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E.O. 13526

Case No.

2191

Application, Transcript,
Small Exhibits, Etc.

01

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL OIL COMPANY FOR AN
EXCEPTION TO RULE 309(a) OF THE NEW
MEXICO OIL CONSERVATION COMMISSION'S
RULES AND REGULATIONS FOR ESTABLISH-
ING MEASUREMENT OF PRODUCED OIL WITH
LEASE AUTOMATIC CUSTODY TRANSFER
ALLOCATED TO ITS STATE S-30 LEASE,
EMPIRE ABO POOL, EDDY COUNTY, NEW
MEXICO.

Case 217/

A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and petitions the Commission for an order approving automatic custody transfer from its State S-30 lease located in the NW/4 and NW/4 of SW/4 of Section 30, T-17-S, R-29-E, Empire Abo Pool, Eddy County, New Mexico, and in support thereof would show:

1. That applicant is owner and operator of said lease containing, among other lands, the NW/4 and NW/4 of SW/4 of Section 30, T-17-S, R-29-E, Eddy County, New Mexico.
2. That applicant completed its State S-30 No. 1 well as a producer from the Abo Reef formation, located 2310 feet from the North and 330 feet from the West lines of said section, and presently plans to drill additional wells on this 163.82-acre lease, subject to encountering commercial quantities of oil.
3. That production will be transferred from said wells to a battery located approximately in the center of subject lease, and custody transfer will be from this point.

Wherefore, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, that appropriate notice be given, and that upon hearing, an order be entered granting applicant an exception to Rule 309(a)

Robert Marshall
2-10-61
[Signature]

New Mexico Oil Conservation Commission
Page 2

of the New Mexico Oil Conservation Commission's Rules and Regulations for automatic custody transfer of production from its State S-30 lease.

