

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 23, 1961

EXAMINER HEARING

IN THE MATTER OF:)

Application of Gulf Oil Corporation for permission)
to commingle the production from two separate pools.)
Applicant, in the above-styled cause, seeks per-)
mission to commingle, without separate metering,)
the production from the Drinkard and Langlie-)
Mattix Pools from all wells presently completed)
or hereafter drilled on the Ollie I. Boyd Lease,)
comprising the S/2 SW/4, NE/4 SW/4 and SW/4 SE/4)
of Section 23, Township 22 South, Range 37 East,)
Lea County, New Mexico.)

CASE
2196

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

(Marked Applicant's
Exhibits No's. 1 and 2
for identification.)

MR. UTZ: Case Number 2196.

MR. PAYNE: Case 2196: Application of Gulf Oil Corpo-
ration for permission to commingle the production from two separate
pools.

(Witness sworn in
previous case.)

FRANKLIN BRIDGES,

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

DIRECT EXAMINATION

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BY MR. KASTLER:

Q Will you state your name, address, employer and position, please?

A My name is Franklin Bridges, and I work for Gulf Oil at Hobbs, New Mexico as a Petroleum Engineer.

Q Are you familiar with Case Number 2196?

A Yes sir.

Q I wish to call your attention to Exhibit Number 1 in Case Number 2196 which is identified as a Leased Plat. Referring to this Exhibit, would you please give the description and location of Gulf's Boyd lease?

A Yes sir, Gulf's Ollie Boyd lease, which is outlined in red covers the South Half of the Southwest Quarter, the Northeast Quarter of the Southwest Quarter, and the Southwest Quarter of the Southeast Quarter of Section 23, Township 22 South, Range 37 East, Lea County, New Mexico.

Q Is that assigned the lease with common royalty and ownership?

A Yes sir.

Q And no divestity of ownership within the lease boundary?

A No sir.

Q Will you please give the status of oil producing wells located on this lease?

A Our No. 1 Well is a Langlie-Mattix, a large oil producer. Our No. 2 and No. 3 Well are both dual, and a Drinkard and the Bline-

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bry, respectively.

Q As to the Drinkard production in No. 2 and No. 3, is the status of those wells the top allowable wells or marginal producers?

A Marginal producers -- they made six and seven barrels, respectively.

Q What is the daily production of Well No. 1?

A Fourteen barrels a day at the latest test.

Q Then all three of these wells are marginal producers at the present time?

A Yes sir.

Q I now call your attention to Exhibit Number 2, which is a production flow diagram of the Ollie Boyd tank battery. Would you please trace the flow from the wells to the production facilities?

A Yes sir, all this equipment shown on this diagram is the existing Drinkard production equipment. If permission is granted to commingle, then we would use this identical equipment for the marginal producers from these two pools. The production would come into the Production Separator, go through a Heater, and the water would be knocked out in the high barrel knock-out tank and on to one of two stock tanks which would be running to the pipeline conventionally.

Q What test facilities does Gulf have?

A A test Separator, and by use of the Test Separator and



Header, any could be tested to the stock tank.

Q Are these facilities adequate in your opinion?

A Yes sir.

Q Will there be an economic savings involved in the granting of this application?

A Yes sir, it would save us approximately \$8,000.00 to put in an additional tank battery to handle this Langlie-Mattix solely.

Q Why is separate metering not considered necessary in this case?

A The wells are making so little, they are marginal, and we did not feel it would justify the meter economically.

Q That is, each well produces less than its allowable?

A Well, they make approximately their allowable, but they do not make near top allowable.

Q Are the wells pumping or flowing?

A The Langlie-Mattix Wells are pumping, and the Drinkard Well is flowing.

Q What is the gravity of the Drinkard, and what are the gravities of the Langlie-Mattix oil wells No's. 2 and 3?

A The Drinkard oil is approximately 30.

Q I'm afraid I confused you. The Drinkard, as produced in wells 2 and 3?

