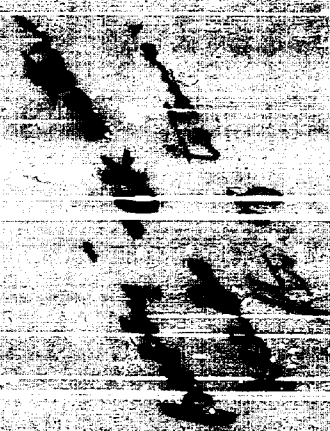


Case No.

1495

Replication, Transcript,
Small Exhibits, Etc.



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 29, 1958

IN THE MATTER OF,

CASE NO. 1495

TRANSCRIPT OF PROCEEDINGS

NEW MEXICO OIL CONSERVATION COMMISSION
GENERAL COUNSEL
SANTA FE, NEW MEXICO
August 29, 1958

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
AUGUST 20, 1958

IN THE MATTER OF:

CASE NO. 1495 Application of Continental Oil Company
for permission to commingle oil from
two separate pools. Applicant, in the
above-styled cause, seeks an order
authorizing it to commingle the oil pro-
duced from the Skaggs-Brinkard Oil Pool
and an undesignated Morieta oil pool
through its dually completed Skaggs B-12
No. 1 Well, located 660 feet from the
North and West lines of Section 12,
Township 20 South, Range 37 East, Lea
County, New Mexico.

BEFORE:

Mr. Elvin A. Ute

TRANSCRIPT OF PROCEEDINGS

MR. UTE: The next case on the docket will be Case 1495.

MR. PAYNE: Case 1495, application of Continental Oil

Company for permission to commingle oil from two separate pools.
(Witness sworn in).

E. V. BOWTON

called as a witness, having been first duly sworn on oath, testi-
fied as follows:

DIRECT EXAMINATION

BY MR. PAYNE:

Q Will you please state your name and position?

A My name is E. V. Bowton and I am District Engineer

DEARLEY - MEYER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CImp 3-6604

at Continental Oil Company.

Q Mr. Boynton, have you testified before this Commission?

A I have.

Q Are the witnesses' qualifications acceptable?

MR. UTZ: Yes, they are acceptable.

Q (By Mr. Payne) Would you proceed, please?

A On July 30, 1958, Continental received permission to dually complete its Skaggs B-12 Number One Well as an oil producer from the Glorieta and Drinkard Formation. This permission was granted administratively under the provision of Rule 112-A, Section C, Order Number DC-647. This well hadn't been dually yet and at present it is producing approximately 24 barrels of oil per day from the Drinkard Formation.

Storage facilities consist of two 200 barrel storage tanks and by granting this application, it will eliminate the expense of setting additional storage tanks. This will be the only well on the lease producing from the Drinkard Formation and the only well on the lease producing from the Glorieta Formation.

Total production will be approximately 70 to 80 barrels per day and the present storage facilities will offer approximately 9 to 10 days storage, which is more than sufficient for the two zones.

Exhibit Number One is a diagrammatic sketch of the metering facilities that will be installed for the two zones. This diagram illustrates the fluid from each zone will go into an individual

metering separator and from each separator will pass through an individual meter tank run and on into a low pressure gas cell. Oil from each well will be metered separately with the permanent record being made of each day's production by use of a production time recorder. The fluid sampler will be provided on each line to determine the gravity and basic sediment and water produced.

From the separators, the oil will be commingled and run into intercommon storage. The gravity of the produced Drinkard Oil is approximately 37 degrees and from the Glorieta it will be approximately 38 and six tenths degrees. There will be no inequity when it is commingled in this fluid. The record of each zone production is retained on the production time recorder and will be used to determine that zone in proportion to the production.

The lines from the metering separator to the storage tanks will be so arranged that when meter calculations are desired or when individual well tests are desired, each zone can be runhead into its own individual tank and checked against the tank run gauge.

This concludes my testimony. Are there any questions?

MR. WEE: Does anyone have a question of the witness?

CROSS EXAMINATION

BY MR. FISCHER:

Q Mr. Boynton, do you happen to know what the next change-over in gravity is for a higher sale value?

A I believe, Mr. Fischer, that it changes for each degree,

Q In this Range?

A Yes, I believe it is awfully close. However, when two oils are commingled below 40 degrees gravity, the pipeline doesn't object.

Q That's what I wanted to know.

A When they object is when you have 30 degree gravity and 45 degree gravity and they are commingled and you get 39 degrees or something like that.

