

Casa No.

1660

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1660

TRANSCRIPT OF HEARING

MAY 6, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-5691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MAY 6, 1959

IN THE MATTER OF: :

CASE 1660 Application of Atlantic Refining Company for :
an automatic custody transfer system. Appli- :
cant, in the above-styled cause, seeks an :
order authorizing it to install an automatic :
custody transfer system utilizing positive :
volume tanks with automatic dumping facilit- :
ies to transfer custody of all oil produced on: :
its Navajo Lease comprising certain acreage in: :
Township 31 North, Range 16 West, Horseshoe- :
Gallup Oil Pool, San Juan County, New Mexico. :

BEFORE:

Elvis A. Utz, Examiner.

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

MR. UTZ: The next case will be Case 1660.

MR. PAYNE: Case 1660. Application of Atlantic Re-
fining Company for an automatic custody transfer system.

: Mr. Examiner, the Atlantic Refining
Company, through its attorney, Howard Bratton, of Hervey, Dowe &
Hinkle, has requested that this case be dismissed.

MR. UTZ: Is there objection to Atlantic's request
for dismissal of Case 1660? If not, the case will be dismissed.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 11th day of May, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1660, heard by me on May 6, 1959.
[Signature], Examiner
New Mexico Oil Conservation Commission

T. O. Davis -

auto custody transfer

Navajo

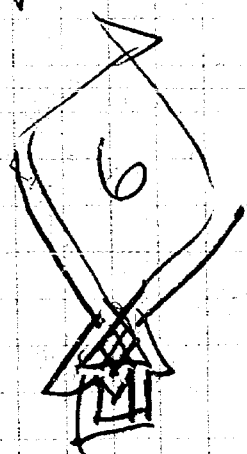
auto custody transfer

Navajo Inc - Horseshoe Jp
Oil

Sections 29, 30, 31, and 32

all production Portions of 28 + 33 which
is in the Navajo Reservation

Trp 31 N. ~~to~~ West.



XS ~~central~~
No. of wells
central battery
test stations

Core 15F2
R-1288

100 bbl calibrated
by means positive volume tank
with automatic dumping
facilities

DOCKET: EXAMINER HEARING MAY 6, 1959OIL CONSERVATION COMMISSION, MABRY HALL, STATE CAPITOL, 9 a.m., SANTA FE

The following cases will be heard before Elvis A. Utz, Examiner:

- CASE 1651: Application of Continental Oil Company for an automatic custody transfer system and for permission to commingle the production from three separate leases. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system and to commingle the production from the Hobbs Pool from three separate non-contiguous leases in Township 18 South, Range 38 East, Lea County, New Mexico. Applicant proposes to separately meter the production from each lease prior to commingling.
- CASE 1652: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 8, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to applicant's Danciger A-8 Well No. 3 located 990 feet from the North and East lines of said Section 8.
- CASE 1653: Application of Continental Oil Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 320-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the NE/4 of Section 28 and the NW/4 of Section 27, Township 23 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to applicant's Lynn A-28 Well No. 5 located 660 feet from the North and East lines of said Section 28.
- CASE 1654: Application of Shell Oil Company 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 West Henshaw-Grayburg Pool from three separate contiguous leases located in Township 16 South, Range 30 East, Eddy County, New Mexico. Applicant proposes to separately meter the production from each lease prior to commingling.
- CASE 1655: Application of Skelly Oil Company for permission to commingle the production from the Tubb Gas Pool and the Drinkard Oil Pool. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the liquids produced from the Tubb Gas Pool with the oil produced from the Drinkard Oil Pool underlying its State "K" Lease comprising the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico. Applicant proposes to meter the production from each pool prior to commingling.
- CASE 1656: Application of Skelly Oil Company for permission to commingle the production from five separate pools. Applicant, in the above-styled cause, seeks authority to commingle the production from the Ellenburger, McKee, Fusselman, Montoya, and Blinberry formations underlying its Hobbs "A" Lease comprising the NW/4 of Section 30, Township 25 South, Range 38 East, in the Justis Field, Lea County, New Mexico. Applicant proposes to separately meter the production from each pool prior to commingling.
- CASE 1657: Application of Standard Oil Company of Texas for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order authorizing its Vac-Edge Unit Area comprising 2078 acres, more or less, of state lands in Township 18 South, Range 35 East, Lea County, New Mexico.

