

CASE 2001: Application of FRANKLIN,
ASTON & FAIR for amendment of ORDER
R-1573-A. - Empire-Abo Pool.

Case No.

2001

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
MABRY HALL
Santa Fe, New Mexico
June 22, 1960

EXAMINER HEARING

IN THE MATTER OF: Case 2001

Application of Franklin, Aston and Fair, Inc., for an amendment of Order No. R-1573-A. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1573-A to provide an alternative to the shut-in provisions contained therein as relating to certain leases in the Empire-Abo Pool, Eddy County, New Mexico.

BEFORE:

D. S. Nutter, Chief Engineer
O. E. Payne, General Counsel

TRANSCRIPT OF HEARING

Mr. Nutter: Case 2001.

Mr. Payne: Application of Franklin, Aston and Fair, Inc., for an amendment of Order No. R-1573-A.

Mr. Jennings: My name is Jim Jennings of Roswell and I am appearing on behalf of Franklin, Aston and Fair and we have two witnesses. But before proceeding with the witnesses, if the Examiner would permit it, I would like to make a statement and possibly this will dispense with the testimony as we have heretofore presented testimony in this matter and we move for an amendment to the Order which was entered April 4, and I believe we had a different Examiner at that time. But, briefly, we are here seeking to amend our Order which was entered on April 4, to include the following language: Provided further, however, that in lieu of the



installation of high level safety shut-in switches in the storage tanks and in lieu of equipment to shut in flowing wells at the well head, Applicant has the alternative of maintaining storage sufficient to accommodate one day's allowable production from all leases connected to such automatic custody transfer equipment, and further that such installation be visually inspected and attended at least once every twenty-four hours.

Since we filed our application, attention has been directed to the recent Order of Application, it's Order No. 1680 and Case No. 1958, and this Order would appear that the application has changed its attitude toward the high level switch and equipment and shut off the wells at the well head. In the event of flow line break where there is adequate storage facilities to handle the lease production during the mass hours during which the lease is unattended and we feel that we have heretofore presented testimony showing that we have a thousand barrels of storage as a facility at the unit and the lease is attended on the seven day basis, and further that assuming that we have a forty barrel unit allowable unit which we hope we will have in the future, that our maximum production would be 639 barrels, which is actually 37 hours of storage, and if we have to look at the facts and go back to the 33 barrel allowable, which we are working, we have 45 hours of storage and if the Commission has changed its attitude we would like to tender an offer, re-offer the testimony in evidence introduced in



this case in Case No. 1929 and ask that it be incorporated into the record by reference. If you desire for us to proceed, Examiner, we are here and ready, and I think the testimony we have heretofore presented presents all those facts.

Mr. Nutter: Which would be in Case No. 1959, and the record of this Case particularly as it relates to maintenance of adequate storage facilities for the unattended times the lease is in operation.

Mr. Payne: We need additional testimony largely contingent on whether the facts are the same now as they were at the time of the original hearing, or whether you have drilled additional wells and you still have the same storage, what is the status?

Mr. Jennings: It is my understanding at the time of the last hearing we completed eight wells and we were completing number nine, and that is all the leases. We have authority to commingle production under our original Order and that those consist of the total number of wells which will be connected to this.

Mr. Nutter: As I understand it, the maximum amount of oil that has been produced into this particular battery would be 639 barrels with the 40 barrel unit that is with the lease being presently developed.

Mr. Jennings: Yes, sir.

Mr. Payne: And, you have how much storage space on the lease?



Mr. Jennings: We have actually 42,000 there now.

Mr. Payne: The installation calls for 2500 as a surge tank and overflow tank, is that correct?

Mr. Jennings: We have a thousand barrels of storage on the lease, which we will maintain there in any event.

Mr. Payne: What maximum length of time is the lease unattended, approximately sixteen hours?

Mr. Jennings: Twenty-four hours. We will proceed if you desire.

Mr. Nutter: I think we ought to go ahead and put the witness on.

(Witness sworn.)

ROGERS ASTON

called as a witness, having been first duly sworn on oath, testified as follows:

DIRECT EXAMINATION

BY MR. JENNINGS:

For the purpose of the record, these instruments, these Exhibits have been heretofore introduced in the prior hearing. If you would rather than further clutter the record, we can use these by reference to the other, or we can go ahead and have them introduced.