Q Thank you.

CROSS EXAMINATION

BY MR. UZZ:

Q Mr. Boynton, what is the gas oil ratio of these zones?

A The gas oil ratio in the Duinard zone is 1649 to 1. On our latest test, it produced 24 barrels of oil and 3917 MCF of gas. The gas oil ratio is 1649 and on the initial completion test of Texas Company's Well Number one, which affects Mammoth's Well, gas was reported to be too small to measure.

Q Who will you sell this to?

A Shall Texas Oil.

Q Will their gas be metered through a common meter?

A I think Wesson takes the low pressure gas. They will have only one meter, yes sir, to measure your total volume of gas. However, we will have individual meters on each separator.

MR. PAYNE: What type meters and separators are they?

A They are the dump type.

Q (By Mr. Utz) Dump type means that they will be measured by the dump method, is that true?

A Yes, sir.

Q How about the gas?

A It will go through each ventilator.

Q So that you will be able to measure and report the gas production from each zone?

A From each zone, yes sir.

MR. PAYNE: What is the size of the dumps?

A I haven't given that much thought yet until I get approval from the Commission to do it. It will probably be one barrel or one half barrel dumps. That will be sufficient.

MR. FISCHER: You don't know then who is going to install the separators?

A NO, BUT IT WILL BE SOMEBODY THAT HAS BEEN ACCEPTED BY THE COMMISSION BEFORE.

Q (By Mr. Utz) Mr. Boynton, would you be receptive to certain metered tests which the Commission might set out in an order in this case?

A Yes, we will be equipped to make any length of tests or any number of tests that might be required by the Commission.

Q Is there any manner in which these two zones could be metered before the oil is metered? That is, accidentally or intentionally?

A No sir, outside the well, no. Of course, on our
packaged tests, that will occur on the well head.

Q There are no crossovers of any nature?

A No, sir.

Q Do you intend to install any?

A No.

MR. UTZ: Any other questions?

MR. FISCHER: Mr. Beynon, this well will be installed in
the same manner, installed from the manifold, will it?

A Directly from the wellhead to the separator.

MR. UTZ: Any other questions of the witness?

(No response).

MR. UTZ: Do you wish to offer this exhibit?

A Yes sir, I would like to offer Exhibit Number One in
evidence.

MR. UTZ: Without objection, Exhibit Number One will be
received. The witness may be excused.

Are there any other statements to be made in Case 1495?

(No response).

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

(Witness excused).

CERTIFICATE

STATE OF NEW MEXICO)
 : ss
COUNTY OF BERNALILLO)

I, JERRY MARTINEZ, Notary Public in and for the County of Bernalillo, State of New Mexico, 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 and Seal this 25th day of August, 1952,
in the City of Albuquerque, County of Bernalillo, State of New
Mexico.

Samuel W. Pauling
REAL ESTATE

My Commission expires:
January 24, 1962

I do hereby certify that the foregoing is a correct record of the proceedings in the Executive Session of May 20, 1966, held by the Board of Directors.

[Signature], Director

New Mexico Oil Subversion Commission

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

September 19, 1938

Mr. E. V. Boynton
Continental Oil Company
P.O. Box 427
Hobbs, New Mexico

Dear Mr. Boynton:

We enclose two copies of Order R-1241 issued September 17, 1938, by the Oil Conservation Commission in Case 1495, which was heard on August 20th at Santa Fe before an examiner.

Please note that this order requires that each meter installed in the subject system shall be tested for accuracy at intervals and in a manner satisfactory to the Commission. It will be necessary for you to run a series of tests of sufficient duration to determine that the meters are functioning properly immediately following installation. Thereafter, tests should be made at intervals not to exceed one month and a report of said calibration filed with the Commission. The meters shall be calibrated against a master meter or against a test tank of measured volume.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

By
Encs.

C
O
P
Y

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDER:**

**CASE NO. 1498
Order No. R-1241**

**APPLICATION OF CONTINENTAL OIL
COMPANY FOR PERMISSION TO
COMMENCE THE PRODUCTION FROM
TWO SEPARATE POOLS IN LEA COUNTY,
NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 20, 1938, at Santa Fe, New Mexico, before Elvie A. Uta, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1234 of the Commission Rules and Regulations.

NOW, on this 17th day of September, 1938, the Commission, a quorum being present, having considered the application, the evidence submitted and the recommendations of the Examiner, Elvie A. Uta, and being fully advised in the premises.

