

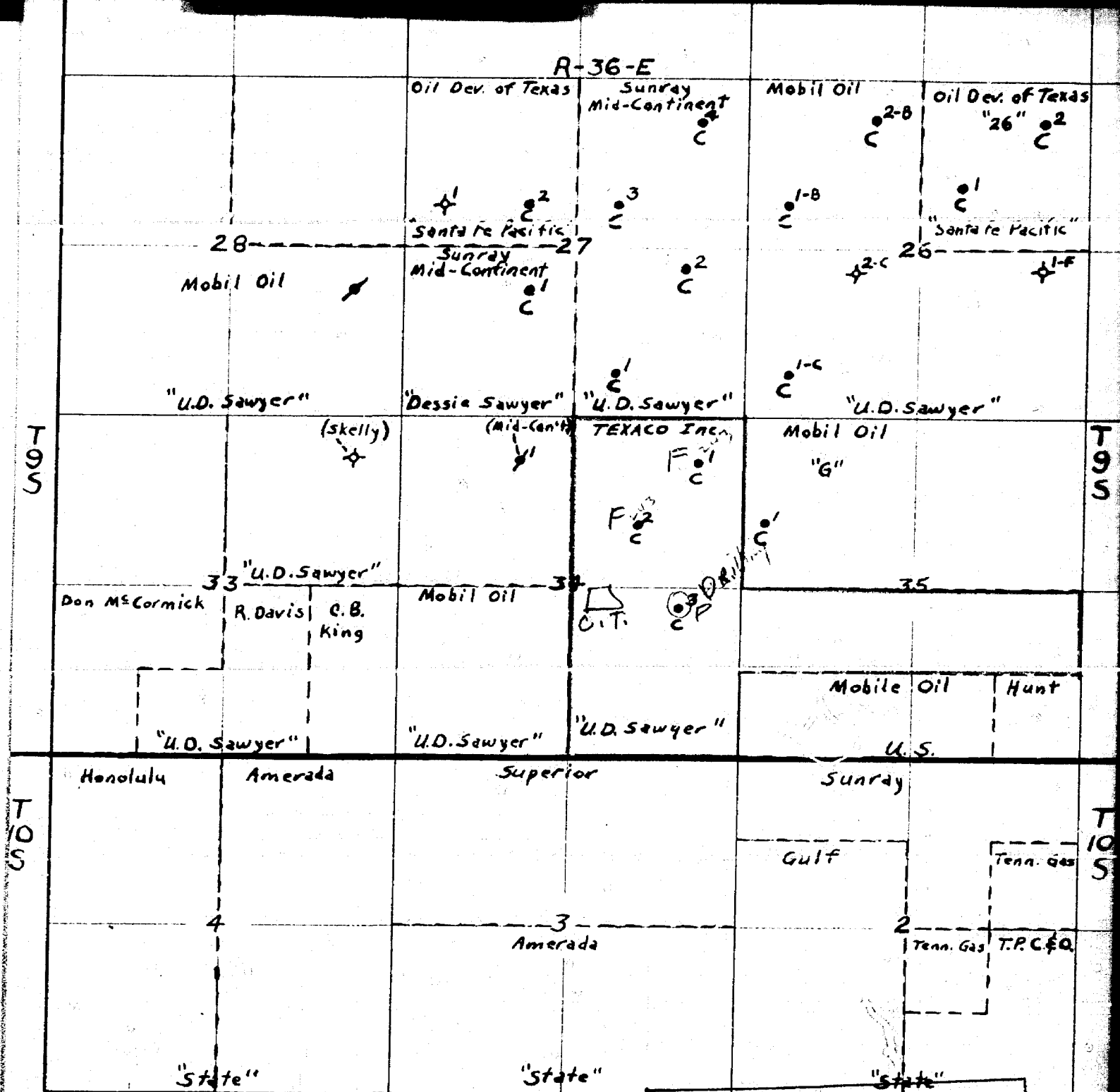
CASE 1881: Application of TEXACO INC.
for approval of automatic custody
transfer system (U.D. Sawyer lease)

1881

Case No.

1881

Application, Transcript,
Small Exhibits, Etc.