Respectfully submitted,

CONTINENTAL OIL COMPANY

W. A. Mead

Wm. A. Mead
Division Superintendent
of Production
New Mexico Division

WAM-EL

Artesia, New Mexico
February 8, 1961

Mr. Wm. A. Mead - Roswell, New Mexico

**PROPOSED TESTIMONY FOR APPLICATION FOR ACT FOR
STATE S-30 LEASE, EMPIRE ABO POOL**

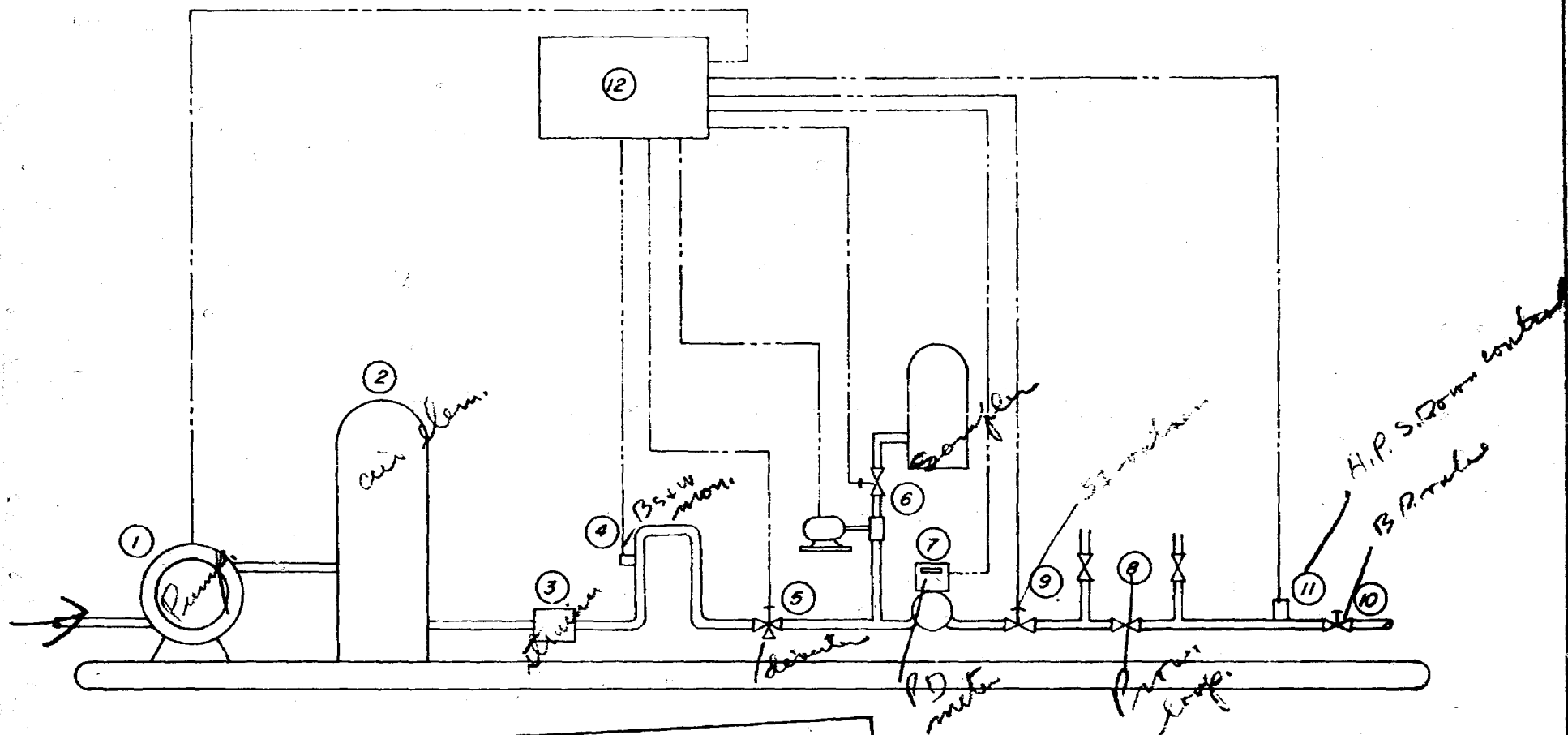
In reply to your TWX of February 7, 1961, we are
submitting the following list of equipment and numbers which
correspond to the numbers on Exhibit 3.

1. ACT Pump
2. Air Eliminator
3. Strainer
4. B S & W Monitor
5. Diverter Valve
6. Sampler
7. PD Meter
8. Prover Loop
9. Shut-in Valve
10. Back Pressure Valve
11. High Pressure Shut Down Control
12. Control Panel
13. Skid

C. H. Hesser
District Superintendent

CNH-KL

PROPOSED ACT INSTALLATION



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Cont. EXHIBIT NO. 3
CASE NO. 2191

CASE 2191
EXHIBIT 3

CONTINENTAL OIL COMPANY

DLB-REC

12-28-60

DOCKET: EXAMINER HEARING - THURSDAY, FEBRUARY 23, 1961

OIL CONSERVATION COMMISSION - 9 A.M., CONFERENCE ROOM - STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, attorney, as alternate examiner:

CASE 2193: Application of Newmont Oil Company for two unorthodox oil well locations and for one unorthodox location for an injection well. Applicant, in the above-styled cause, seeks approval for two unorthodox oil well locations, and for one unorthodox water injection well location in the Loco Hills Waterflood Project, Eddy County, New Mexico. The proposed locations for the producing wells and injection well are respectively as follows:

Yates A No. 14 Well, 1980 feet from the North line and 1310 feet from the East line of Section 6, Township 18 South, Range 30 East.

Brigham No. 5 Well, 1320 feet from the South line and 990 feet from the East line of Section 31, Township 17 South, Range 30 East.

Brigham No. 4 Well, 1320 feet from the South line and 5 feet from the East line of Section 31, Township 17 South, Range 30 East.

CASE 2187: Application of Continental Oil Company for a 400-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 400-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 of Section 26, the E/2 E/2 of Section 27, and the E/2 SE/4 of Section 22, all in Township 20 South, Range 37 East, Lea County, New Mexico. Said unit is to be dedicated to the SEMU Eumont Well No. 65, located 2363 feet from the South line and 0 feet from the West line of said Section 26.

