

The Supplement of Order No. 10,000
 & N-1124 to permit utilization of
 dump type meters - Atoka Pool, Sady
 County, N.M.

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in Cash R1067
the Order
for E 1124
and your

Case No.

1673

Application, Transcript,
Small Exhibits, Etc.

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

June 1, 1959

Mr. Jason Kellahin
Box 1713
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your clients, Standard Oil Company of Texas and Continental Oil Company, we enclose two copies of Order R-1067-A and R-1124-A for Standard and two copies of Order R-1408 for Continental, issued by the Oil Conservation Commission on May 28, 1959.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Enclosures

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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 CONSIDERING:

CASE NO. 1673
Order Nos. R-1067-A
R-1124-A

APPLICATION OF STANDARD OIL
COMPANY OF TEXAS FOR AN
AMENDMENT OF ORDER NOS. R-1067
AND R-1124 TO PERMIT THE
UTILIZATION OF DUMP-TYPE METERS
IN LIEU OF POSITIVE DISPLACEMENT
METERS ON CERTAIN LEASES IN THE
ATOKA POOL, EDDY COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 20, 1959, at Santa Fe, New Mexico, before E. J. Fischer, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 28th day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, E. J. Fischer, 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 cause and the subject matter thereof.
- (2) That by Order No. R-1067, the applicant was authorized to commingle the production from its McNatt-Vandagriff Unit Well No. 1, located in the SE/4 SE/4 of Section 14, Township 18 South, Range 26 East, Atoka Pool, Eddy County, New Mexico, with the production from its Lee Vandagriff Well No. 1, located in the SW/4 SW/4 of Section 13, Township 18 South, Range 26 East, Atoka Pool, Eddy County, New Mexico, after separately metering the production from each of said wells by means of a positive displacement meter.
- (3) That by Order No. R-1124, the applicant was authorized to commingle the production from the Atoka (San Andres) Pool from five separate 40-acre leases in Section 12, Township 18 South, Range 26 East, NMPM,

-2-

Case No. 1673
Order Nos. R-1067-A
R-1124-A

Eddy County, New Mexico, after separately metering the production from each of said leases by means of positive displacement meters.

(4) That the applicant proposes that Order Nos. R-1067 and R-1124 be amended to permit the applicant, at its option, to utilize dump-type meters in lieu of positive displacement meters.

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That Order Nos. R-1067 and R-1124 be and the same are hereby amended to permit the utilization of dump-type meters in lieu of positive displacement meters.

PROVIDED HOWEVER, That whatever type meters the applicant utilizes, they must be such as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

IT IS FURTHER ORDERED:

That all meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director.

Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibrations filed with the Commission on the Commission form entitled "Meter Test Report."

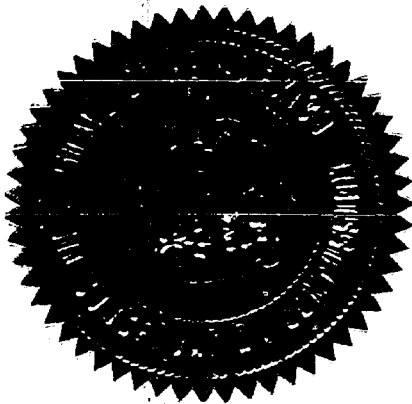
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

*Higgins
Battery
SW/4 NE/4 Sec. 12*

CASE NO. 1357
Order No. R-1124

APPLICATION OF STANDARD OIL COMPANY
OF TEXAS FOR AN ORDER AUTHORIZING
THE PRODUCTION INTO A COMMON TANK
BATTERY OF ALL OIL PRODUCED FROM
FIVE LEASES IN THE ATOKA POOL, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 29, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 12th day of February, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 cause and the subject matter thereof.

(2) That the applicant, Standard Oil Company of Texas, is the operator of five 40-acre oil and gas leases in the Atoka (San Andres) Pool, consisting of the SW/4 SE/4, NW/4 SE/4, SW/4 NE/4, SE/4 NW/4, and NW/4 NW/4 of Section 12, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) That there is a diversity of ownership of both the working interests and royalty interests in the above-described leases.

(4) That Standard Oil Company of Texas and Gulf Oil Corporation have entered into an operating agreement whereby the applicant is designated as the operator of all of the above-described leases.

(5) That the above-described leases are situated in the flood plain of the Pecos River and are periodically subjected to inundation.