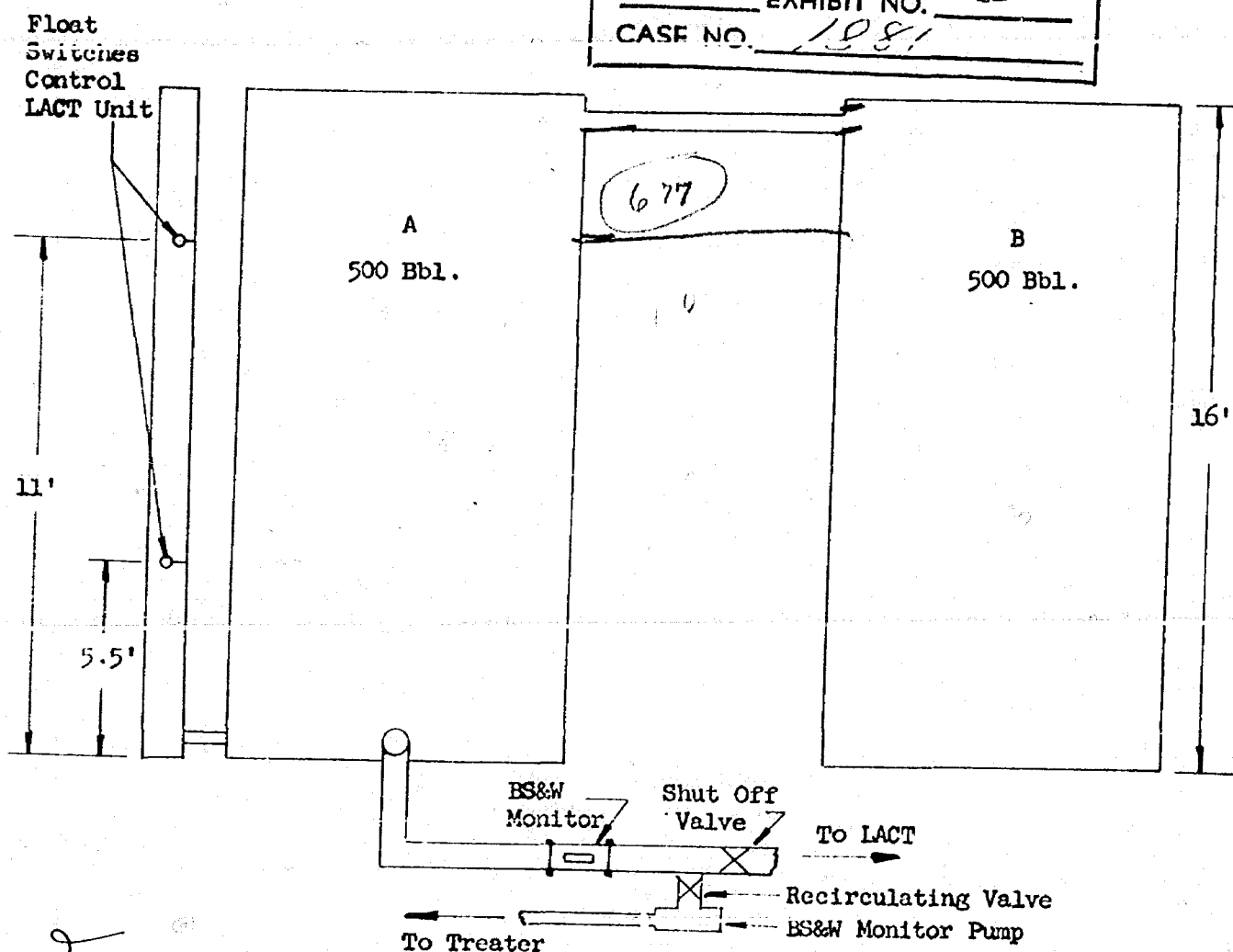
LEGEND

C - Crossroads Pool

OFFSET OPERATORS

Mobil Oil Company, P. O. Box 2406, Hobbs, New Mexico
The Superior Oil Company, P. O. Box 1900, Midland, Texas
Sunray Mid-Continent Oil Co., P. O. Box 128, Hobbs, N. Mex.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 1981