CASE 2188: Application of Continental Oil Company for an exception to Rule 26 (a) of Order No. R-1670. Applicant, in the above-styled cause, seeks an exception to Rule 26 (a) of Order No. R-1670 for the reclassification to a Tubb gas well of its State 10 Well No. 3-D, located 990 feet from the North line and 840 feet from the West line of Section 10, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

CASE 2189: Application of Continental Oil Company for two non-standard gas proration units. Applicant, in the above-styled cause, seeks the establishment of two non-standard gas proration units in the Eumont Gas Pool, Lea County, New Mexico, the first being a 480-acre unit consisting of the S/2 and NE/4 of Section 24 to be dedicated to the SEMU Eumont Well No. 67 located 1980 feet from the South and West lines of said Section 24 and the second being a 280-acre unit consisting of the NW/4 of said Section 24 and the S/2 and NW/4 SW/4 of Section 13 to be dedicated to the SEMU Eumont Well No. 69, located 1980 feet from the North and West lines of Section 24, all in Township 20 South, Range 37 East.

CASE 2190: Application of Continental Oil Company for a 560-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 560-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the W/2 of Section 14, the E/2 E/2 of Section 15 and the E/2 NE/4 of Section 22, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit is to be dedicated to the SEMU Eumont Well No. 66, located 1980 feet from the South line and 660 feet from the West line of said Section 14.

CASE 2191: Application of Continental Oil Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the Empire-Abo Pool production from all wells presently completed or hereafter drilled on its State S-30 lease comprising in pertinent part the NW/4 and NW/4 SW/4 of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico.

CASE 2192: Application of Amerada Petroleum Corporation for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry Oil Pool production from all wells presently completed or hereafter drilled on its State "D" lease, consisting of the NW/4 and its State "H" lease, consisting of the W/2 SE/4, both in Section 1, Township 20 South, Range 36 East, Lea County, New Mexico.

CASE 2194: Application of Sunray Mid-Continent Oil Company for an oil-oil dual completion utilizing two strings of casing.

CASE 2194: (Cont.)

Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State "Y" Well No. 2, located in Unit A, Section 32, Township 18 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Culwin-Yates Pool and the production of oil from the North Shugart Queen-Grayburg Pool through parallel strings of 2 7/8-inch casing cemented in a common well bore.

CASE 2195:

Application of Gulf Oil Corporation for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the production from an undesignated Abo pool from all wells presently completed or hereafter drilled on the Lea-State "LB" Lease comprising the NW/4, N/2 SW/4 and SW/4 SW/4 of Section 20, Township 17 South, Range 36 East, Lea County, New Mexico.

CASE 2196:

Application of Gulf Oil Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle, without separate metering, the production from the Drinkard and Langlie-Mattix Pools from all wells presently completed or hereafter drilled on the Ollie I. Boyd Lease, comprising the S/2 SW/4, NE/4 SW/4 and SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 2197:

Application of Tennessee Gas and Oil Company for the promulgation of temporary special rules and regulations governing the Totah-Gallup Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations governing the Totah-Gallup Pool, San Juan County, New Mexico, including a provision for 80-acre proration units.

CASE 2198:

Application of H. S. Moss for permission to commingle the production from three separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the production from the Southwest Gladiola-Wolfcamp Pool, the Southwest Gladiola-Devonian Pool and an undesignated Pennsylvanian Pool from all wells presently completed or hereafter drilled on its D. P. Peck Lease comprising the W/2 of Section 26, Township 12 South Range 37 East, Lea County, New Mexico.

-4-

Docket No. 6-61

CASE 2198: (Cont.)

Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

January 24, 1961

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

Case 2191

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Re: APPLICATION OF CONTINENTAL
OIL COMPANY FOR AN EXCEPTION
TO RULE 309 (a) OF THE NEW
MEXICO OIL CONSERVATION
COMMISSION RULES AND REGULATIONS
FOR ESTABLISHING MEASUREMENT OF
PRODUCED OIL WITH LEASE AUTOMATIC
CUSTODY TRANSFER ALLOCATED TO
ITS STATE S-30 LEASE, EMPIRE ABO
POOL, EDDY COUNTY, NEW MEXICO

Forwarded herewith are three copies of the subject application by Continental Oil Company for an order approving automatic custody transfer from its State S-30 Lease located in the NW/4 and NW/4 SW/4 of Section 30, T17S, R29E, NMPM, Empire Abo Pool, Eddy County, New Mexico.