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That the applicant, Continental Oil Company, is the owner and operator of the Shaggs B-12 Well No. 1, located 448 feet from the North line and 448 feet from the West line of Section 12, Township 20 South, Range 27 East, NMRM, Lea County, New Mexico. That the applicant has been authorized by Administrative Order 24-447 to complete said well or on oil-oil dual completion in an undisputed Chabota pool and in the Shaggs-Brinkner Pool.
- (3) That applicant seeks an order authorizing the commingling of oil produced from the said Shaggs B-12 Well No. 1 from the above-named pools after the production from each of said pools has been separately measured.

-3-
CASE NO. 1495
Order No. R-1241

(4) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, be and the same is hereby authorized to commingle the production from the Shags 2-12 Well No. 1, located 640 feet from the North line and 640 feet from the West line of Section 12, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, said production being from an undiscovered Glorieta pool and from the Shags-Drained Pool, provided the production from each of said pools is separately measured by means of either positive displacement meters or dump-type meters prior to being commingled.

PROVIDED FURTHER, That the applicant shall check such meters for accuracy at intervals and in a manner satisfactory to the Commission.

~~That the mechanical installation be so designed as to make it physically impossible to commingle said production prior to being separately measured.~~

~~DONE at Santa Fe, New Mexico, on the day and year hereinafore designated.~~

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

E. L. McQueen

EDWIN L. MCQUEEN, Chairman

Murray E. Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

A. L. PORTER, Jr., Member & Secretary

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 8-21-58

CASE NO. 1495

HEARING DATE 8-20-58

My recommendations for an order in the above numbered case(s) are as follows:

Approve the application as requested.

oil-oil
1. Does dual completion requested is as follows:

Upper zone - Undersigatol Glorieta oil.

Lower zone - Skappa - Seinkard Oil.

Each zone will be produced thru 2 1/2

00 Hydril tubing. The formations will be separated by a Baker Model D packer.

2. The Coramingling order should be acquire metering of the oil ^{and gas} from each zone before coramingling.

3. There should be no mechanical means of coramingling oil or gas from both zones until after the oil & Gas has been metered.

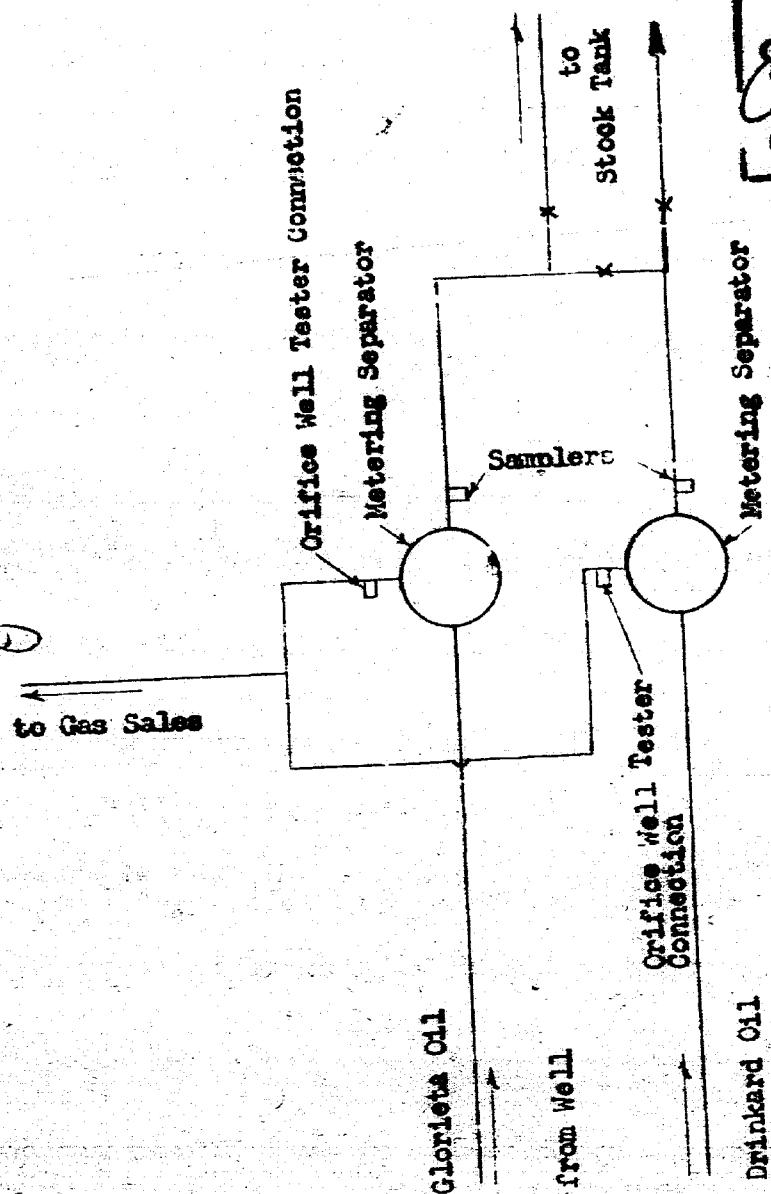
Wm. A. Dwyer
SANTA FE, N.M.