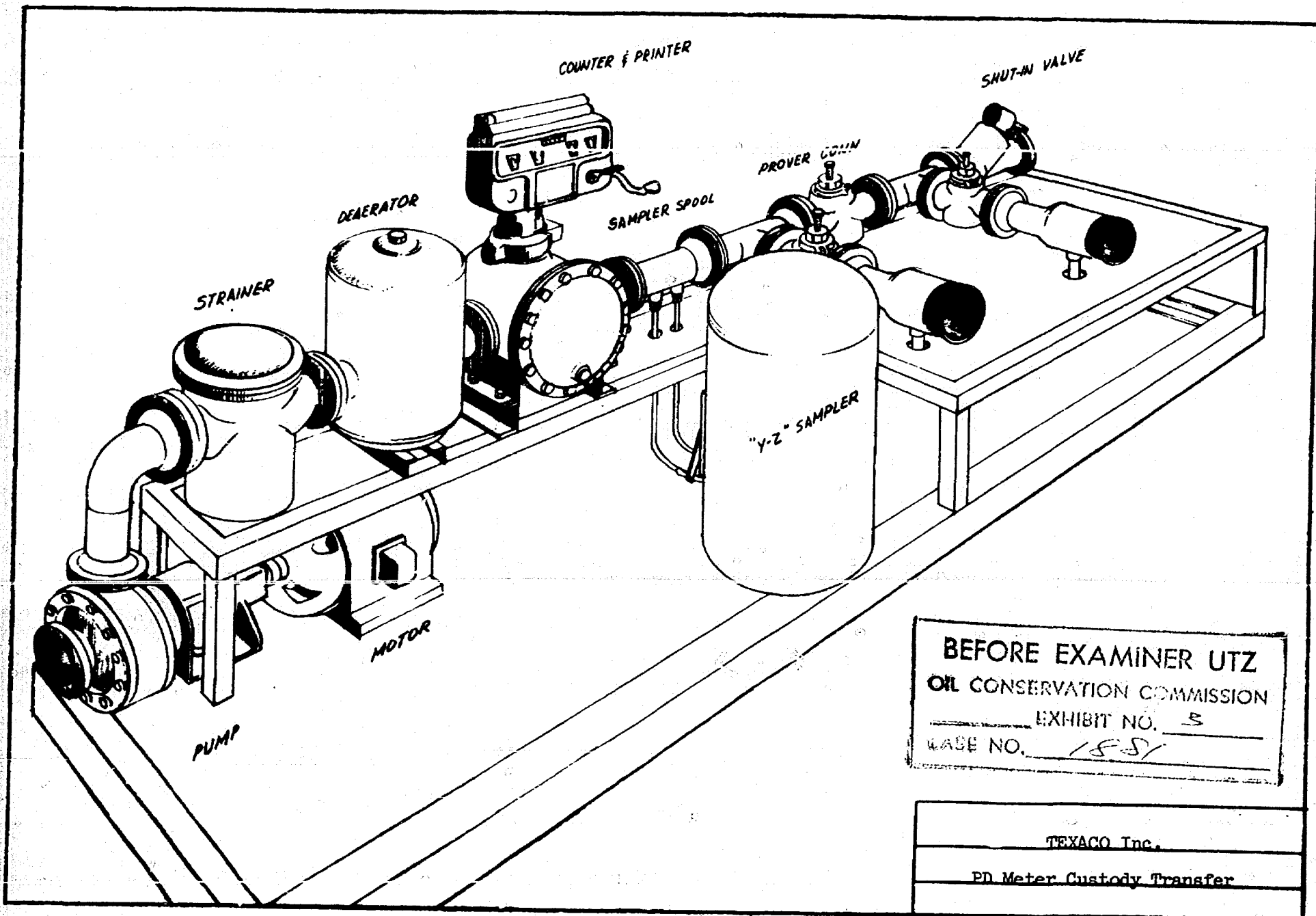


NOTE: Reserve storage above top float switch in Tank A to top Tank B 677 Bbls. At allowable rate of 729 BOPD, three wells @ 243 BOPD reserve storage time equals $\frac{677}{729}$ = .93 day or 22.3 hrs. Maximum time lease will go unattended is 18 hours.

SCHEMATIC DIAGRAM LACT BATTERY AND CONTROLS

CROSSROADS (DEVONIAN) POOL

TEXACO Inc., U. D. SAWYER LEASE
SEC. 34, T-9-S, R-36-E
LEA COUNTY, NEW MEXICO



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. 1881
Order No. R-1608

APPLICATION OF TEXACO INC.
FOR PERMISSION TO INSTALL AN
AUTOMATIC CUSTODY TRANSFER
SYSTEM ON ITS U. D. SAWYER
LEASE, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 27, 1960, at Santa Fe, New Mexico, before Elvís 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 8th day of February, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvís A. Utz, and being fully advised in the premises,

FINDS:

- (1) That the 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 is the owner and operator of the U. D. Sawyer lease, consisting of the E/2 of Section 34, Township 9 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to install an automatic custody transfer system to handle the Crossroads-Devonian Pool production from all wells presently drilled or hereafter completed on said U. D. Sawyer lease.
- (4) That the applicant proposes to measure the oil passing through said automatic custody transfer equipment by means of either dump-type or positive displacement meters.
- (5) That the meters to be used in the above-described system should be checked for accuracy once each month and the results of such tests furnished the Commission.