We respectfully request that this matter be set for hearing at the earliest convenient date.

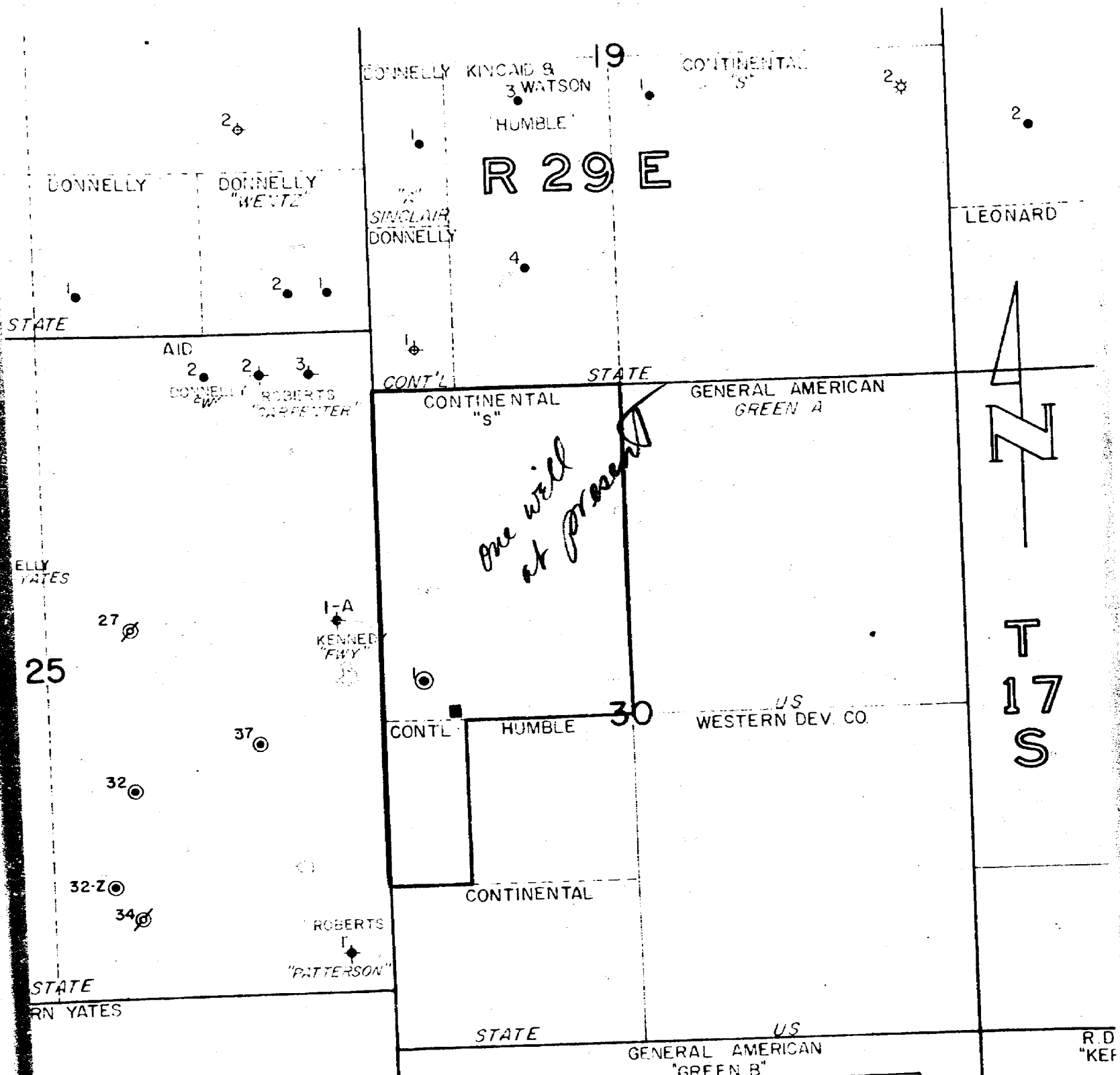
Yours very truly,

W. A. Mead

WAM-sk

Doche
mailed
2-10-61
JH

PIONEERING IN PETROLEUM PROGRESS SINCE 1875



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Cont EXHIBIT NO. 1
CASE NO. 2191