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Case No. 1357
Order No. R-1124

(6) That the applicant proposes to commingle, after measurement, the production from the above-described leases in a common tank battery located in the NE/4 SW/4 of said Section 12, which location is outside the Pecos River flood plain, and that the applicant proposes to continuously measure the production from each of the above-described leases by means of positive displacement meters located at the above-described common tank battery.

(7) That the metering system proposed by the applicant will provide an accurate and reliable means for measuring the amount of oil produced from each of the above-described leases, provided the meters are periodically checked for accuracy.

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

(9) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Standard Oil Company of Texas, be and the same is hereby authorized to commingle, after measurement, the production from the following described separate leases in the Atoka (San Andres) Pool in a common tank battery located in the NE/4 SW/4 of Section 12, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, to-wit:

SW/4 SE/4 Section 12
NW/4 SE/4 Section 12
SW/4 NE/4 Section 12
SE/4 NW/4 Section 12
NW/4 NW/4 Section 12

all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

(2) That the applicant be and the same is hereby authorized to measure the production from each of the above-described leases by means of ~~positive displacement~~ ^{dump-type} meters located at the above-described common tank battery.

(3) That each of the ~~positive displacement~~ meters used to measure the production from each of the above-described leases shall be checked for accuracy at intervals and in a manner satisfactory to the Commission.

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



S E A L
ir/

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1319
Order No. R-1067

APPLICATION OF STANDARD OIL COMPANY
OF TEXAS FOR AN ORDER AUTHORIZING
THE PRODUCTION INTO A COMMON TANK
BATTERY OF THE OIL PRODUCED FROM
TWO SEPARATE LEASES IN THE ATOKA
POOL, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 24, 1957, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 9th. day of October, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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 cause and the subject matter thereof.

(2) That the applicant, Standard Oil Company of Texas, is the owner of two patented oil and gas leases, one known as the Lee Vandagriff Lease comprising the SW/4 SW/4 of Section 13, and the S/2 SE/4 SE/4 of Section 14, Township 18 South, Range 26 East, NMFM, Eddy County, New Mexico, and the other known as the Elsa McNatt Lease comprising the N/2 SE/4 SE/4 of said Section 14.

(3) That the SE/4 SE/4 of said Section 14 has been communitized by all persons owning an interest therein.

(4) That the applicant has completed an oil well in the Atoka Pool in the SE/4 SE/4 of said Section 14 known as the McNatt-Vandagriff Unit Well No. 1.

(5) That the applicant has also completed an oil well in the Atoka Pool in the SW/4 SW/4 of said Section 13, known as the Lee Vandagriff Well No. 1.

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Case No. 1319
Order No. R-1067

(6) That the applicant proposes to commingle all the production from the above-named wells in a single common tank battery and to measure the oil produced from each of said wells by means of positive displacement meters.

(7) That all of the royalty owners in the above-described wells have consented in writing to the applicant's proposal.

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

(9) That the subject application should be approved.

IT IS THEREFORE ORDERED:

1. That the applicant, Standard Oil Company of Texas, be and the same is hereby authorized to commingle the production from its McNatt-Vandagriff Unit Well No. 1, located in the SE/4 SE/4 of Section 14, Township 18 South, Range 26 East, NMPM, in the Atoka Pool, Eddy County, New Mexico, with the production from its Lee Vandagriff Well No. 1, located in the SW/4 SW/4 of Section 13, Township 18 South, Range 26 East, NMPM, in the Atoka Pool, Eddy County, New Mexico;

PROVIDED HOWEVER, That the applicant shall install a ^{dump} ~~positive~~ displacement meter on each of the above-named wells;

^{type} PROVIDED FURTHER, That the applicant shall test the accuracy of said ~~positive displacement~~ meter in a manner and at intervals satisfactory to the Commission.

^{dump type meter}
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

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

S E A L

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date May 20, 1959

CASE NO. 1673

HEARING DATE May 20, 1959

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

Enter an order amending Order Nos. R-1067 & R-1124 to permit St. Oil Co. of Texas to use Dump type meters in lieu of positive displacement meters on the appropriate leases (as described in Orders R-1067 & in R-1124).

Suggest amended Order Nos. to be R-1067-A & R-1124-A respectively to avoid confusion at later date.