CASE 1658:

Application of The Texas Company 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 "BN" (NCT-1) Well No. 1 located 1980 feet from the South line and 660 feet from the West line of Section 25, Township 11 South, Range 32 East, Lea County, New Mexico. Applicant proposes to inject the produced salt water in the interval from 3529 feet to 7430 feet.

CASE 1659:

Application of Tidewater Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its A. B. Coates "C" Well No. 9 located in the NW/4 SE/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Drinkard Pool and the production of oil from the Justis-Ellebarger Pool through parallel strings of 2-3/8 inch tubing.

CASE 1660:

Application of Atlantic Refining Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system utilizing positive volume tanks with automatic dumping facilities to transfer custody of all oil produced on its Navajo Lease comprising certain acreage in Township 31 North, Range 16 West, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico.

CASE 1661:

Application of Pan American Petroleum Corporation for a gas-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing it to dually complete its W. H. Turner No. 1 located in the SE/4 SE/4 of Section 29, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont producing interval adjacent to the Eumont Pool and the production of oil from the Drinkard Pool. Applicant proposes to utilize a retrievable-type packer in said well.

CASE 1662:

Application of Pan American Petroleum Corporation for permission to commingle the production from several separate leases and for permission to produce more than sixteen wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Empire-Abo Pool from all or a portion of seven separate federal leases in Township 18 South, Range 27 East, Eddy County, New Mexico. Applicant further requests authority to produce more than sixteen wells into the common tank battery for said leases. Applicant proposes to separately meter production from each lease prior to commingling.

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

LA192 KA342

K CMA139 PD=CASPER WYO 17 427PMM=

DANIEL S NUTTER=

(35).

1959 APR 17 PM 4 50

MABRY HALL STATE CAPITOL BLDG SANTA FE NMEX=

PLEASE CONSIDER THIS AN APPLICATION OF THE ATLANTIC REFINING CO TO INSTALL A POSITIVE VOLUMN TANK WITH AUTOMATIC DUMPING FACILITIES FOR AUTOMATIC CUSTODY TRANSFER OF ALL OIL PRODUCED ON ITS NAVAJO LEASE IN THE HORSESHOE-GALLUP FIELD. SAID LEASE IS COMPRISED OF ALL OF SECTIONS 29, 30, 31, AND 32 AND THOSE PORTIONS OF SECTIONS 28 AND 33 WHICH LIE WITHIN THE NAVAJO INDIAN RESERVATION, T31N, R-16-W, SANJUAN COUNTY NMEX. WE RESPECTFULLY REQUEST AN EXAMINER HEARING AT THE

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International
Letter Telegram

1201

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

KC MA 13912
EARLIEST POSSIBLE DATE. OUR ATTORNEY WILL SUBMIT A
FORMAL APPLICATION THE WEEK OF APRIL 20.=
TO DAVIS REGIONAL PETROLEUM ENGINEER
THE ATLANTIC REFINING CO.=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

J. M. HERVEY 1874-1953

HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.

PAUL W. EATON, JR.
ROBERT C. BLEDSOE

LAW OFFICES
HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

TELEPHONE MAIN 2-6510
POST OFFICE BOX 547

April 24, 1959

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

Re: Case No. 1660

Gentlemen:

Please dismiss Case No. 1660, which is the Application of The Atlantic Refining Company for an automatic custody transfer system for oil produced from its Navajo Lease comprising certain acreage in T. 31 N., R. 16 W., Horseshoe-Gallup Oil Pool, San Juan County, New Mexico.

