

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

Minutes of
Special Meeting
held
September 17, 1947
at
Santa Fe, New Mexico

Cases: No. 101
" 109
" 110
" 111

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

"The Oil Conservation Commission of New Mexico, pursuant to law, hereby gives public notice of the following hearings to be had at a special meeting of the Commission to be held September 17, 1947, beginning at 10:00 A. M. on said date at Santa Fe, New Mexico:

STATE OF NEW MEXICO TO:

All named parties in the following cases,
and notice to the public:

"Case 101

In the matter of the application of American Employers Insurance Company for an order directed to Frank Griggs, Lubbock, Texas, John Darden, Lubbock, Texas, and John H. Hawkins, Fort Sumner, New Mexico to show cause why a well located in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 11, Township 4 North, Range 26 East, DeBaca County, New Mexico should not be declared abandoned and ordered plugged.

"Case 109

In the matter of the application of Leonard Oil Co., Roswell, New Mexico for an order approving an unorthodox location for the Leonard State No. 6 well in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 28, Township 17 South, Range 29 East, Eddy County, New Mexico, the allocation of production of said described tract and unconditional approval of a C-110 for the well.

"Case 110

In the matter of the application of Hardin-Houston, a partnership, Hobbs, New Mexico for a general order regulating tank cleaning, plants processing tank bottoms and recleaning of waste oil and transportation of tank bottoms and waste oil.

"Case 111

In the matter of application of G. E. Suppes to unitize the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 33, Township 16 South, Range 31 East, N. M. P. M., Eddy County, New Mexico and for approval of two unorthodox locations thereon, (1) 330 ft. from the East line and 1270 ft. from the North line of Section 33, (2) Located 990 ft. from the East line and 1370 ft. from the North line of said Section 33, in Township 16 South, Range 31 East, N. M. P. M.

"Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico on August 29, 1947.

OIL CONSERVATION COMMISSION

BY:(SGD) R. R. SPURRIER

R. R. SPURRIER, Secretary

LEA COUNTY OPERATORS COMMITTEE
September 2, 1947"

Said meeting was called at 10:00 o'clock A. M., Wednesday, September 17, 1947, in the Coronado Room of La Ponda Hotel, Santa Fe, New Mexico.

MEMBERS OF THE COMMISSION PRESENT:

Hon. John E. Miles, State Land Commissioner, Member
 Hon. R. R. Spurrier, Secretary, Oil Conservation Commission, Member
 Hon. Luke J. Frazier, Attorney
 Hon. George Graham, Attorney

<u>Name</u>	<u>REGISTER</u> <u>Company</u>	<u>Location</u>
Chuck Aston	Consulting Petroleum Geologist	Artesia, N.M.
Donald S. Bush	Lawyer	Artesia, N.M.
Robert B. Kennedy	Petroleum Engineer	Artesia, N.M.
Roy D. Yarbrough	Oil Conservation Commission	Hobbs, N.M.
W. D. Girand, Jr.	Lawyer	Hobbs, N.M.
J. B. Hardin	Hardin-Houston	Hobbs, N. M.
Glenn Staley	Lea County Operators	Hobbs, N.M.
W. B. Macey	Oil Conservation Commission	Artesia, N.M.
J. N. Dunlevey	Skelly Oil Company	Hobbs, N.M.
Walter Kamariss, Jr.		Hobbs, N.M.
L. A. Slagle	Shell Oil Company	Hobbs, N.M.
H. D. Murray	The Texas Company	Midland, Tex.
Paul C. Evans	Gulf Oil Corporation	Hobbs, N.M.
Henry Forbes	Continental Oil Company	Midland, Tex.
N. H. Lamb	New Mexico Bureau of Mines	Artesia, N.M.
J. W. House	Humble Oil Co	Midland, Tex.
W. E. Hubbard	" " "	Houston, Tex.
John M. Kelly	Independent	Roswell, N.M.
Emmett D. White	Leonard Oil Company	Roswell, N.M.
Oliver Seth	American Employers Insurance Company and Leonard Oil Co.	Santa Fe, N.M.
Otis Ramsey		

PROCEEDINGS

The meeting was called to order by Commissioner Miles, Presiding Member. Case No. 101 was called by Attorney George Graham.

