

**BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO**

IN THE MATTER OF:

**CASE 1842: Application of Skelly Oil Company for permis-
sion to commingle the production from two
separate pools.**

TRANSCRIPT OF HEARING

JANUARY 6, 1960

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JANUARY 6, 1960

IN THE MATTER OF:

CASE 1842: Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on its Baker "A" lease comprising the NW/4 of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico.

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will take next Case 1842.

MR. FLINT: Application of Skelly Oil Company for permission to commingle the production from two separate pools.

MR. WHITE: If the Commission please, Charles White of Gilbert, White and Gilbert. Skelly Oil Company would like to have that case continued to the January 27th hearing.

MR. NUTTER: Case No. 1842 will be continued to the Examiner hearing on January 27th.

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STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO)

I, J. A. Trujillo, 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 by me, 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, the 13th day of January, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

J. A. Trujillo
 NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1842 heard by me on 1-60, 1960.

J. A. Trujillo, Examiner
 New Mexico Oil Conservation Commission

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ALBUQUERQUE, NEW MEXICO

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

I N T H E M A T T E R O F
C A S E N O. 1 8 4 2

TRANSCRIPT OF PROCEEDINGS

January 28, 1960



I N D E XWITNESSPAGE

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<u>NUMBER</u>	<u>EXHIBIT</u>	<u>MARKED FOR IDENTIFICATION</u>	<u>OFFERED</u>	<u>ADMITTED</u>
App. #1	Plat	5	8	8
" #2	Schematic Diagram	5	8	8

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ALBUQUERQUE, NEW MEXICO



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

IN THE MATTER OF:

APPLICATION OF SKELLY OIL COMPANY for per-
mission to commingle the production from
two separate pools. Applicant, in the above-
styled cause, seeks permission to commingle
the production from the Langlie-Mattix Pool
and the Drinkard Pool from all wells on its
Baker "A" lease comprising the NW/4 of Sec-
tion 26, Township 22 South, Range 37 East,
Lea County, New Mexico.

CASE
NO. 1842

BEFORE:

Elvis Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: We will take up the next Case Number 1842.

MR. PAYNE: Case 1842. Application of Skelly Oil
Company for permission to commingle the production from two separ-
ate pools.

MR. WHITE: Charles White, of Gilbert, White and
Gilbert of Santa Fe, New Mexico, appearing on behalf of the appli-
cant. We have one witness to be sworn.

(Witness sworn.)

MR. UTZ: Are there any other appearances in this case?

(No response.)

MR. UTZ: You may proceed.

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ARTHUR BAUMGARDNER

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

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Baumgardner, will you state your full name for the record, please?

A Arthur Baumgardner.

Q By whom are you employed, Mr. Baumgardner?

A Skelly Oil Company.

Q And in what capacity?

A Production engineer.

Q And where are you located?

A Hobbs, New Mexico.

Q Have you previously testified before the New Mexico Oil Conservation Commission?

A No, sir, I haven't.

Q Will you briefly state your educational background, and your professional qualifications?

A I received a B. S. degree in Missouri School of Mines in 1953; and in petroleum engineering, received an M. S. degree from Oklahoma A. & M., which is now Oklahoma State, in 1955. I worked for Texaco as a trainee for a year, after which time I joined the Skelly Oil Company as a production engineer, and been there since.



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MR. WHITE: Are the witness' qualifications acceptable?

MR. UTZ: Yes.

Q (By Mr. White) Will you briefly state the purpose of this application?

A It is to commingle the production from the Drinkard and Langlie-Mattix oil pool in the A. B. Baker "A" lease.

Q Are the royalty interests the same throughout this lease?

A They are.

Q And how about the working interests?

A They are.

Q Will you refer to what has been marked Exhibit Number 1, and explain that, please?

A Exhibit 1 shows the four Drinkard wells, Numbers 1, 4, 5, and 6, and the Langlie-Mattix well Number 2. The proposed flow line is on tank battery. It also shows the offset operators, leases, and wells.

Q Now, will you refer to Exhibit Number 2, and explain that schematic sketch?

A Exhibit Number 2 is a schematic sketch of the proposed tank battery to commingle the oil, with the necessary valves to test either zone any time seen fit.

Q And will you trace the flow of crudes as to Well Number 2 and Wells 1, 4, 5 and 6?

A Well Number 2 comes from the well into the separator



on the left. It flows into either tank. If the Drinkard oil comes into the heat treater on the right, and also into either tank by a manipulation of the three valves, the oil can be commingled or run into separate tanks for testing purposes. The gas from the heat treater is being sold. The gas from the separator and from Well Number 2, is being vented at the present time.

Q Will you give the production characteristics, please?