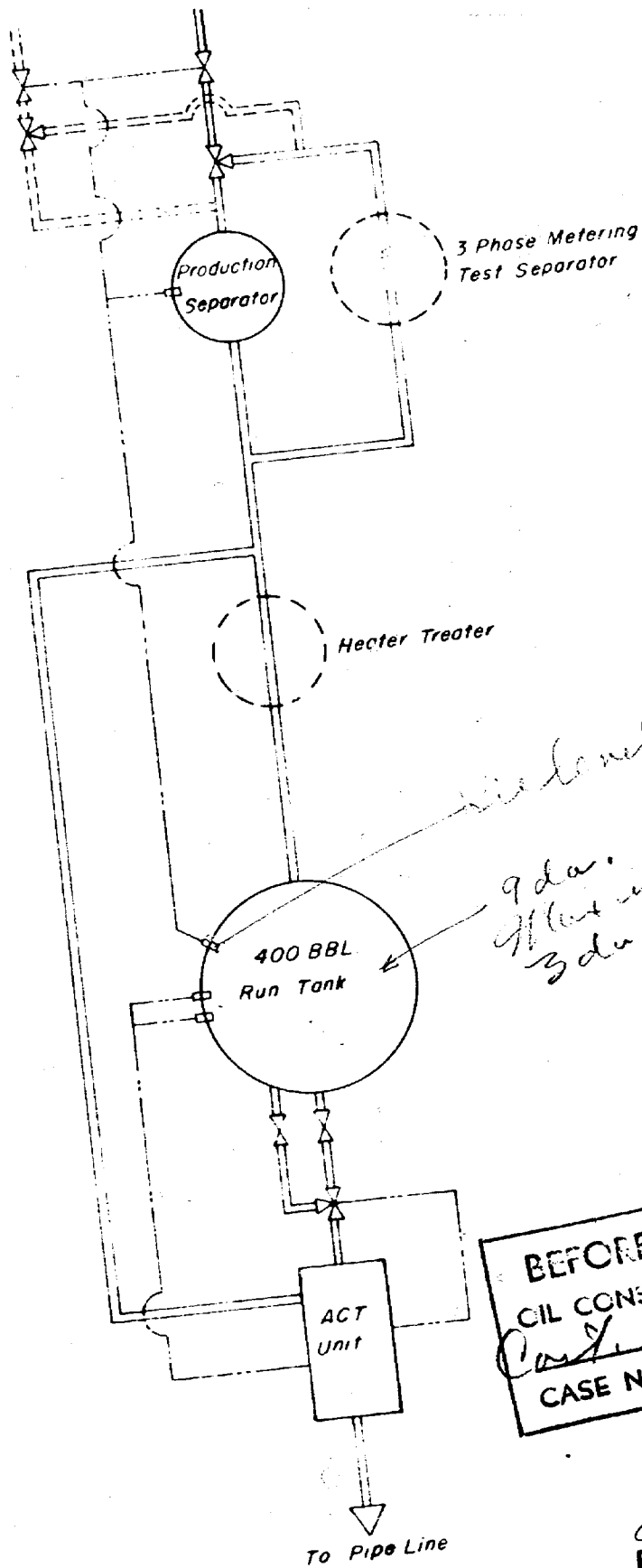
CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
ARTESIA DISTRICT
LEASE PLAT
STATE S-30 LEASE
EMPIRE ABO POOL
EDDY COUNTY, NEW MEX.
SCALE 1"=1000'
CASE 2191
EXHIBIT 1

EDC REC

1-20-61

36

R.D. COLLIER



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 2191

CASE 2191
EXHIBIT-2

CONTINENTAL OIL COMPANY
STANDARD ACT INSTALLATION

1-20-61

EDC-REC

021
3/1
RSM
3/2

DRAFT

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. 2191
Order No. R- 1890

3/2
3-2-61

APPLICATION OF Continental Oil Company
FOR APPROVAL OF AN AUTOMATIC CUSTODY TRANSFER
SYSTEM IN THE Empire - Abo 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 Feb. 23, 1961, at Santa Fe, New Mexico, before Elvis A. Vaz, 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 _____ day of _____, 19____, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, _____, 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, Continental Oil Company, is the owner and operator of the State 5-30 Lease, comprising the NW/4 and NW/4 SW/4 ^{in pertinent part}

of Section 30, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That the applicant proposes to install an automatic custody transfer system to handle the Empire - Abo Pool production from all wells presently completed or hereafter drilled on the above-described State 5-30 Lease.