Case No. 101

BY MR. OLIVER SETH:

The testimony concerning the abandonment of this well was taken at a hearing of the Commission held on the 15th day of July, 1947, and if there is no objection we would like to have the record show that there has been no change since that time, and that the testimony taken at that time is submitted at this time, as there are no new developments.

MR. SPURRIER:

That is Okey.

COMMISSIONER MILES:

That is Okey.

Case No. 109

BY MR. OLIVER SETH:

This application for an order approving an unorthodox location concerns the deepening of a well heretofore drilled under authority of the State Land Office and the State Geologist, and I would like to call Mr. Emmett White, of the Leonard Oil Company to the stand.

TESTIMONY OF MR. EMMETT D. WHITE, after having been duly sworn:

MR. SETH:

Q. Please state your name.

A. My name is Emmett D. White.

Q. You are with the Leonard Oil Company?

A. Yes, sir.

Q. You are familiar with the petition concerning State Well No. 8?

A. Yes.

Q. Would you state to the Commission when the well was first drilled?

A. This well was first drilled as a gas well in 1931, late in the year.

Q. It was drilled under authority of the then State Geologist?

A. Yes.

Q. Approximately how deep was the well?

A. It was drilled to a total depth of 2343 feet.

Q. At the time it was drilled what was the location believed to be?

A. The well was believed to be in the center of the NW $\frac{1}{4}$ of Section 28, Township 17 South, Range 29 East.

Q. Has a subsequent survey shown that it is otherwise located?

A. Yes. We had a survey of this location made at the time we were considering deepening the well and a careful check by a registered surveyor showed that it was 1317 feet east of the west line and 1317 feet south of the north line of the section.

Q. Do you state that the well was originally drilled as a gas well?

A. Yes.

Q. And it produced gas in commercial quantities over a period of time?

A. Yes, until about eighteen months ago.

Q. Then you desired to deepen it as an oil producing well?

A. Yes.

Q. Did you apply to the Commission at that time for authority to so deepen the well?

A. Yes.

Q. To what forty do you desire the allowable to be allocated?

A. We only want the allowable to be allocated to the forty the well is in:- the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 28.

MR. SETH:

That is all, unless there are any further questions by the Commission.

COMMISSIONER MILES:

There are no further questions.

Case No. 111

BY MR. DONALD S. BUSH:

This is an application by G. B. Suppes for approval of two unorthodox locations, No. 2 well to be located 330 feet from the east line and 1270 feet from the north line of Section 33, and No. 1 well to be located 990 feet from the east line and 1370 feet from the north line of said Section 33, in Township 16 South, Range 31 East, N. M. P. M. All of this acreage is located approximately in the Square Lake Field, in Eddy County, New Mexico. It is all federal acreage and is under lease bearing Las Cruces Serial No. 056,302-B.

The reason for the application is to enact conservation measures in that upper area and in the petition to the Commission we have alleged that the unit will not produce from either 40-acre tract more than ten barrels above the current top allowable assigned to the 40-acre unit.

I would like to call Mr. Chuck Aston as witness, if the Commission please.

TESTIMONY OF MR. CHUCK ASTON, after having been duly sworn:

MR. BUSH:

Q. Have you qualified as a consulting petroleum geologist before the Commission?

A. Yes.

Q. How long have you practiced as a consulting geologist in Artesia?

A. Approximately six years.

Q. Are you acquainted with the Square Lake field?

A. Yes.

Q. Will you tell the Commission why you believe these two unorthodox locations, and approval of the unit agreement for proration purposes would be advisable?

A. It is my considered opinion that with the relative permeability and periodicity of the producing horizons in this portion of the Square Lake field, the spacing pattern of one well to each 40-acre unit does not allow for proper drainage or maximum drainage of that 40-acre unit; and that because of this center location in the forty, the locations requested are the only equitable manner in which the operator in question can drill additional wells on these two 40-acre units.

Q. Has the U. S. D. I., through the Geological Survey, offered any objections, or have they waived any objections?

A. They have waived all objections, subject to the approval of the Commission, in a letter signed by Foster Morrell.

Q. Have the owners of the acreage adjacent to these two forties containing the two unorthodox locations waived any objections?