CONTINENTAL OIL COMPANY
Skaggs B-12 No.1

SURFACE CONNECTIONS

Case 1495-
Exhibit 21

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 1495



DOCKET: EXAMINER HEARING AUGUST 20, 1958

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

The following cases will be heard before Elvis A. Utz, Examiner:

CASE 1606: Application of Sinclair Oil and Gas Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the establishment of a 280-acre non-standard gas proration unit in the Emswath Gas Pool consisting of the W/2 E/2, E/2 NW/4, and NW/4 NW/4 of Section 19, Township 21 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Sinclair State 176 Well No. 3, located 2310 feet from the South line and 1650 feet from the East line of said Section 19.

CASE 1607: Application of Continental Oil Company for permission to commingle oil from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the oil produced from the Skeggs-Drinkard Oil Pool and an undesignated Glavista oil pool through its dually completed Skeggs B-12 No. 1 Well, located 650 feet from the North and West lines of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1608: Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the A. B. Carter "G" No. 14 Well, located 1650 feet from the North line and 2050 feet from the East line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Drinkard Pool and an undesignated Montoya oil pool through parallel strings of tubing.

CASE 1609: Application of Ambassador Oil Corporation for approval of a lease automatic custody transfer system and for permission to commingle the production from more than sixteen wells. Applicant, in the above-styled cause, seeks an order authorizing it to install a lease automatic custody transfer system utilizing positive displacement meters to handle the production from all wells producing from the Caprock-Queen Pool within the limits of the North Caprock Queen Unit No. 2 in Chavez and Las Comitas, New Mexico, and to commingle the production from all wells within the said North Caprock Queen Unit No. 2.

*For Review
for Commission
action & approval
(Due Grant by DC No. 647)*

MAIN OFFICE OCC

CONTINENTAL OIL COMPANY

Reswell, New Mexico
July 15, 1958

Case 1495

*See Case
R-1165*

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

We forward herewith in triplicate our application for permission to effect a dual completion of the Skaggs Drinkard Oil Zone and an Undesignated Glorieta Oil Zone in the Continental operated Skaggs B-12 No. 1, located in Section 12, T-20S, R-37E, NMPH, Lea County, New Mexico, and for permission to commingle production from the two separate pools. We would appreciate your placing these matters for hearing before an examiner at the earliest convenient date.

Yours very truly,

J. A. Moore

J. A. Moore
Acting Division Superintendent

JAM-JC

cc: HLJ, RIE

*Docket Mailed
6-17-58 DP*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

MAIN OFFICE OCC

1958 JUL 17 AM 9:19

1958 JUL 17 AM 9:19

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR PERMISSION
TO EFFECT A DUAL COMPLETION OF THE
SKAGGS-DRINKARD OIL ZONE AND AN UN-
DESIGNATED GLORIETA OIL ZONE FOUND
IN ITS SKAGGS B-12 NO. 1 WELL LO-
CATED IN SECTION 12, T-20S, R-37E,
NMPM, LEA COUNTY, NEW MEXICO, AND
FOR PERMISSION TO COMBINE PRODUCTION
FROM TWO SEPARATE POOLS.

