

Casa No.

901

Application, Transcript,
Small Exhibits, Etc.

STANOLIND OIL AND GAS COMPANY

OIL AND GAS BUILDING

FORT WORTH, TEXAS

April 18, 1955

File: RGH-4191-986.510

Subject: Request for Hearing for Exception
To Statewide Rule 390, Hobbs Field
Lea County, New Mexico

New Mexico Oil Conservation Commission (3)
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. W. B. Macey

Gentlemen:

It is requested that a hearing be set on the application of the Stanolind Oil and Gas Company for an exception to Rule 390 of the Rules and Regulations of the New Mexico Oil Conservation Commission. This exception is sought to permit the measurement and storing off the lease of crude oil produced from Stanolind's W. S. Capps Lease in the S/2 of Section 3, T-19-S, R-38-E, in the Hobbs Pool, Lea County, New Mexico. It is our proposal that the production from this lease be transported to a new tank battery to be constructed on Stanolind's State "A" Tract 7 Lease in the NW/4 Section 10, T-19-S, R-38-E, which offsets the W. S. Capps Lease to the south, as shown on the attached plat. Separate facilities for measuring and storing production will be provided for both the W. S. Capps and State "A" Tract 7 Leases.

Existing tank batteries on the W. S. Capps Lease are located within the present city limits of the city of Hobbs, New Mexico, and a portion of this immediate area is currently being surveyed for additional civic development. Relocation of these tank batteries is desired in order to minimize potential hazards occasioned by their proximity to domestic and commercial installations. Since Stanolind owns the surface rights on the State "A" Tract 7 Lease, it will be possible to minimize such hazards by the relocation of this tank battery.

Yours very truly,

ALEX CLARKE, JR.
Division Engineer

RGH:cp
Attachments

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 101

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 16, 1955

IN THE MATTER OF:

The application of Stanolind Oil and Gas Company
for permission to commingle oil produced from
two separate leases into a common tank battery.

Applicant, in the above-styled cause, seeks an
order granting exception to Rule 309 of the
Commission's Rules and Regulations in order to
permit the use of common tankage for oil pro-
duced from its W. S. Capps Lease in S/2 Section
3, Township 19 South, Range 38 East, and its
State "A" Tract 7 Lease in NW/4 Section 10,
Township 19 South, Range 38 East, Lea County,
New Mexico, in the Hobbs Pool.

Case No. 901

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 901.

MR. SMITH: May it please the Commission please, it is an
application for an exception to Rule 309 of the Commission's Rules
and Regulations in order to permit the use of common tankage for
oil produced from its W. S. Capps Lease in the south half of Section
3, Township 19 South, Range 38 East, and its State "A" Tract 7 Lease
in the northwest quarter of Section 10, Township 19 South, Range 38
East, Lea County, New Mexico in the Hobbs Pool.

I would like to direct the Commission's attention to the fact
that the notice published indicated that we were asking also for the
right to commingle the oil, and we are not asking for that. We

merely wanted to move them and transfer to another location.

MR. ALLEN: Your application requesting the exception to Rule 202, we misinterpreted the application. Actually, as I understand it -- You correct me if I am wrong -- all you wish to do is build a tank battery on the State lease to receive the production from both the State lease and the Capps lease in separate tanks, to be measured and stored.

MR. SMITH: That is correct.

A. G. HILTZ,

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

DETECT EXAMINATION

By MR. SMITH:

Q State your name, please. A A. G. Hiltz.

MR. SMITH: He has been previously sworn, I believe, let the record show that.

Q Have you prepared a map showing the area involved in this application? A Yes, we have.

(Marked Stanolind Oil and Gas Company's Exhibit No. 1, for identification.)

Q Mr. Hiltz, directing your attention to Stanolind's Exhibit 1, what does it reflect?

A This is a map of a portion of the Hobbs Oil Pool, showing that portion of the field which lies on the southeastern extremity of the Hobbs townsite. The map shows Stanolind's W. S. Capps Lease, which is within the Hobbs townsite and in the southwestern portion of the map it shows our State "A" Tract 7 lease, which is also involved in this application. On the map we have indicated by the solid red squares the two tank batteries now serving the W. S. Capps lease

It is readily apparent that these tank batteries are within the area of the city which is now under development. In addition, with the normal expansion of the townsite of Hobbs, there is additional domestic and other commercial civic development going on in that area. As a result, the tank batteries are in an undesirable location. They do, possibly, represent a potential hazard to the civic development in that area.

Our proposal in this case, to minimize any hazard from the location of a tank battery, is to move the tank battery from the W. S. Capps Lease, take it completely out of the townsite and erect a new tank battery in the northern portion of the State "A" Tract 7 Lease, indicated on Exhibit 1, and simply measure and store the Capps production on the lease.