A. They have.

Q. And this is evidenced by their signatures to the application itself?

A. Yes.

MR. SPURRIER: Has the Department of the Interior, through the Geological Survey, made any provision for the assigning, or not assigning, of any part of this lease where this fifth well is drilled? I understand that the U. S. G. S. has that authority -- they can refuse to let any part of this lease be assigned.

A. Mr. Morrell has made a stipulation that in the event these two locations are not approved by the Commission he will not approve drilling operations; that these two forty-acre units will be considered as one for the life of this lease. Whether that is all that will ultimately be required by Mr. Morrell we do not know at present, but those stipulations are being signed now.

MR. GRAHAM: Would production from this eighty acres ever exceed the allowable for the two forties?

MR. BUSH:

No, it is not the desire of the petitioner to request any excess above the top allowable for either of these forties.

MR. SPURRIER:

Are there any further questions from anyone else in this case?

(No response)

Case No. 110

BY MR. GIRAND for Neal and Girand:

We enter our appearance for the petitioner, and call Mr. J. B. Hardin to the stand.

TESTIMONY OF MR. J. B. HARDIN, after having been duly sworn:

MR. GIRAND:

If the Commission please, at the regular hearing of the Oil Conservation Commission held July 15, 1947, the application of Walter Famariss, in Case No. 104 was heard; and testimony was adduced at that hearing pertinent to the subject matter of this application. For the purpose of shortening the record and in order not to encumber it unnecessarily by going over the testimony given at that hearing, the petitioner adopts the record in Case No. 104 as if presented here, if that meets the Commission's approval and there are no objections.

Q. State your name.

A. J. B. Hardin.

Q. You are a member of the firm of Hardin-Houston?

A. Yes. It is a partnership composed of myself and Earl Hardin.

Q. You are located at Hobbs, New Mexico.

A. Yes.

Q. Your business is tank cleaning and treating of waste oils in that area.

A. Yes.

Q. You are the petitioner in Case No. 110, being a request for a general order regulating tank cleaning, plants processing tank bottoms, and the processing and transportation incident thereto?

A. Yes.

Q. You signed that petition on behalf of the partnership?

A. Yes.

Q. You are familiar with the statements of fact made in that petition?

A. Yes.

Q. Are these true and correct to your own knowledge?

A. Yes, they are.

MR. GIRARD:

In the application I failed to suggest that the processor be placed under bond. Upon consideration of the matter since filing the application, I do believe that a bond of \$5,000 or \$10,000 would be adequate. Of course the amount could be governed by the extent of the processors operations, but a treater of this oil should be placed under some bond in a penal sum to insure compliance with the laws of the state and the regulations of this Commission.

MR. SPURRIER:

Are there any questions from anyone?

BY MR. W. E. HUBBARD, of the Humble Oil Company.

I would like to ask the Commission if it has any intention of issuing a general order governing tank cleanings?

MR. SPURRIER:

The Commission has now received an application to write one, and I think with the testimony that we have in the record at this time there is no alternative except to write an order. We have written an order for Walter Famariss based upon his application presented here before the Commission on July 15, 1947.

MR. HUBBARD:

As there are very few of the operators and representatives of the different oil companies here today, I was wondering if it would not be wise to let each one have a look at a suggested order you might draft, and come back for a hearing after a chance had been given us to look more fully into the matter.

MR. SPURRIER:

To put it in other words: Are you asking for a continuance of this case to give further time for study by the operators?

MR. HUBBARD:

Not so much this case as a state wide order. I understood from some of the testimony this morning that this is what is up for discussion.

MR. SPURRIER:

I think Mr. Girard might explain

that this application is for a general order which would, naturally, be state wide.

MR. GIRAND:

This was the intention of this application. There was no precedent for tank cleaners' operations, and that is why we asked for a general order under which all cleaners could operate.

MR. SPURRIER:

Maybe I can clarify the situation by reading from Case No. 104, application by Mr. Walter Famariss: "In the matter of the application of Walter Famariss, Jr., for permission to purchase and process tank bottoms, pit oil, gasoline plant "catchings" and other oil or waste not otherwise merchantable, and to sell the merchantable crude derived therefrom." Now perhaps Mr. Girand can explain more fully the difference between his petition for Hardin-Houston requesting a general order and the application of Mr. Famariss.

MR. HUBBARD:

Do you have a copy of a draft of an order that you would like to have the Commission issue?

MR. GIRAND:

There was a proposed order filed with the application.