(4) That the previous use of automatic custody transfer equipment, similar to that proposed by the applicant, has shown that such equipment is a reliable and economic means of transferring the custody of oil, and that the use of such equipment should be permitted, provided adequate safety features are incorporated therein.

CASE No. 2191
Order No. R-_____

IT IS THEREFORE ORDERED:

That the applicant, Continental Oil Company,
be and the same is hereby authorized to install an automatic custody
transfer system to handle the Empire - Abo
Pool production from all wells presently completed or hereafter
drilled on the State S-30 Lease,
^{in pertinent part}
comprising the NW/4 and NW/4 SW/4
of Section 30, Township 17 South, Range 29 East, NMPM,
Eddy County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate
facilities to permit the testing of all wells located on the above-
described State S-30 Lease
at least once each month to determine the individual production
from each well.

PROVIDED FURTHER, That in order to prevent the overflow and
waste of oil in the event the automatic custody transfer system
fails to transfer oil to the pipeline, the applicant shall add
additional storage facilities from time to time, as it becomes
necessary, to store the production which will accrue during the
hours that said lease is unattended, or in the alternative, shall
so equip the existing facilities as to automatically shut-in the
lease production at the wellhead in the event the storage facili-
ties become full.

IT IS FURTHER ORDERED:

That all meters used in the above-described automatic custody
transfer system shall be operated and maintained in such a manner
as to ensure an accurate measurement of the liquid hydrocarbon
production at all times.

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

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

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



P. O. BOX 671
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 7, 1961

Mr. Jason Kellahin
Kellahin & Fox
Box 1713
Santa Fe, New Mexico

Re: Case No. 2191
Order No. R-1890
Applicant:
Continental Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

1r/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC X
Aztec OCC

OTHER

**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. 2191
Order No. R-1890**

**APPLICATION OF CONTINENTAL OIL
COMPANY FOR APPROVAL OF AN AUTO-
MATIC CUSTODY TRANSFER SYSTEM IN
THE EMPIRE-ABO 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 February 23, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, 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 3rd day of March, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Continental Oil Company, is the owner and operator of the State S-30 Lease, comprising in pertinent part the NW/4 and SW/4 of Section 30, Township 17 South, Range 29 East, NMPN, Eddy County, New Mexico.
- (3) That the applicant proposes to install an automatic custody transfer system to handle the Empire-Abo Pool production from all wells presently completed or hereafter drilled on the above-described State S-30 Lease.
- (4) That the previous use of automatic custody transfer equipment, similar to that proposed by the applicant, has shown that such equipment is a reliable and economic means of transferring the custody of oil, and that the use of such equipment should be permitted, provided adequate safety features are incorporated therein.

-2-

CASE No. 2191
Order No. R-1890

IT IS THEREFORE ORDERED:

That the applicant, Continental Oil Company, be and the same is hereby authorized to install an automatic custody transfer system to handle the Empire-Abo Pool production from all wells presently completed or hereafter drilled on the State S-30 Lease, comprising in pertinent part the NW/4 and SW/4 of Section 30, Township 17 South, Range 29 East, NMPL, Eddy County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described State S-30 Lease at least once each month to determine the individual production from each well.

PROVIDED FURTHER, That in order to prevent the overflow and waste of oil in the event the automatic custody transfer system fails to transfer oil to the pipeline, the applicant shall add additional storage facilities from time to time, as it becomes necessary, to store the production which will accrue during the hours that said lease is unattended, or in the alternative, shall so equip the existing facilities as to automatically shut-in the lease production at the wellhead in the event the storage facilities become full.