E. J. Fischer
Staff Member

DOCKET: EXAMINER HEARING MAY 20, 1959

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

The following cases will be heard before E. J. Fischer, Examiner

- CASE 1673: Application of Standard Oil Company of Texas for an amendment of Order Nos. R-1067 and R-1124. Applicant, in the above-styled cause, seeks an amendment of Order Nos. R-1067 and R-1124 to permit the utilization of dump type meters in lieu of positive displacement meters on certain leases in the Atoka Pool, Eddy County, New Mexico.
- CASE 1674: Application of Continental Oil Company for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its M. E. Wantz Well No. 4-A located in the SW/4 SE/4 of Section 21, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Blinebry Gas Pool and the production of oil from the Wantz-Abo Pool through the casing-tubing annulus and the tubing respectively.
- CASE 1675: Application of Hill and Meeker for six non-standard oil proration units. Applicant, in the above-styled cause, seeks an order establishing six non-standard oil proration units for Delaware production on its State "36" Lease comprising all of partial Section 36, Township 26 South, Range 32 East, Lea County, New Mexico, with each of said non-standard oil proration units to consist of approximately 44 acres.
- CASE 1676: Application of Humble Oil & Refining Company for permission to produce more than sixteen wells into a common tank battery and to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Gallup production from its Navajo "F" Lease comprising Sections 3, 4, 9, and 10 with the Gallup production from its Navajo "G" Lease comprising Sections 1, 2, 11, and 12, all in and adjoining the Chimney Rock-Gallup Oil Pool, Township 31 North, Range 17 West, San Juan County, New Mexico. Applicant further seeks authority to produce more than sixteen wells into said common tank battery.
- CASE 1677: Application of The Texas Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its V. M. Henderson Well No. 2 located in the NE/4 NE/4 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock Pool and the production of gas from the Blinebry formation adjacent to the Blinebry Gas Pool.
- CASE 1678: Application of Rice Engineering and Operating, Inc. for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing it to recomplete its Gulf Oberholtzer Well No. 2 as a salt water disposal well in the Devonian formation; said well is located 1980 feet from the North line and 2310 feet from the West line of Section 7, Township 12 South, Range 38 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water into the Devonian formation in the interval from 12,206 feet to 12,400 feet.

- CASE 1679: Application of Western Oil Fields, Inc., for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of an 80-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the NW/4 SE/4 and the NE/4 SW/4 of Section 4, Township 21 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Gulf Hill Well No. 1, located 1980 feet from the South and East lines of said Section 4.
- CASE 1680: Application of Graridge Corporation for capacity allowables for eight wells in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing capacity allowables for eight wells situated in the project area of its water flood project in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico.
- CASE 1681: Application of The Ibex Company for a capacity allowable for one well in a water flood project. Applicant, in the above-styled cause, seeks an order authorizing a capacity allowable for its Welch Duke State Well No. 18 in the project area of its Artesia Water Flood Project No. 2, Artesia Pool, Eddy County, New Mexico.



STANDARD OIL COMPANY OF TEXAS

P. O. BOX 1249 • HOUSTON 1 • TEXAS

RECEIVED April 13, 1959

Case 1613

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

Attention: Mr. O. E. Payne, Attorney

Gentlemen:

The following is submitted in reference to the telephone conversation with you this date, concerning amending metering orders to convert from positive displacement to dump type meters.

Standard Oil Company of Texas respectfully requests emergency permission, pending hearing, to use dump type meters, in lieu of positive displacement meters, on wells affected by Order R-1067, issued October 9, 1957, in Case No. 1319, and Order No. R-1124, issued January 29, 1958, in Case No. 1357.

Order R-1067, issued by the Oil Conservation Commission October 9, 1957, in Case No. 1319, permitted Standard Oil Company of Texas to commingle production from its McNatt-Vandagriff Unit Well No. 1, located in the SE/4 SE/4 of Section 14, with production from its Les Vandagriff Well No. 1, located in the SW/4 SW/4 of Section 13, both wells in Township 18 South, Range 26 East, NMPM, in the Atoka Pool, Eddy County, New Mexico.

The order provided for the use of positive displacement meters and this type of measuring device was installed at the central tank battery. To facilitate oil-water separation, it is planned to install a heater treater for each of the subject wells. In conjunction with the revision of the lease equipment, it is requested that permission be granted to install dump type meters in lieu of the positive displacement meters.

