhibits in evidence.

MR. UTZ: They will be accepted into evidence, without objection.

MR. WHITE: That concludes our testimony on direct examination.

QUESTIONS BY MR. UTZ:

Q At the present time, Mr. Robinson, do you have just one well on this lease?

A That's correct. We are attempting a completion of a dual producer.

Q On that well?

A Yes, sir.

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Q Is the ownership common into both of these pools, under this lease?

A Yes, sir, they are.

MR. UTZ: Any other questions of the witness?

(No response.)

MR. UTZ: 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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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 29th 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 complete record of the proceedings in the Examiner hearing of Case No. 1883, heard by me on 2-10 1960.

Ernest A. ...
Ernest A. ..., Examiner
New Mexico Oil Conservation Commission

