

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

IN THE MATTER OF
CASE NO. 1884

TRANSCRIPT OF PROCEEDINGS

January 28, 1960

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

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I N D E X

<u>WITNESS</u>		<u>PAGE</u>		
ARTHUR BAUMGARDNER				
Direct Examination by Mr. White		4		
QUESTIONS by Mr. Utz		6		
QUESTIONS by Mr. Flint		7		

<u>NUMBER</u>	<u>EXHIBIT</u>	<u>MARKED FOR IDENTIFICATION</u>	<u>OFFERED</u>	<u>ADMITTED</u>
App. #1	Plat	4	6	6
" #2	Schematic Diagram	5	6	6



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 that
portion of the J. V. Baker lease comprising
the SE/4 SW/4 of Section 22, Township 22
South, Range 37 East, Lea County, New Mexico.

CASE
NO. 1884

BEFORE:

Elvis Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: We will take up the next Case Number 1884.

MR. PAYNE: Case 1884. Application of Skelly Oil
Company for permission to commingle the production from two separ-
ate pools.

MR. WHITE: May the record show the same witness,
Arthur Baumgardner, reappearing as for the former case; and also
my appearance. Charles White, of Gilbert, White and Gilbert,
Santa Fe, New Mexico, appearing for the applicant.

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 previously sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Baumgardner, is Skelly seeking in this application, permission to commingle the crudes of the Langlie-Mattix oil pool, and from the Drinkard oil pool, in its J. V. Baker lease?

A On the 40-acres in the center of Exhibit 1, yes, sir.

Q And you are familiar with this application?

A Yes, sir, I am.

MR. UTZ: A hundred sixty acre lease?

A Yes, sir, but the only acreage involved is the center 40-acres of the J. V. Baker Number 1 and 9; just the 40-acres there (indicating).

Q (By Mr. White) That would be in the Southeast of the Southwest?

A Yes, sir, Section 22.

Q Are the royalty interests the same throughout?

A Under this 40-acres, yes, sir.

Q And is that also true as to the working interests?

A Yes, sir.

Q Will you explain Exhibit Number 1, please?

A Exhibit Number 1 shows the 40-acres of the Southeast of the Southwest of Section 22; and we propose to commingle the



oil from Well Number 1 of the Langlie-Mattix oil pool, with the oil from Well Number 1 in the Drinkard Pool. The exhibit shows the proposed flow lines and tank battery.

Q Does it show the offset operators?

A It shows the offset operators, and the offset wells.

Q Will you now explain Exhibit Number 2?

A Exhibit Number 2 is a schematic diagram of the proposed tank battery, with the Langlie-Mattix oil going through the separator on the left, and to either stock tank. The Well Number 9, the Drinkard well, it will go through the heat treaters and into either stock tank. By manipulating the three wheel valves, the oil can be commingled, or produced in separate tanks, for testing purposes.

Q What size tanks are these?

A They are 250-barrel stock tanks.

Q Will you give the well characteristics as to each well?

A The J. V. Baker Well Number 1, for the month of November, produced approximately 1.7 barrels of oil per day, at 35 degrees gravity. The J. V. Baker Number 9 produced approximately 9 barrels of oil per day, at 37 degrees gravity.

Q Will the mixing of these crudes bring a greater, or lesser, price than if separately sold?

A By mising the crudes, if my calculations are right, these crudes will be sold at approximately $36\frac{2}{3}$ degree gravity, which will be a decrease in income of approximately 23 cents a day,



that would be a maximum.

Q What economic advantages will you obtain then by this commingling installation?

A The Well Number 1 is producing at the present time approximately 1.7 barrels of oil per day, which is approaching the economic limit of the well. By commingling these two crudes, and eliminating the tank battery, it is thought that the production can be at a lower point before necessary to plug the well; and also by producing such a small quantity of fluid, we get larger evaporation from the stock tank, due to the length of time it requires to fill the tank before selling.

Q How are these crudes classified?

A I believe both crudes are classified as intermediate; however, both tank batteries are again connected to the same pipeline, and are both sold, I believe, under the same rating.

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

A Yes, sir, they were.

MR. WHITE: We offer the exhibits.

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

MR. WHITE: That concludes our direct examination testimony in this case.

QUESTIONS BY MR. UTZ:

Q Mr. Baumgardner, which well is in which pool?

A The Number 1 Well is in the Langlie-Mattix Pool; the



Number 9 Well is in the Drinkard Pool.

Q Did you say that the ownership under both pools was the same, under this lease?

A Under the 40-acres, yes, sir.

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

MR. FLINT: Yes.

QUESTIONS BY MR. FLINT:

Q You don't propose to drill any other wells in this 40-acre tract?

A No, sir.

Q How large will the tank be for this commingling production?

A Two 250-barrel tanks.

Q And how is this oil sold?

A I believe it's sold as an intermediate.

Q I mean, is this sold to a pipeline, or trucked?

A No, sir, it is sold to the pipeline.

MR. FLINT: That's all.

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

(No response.)

MR. UTZ: The witness may be excused.

(Witness excused.)

MR. UTZ: Are there any statements in this case?

(No response.)

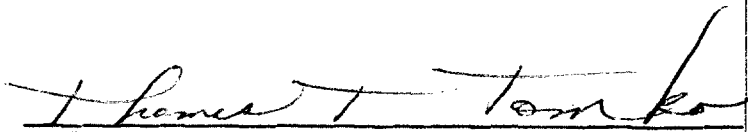
MR. UTZ: The case will be taken under advisement.



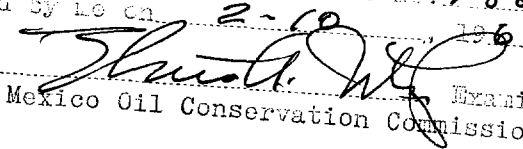
STATE OF NEW MEXICO)
) SS.
 COUNTY OF BERNALILLO)

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 correct record of the proceedings in the Examiners Hearing of Case No. 1884, heard by me on 2-10-1960.


 Examiner
 New Mexico Oil Conservation Commission

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