Mr. Payne: We will use them by reference in the prior case.



Mr. Jennings: Then the map is an attachment, one, of Exhibit "A".

Q Would you state your name and occupation?

A Rogers Aston, I am vice-president and general manager of Franklin, Aston and Fair, Inc., Roswell.

Q Mr. Aston, is your company the operator of the lease set out in blue and green and black on the attachment of Exhibit "A"?

A The 940 are operated by Franklin, Aston and Fair, Inc.

Q Who has charge of who supervises the wells?

A Our production superintendent in the local hills camp, Rogers, by name.

Q How often does your superintendent visually inspect the installation?

A An absolute minimum of once every twenty-four hours, but actually, since completion of these wells, he has been spending in excess of half his time in this area on a seven day business.

Q Just how far is the camp from this well?

A Our camp is about thirteen or fourteen miles, about a fifteen minute drive.

Q On the black-top?

A On the black-top, within about one hundred yards, yes.

Q How many men do you have employed there?

A We have employees working on the production phase of our operation.



Q Are these wells on these leases inspected daily or on a seven day basis, or six day?

A Seven day basis, on our production, and the assistant production superintendent when the production superintendent is not able to be down to the wells himself at any given twenty-four hour period, the assistant superintendent visually checks the wells.

Q Do you have instructions to check them every day?

A They do, and in fact the production superintendent made the statement to me, he said, "I am ready to give under oath that I am at those wells at least twice a day." He lives with them day and night.

Mr. Jennings: I believe that is all the questions we have at this time.

Mr. Nutter: Mr. Aston, the leases that are covered by Order No. R-1573-A are completely developed in the Abo?

A (By Witness) Their 940 are flowing wells.

Q And, at the present time there are two 500 barrel tanks in the battery?

A No, the application that was made under the prior hearing was set up on the basis of two 500 barrel tanks. There are actually in existence at the battery four 500 barrel tanks.

Q Do you intend to leave the four tanks in place?

A We will with the possible prospect of pipeline proration, certain physical limitation to the pumping. On that pipeline, for



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ALBUQUERQUE, NEW MEXICO

the foreseeable future, yes, to say indefinitely into the future we haven't. Whatever is in connection with good oil field practice is what we intend to do to protect that production.

Q There will be a minimum of two 500 tanks?

A There will be a minimum in excess of twenty-four hours of actual storage.

Q Also there will be twenty-four hours of actual storage or more available?

A Yes, sir.

Q Do you wish to modify Order R-1573-A to provide that the operator will maintain adequate storage to hold these productions during the unattended time the lease is on production?

A That is our wish.

Mr. Nutter: Does anyone have any questions of Mr. Aston?

RE-DIRECT EXAMINATION

BY MR. JENNINGS:

Q Mr. Aston, will the installation of the units, other than the two futures which we have discussed, actually comply with the Order of the Commission heretofore, April 4th, 1960?

A Yes, it will.

Mr. Nutter: Any further questions of Mr. Aston? You may be excused.

(Witness excused.)

Mr. Nutter: Do you have anything further, Mr. Jennings?



Mr. Jennings: No.

Mr. Nutter: We will take the case under advisement, and
the hearing is adjourned.

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I N D E X

WITNESSES:

ROGERS ASTON

Direct Examination by Mr. Jennings
Re-direct Examination by Mr. Jennings

PAGE

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E X H I B I T S

<u>Number</u>	<u>Exhibit</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
(By Reference to Prior Case)				



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ALBUQUERQUE, NEW MEXICO

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, LEWELLYN NELSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 9th day of July, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lewellyn J. Nelson
NOTARY PUBLIC

My Commission Expires:

June 14, 1964

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2001, heard by me on 6/22, 1960.

Asuncion, Examiner
New Mexico Oil Conservation Commission



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. 2001
Order No. R-1573-B

APPLICATION OF FRANKLIN, ASTON
AND FAIR, INC., FOR AN AMENDMENT
TO THE PROVISIONS IN ORDER R-1573-A
RELATIVE TO SAFETY FEATURES TO BE
INCORPORATED IN ITS AUTOMATIC
CUSTODY TRANSFER SYSTEM, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
June 22, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accord-
ance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 30th day of June, 1960, 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 by Order No. R-1573-A the applicant, Franklin,
Aston and Fair, Inc., was authorized to install an automatic
custody transfer system to handle the Empire-Abo Pool production
from all wells presently completed or thereafter drilled on the
following-described State leases in Eddy County, New Mexico:

B-11594 NW/4 NW/4 of Section 5 and NE/4 NW/4,
 S/2 NW/4 and N/2 SW/4 of Section 6,
 Township 18 South, Range 28 East.