COMMISSIONER MILES:

Do you think the producers are interested in suggesting some form?

MR. HUBBARD:

Yes.

MR. GIRAND:

Whether they enter the proposed order or not, the docket could be kept open for further orders of this Commission from time to time as it may see fit to issue such orders; and if the provisions of that order are not workable, the Commission can amend it so as to make it workable.

MR. HUBBARD:

I think it is a very important question, and would say our company has no objection to the entering of an order. We feel a proper order should provide for permits for the operation of plants and that they should be under the close supervision of the Commission; and the order should provide for

permits for tank cleaners and for an accounting of the oil treated and certainly for adequate reports to the Commission; and it should also provide for exceptions for company cleaners on its own runs and tanks on lease; and I should think the pipe line companies should be excepted from the order and tank farms. I will say this -- that there is some disagreement as to the pipe line companies. Some of us feel that the pipe line company should submit a request for permit to clean tanks along with the operator because they are a very important element in this state when it comes to proration. But some of our pipe lines do not think so. In any event we should like to have a chance to look over any proposed general order of the Commission and know there are a great many others who would like to do the same. It is for this reason that I suggested a full hearing on the question.

MR. GIRAND:

The application has been on file for the required period of time and notice has been given according to law and I think that if the Humble Oil Company has a protest to make, the Commission should hear it and the protest of any other companies. But to delay this man who is trying to get permits and handle this oil in a legitimate way on account of protests which may be made in the future, I submit is unjustifiable, and I do not think the Commission should grant that extension.

MR. HUBBARD:

I do have some ideas of what I think should be incorporated in the order and would like to have a chance to present them at some future date.

COMMISSIONER MILES:

I do not want to delay any procedure or operations that may be necessary to anyone interested; but as new and unfamiliar as I am with this question, I would certainly like to have all the suggestions presented to the Commission before we pass on it.

MR. GIRAND:

I appreciate that, and I am not being arbitrary, but am just trying to be a help to the Commission, and would like to say that if any order the Commission enters based on this hearing is not satisfactory to any of the operators or any of the parties of government, then we will all have an opportunity to come back before the Commission. But for a non-protestant to come in and delay an application on which due notice has been given just on the supposition that there may be a protest presented later on I think is not justifiable.

MR. SPURRIER:

May I ask you a question? This is a suggestion rather than a question: We have already scheduled a hearing for the 15th of October. We have issued just

recently an order for Mr. Fagariss under Case No. 104. It is Mr. Staley's custom to mimeograph these orders and publish them to all operators. Would it be agreeable to you, Mr. Girand, if this case could be continued until that time, when the Humble Oil Company or anyone else could bring in evidence which they care to bring forward? It would be for the purpose of gathering more evidence. I can assure you we have no intention to delay unnecessarily.

MR. GIRAND:

One effect of an extension is that until a general order is granted all tank cleaners and operators have nothing to go by. However, if the Commission would grant Hardin-Houston a temporary permit to operate during the pendency of this case, we are perfectly agreeable to the continuance.

COMMISSIONER MILES:

Would any of the other companies like to talk on this matter?

BY MR. GLENN STALEY, representing Lea County Operators:

We have three classes of so-called waste product. That oil which is waste caught in the traps of the gas plants serving the various pools; the waste tank bottoms on tank farms of pipe lines on which the royalty has been paid and the tank bottoms of field tanks belonging to the operators; and I am wondering if the petition presented to the Commission by Hardin-Houston has any provision in it pertaining to regulation by the Commission of the cleaning of the tanks, that is when, how, or by whom.

MR. GIRAND:

The only way that question is covered is that the tank cleaner, transporters and processors are all regulated under the proposed order so that they would all have to report to this Commission the source of the B. S. that they pick up, where delivered and recovery from that B. S. As a practical matter your lease tanks will not have enough to be processed alone -- that is, just one tank at a time. To be on a sound financial basis quantities of 100 bbls. or more should be processed. But the order itself does provide for control over the tank cleaner, processor and transporter.

MR. STALEY:

I believe that the majority of the Lea County Operators would appreciate it if the Commission would hold this over until October 15th, to give them a chance to study the matter and, if the Commission sees fit, it could grant a temporary order to relieve any stress the applicant might be under in regard to moving oil already on hand. I do not think there is any objection to this on the part of the other companies.