APPLICATION

Comes now Continental Oil Company, a Delaware Corporation, hereinafter referred to as "Applicant", and petitions the Commission for authority to effect an oil-oil dual completion in the Skaggs-Drinkard Oil Zone and an Undesignated Glorieta Oil Zone in its Skaggs B-12 No. 1, and for permission to combine production from the two separate oil pools and in support thereof would show:

1. Applicant is co-owner and operator of the Skaggs B-12 lease consisting of the N/2 of the NE/4 and the NW/4 of the NE/4 of Section 12, T-20S, R-37E, NMPM, Lea County, New Mexico.
2. Applicant drilled and completed on May 30, 1954, its No. 1 well as an oil well in the Drinkard formation at a location 660 feet from the North line and 660 feet from the West line of said Section 12 and that the well is producing through perforations from 6900 feet to 6922 feet. Said well is in the defined limits of the Skaggs Drinkard Oil Pool.
3. That the attached plat depicts the location of Drinkard and Glorieta wells on this lease and the ownership and location of such wells on offset leases.
4. Applicant proposes to dual complete the well in the Drinkard oil formation presently open and in the Glorieta formation from various intervals between 572 feet and 5304 feet. The proposed dual completion will be accomplished by utilizing parallel tubing strings and such packers and other equipment that is necessary and adequate to maintain separation of the fluids produced from each of the two producing formations. The fluids from the two said formations will be produced through separate strings of 2 1/16 inch OD tubing in the manner depicted by the attached schematic diagram. The attached copy of the radioactivity log of the subject well shows the top of the Drinkard formation, the top of the Glorieta formation, the current perforations in the Drinkard formation and the proposed perforations in the Glorieta formation.
5. The Glorieta oil formation, proposed for dual completion with the Drinkard oil formation in said well is located in a presently undesignated Glorieta Oil Pool.
6. The well will be equipped in such a manner that there will be no commingling of fluids from the two sources of supply within the well bore; however, permission is requested to commingle the fluid in common storage. Production from each formation will be accurately

measured separately before entering screen strings. Said measuring devices will be provided with equipment that will provide a means of making accurate tests of the individual formations and measurement of the production therefrom as required by the Commission.

7. That the dual completion of said well as proposed is mechanically and economically feasible and is in the interest of conservation of oil and protection of correlative rights.

Wherefore, applicant respectfully requests that this matter be set for hearing by the examiner at Hobbs, New Mexico, on due notice, and upon hearing, the Oil Conservation Commission enter its order authorizing applicant to dual and produce said well in accordance with foregoing application.