B-7966 SE/4 SW/4 of Section 31, Township 17 South,
 Range 28 East.

B-2071 W/2 SE/4 of Section 31, Township 17 South,
 Range 28 East.

-2-

CASE No. 2001

Order No. R-1573-B

(3) That said Order No. R-1573-A required that the applicant install high level safety shut-in switches in the storage tanks which would shut-in the wells at the header in the event of malfunction of the equipment. Said Order No. R-1573-A also required that the automatic custody transfer system be so equipped as to shut-in the flowing wells at the wellhead in the event of a flow-line break.

(4) That in lieu of the above requirements, the applicant proposes that said Order No. R-1573-A be amended to require that storage facilities capable of handling the production from the subject leases during the maximum unattended hours of operation be installed, and to require that high-pressure tubing be utilized as flow lines.

(5) That amendment of Order No. R-1573-A in the respects proposed by the applicant will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

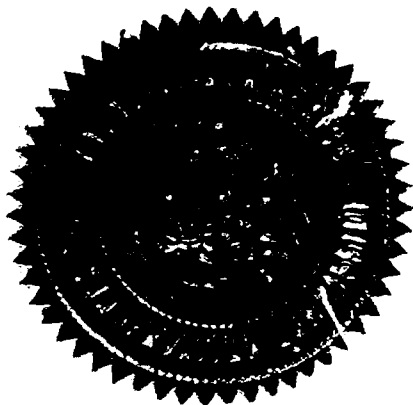
(1) That Order No. R-1573-A be and the same is hereby amended by the deletion of the second and third provisos of paragraph 2.

(2) That Order No. R-1573-A be and the same is hereby amended by incorporating the following proviso therein: "That the applicant shall install and maintain storage facilities capable of handling the production from the subject leases during the maximum unattended hours of operation, and the applicant shall utilize high-pressure tubing as flow lines."

(3) That all other provisions of Order No. R-1573-A shall remain in full force and effect.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

esr/

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

June 30, 1960

Mr. James Jennings
P. O. Box 977
Roswell, New Mexico

Dear Sir:

On behalf of your client, Franklin, Aston and Fair,
Inc., we enclose two copies of Order E-1573-B in
Case No. 2001 issued by the Oil Conservation Com-
mission this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order to:

Oil Conservation Commission
Hobbs, N.M.
Artesia, N.M.

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1573

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

MOTION OF FRANKLIN, ASTON AND FAIR,)
INC., TO AMEND, BY ADDITION THERETO,)
ORDER NO. R-1573-A, WHICH APPROVES)
AN AUTOMATIC CUSTODY TRANSFER)
SYSTEM IN THE EMPIRE-ABO POOL, EDDY)
COUNTY, NEW MEXICO)

2001
CASE NO. 1928

MOTION TO AMEND

Comes now Franklin, Aston and Fair, Inc., hereinafter called Movant, and files this its motion to amend, by addition thereto, Order No. R-1573-A, issued after hearing of the above referenced Case No. 1928. Such order is hereby incorporated by reference and becomes a part hereof as though fully set out herein.

I.

The above referenced caused was heard by Elvis A. Utz, Examiner, on March 23, 1960, at Santa Fe, New Mexico. As a result of such hearing Order R-1573-A, referred to above, was issued. Said order, among other things, approved the installation and operation of an automatic custody transfer unit on leases fully and completely described in said order.

II.

Said Order contains, among others, the following two provisions:

"PROVIDED FURTHER that the applicant shall install high level safety shut in switches in the storage tanks which will shut in the wells at the header, thus preventing the overflow of oil in the event of malfunction of the equipment."

*Edith
6-9-60*

"PROVIDED FURTHER That the automatic custody transfer system shall be so equipped as to shut in the flowing wells at the wellhead in the event of a flow line break."

III.