Order No. R-1124 issued January 29, 1958, in Case No. 1357, authorizes commingling on five 40-acre oil and gas leases in the Atoka Pool, consisting of SW/4 SE/4, NW/4 SE/4, SW/4 NE/4, SE/4 NW/4, and NW/4 NW/4 of Section 12, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. To provide more efficient operation, it is requested that this order be amended to permit use of dump type meters for measuring production in lieu of positive displacement meters.

*Robert
M. Muel
5-6-59*


Oil Conservation Commission
April 13, 1959
Page 2

In these particular situations, it is believed that the dump type meters will perform more accurately for a longer period than positive displacement meters.

Authorization was granted Standard Oil Company of Texas, by Order No. R-1178, Case 1429, issued May 26, 1958, to commingle and measure production by dump type meters on the Vinnie L. Leavitt No. 2 well, dually completed in the Atoka (Grayburg) and Atoka (San Andres) pools.

In the interest of providing a more accurate and efficient method of metering, it is respectfully requested a hearing be set to amend Orders R-1067 and R-1124 to authorize use of dump type meters in lieu of positive displacement meters for various wells in the Atoka Pool, Eddy County, New Mexico.

Yours very truly,


C. N. Segnar, Chief Engineer

RLMc:rem

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1672

TRANSCRIPT OF PROCEEDINGS

May 14, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MAY 14, 1959

IN THE MATTER OF: :
: :
: :

CASE 1672 In the matter concerning purchaser prorationing:
by Continental Oil Company of wells in certain :
oil pools in Chaves and Eddy Counties, New Mex- :
ico, which are connected to the system formerly: :
owned by Malco Refineries, Inc. :
: :

BEFORE:

Mr. Murray Morgan
Gov. John Burroughs
Mr. A. L. Porter

T R A N S C R I P T O F P R O C E E D I N G S

MR. PORTER: The hearing will come to order, please.
The Commission will consider first Case 1672 which is the matter
for special hearing slatted for May 14, at nine a.m.

MR. PAYNE: Case 1672. In the matter concerning pur-
chaser prorationing by Continental Oil Company of wells in certain
oil pools in Chaves and Eddy Counties, New Mexico, which are con-
nected to the system formerly owned by Malco Refineries, Inc.

MR. KELLAHIN: If the Commission please, I am Jason
Kellahin of Kellahin & Fox, Santa Fe, New Mexico, representing
Continental Oil Company.

The circumstances which exist in this case are as follows,
roughly: The Commission issued the Order the 17th, an emergency

Order, a fifteen-day shutin period, due to work that was being done on the refinery which was purchased by Continental Oil Company from Malco Refineries. The emergency Order, as I understand it, would expire at seven a.m. Saturday morning. Normally, production and pipeline runs are not handled on Saturday and Sunday, and we are informed that the refineries and pipeline takes will be ready to go back on operation, and we should be back on Monday. Under those circumstances, we do not feel there is any necessity for an extension of this Order. Therefore, we move that the case be dismissed.

MR. PORTER: Any objection to counsel's motion for dismissal of Case 1672? Case 1672 will be dismissed.

STATE OF NEW MEXICO)
) ss
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 29th day of May, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


NOTARY PUBLIC

My Commission Expires:

October 5, 1960

MAIN OFFICE OCC

1959 JUN 10 AM 8:00
BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 20, 1959

EXAMINER HEARING

IN THE MATTER OF:

Case 1673

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

NEW MEXICO OIL CONSERVATION COMMISSION

Examiner Hearing (E. J. Fischer)Santa Fe, NEW MEXICOREGISTERHEARING DATE May 20, 1959 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
<i>J. B. Christy W.</i> SAM F. HARRILL	Humble HUMBLE	Roswell, NM HOBBS
<i>John B. Pass</i> <i>L. C. White</i> Jason Kellahan	Texaco Inc. <i>John P. White & Elliot</i> Kellahan + Fox	Midland Santa Fe Santa Fe
<i>R. M. Lannon</i> C. F. Dwyer	Std Oil Co of TEXAS Std. Oil Co. of Texas	Houston, Tex Monahans, Texas
<i>Jack M. Campbell</i> <i>B. H. Harrison</i>	Campbell + Russell Granidge Corp.	Roswell NM Breckenridge, Texas
V. T. LYON W. F. Abbott	CONTINENTAL OIL RICE ENGINEERING &	EDMUNDE, N. M. Hobbs, N. M.
D. G. Shurtliff <i>M. D. Jones</i>	Operating, Inc Rice Operating & Operating, Inc N. W. P.	Hobbs, N. M. Albany
Thomas F. McKenna Joe S. Hill C. R. Grease	Hilly Kleser - Western Oil Field Hill & Mockler " "	Midland Texas " "
Nancy Royal	W. M. Stetson Reports	Santa Fe

Examiner Hearing (E. J. Fischer)

Santa Fe, NEW MEXICO

REGISTER

May 20, 1959

TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
Frank E. Stry R.H. Swallow	State Engr. Office Western Oil Fields, Inc	Santa Fe (N.M.)