-2-
Case No. 1881
Order No. R-1608

(6) That the above-described system should be so equipped as to prevent the undue waste of oil in the event of malfunction or flow-line break.

(7) 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 should 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 should so equip the existing facilities as to automatically shut down the lease production in the event the storage facilities become full.

(8) 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.

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to install automatic custody transfer equipment to handle the Crossroads-Devonian Pool production from all wells presently drilled or hereafter completed on its U. D. Sawyer lease, consisting of the E/2 of Section 34, Township 9 South, Range 36 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells on the said U. D. Sawyer lease at least once each month to determine the individual production from each well.

PROVIDED FURTHER, That the above-described system shall be so equipped as to prevent the undue waste of oil in the event of malfunction or flow-line break.

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

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

PROVIDED FURTHER, That in order to prevent the overflow and waste of oil in the event the automatic custody transfer system

-3-

Case No. 1881
Order No. R-1408

authorized by this order 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 down the lease production in the event the storage facilities become full.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs

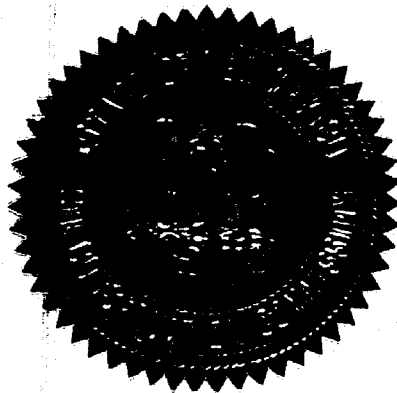
JOHN BURROUGHS, Chairman

Murray E. Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

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



ven/

DOCKET: EXAMINER HEARING JANUARY 27, 1960OIL CONSERVATION COMMISSION - 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director:

- CASE 1866: Application of British-American Oil Producing Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its West Bisti-Lower Gallup Sand Unit Agreement, which Unit is to comprise 14,331 acres, more or less, in Townships 25 and 26 North, Ranges 13 and 14 West, San Juan County, New Mexico.
- CASE 1867: Application of British-American Oil Producing Company for a pressure maintenance project in the Bisti-Lower Gallup Oil Pool and promulgation of special rules in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing a pressure maintenance project in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, by the injection of water into the Lower Gallup formation through 17 wells. Applicant further proposes that special rules be adopted governing said project including the transfer of allowables from injection and shut-in wells to producing wells in the project and for establishment of an administrative procedure to convert additional wells to injection.
- CASE 1868: Application of Hamilton Dome Oil Company, Ltd. for permission to commingle the production from three separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Drinkard Pool, the Justis-Fusselman Pool and an undesignated Tubb pool from wells on a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1869: Application of Newmont Oil Company for approval to convert five additional wells in the Loco Hills Pool to water injection. Applicant, in the above-styled cause, seeks an order authorizing it to convert to water injection five additional wells in its water flood project in the Loco Hills Pool, Eddy County, New Mexico. Said wells are the Brigham Well No. 1-A, Yates Well No. 4, Yates A Well No. 10, Yates A Well No. 12, and Coppedge Well No. 2, located respectively in the SE/4 SE/4 of Section 31, Township 17 South, Range 30 East, NE/4 SW/4 of Section 6, SW/4 SW/4 of Section 6, NE/4 NE/4 of Section 6, and NW/4 NW/4 of Section 5, all in Township 18 South, Range 30 East.

CASE 1870: Application of Newmont Oil Company for permission to install four separate automatic custody transfer systems. Applicant, in the above-styled cause, seeks an order authorizing it to install a separate automatic custody transfer system on each of four leases in applicant's water flood project in the Loco Hills Pool, Eddy County, New Mexico.

CASE 1871: Application of Union Oil Company of California for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its North Anderson Ranch Unit Agreement, which Unit is to comprise 360 acres, more or less, consisting of portions of Sections 32 and 33, Township 15 South, Range 32 East, Lea County, New Mexico.