Movant respectfully requests that the referenced order be amended by the addition of a further provision immediately following the provisions quoted above. The additional provision requested is as follows:

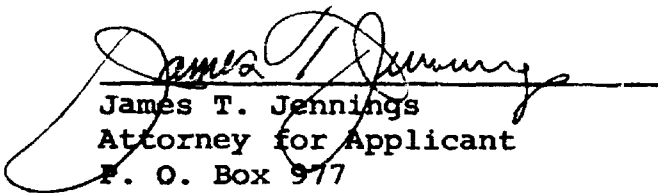
PROVIDED FURTHER, HOWEVER, that in lieu of the installation of high level safety shut in switches in the storage tanks and in lieu of equipment to shut in flowing wells at the wellhead, applicant has the alternative of maintaining storage sufficient to accommodate one day's allowable production from all leases connected to such automatic custody transfer equipment, and further that such installation be visually inspected and attended at least once every 24 hours.

IV.

In support of the addition being requested this Movant respectfully refers to Pages 13 and 14 of the transcript of Case No. 1928. Testimony on these pages reflect that storage tanks with a capacity of 1000 barrels of crude will be maintained at the automatic custody transfer site. Testimony further shows that a maximum of 9 wells will produce into such automatic custody transfer unit. Assuming a normal unit allowable of 40 for Southeast New Mexico (current normal unit allowable is only 33) one day's allowable for said 9 wells would equal only 639 barrels of oil. It is obvious that storage facilities in existence at this installation are more than adequate to handle one

day's total allowable. Testimony at said hearing also showed that such installation would be visually inspected at least once every 24 hours.

Wherefore Movant respectfully requests that its motion to amend Order No. R-1573-A be approved.


James T. Jennings
Attorney for Applicant
P. O. Box 977
Roswell, New Mexico

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Case 2001

May 11, 1960

Re: Motion to Amend Order No. R-1573-A

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

Attached is the motion of Franklin, Aston and Fair, Inc.
to amend Order No. R-1573-A.

In the event the Commission does not grant this motion
it is respectfully requested that a hearing on our application be
set at the earliest possible date to amend such order.

Very truly yours,

FRANKLIN, ASTON & FAIR, INC.

By

R. R. Aston

CASE 2000: Application of Gulf Oil Corporation for permission to commingle the production from three separate leases and for permission to install an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Monument Pool production from the following-described leases in Lea County, New Mexico: R. R. Bell (NCT-G) lease consisting of the S/2 SE/4 of Section 13, Graham State (NCT-H) lease consisting of the W/2 SW/4 of Section 13, and the H. T. Orcutt (NCT-D) lease consisting of the W/2 NE/4 of Section 13, all in Township 20 South, Range 36 East. Applicant further seeks permission to install an automatic custody transfer system to handle the Monument Pool production from said leases.

CASE 1972: (Continued)

Application of Gulf Oil Corporation for permission to commingle the production from several separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry oil production with the Blinebry gas condensate and Tubb gas condensate from all wells on its T. R. Andrews lease comprising the E/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico, after separately metering the Blinebry oil production.

CASE 2001: Application of Franklin, Aston and Fair, Inc., for an amendment of Order No. R-1573-A. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1573-A to provide an alternative to the shut-in provisions contained therein as relating to certain leases in the Empire-Abo Pool, Eddy County, New Mexico.

CASE 1997: Application of Sun Oil Company for permission to commingle the production from several separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Wolfcamp production from several separate leases in Sections 2, 3, 4, 8, 9, 10, and 11 of Township 9 South, Range 34 East, Lea County, New Mexico, and Section 35 of Township 8 South, Range 34 East, Roosevelt County, New Mexico.

CASE 1998: Application of Great Western Drilling Company for an order force-pooling the interests in a 200-acre non-standard gas proration unit in the Eumont Gas Pool. Applicant, in the above-styled cause, holder of a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, seeks an order force-pooling all interests in said unit within the vertical limits of the Eumont Gas Pool, including interests of the following persons who have not consented to communitization: S. E. Cone c/o J. K. Cone, Attorney-in-Fact, Great Plains Life Building, Lubbock, Texas, H. L. Lowe, Great Plains Life Building, Lubbock, Texas, Abner M. Jack, Box 423, Scooba, Mississippi, and W. M. Beauchamp, Ancillary Guardian of the Estate of William Howard Jack, c/o District Clerk, Lovington, New Mexico and also the following persons whose addresses are unknown: Henry Hall, The Estate of Fred B. Caylor, B. A. Bowers, The Estate of George F. Henneberry, deceased, Mrs. Joy Mabel Stanley, and The Heirs of Elizabeth A. Anderson, and also an unknown person whose address is unknown.