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 20, 1959

EXAMINER HEARING

IN THE MATTER OF:)

Application of Standard Oil Company of)
Texas for an amendment of Order Nos.)
R-1067 and R-1124. Applicant, in the)
above-styled cause, seeks an amendment) Case 1673
of Order Nos. R-1067 and R-1124 to)
permit the utilization of dump type)
meters in lieu of positive displace-)
ment meters on certain leases in the)
Atoka Pool, Eddy County, New Mexico.)

BEFORE:

Mr. E. J. Fischer, Examiner

TRANSCRIPT OF HEARING

MR. FISCHER: The hearing will come to order, please.
The first case on the docket will be Case 1673.

MR. PAYNE: "Application of Standard Oil Company of
Texas for an amendment of Order Nos. R-1067 and R-1124."

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox,
Santa Fe, New Mexico representing the Applicant. We will have
one witness.

C. F. DWYER

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

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

DIRECT EXAMINATION

(Marked Standard Oil Company of Texas' Exhibits 1 & 2 for identification.)

BY MR. KELLAHIN:

Q Would you state your name, please?

A C. F. Dwyer.

Q By whom are you employed, Mr. Dwyer?

A Standard Oil Company of Texas.

Q What is your position? 1

A District Engineering Ward, Hobbs District, located in Monahans.

Q Have you ever testified before this Commission before?

A No, sir.

Q Would you state your educational background and experience as a petroleum engineer?

A Graduated from Texas A. & M. and with a Bachelor of Science, petroleum engineering in 1940. I have been with Standard Oil Company of Texas for six and a half years.

Q What positions have you held during the six and a half years with Standard Oil Company of Texas?

A Engineer for approximately three and a half years, and District Engineer for two and a half years.

Q Are you familiar with the application in the case now before the Commission?

A Yes, sir.

Q What is the purpose of this case?

A The purpose is to make application to amend Order No. R-1067 and R-1124 to permit utilization of dump type meters in lieu of positive displacement meters in certain leases in the Atoka Pool.

Q With what is R-1067 concerned, Mr. Dwyer?

A R-1067 concerns the McNatt-Vandergrift battery.

Q Referring to what has been marked Exhibit No. 1, will you state the location of that battery?

A All right, the battery is located in the Southeast Quarter of the Southeast Quarter of Section 14. There are two wells entering that battery off of different leases, the McNatt-Vandergrift No. 1 and the Vandergrift No. 1. These two wells, Vandergrift No. 1 makes about ten barrels of oil and eight barrels of water per day, and the McNatt-Vandergrift makes about nineteen barrels of oil and four barrels of water per day.

Q With what is Order R-1124 concerned?

A Order R-1124 concerns the Higgins lease battery located in the East Half of the Southwest Quarter of Section 12. This battery also has two wells going into it, the Higgins 1-2 which makes three barrels of oil and thirteen barrels of water per day; the Higgins 1-1 which makes seven barrels of oil and eight barrels of water per day.

Q Are these two wells on the same lease?

A The Higgins 1-1 and 1-2?

Q Yes.

A No.

Q Then they also require separate metering?

A That's right.

Q Does the plat also show another battery?

A Yes, sir. We have included the Leavitt battery, which is in Section 13, and the battery itself is located in the Northwest Quarter of the Northeast Quarter of Section 13.

Q What type of meters are you using on that battery?

A We are using the dump type meters on this battery. The purpose of having them on this battery is that although it's the same lease, we have production from two separate zones and therefore we need to meter each zone separately.

Q Have you found the operation of the dump type meter satisfactory on the Leavitt lease?

A Yes, sir.

Q For what reason does the Standard Oil Company of Texas request the use of the dump type meters on the Higgins and the McNatt-Vandergrift batteries?