COMMISSIONER MILES:

Is there anyone else?

BY MR. OTIS RAMSEY:

I have a plant in operation down there at Maljamar, and if this is not issued as a general order today I am wondering what status I would be in.

COMMISSIONER MILES:

What status are you in now?

MR. RAMSEY:

I am shut down.

MR. SPURRIER:

Answering the question to my mind, Mr. Ramsey: I am not going to point at you, but what is the opinion among those present? Should an order be written as a general state-wide order, under which any one may participate without any further appearance before the Commission, in either formal or executive session? Or should the Commission continue to hear each case as in the case of Walter Famariss and now Hardin-Houston?

MR. GIRAND:

I think this question is answered in our proposed order. It requires an applicant to come before the Commission to show the nature of installation, its location, its capacity, and get a permit from the Commission to operate.

COMMISSIONER MILES:

You are operating now?

MR. RAMSEY:

We built sometime in June and you were at that time allowing people to go ahead and gather oil and we have been operating since then, but we have no oil now and will not run until something is done.

COMMISSIONER MILES:

You have not presented an application to the Commission?

MR. RAMSEY:

I have never made application for permit because at the time I started treating no permit was required.

MR. GIRAND:

You understand the proposed order submitted with our application does not open the door wide. It would still be necessary for an applicant for a permit to come before the Commission before it was granted. What I was trying to get over to the Commission was that one general order should apply to all.

MR. SPURRIER:

You mean processors, tank cleaners and transporters?

MR. GIRAND:

Yes, all processors under the same rules, and all tank cleaners and all transporters.

MR. GRAHAM:

You made a statement a while ago that if Hardin-Houston could have a temporary order to enable them to continue operations it would be agreeable?

MR. GIRAND:

It certainly will.

MR. GRAHAM:

Do you intend to amend your petition by that statement so as to allow not only Hardin-Houston but others to be included?

MR. GIRAND:

If they are in business at the present time and if they meet the qualifications under that order, yes. But I do not believe that these men should be jeopardized for a period of thirty days on the supposition that some one may object, because they have had the notice required by law, and I am a firm believer that everyone is entitled to his day in court, but when notice has been given and the day has arrived, they should be ready to present their case. At least if the Commission enters an order it could be changed if it is wrong.

MR. GRAHAM:

You mean enter a temporary order?

MR. GIRAND:

Yes, and if it does not apply it could be amended.

MR. RAMSEY:

Would I have to make application for a permit before I could go ahead?

COMMISSIONER MILES:

Yes.

MR. RAMSEY:

Would it be considered in the next few days? I have a considerable investment.

COMMISSIONER MILES:

We want to help you all we can.

MR. SETH: (for Shell Oil Company)

On behalf of the Shell Oil Company: We do not want to oppose the application and do not want to delay the proceedings, but we are somewhat disturbed as to what effect an order would have on operators in cleaning their tanks. There seem to be two entirely different situations between the operator cleaning his own tanks and those engaged solely in that business. We are interested only in the former and if the general order contemplates regulation of all operators in the operation of their own leases we would like to join in the request for a continuance; because I am of the opinion that the majority did not believe this hearing would cover cleaning of tanks by themselves.

MR. GIRAND:

I do not see where the proposed order places any additional regulation on any operator of his lease. He has a right to process as he wants to.

MR. SETH:

I just wanted to clarify our position if anything was contemplated which would affect the operator.

MR. GIRAND: While it may do so, it was not intended to; but that comes back to the very thing that I am asking for -- some kind of an order now. If the order entered is in error it can be amended.

COMMISSIONER MILES:

Mr. Ramsey, may I ask if you are familiar with the order presented by Hardin-Houston with their application?

MR. RAMSEY:

No, sir. I would like to see it so I could know what we are doing.

COMMISSIONER MILES:

Anybody else?

MR. J. N. DUNLEVEY, for the Skelly Oil Company:

We feel that possibly this case should be continued until

MR. GIRAND:

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October 15th by the Commission, granting Hardin-Houston temporary relief in the meantime. This would give time for further study of the matter and determine the feasibility of a state-wide order.

COMMISSIONER MILES:

Anybody else?