It is our understanding that this case is being re-advertised as Case No. 1667 to be heard before the Examiner on May 12.

Very truly yours,

HERVEY, DOW & HINKLE

By



HCB:db

cc: Mr. T. O. Davis
cc: Mr. A. B. Tanco

J. N. HERVEY 1874-1953

HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HINKLE, JR.
HOWARD C. BRATTON
S. D. CHRISTY IV
LEWIS C. COX, JR.

PAUL W. EATON, JR.
ROBERT C. BLZOSOE

LAW OFFICES
HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

TELEPHONE MAIN 2-6510
POST OFFICE BOX 547

April 21, 1959

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

Dear Mr. Porter:

The Atlantic Refining Company hereby applies for permission to install and operate a positive volume tank with automatic dumping facilities for automatic custody transfer of all oil produced on Atlantic's Navajo Tribal Lease composed of All of Sections 29, 30, 31 and 32, and those portions of Sections 28 and 33 which lie within the Navajo Indian Reservation, T. 31 N., R. 16 W., N.M.P.M., San Juan County, New Mexico.

All of the oil produced on said lease is from the Horseshoe-Gallup Pool. It is respectfully requested that this application for lease automatic custody transfer be set for hearing before an Examiner at the first available date.

Very truly yours,

HERVEY, DOW & HINKLE

✓ By *[Signature]*

HCB:db

cc: Mr. T. O. Davis
The Atlantic Refining Company
Casper, Wyoming

cc: Mr. A. B. Tanco
The Atlantic Refining Company
Dallas, Texas

*Revised
Mailed 5-1-59*

*Docketed
4-22-59
B P*

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. 1660
Order No. R-1393

APPLICATION OF THE ATLANTIC
REFINING COMPANY FOR PERMISSION
TO INSTALL A LEASE AUTOMATIC
CUSTODY TRANSFER SYSTEM ON ITS
NAVAJO LEASE IN THE HORSESHOE-
GALLUP OIL POOL, SAN JUAN COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1959, 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 13th day of May, 1959, the Commission, a quorum being present, having considered the application 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, The Atlantic Refining Company, requested that Case No. 1660 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 1660 be and the same is hereby dismissed.

-2-

Case No. 1660

Order No. R-1393

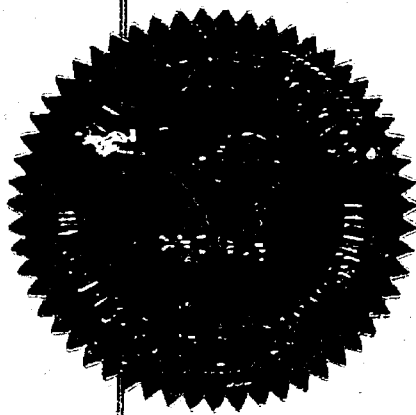
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

M. E. Morgan
MURRAY E. MORGAN, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member and Secretary



vern/

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

May 15, 1959

Mr. Howard Bratton
Hervey, Dow & Hinkle
Box 547
Roswell, New Mexico

Dear Mr. Bratton:

On behalf of your client, The Atlantic Refining Company,
we enclose two copies of Order No. R-1393 issued May 13,
1959, by the Oil Conservation Commission in Case No. 1660,
which was heard on May 6, 1959 at Santa Fe by an examiner.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Enclosures

C
O
P
Y

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. 1660

Order No. R- 1393

APPLICATION OF THE ATLANTIC
REFINING COMPANY FOR PERMISSION
TO INSTALL A LEASE AUTOMATIC CUSTODY
TRANSFER SYSTEM ON ITS NAVAJO LEASE
IN THE HORSESHOE-GALLUP OIL POOL,
SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 1959, 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 _____ day of May, 1959, the Commission, a quorum being present, having considered the application ~~the application~~ 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, The Atlantic Refining Company, requested that Case No. 1660 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 1660 be and the same is hereby dismissed.

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

S TATE OF NEW MEXICO
OIL CONSERVATION COMMISSION