A Well, the meters on these leases, the positive displacement meters from normal operating wear had to be replaced, and it was a question of either replacing them with the same type of positive displacement meter, for which we already have approval, or with dump type meters. Due to our particular

situation on these leases with this limited or slow production, it's felt that dump type meters are more adaptable from an operating standpoint.

Dump type meters are not as delicate. They have very few moving parts, and we feel that they most likely operate a longer period of time without trouble. They can be easily repaired in the field whereas a positive displacement meter sometimes has to be taken into the shop, and that generally covers the situation.

Q Does the dump type meter operate more accurately in your opinion in slow production or low rates of production than the positive displacement meter?

A That could be a matter of opinion. I would say on very low production where you have low rates of flow through your meter that the dump type meter would possibly be a little more accurate. However, they are both 99% plus sufficient.

Q The degree of accuracy would not be important in your position?

A Yes.

Q Is it your opinion that the positive displacement is not a satisfactory type of meter?

A No, the positive displacement is a satisfactory type of meter.

Q But for this particular operation you feel the dump

type meter is better?

A That's right.

Q Do you have an exhibit showing the operation of the dump type meter?

A Yes, Exhibit 2. It explains the operation of the dump type meter. It is very, very similar. It consists of a chamber, and in this particular chamber, which is a Sival's tank meter thirteen and seventeenth inches in the sight glass, which you see off the side there on the left-hand side, is supposed to represent one barrel. This thing fills up, when it fills up and has one barrel in it, it dumps. Now, to keep fluid from coming in while it is dumping, you'll notice on the right-hand side of the drawing is a little valve marked, well, it's not very clear on this one, but it should be "oil outlet" on the lower right-hand side.

On the left side, sort of behind this little counter box, is another valve. That's the inlet valve. Those are gas-operated valves so that when the fluid comes all the way up to the top and you have one barrel in your meter, the outlet valve opens and the inlet valve closes both simultaneously at the same time. Then the meter dumps the one barrel and as soon as it has dumped the barrel, the two valves, simultaneously, one opens and the other closes.

It might be asked what happens during the period of time

that the meter is dumping. Well, the heater treater, or your separator is filling up at that time. The way that the number of barrels is counted is simply by a counter, just a little mechanical counter inside of this box that's on the left-hand side. It just counts in barrels.

Q Were Exhibits 1 and 2 prepared by you or under your direction and supervision?

A Exhibit 1, the information was given to the Houston Office on a small plat and they drew this and colored it. So you might say it was under my supervision.

Q And Exhibit No. 2, was that a diagrammatic sketch furnished by the manufacturer of the equipment?

A Yes, it is.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibits 1 and 2.

(The documents heretofore marked
Standard Oil of Texas' Exhibits
1 and 2 were offered in evidence.)

MR. PAYNE: The exhibits will be received.

MR. FISCHER: Any questions of the witness?

MR. PAYNE: Yes, sir.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Dwyer, do you plan to coat this dump type meter with plastic or some kind of a corrosion resistant element?

A Yes, they have already been plasticapped. They have already been coated with plasticab. In other words, they have that in there. They were plasti-coated before we put them in.

Q That was one of the big troubles that you had with the other meter, was it not, corrosion was causing them to be inaccurate?

A To some extent. Actually it's just a case of wear and tear on the positive displacement meters. You have a corrosion problem but usually the corrosion problem occurs only when you have oil and water together to some degree.

MR. PAYNE: I believe that's all.

BY MR. FISCHER:

Q What type of a positive displacement meter?

A Pittsburgh Piston type.

Q Could you give us an idea of your average rate of fluid production into each battery at this time, what would be going through your other type of meter, your dump meter?

A Going through the dump meter?

Q Yes.

A Well, the rate of production would be what I gave earlier. Take, for example, well, just say the Higgins Unit 1-1, that one there has a dump meter that handles only that well. That well makes an average of seven barrels of oil per day and eight barrels of water per day. The rate of flow through them,

you see, is very, very slow.

Q Are they pumping-- A Yes, sir.

Q -- or are they flowing?

A Yes, sir, they are mostly pumping.

Q The gas that you operate these inlet and outlet oil valves with is the casinghead gas off your wells?

A Right, it comes right off the separator, approximately twenty-five pounds.

MR. FISCHER: Any other questions of the witness?
The witness may be excused.

(Witness excused.)

Any statements to be made? If not, the case will be taken under advisement.

