

BEFORE THE

Oil Conservation Commission

SANTA FE, NEW MEXICO

May 18, 1955

IN THE MATTER OF:

CASE NO. 901

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS

ROOMS 105, 106, 107 EL CORTEZ BUILDING

TELEPHONE 7-9546

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 18, 1955

IN THE MATTER OF:)

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

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

Case No.901

BEFORE:

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

TRANSCRIPT OF HEARING

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

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

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

merely wanted to move some tank batteries to another location.

MR. MACEY: Your application requesting the exception to Rule 309, we misinterpreted the application. Actually, as I understand it -- You correct me if I am wrong -- all you wish to do is build a tank battery on the State Lease to receive the production from both the State Lease and the Capps Lease in separate tanks, to be measured and stored.

MR. SMITH: That is correct.

R. G. HILTZ,

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

DIRECT EXAMINATION

By MR. SMITH:

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

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

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

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

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

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

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

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

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

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

A That is correct.

Q Do you have any further comments?

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

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

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

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

A Yes. There are only seven wells involved.

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

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

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

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

(Witness excused.)

STATE OF NEW MEXICO)
 : 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 26th day of May, 1955.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires:
June 19, 1955