BY MR. H. L. MURRAY, for the Texas Company:

We are not opposed to the granting of a temporary order to Hardin-Houston if the Commission sees fit, but would like an opportunity to study whatever might be proposed in the way of a general order, and for that reason would appreciate a continuance of the hearing.

COMMISSIONER MILES:

Is there anyone else?

BY MR. PAUL C. EVANS, for the Gulf Oil Corporation:

We heartily agree with Mr. Hubbard and the other oil companies in asking for a continuance of this case in so far as it concerns the writing of a general order. We have no objection to Hardin-Houston operating under the same privileges as Mr. Famariss under his order; but we would like to have some time to study, and possibly to present suggestions, in connection with the writing of a complex order of this nature by the Commission.

COMMISSIONER MILES:

Thank you. Is there anyone else?

BY HENRY FORBES, for the Continental Oil Company:

If the Commission please, we, as the rest of the operators here, feel that a temporary order to allow the Hardin-Houston treating plant to operate is all right. We would not like to see a general order written at this time, and would like to have a continuance of the hearing, giving us an opportunity to present any suggestions or objections after a study of the matter.

COMMISSIONER MILES:

When you speak of the Hardin-Houston application --- have you read that order?

MR. FORBES:

No, sir.

COMMISSIONER MILES:

But you would not object to a temporary order?

MR. FORBES:

No, sir.

COMMISSIONER MILES:

But you have not studied the Hardin-

Houston order?

MR. FORBES:

No, sir.

COMMISSIONER MILES:

Thank you.

Mr. Girand, your order is different from the one issued to Mr. Famariss?

MR. GIRAND:

Yes, sir. It is general in its terms and does not cover just one operation, but the entire field. If the Commission please, I do not want to be arbitrary in insisting, but I hate to have this case continued with no objections as a matter of principle. But if it is continued until October 15th we will be glad to appear at that time.

COMMISSIONER MILES:

I have not studied this order. Mr. Spurrier and George have; but your company could not operate under the order issued to Mr. Famariss?

MR. GIRAND:

Yes, under one similar to it. However we do not want to put up a \$25,000 bond. We don't think it takes that much to make a man honest. I think a \$5,000 bond is sufficient.

MR. DUNLEVEY:

If it please the Commission, I would like to suggest that the operators be furnished copies of the order issued to Walter Famariss and the proposed order of Hardin-Houston, so that we may have time to study them. I have not seen either, and doubt whether others have. We believe this to be vital enough to the operators to have this case postponed until the 15th of October, to give us sufficient opportunity to file any objections and prepare testimony.

COMMISSIONER MILES:

You have no objection to the issuance of a temporary order?

MR. DUNLEVEY:

No.

MR. GRAHAM:

Mr. Dunlevey, what about Mr. Ramsey and other tank cleaners who have not made application? Would you object to temporary relief for them?

MR. DUNLEVEY: I personally assume that he has some kind of order, since I am told he has been operating over a period of some months.

MR. GRAHAM:

The point I wanted to clear up is that Hardin-Houston has filed a general order to apply to everybody. Would there be any objection to a temporary order of that kind?

MR. GIRAND:

There would be on the part of Hardin-Houston. That is the very purpose of the general order, so that when an application is made the Commission can go into the question of whether or not he is prepared to meet the requirements.

MR. DUNLEVEY:

We believe it is important enough to necessitate study, as all orders in the past have shown, and that the matter should be given every consideration on the part of the Commission before issuing any order; and we know what has happened in other states in the handling of waste products and we certainly do not want that condition in New Mexico; and we believe it can be avoided if the operators are given sufficient time to come here and put on the necessary testimony.

MR. GIRAND:

I would like to ask how any one can be injured by the issuance of an order at this time, when the Commission can amend its own orders if there are objections and an application for a change is filed?

MR. SPURRIER:

Mr. Girand, I may be wrong, but I think there is a slight misunderstanding here, and if I am wrong, let me know: In the Commission's legal processes, with which Mr. Graham and Mr. Frazier are more familiar than I am, at least ten days' notice is required for a hearing. Now if Mr. Dunlevey's company, or any other company, were to petition the Commission for a hearing on October 15th they would have about a week --- less than a week to prepare that petition to the Commission from this date. However, by reading it into the record we can continue the case to a later date without any further publication. At the moment it seems the Commission is somewhat on the spot; that we must either tell the operators that we will continue or tell you that we will not. Now

it is a convenience to us to have the recorder record the continuance of the case rather than to advertise it. However, if any oil company wishes to be heard on the 15th of October or any other date they may file a petition.