MR. PAYNE: It might be, might it not, Mr. Kellahin, that at some future date the Applicant will wish to go back to the positive displacement meters?

MR. KELLAHIN: That's possible.

MR. PAYNE: The preferable way to do it would be to have in the alternative?

MR. KELLAHIN: In the alternative as the present orders are being written. That's our difficulty here, we had no choice.

C E R T I F I C A T E

STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

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 2nd day of June, 1959.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1959.

BEFORE EXAMINER FISCHER

OIL CONSERVATION COMMISSION

45 of Texas Exhibit No. 1673Case No. E. J. Fischer

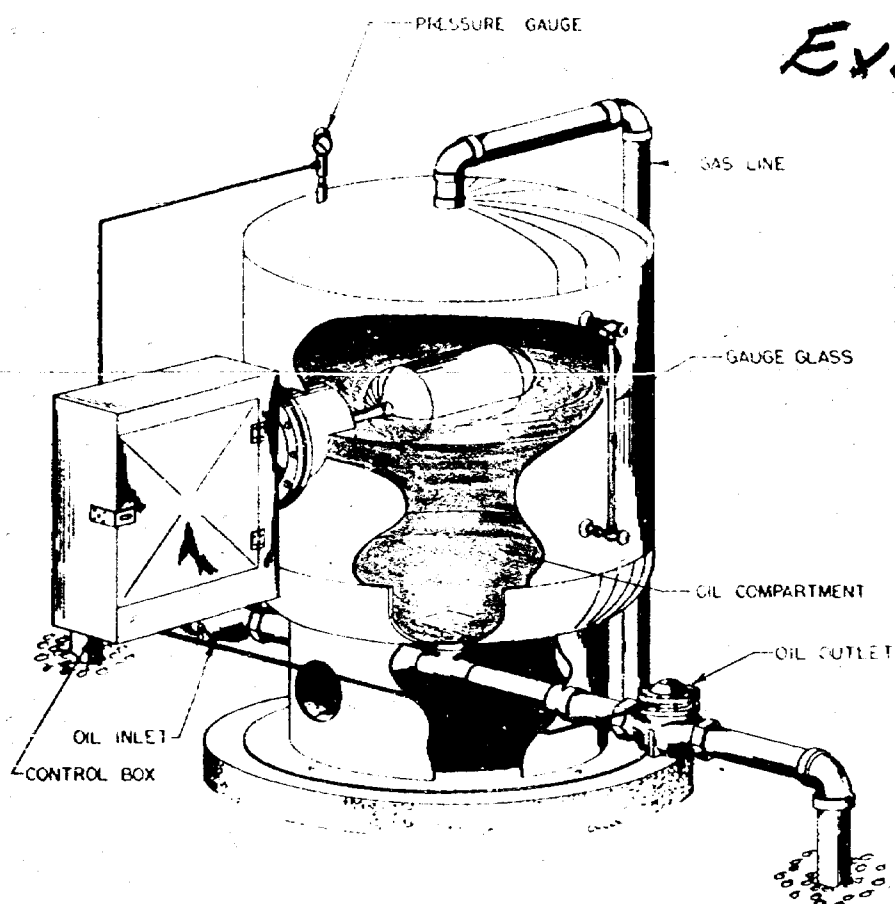
DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691



SIVALLS TANKS, INC. Odessa, Texas

Section 11-C

Exhibit II



SIVALLS DUMP METER

STANDARD ACCESSORIES

- 1 — Set Gauge Cocks with Gauge Glass
- 1 — Pressure Gauge
- 1 — Fisher Type 67 Regulator
- 1 — CEI MSR Control Box
- 1 — Kimray 212 SMT Motor Valve
- 1 — Kimray 212 SMT-DA Motor Valve
- 1 — Kimray 612 TO Trunnion

SIVALLS DUMP METERS

SPECIFICATIONS

MODEL	SIZE DIA. x HEIGHT	WORKING PRESSURE	OIL CAPACITY	SIZE DUMP BBLs.	MOTOR VALVES	APPROXIMATE SHIPPING WT.
M24	24" x 20"	125	500	1/2	2"	400
M30	30" x 20"	125	750	1	2"	550
M36	36" x 24"	125	1500	2	3"	700

BEFORE EXAMINER FISCHER

OIL CONSERVATION COMMISSION
 Exhibit No. 2
 Case No. 1673