Respectfully submitted,

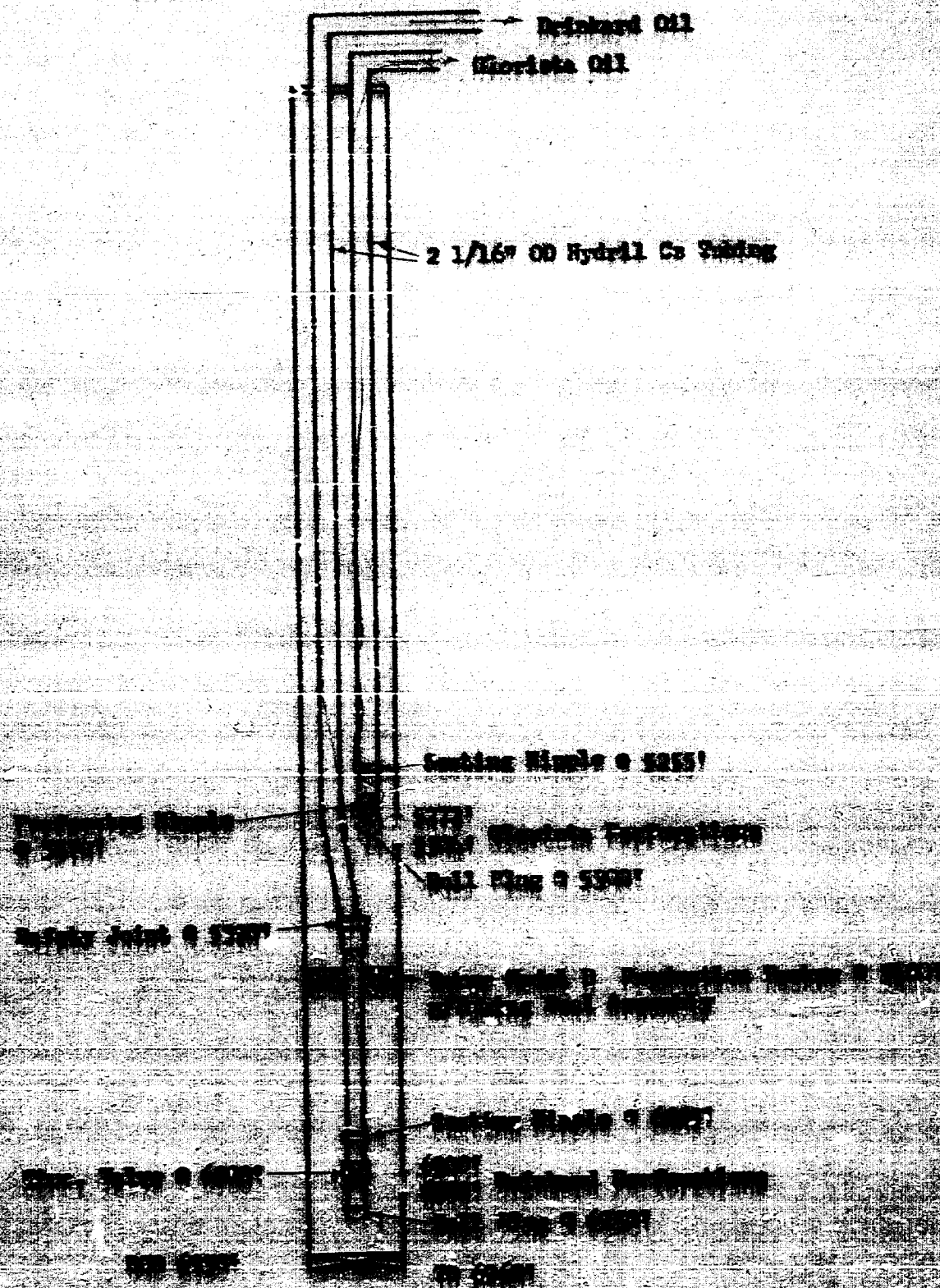
CONTINENTAL OIL COMPANY

By J. A. Mone

SECRET 10-32 100. 1

PLATE 200

PROPOSED BILL COMPETITION EXISTENT



CONTINENTAL OIL COMPANY

Skaggs B-12 No. 1

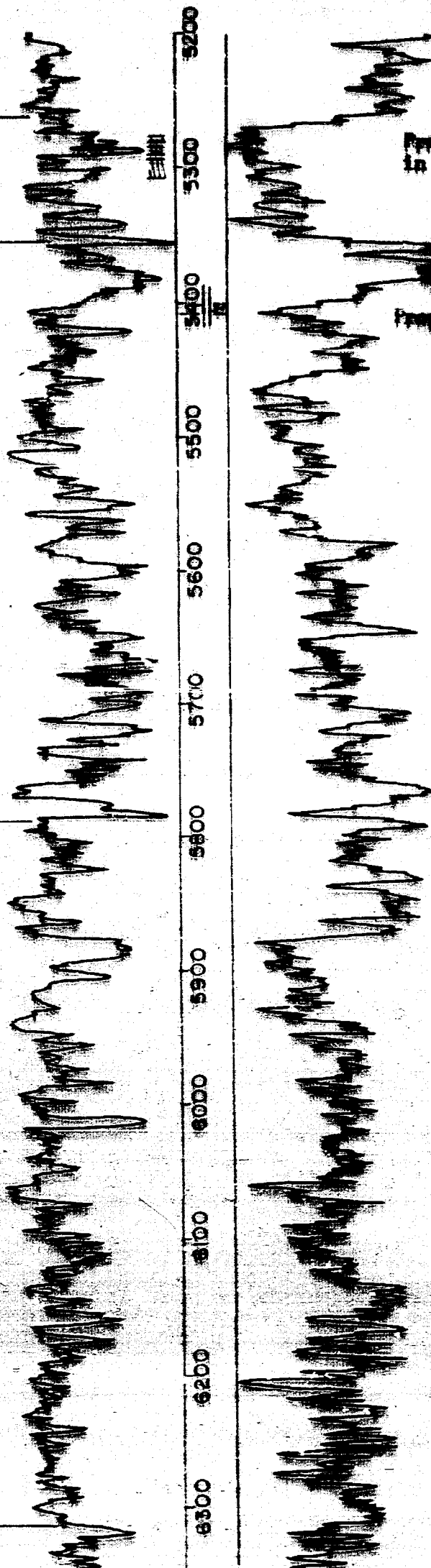
Elev 3594'

Top of Glorieta

Top of Paddock

Blindry Marker

Tubg Marker



Proposed Perfor.
in Glorieta:

5272-98'
5282-98'
5292-98'

Proposed Packer at 5400'

Top of Drinkard

Top of Abo

6900 6800 6700 6600 6500 6400

Existing Perfs.
in Drinkard: 6530-22'

TD 686C'