MR. GIRAND:

As I stated, we are not trying to shove anything down the Commission's throat, but I still would like to have the protesters tell what their protests are, and think we are entitled to that.

BY MR. LANE FRAZIER:

You will be able to operate under a temporary permit?

MR. GIRAND:

Yes, but I do think the Commission should require them to state what protests they make.

COMMISSIONER MILES:

I appreciate your stand. However I am not thoroughly convinced on this matter myself and I do welcome any suggestions and any testimony. But we do not want to inconvenience you so if we can issue a permit to you and then continue this case, it would seem to be the best way to handle it.

BY MR. WALTER FARRISS, Jr.:

I was the original petitioner in this case before the Commission and was granted an order to operate. Mr. Hardin has come as a second petitioner, and I wish to enter my objections with those of Attorney Girand to the granting of any other permits than to those petitioning the Commission for them. Certainly we feel that if, after we have followed that procedure, anyone may receive a permit without doing so, it seems to me we have defeated the purposes we set out to accomplish. It is therefore my recommendation that no temporary permit be issued to other than Hardin-Houston; and also that this case be continued until the 15th of October hearing; and I wish to place myself available to the Commission, and my order also which you have issued, for amendment, if you find it is not the proper thing.

COMMISSIONER MILES and

MR. SPURRIER:

Thank you.

(A short recess was here called after which the hearing was resumed)

COMMISSIONER MILES:

I have this suggestion to make: That before we issue any order Mr. Glenn Staley have mimeographed copies made of both of

these orders, to Mr. Famariss and the Hardin-Houston proposed order, and send them to all operators, and let them study them both before the cases are reopened on October 15th for discussion.

MR. STALEY:

We will be very glad to do that.

MR. GIRAND:

I will furnish Mr. Staley with a copy of the proposed order and a copy of the application.

COMMISSIONER MILES:

Anybody else who wants to be heard in this matter?

(No response)

COMMISSIONER MILES:

Mr. Famariss, we have just stated that your order and the proposed order in the Hardin-Houston case would be re-opened on October 15th.

MR. FAMARISS:

Yes, sir. If you think it advisable I would like to have it re-opened.

MR. SETH:

May I ask if it is contemplated by the Commission that this temporary order will follow the form of the one attached to the petition? And, if so, if it requires a permit for the removal of any tank bottoms, whether for sale or use on fire walls or lease roads or anything of that nature? If it is contemplated that the order will prevent removal of tank bottoms during this period there will not be any order whereby an operator can clean out without a special permit, for which no machinery has been set up.

MR. GIRAND:

The general order proposed applies to the tank cleaner and not to the operators. The only check on the operator will be the check on the B. S. removed from tanks from each lease so the source of the oil can be traced.

MR. SPURRIER:

Mr. Seth, The Commission has taken Mr. Girand's order as part of the evidence in this case for a guide, you might say; and I am sure that our final order will not contain anything unfair to the operator or the tank cleaner, or anyone else.

MR. GRAHAM:

It will be followed only as a suggestion.

MR. GIRAND:

It was intended as something to go on.

COMMISSIONER MILES:

Is there anything else to discuss in this matter?

MR. SPURRIER:

Gentlemen, I would like the record to show, and I think we have an agreement now between all parties that this case, meaning Case No. 110, and also Case No. 104, for which an order has already been written, but in which the Oil Conservation Commission retained jurisdiction, shall be continued to October 15, 1947, at 10:00 A. M., for the purpose of taking further testimony from anyone who may be interested. Also, in connection with Case No. 110 the Commission will issue a temporary order as requested by the attorney for Hardin-Houston. And I might add that the Commission feels at this time that in view of the Hardin-Houston and Walter Famariss applications, and in view of what is a general opinion, that no order of this nature shall be issued without application by an individual to the Commission for an open hearing.

COMMISSIONER MILES :

Is there anybody else to be heard?
(No response)

Case No. 101 will be granted.

Case No. 109 will be granted.

Case No. 110 has been continued to October 15th.

Case No. 111 is taken under advisement.

The hearing was adjourned.