Separate facilities will be provided for the production from State "A" Tract 7 Lease and the W. S. Capps production. The existing tank battery from the State "A" Tract 7 Lease is colored in orange and shown south of the proposed tank battery location for the W. S. Capps Lease.

Q It is my understanding that Stanolind Oil and Gas owns the surface land above the State Lease, is that correct?

A That is correct.

Q Do you have any further comments?

A No, sir, I think that illustrates what we want, unless the Commission has further questions.

MR. MACKEY: Any questions of the witness? Mr. Hiltz, I notice that you have two Capps tank batteries. You have one on the west side and one on the east side of this exhibit.

A That is correct. We want to do away with both of them.

Q You are going to move both of them down on to the State lease?

A Yes. There are only seven wells involved.

MR. MACKEY: Anyone have any questions of the witness?

MR. DUPONT: I have a statement I would like to make. As an owner of a house located about a half block from one of the tank batteries, in addition to being a possible hazard, it is also a nuisance. I am sure that the people in the area would like to have the tank battery moved to the State "A" Lease.

MR. SMITH: I would like to offer in evidence, Exhibit No. 1.

MR. MACKEY: Without objection it will be received in evidence. Anything further in this case? If not we will take the case under advisement.

(Witness excused.)

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS.

I, ADA DEARNLEY, 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 26th day of May, 1955.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires:
June 19, 1955

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 901
Order No. R-647

THE APPLICATION OF STANOLIND OIL
AND GAS COMPANY FOR APPROVAL OF
AN EXCEPTION TO COMMISSION RULE
309 TO PERMIT OIL PRODUCED ON ITS
W. S. CAPPS LEASE IN THE S/2 OF
SECTION 3, TOWNSHIP 19 SOUTH, RANGE
38 EAST, NMPM, LEA COUNTY, NEW
MEXICO, TO BE MEASURED AND STORED
IN A TANK BATTERY TO BE LOCATED ON
ITS STATE "A" TRACT 7 LEASE COVERING
THE W/2 NW/4 OF SECTION 10, TOWNSHIP
19 SOUTH, RANGE 38 EAST, NMPM, LEA
COUNTY, NEW MEXICO, IN THE HOBBS
OIL POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 18, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 13th day of June, 1955, the Commission, a quorum being present, having considered the record and the testimony entered at said hearing, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That applicant, Stanolind Oil and Gas Company, is the owner of oil and gas leases covering the S/2 of Section 3 and the W/2 NW/4 of Section 10, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico, in the Hobbs Oil Pool.

(3) That portions of the lease covering the S/2 of said Section 3, which is known as Stanolind Oil and Gas Company's W. S. Capps Lease, lie within the corporate limits of the City of Hobbs, New Mexico.

(4) That the existing tank battery on the W. S. Capps Lease is situated within the corporate limits of the City of Hobbs, New Mexico, and that a portion of the area in which said tank batteries are located is currently being surveyed for further civic development.

(5) That applicant, Stanolind Oil and Gas Company, is the owner of surface rights in the W/2 NW/4 of Section 10, Township 19 South, Range 38 East, Lea County, New Mexico, and that the relocation of tank batteries on this tract of land is feasible and economic.

(6) That the relocation of tank batteries now situated on the W. S. Capps Lease is desirable in order to minimize hazards occasioned by the proximity of these batteries to commercial and domestic development.

IT IS THEREFORE ORDERED:

(1) That the application of Stanolind Oil and Gas Company for an exception to Rule 309 of the Rules and Regulations of the Commission be, and the same hereby is approved, and Stanolind Oil and Gas Company is hereby authorized to establish, maintain and operate a tank battery on its State "A" Tract 7 Lease in the W/2 NW/4 of Section 10, Township 19 South, Range 38 East, Lea County, New Mexico, to receive production from wells completed in the Hobbs Pool and located on applicant's W. S. Capps Lease in the S/2 of Section 3, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico.

PROVIDED, HOWEVER, that adequate tankage and proper equipment shall be installed and maintained so as to permit specific production tests of each connected well at reasonable intervals or upon request of the Commission.

PROVIDED FURTHER, that no well now or hereafter connected to such tank battery shall be permitted to produce at a rate in excess of the top allowable as now or hereafter fixed for the Hobbs Oil Pool, plus the permitted tolerance.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary



/lr

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

June 15, 1955

C
O
P
Y

Stanolind Oil & Gas Company
Oil and Gas Building
Fort Worth, Texas

Attention: Alex Clarke, Jr.

Gentlemen:

We enclose a copy of Order No. R-647 issued on June 13, 1955, by the Oil Conservation Commission in Case 901, which was heard at the May 18th hearing upon your company's application.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
Enclosure