CASE 1999: Application of Socony Mobil Oil Company for an exception to Rule 107 (e) (1). Applicant, in the above styled cause, seeks an exception to Rule 107 (e) (1) in order to complete the following-described wells as "slim-hole" completions in the Devonian formation at depths in excess of 5,000 feet:

Federal "A" Well No. 1, 2310 feet from
the North and West Lines of Section 31

Santa Fe "F" Well No. 2, 1980 feet from
the South line and 660 feet from the West
line of Section 20

both in Township 9 South, Range 36 East, Lea County, New Mexico.

Docket No. 17-60

CASE 1993: Application of Shell Oil Company for an amendment of Order R-1101-A. Applicant, in the above-styled cause, seeks an order amending Order R-1101-A to include the following-described leases in the commingling and automatic custody transfer authorization granted in said order:

Linam Lease, NE/4 NE/4 and NW/4 NW/4, Section 3,
Lowe Land Lease, NW/4 NE/4 and NE/4 NW/4,
Section 3

both in Township 20 South, Range 35 East, Lea County, New Mexico.

CASE 1994: Application of Intex Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks approval of its Puerto-Chiquito Unit Agreement, which unit will embrace approximately 12,721 acres of Federal and fee land in Township 26 North, Range 1 East, Rio Arriba County, New Mexico.

* The following cases will not be heard before 1 p.m.

CASE 1995: Application of Redfern and Herd, Inc., John J. Redfern, Jr., and J. H. Herd for an order force pooling the interests in a 320 acre gas unit in the Dakota Producing Interval. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the N/2 of Section 32, Township 29 North, Range 11 West, San Juan County, New Mexico, insofar as the Dakota Producing Interval is concerned, including Pan American Petroleum Corporation and including the following person who has not consented to communitization: Sam Carson, 511 E. Main Street, Farmington, New Mexico.

CASE 1996: Application of Leonard Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Federal Ginsberg Well No. 9, located in Unit D, Section 31, Township 25 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Justis-Fusselman Pool and oil from the Blinebry formation adjacent to the Justis-Blinebry Pool through parallel strings of 2 3/8-inch tubing.

DOCKET: EXAMINER HEARING JUNE 22, 1969

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, Attorney, as alternate examiner:

*NOTE: Case Nos. 1995 through 2001 and Case 1972 will not be heard before 1 p.m.

- CASE 1989: Application of Amerada Petroleum Corporation for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water through its State SR "A" Well No. 1, located in the SW/4 SW/4 of Section 14, Township 9 South, Range 32 East, Lea County, New Mexico, with the injection to be in the Devonian formation in the interval from 11,102 feet to 11,130 feet.
- CASE 1990: Application of Continental Oil Company for a waterflood project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a waterflood project in the Skaggs Pool on its Southeast Monument Unit by the injection of water into the Grayburg formation through six wells located in Sections 19, 24, and 30, Township 20 South, Ranges 37 and 38 East, Lea County, New Mexico.
- CASE 1991: Application of Texaco Inc. for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its C. P. Falby "B" Well No. 3, located in Unit M, Section 8, Township 22 South, Range 37 East, Lea County, New Mexico, in such a manner as to produce oil from the Edmont Pool and oil from the Penrose-Skelly Pool through parallel strings of one-inch O.D. tubing and 2 1/16-inch O.D. tubing respectively.
- CASE 1992: Application of Texaco Inc. for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Dollarhide-Queen Pool from its United Royalty "A" Lease comprising the S/2 SW/4, NE/4 SW/4, and the SE/4 NW/4 of Section 19, Township 24 South, Range 38 East, Lea County, New Mexico, its Royalty Holding Company Lease comprising the SW/4 NW/4 of said Section 19, and from its W. L. Stephen Estate Lease, comprising the N/2 NW/4 of said Section 19, after separately metering the production from each lease.