IT IS FURTHER ORDERED:

That all meters used in the above-described automatic custody transfer system shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

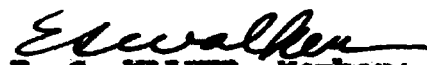
That meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director.

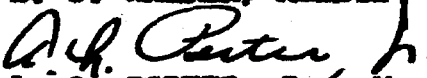
That meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


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

esr/

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 23, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the Empire-Abo Pool production from all wells presently completed or hereafter drilled on its State S-30 lease comprising in pertinent part the NW/4 and NW/4 SW/4 of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico.

CASE
2191

BEFORE:

Elvis Z. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 2191

MR. PAYNE: Case 2191: Application of Continental Oil Company for an automatic custody transfer system.

MR. KELLAHIN: Let the record show the same appearances as in Case 2187, in that the witness has been sworn.

MR. UTZ: Any other appearances in this case? If there are none, we will proceed.

(Marked Applicant's
Exhibits No's..1 & 2
for identification.)

EDWIN R. ANDERSON,

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

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Edwin R. Anderson.

Q Are you the same Mr. Anderson as in Cases 2187 and 2190?

A Yes sir.

Q Mr. Anderson, are you familiar with the application of Continental Oil Company in Case 2191?

A Yes sir.

Q Would you state briefly what is proposed in this application?

A This is an application for an automatic custody transfer for the Continental Oil Companies' State S-30 lease which is located in the Northwest Quarter and the Northwest Quarter of the Southwest Quarter of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico.

Q How many wells are there located on that lease at the present time?

A One well at the present time.

Q Would you discuss briefly the discussion history of that well?

A This well is known as the Continental Oil Companies' State S-30 No. 1 Well. It was completed January 21, 1961, and its initial potential has 215 barrels of 41.7 degree gravity oil per day and 40 barrels of water flowing through a 106 fourths inch chain.



tubing presently at 40 pounds per square inch volume and we'll raise that to 1,077.

Q Do you plan to drill any wells on this lease?

A Yes sir.

Q Referring to what has been made as Exhibit Number 1, would you discuss that Exhibit?

A Exhibit Number 1 is a location, an ownership plat, showing the State S-30 lease outlined in red as the State D before the State S-30 lease was located in the Northwest Quarter and Northwest Quarter of the Southwest Quarter of Section 30, Township 17 South, Range 29 East. The proposed location of the battery, which is the point where the automatic custody transfer will take place is shown as a small, red square.

Q Referring to what has been made as Exhibit Number 2, would you discuss that Exhibit?

A Exhibit Number 2 is a schematic drawing of the proposed battery. The production from the State S-30 No. 1 Well or additional wells will flow the Production Separator and then on to the custody transfer Run Tank. There is currently a small amount of water being produced, but the amount is decreasing, and it's expected to cease in the near future. However, a water production, a Heater Treater, will be installed between the Separator and Run Tank, the locations shown as a dashed circle. When additional wells are completed on this lease, a 3 Phase Metering stage Separator will be installed to test each well individually. Production from this Sep-

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CN 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6591

ALBUQUERQUE, NEW MEXICO

arator will reenter the production stream at a point downstream from the Production Separator, or the automatic transfer unit as located behind the Run Tank. The movement of fluid through the transfer unit will be governed by high-low level switches on the Run Tank.

Q Now, would this facility enable you to make the test which is needed by the Oil Conservation Commission in the event that others are drilled?

A The installation of a 3 stage Separator will be able to do this.

Q Referring to Exhibit Number 2 again, would you discuss lease shut-in facilities which will be available on that installation?

A The automatic lease shut-in facilities are shown on Exhibit 2, a high-level shut off switch on the tank closest to the flow line valve which causes the pressure build-up in the flow line actuating the automatic well head and shutting the well.

Q What storage facilities will you have on the installation?

A A 400 barrel Run Tank will also serve as storage.

Q How much time storage will that provide you on the lease at any time?

A Approximately nine days.

Q In the event additional storage is needed, will it be installed if other wells are drilled?

A That's right.

Q What's the expected time on this?

A The maximum should be only about three days.



Q Referring to what has been made as Exhibit Number 3, will you discuss that Exhibit?