A The Baker "A" 2 for the month of November averaged approximately five and a third barrels of oil per day, of 35 degree oil. The Baker "A" 1 produced 35 barrels; the Baker "A" 4 produced 11 barrels; the Baker "A" 5 produced 18 barrels; the Baker "A" 6 produced 9 barrels. This is 40 gravity crude.

Q From your testimony, I assume that wells 1, 4, 5, and 6 produced a total average of 56 barrels of oil per day?

A I think it is 73.

Q Seventy-three?

A Yes, sir.

Q What is the top allowable?

A The top allowable for the four wells is 248 barrels of oil per day.

Q How much gas are you venting, and how much are you selling, if you know?

A The last gas-oil ratio taken on Well Number 2 was taken in March of '59. It showed that the well was making 7.26 MCF of gas per day.



Q That's being vented?

A Yes, sir, being vented at the present time.

Q Now, in the event you commingle the pools here, will this gas be sold?

A Yes, sir. We can sell it to the same pipeline connection that is serving wells Number 1, 4, 5, and 6, Drinkard wells.

Q Do you have the gas-oil ratios on these wells?

A Yes, sir. The gas-oil ratio on Number 1 well 2825; on Number 4 well is 10,406.

Q Slower, please.

A The Number 5 well is 5,299; the Number 6 well is 8,572. This well, I mean, this gas is being sold.

Q How are these crudes classified?

A I believe they are classified as intermediate. However, the same pipeline connection is connected to both tank batteries now, and the tank battery is serving Number 2, and also serving the Drinkard wells.

Q Do you expect to encounter any unusual corrosion problems?

A None; however, there is some corrosion problem there, because the tank serving Number 2 needs replacing, and for the commingling --

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

A Yes, sir, they were.



Q Now, I notice here that you are not metering any of these crudes, will you explain that to the Examiner, please?

A We do not intend to meter these crudes, due to the low volume of crude being made there. They may be classified as marginal wells, or in the stripper stage of production.

Q In the event of any water flood, or any reworking the wells, to where they could make your allowables, then would you install meters?

A Yes, sir.

MR. WHITE: That's all I have. We offer the exhibits at this time.

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

MR. WHITE: That's all the testimony we have on direct examination.

QUESTIONS BY MR. UTZ:

Q How much oil is the Number 2 well making?

A The Baker "A" 2 averaged five and a third barrels per day, for the month of November.

Q Five and a third?

A Yes, sir.

Q And the other four wells produced 73?

A Mr. White was right on that. It averaged 56; the 73 is evidently the allowable. 56, that is 40 gravity.

Q And the Number 1, 4, 5, and 6 wells are from which formation?



A The Drinkard formation, and the Drinkard pool.

QUESTIONS BY MR. PAYNE:

Q What is the top allowable for the Drinkard?

A I believe it is 62 barrels of oil per day per well, makes a total of 248.

MR. WHITE: Mr. Baumgardner, have similar orders been issued?

A Yes, sir, there are two orders for commingling without meters. One is Case Number 1754, Order Number 1482, application of Skelly Oil Company for permission to commingle the production from two separate oil pools in Lea County; and Case Number 1825, Order Number R-1440-A, application of Continental Oil Company for permission to commingle production from two separate pools in Lea County.

Q (By Mr. Payne) Mr. Baumgardner, do you plan to drill any more Drinkard or Langlie-Mattix wells on your A. B. Baker "A" lease?

A No, sir, not at the present time.

Q If you do drill any more, you would not propose to commingle them, providing they were capable of making top allowable?

A If we did, we would certainly put meters on them.

Q Do you feel that the approval of this application will allow you to produce the Number 2 Well to a more advanced state of depletion?

A Yes, sir, by eliminating the tank battery, we figure

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that we can lower the levelling cost on the well,,and thereby produce it at a lower limit, and extend the life of the well.

MR. PAYNE: That's all.

MR. UTZ: Are there any other questions of the witness?
If not, 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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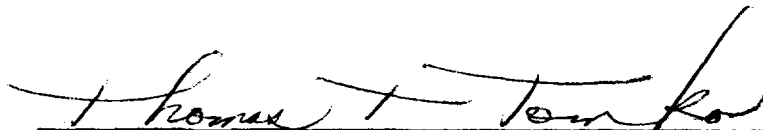
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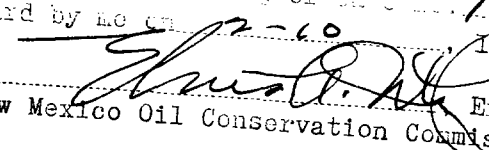


STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO) ss.

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 30th day of January, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


 Thomas T. Tomko, Court Reporter.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of case No. 1842, heard by me on 12-10, 1960.

 Examiner
 New Mexico Oil Conservation Commission

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