A Yes, the gravity of the Drinkard is approximately 37 degrees, and the gravity of the Langlie-Mattix as produced from the

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No. 1 Well is approximately 33 degrees.

Q Does any loss result by the proposed commingling -- any loss in gravity?

A No sir, as near as I can calibrate, the revenue from the commingled crudes would be the same as the revenue from the individual crudes sold separately.

Q Would you care to briefly go into that further to illustrate what you mean?

A Well, the Langlie-Mattix crude of 33 gravity would be bringing \$2.74 a barrel, and 14 barrels a day, we would realize \$37.20 a day. The two Drinkards make a total of 13 barrels at \$2.86 a barrel, so that would be \$28.40 or a total of \$16.60 and a total of commingled crudes would be approximately \$2.58 or .80 a barrel, which would give you the same \$2.60 a day.

Q Would that prevent waste and correlative rights?

A Yes sir.

Q Were Exhibits 1 and 2 prepared under your supervision?

A Yes sir.

MR. KASTLER: I would like to move that Exhibits 1 and 2 be admitted into evidence.

MR. UTZ: Exhibits 1 and 2 will be entered into the record.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Bridges, where are the tanks now located for the



Langlie-Mattix?

A We have a test tank at the well, and that oil is now being trucked. It's located at the No. 1 Well.

Q Where is your Drinkard tank located?

A I can only give you the approximate location; it's just south of Well No. 3.

Q If you commingle these, you intend to run the Langlie-Mattix into the commingling tank?

A Yes sir, we would like to commingle at the hand of the Separator.

Q Can you explain to me why it would cost \$8,000 to meter the Langlie-Mattix?

A It won't cost to meter -- I mean, to say it would cost approximately \$8,000 to put in another tank battery.

Q You could meter through displacement.

A Yes sir, we have to put in a meter and separate treating system by just metering one side, approximately \$3,000.

Q You would be willing to test these wells every 30 days?

A Yes sir.

MR. UTZ: Any other questions of the witness?

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Bridges, you testified that all of the sub-wells are marginal; approximately what do they make?

A The No. 1 Well in the Langlie-Mattix made 14 barrels of



oil per day; No. 2 in the Drinkard makes six barrels of oil a day; and, No. 3 in the Drinkard, seven barrels of oil per day.

Q Does Gulf Oil Corporation plan any further Langlie-Mattix or Drinkard production on this lease?

A No sir, not at this time.

Q Do you have any present plans to rework any of these three existing wells?

A No sir.

Q But if you did get further Langlie-Mattix, or if you reworked these wells and they became capable of production to top allowable, would you then meter the production from each pool?

A Yes sir.

Q As I understand it, the only two pools are the Langlie-Mattix and the Drinkard even though you have Blinebry and Tubb production on this lease also?

A Yes sir.

MR. KASTLER: Would you outline the workover that was made, I believe, in Well No. 1?

MR. BRIDGES: Yes sir, Well No. 1 recently completed as a Langlie-Mattix oil producer, and then in 1958, it was deepened to the Drinkard and in December of 1960, it was repleted again in the Langlie-Mattix.

MR. KASTLER: The Drinkard production then was unsuccessful?

MR. BRIDGES: That is correct.

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MR. KASTLER: That is all.

MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: Any other statements in this case? The case will be taken under advisement. This hearing is adjourned until 1:30 o'clock.

(Whereupon, the hearing was adjourned until 1:30 o'clock.)

MR. UTZ: Call the hearing to order again. Case 2197.

MR. PAYNE: Mr. Examiner, inasmuch as Case 2197 was heard at the last regular Commission Hearing, I move that that case be dismissed.

MR. UTZ: Without objection, it will be dismissed.

(Whereupon, the hearing was adjourned until 1:30 o'clock P. M.)

STATE OF NEW MEXICO)
 : ss
COUNTY OF BERNALILLO)

I, LA VERNE E. JAMES, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 12th day of March, 1961.

My commission expires:
January 6, 1965.

La Verne E. James
Notary Public - Court Reporter