A Exhibit Number 3 is a schematic drawing of the proposed automatic custody transfer unit. I believe it is self explanatory.

Q Is this type of installation the type which is in common use in New Mexico?

A It's in common use by Continental Oil Company in New Mexico, yes.

Q Have you used it on other installations which have been approved by this Commission?

A The same, yes.

Q Who is the purchaser of the oil on this lease?

A At present, we're not sure who the purchaser is; however, it will be either one of two companies, the Service Pipeline Company or the Continental Pipeline Company. Both of these companies have been approved, and both of them have approved the proposed ACT installation.

Q Will connections be available to connect the metering facilities from time to time as might be required by the Commission?

A Yes, they will.

Q Is the proposed custody transfer unit economically feasible in your opinion?

A Yes sir.

Q Would an approval of this application be in the interest of the prevention of economic waste?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A Yes sir.

Q Were Exhibits 1, 2 and 3 prepared by you or under your supervision?

A Yes sir.

MR. KELLAHIN: At this time, I would like to offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection, Exhibits 1, 2 and 3 will be entered into the record.

MR. KELLAHIN: That is all of the questions I have.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Anderson, in regard to your Exhibit 2, I believe you said you had a high-level shut off switch in your 400 barrel storage barrel tank, is that correct?

A Yes sir.

Q Does that in the event of failure of your normal high-level switch shut off your system at the header?

A I don't quite understand your question. You said the normal high-level shutoff switch?

Q Do you mean a low-level and one high-level switch?

A Well, we have an interval which will. A high-level switch for ACT and an emergency level near the top of the tank.

Q Well, the emergency high-level switch is what I am referring to?

A Yes sir, that sets on the header.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Q So in the event it is necessary for this switch to function, it's a safety switch, and then it would build up considerable pressure in the line between the header and well?

A Yes sir.

Q What type of lines do you propose to put in?

A Standard two inch lines.

Q What kind of pressure would they stand?

A I am not familiar with the exact pressure rating, but I can supply that information.

Q Do you have any intentions of putting a well-head shut on pressure switches on the well head to shut in the well head, or will the well head pressure build up the flow lines?

MR. PAYNE: I believe you testified they had been shut in at the well head, and that is what I was thinking that they were shut in at the well head also.

Q (By Mr. Utz) What kind of well-head pressure do you have in this area, would you say?

A No sir, those are the first wells, and maybe the well-head pressure --

Q Is the well completed?

A On completion, it was 450 pounds.

Q What is the allowable on the Empire-Abo Pool now, do you know?

A Something like 62 barrels, I believe.

MR. UTZ: Any other questions?



CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Anderson, inasmuch as you haven't labeled the mechanical features of your Exhibit Number 3, would you trace the flow of oil and name what each one of these is as you go along?

A The flow of oil will enter from the left side of the Exhibit, and what is marked as number one is a CT pump which will send the oil onto what is marked as number 2, which is the Error Eliminator. The oil then passes through the Strainer, which is marked number 3, and through a Loop on which the 3 is and Double Monitor as located, which is marked as number 4. Then through a Diverter Valve, which is marked as number 5, on through the PD Meter, which is marked as number 7. Between the Diverter Valve and PD Meter, a portion of oil is taken in the sample which is marked in number 6. The oil proceeds on through number 9, which is a Shut-in Valve, and number 8, which is a Prover Loop, and passes through number 10, which is a Back-pressure Valve, and immediately in front of the Back-pressure Valve, is what is marked as number 11 and is a high-pressure shutdown control.

Q Any corrosion problems in this area, Mr. Anderson?

A I don't think there is any corrosion in this Abo Pool that I am aware of.

Q Are you aware of any paraffin problems?

A No.

Q I take it that you don't plan to use a corrosion meter

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until the time you encountered any corrosion problems?

A That's right.

MR. UTZ: Any other questions? The witness may be ex-

cused.

(Witness excused.)

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

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, LA VERNE E. JAMES, 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 15th day of March, 1961.

La Verne E. James
Notary Public - Court Reporter

My commission expires:

January 6, 1965.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2191, heard by me on Feb. 23, 1961.

Thos. G. R.
Examiner
New Mexico Oil Conservation Commission

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