CASE 1872: Application of Gulf Oil Corporation for authority to commingle the production from four separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the production from the following four separate leases and to install an automatic custody transfer system to handle the Pearl-Queen Pool production from all wells located thereon:

Lea-State "AP" lease, E/2 of Section 30;
Lea-State "AQ" lease, N/2 of Section 32;
Lea-State "BG" lease, N/2 of Section 33;
Lea-State "IH" lease, W/2 SW/4 and W/2 SE/4
of Section 29,

all in Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 1873: Application of The Atlantic Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Langlie Federal "A" Well No. 1, located in Unit H, Section 14, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Bliebry Pool and the production of oil from an undesignated Tubb pool through parallel strings of tubing.

CASE 1874: Application of Val R. Reese & Associates, Inc., for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lybrook Well No. 1-19, located in Unit C, Section 19, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner

as to permit the production of gas from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing.

CASE 1875:

Application of Continental Oil Company for a non-standard gas proration unit and for an order force-pooling the interests therein. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of lots 6, 10, 11, and 12 of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to Shell Oil Company's Taylor-Glenn Well No. 1, located 3226 feet from the North line and 1980 feet from the West line of said Section 3. Applicant further seeks an order force-pooling the interests of those in said non-standard gas proration unit who have gas rights within the vertical limits of the Blinebry Gas Pool, including M. F. Taylor, P. O. Box 574, Amarillo, Texas, and R. B. Glenn, P. O. Box 461, Amarillo, Texas.

CASE 1876:

Application of Continental Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Weir (Drinkard) Oil Pool and Weir-Tubb Gas Pool from all wells on its Britt B-15 lease consisting of the W/2 and the W/2 E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1877:

Application of Continental Oil Company for permission to install an automatic custody transfer system and for permission to produce more than 16 wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from all Skaggs Pool oil wells on its Southeast Monument Unit comprising lands located in Township 20 South, Ranges 37 and 38 East, Lea County, New Mexico.

CASE 1878:

Application of Continental Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Weir (Drinkard) Oil Pool and the Weir-Tubb Gas Pool from all wells on that portion of the Southeast Monument Unit consisting of the W/2 W/2 of Section 14 and the E/2 E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1879:

Application of Amerada Petroleum Corporation for a gas-oil dual completion and for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State EM "A" Well No. 2, located 660 feet from the South and West lines of Section 22, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eumont Gas Pool through the casing-tubing annulus and the tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SW/4 of said Section 22 to be dedicated to the said State EM "A" Well No. 2.

CASE 1880:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Blinebry Oil Pool and the Drinkard Pool from all wells on its V. M. Henderson lease consisting of the N/2 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1881:

Application of Texaco Inc. for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of automatic custody transfer facilities to handle the Crossroads-Devonian Pool production from the U. D. Sawyer lease comprising the E/2 of Section 34, Township 9 South, Range 36 East, Lea County, New Mexico.

CASE 1882:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Tubb Pool and the Blinebry Oil Pool from all wells located on its Mittie Weatherly lease comprising the NW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1883:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Culwin (Queen) Pool and the Culwin-Yates Pool from all wells located on its Federal Lease comprising the NE/4, E/2 NW/4, N/2 SE/4 and the NE/4 SW/4 of Section 6, Township 19 South, Range 31 East, Eddy County, New Mexico.

CASE 1842:

(Continued)

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on its Baker "A" lease comprising the NW/4 of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1884:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on that portion of the J. V. Baker lease comprising the SE/4 SW/4 of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1885:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Drinkard Pool and the Tubb Gas Pool from all wells on its State "K" lease comprising the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1886:

Application of E. P. Campbell for an exception to Rule 107 (e) of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) in order to recomplete his No. 1 Cleveland Well, located in NW/4 NE/4 of Section 33, Township 18 South, Range 26 East, Eddy County, New Mexico, as a "slim-hole" completion in the Pennsylvanian formation at a depth greater than 5000 feet.

CASE 1887:

Application of Monsanto Chemical Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks an exception to February 15, 1960, to the "no-flare" provision of Order R-1427 for five wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

CASE 1888:

Application of C. W. Trainer for off-lease storage of oil production. Applicant, in the above-styled cause, seeks permission to store the Pearl-Queen Oil Pool production from his Rushing lease, consisting of the W/2 NE/4 of Section 22, Township 19 South, Range 35 East, Lea County, New Mexico, in a tank battery located on his Signal State lease, consisting of the E/2 NW/4 of said Section 22.

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 2-1-60

CASE 1881

Hearing Date 1-27-60

My recommendations for an order in the above numbered cases are as follows:

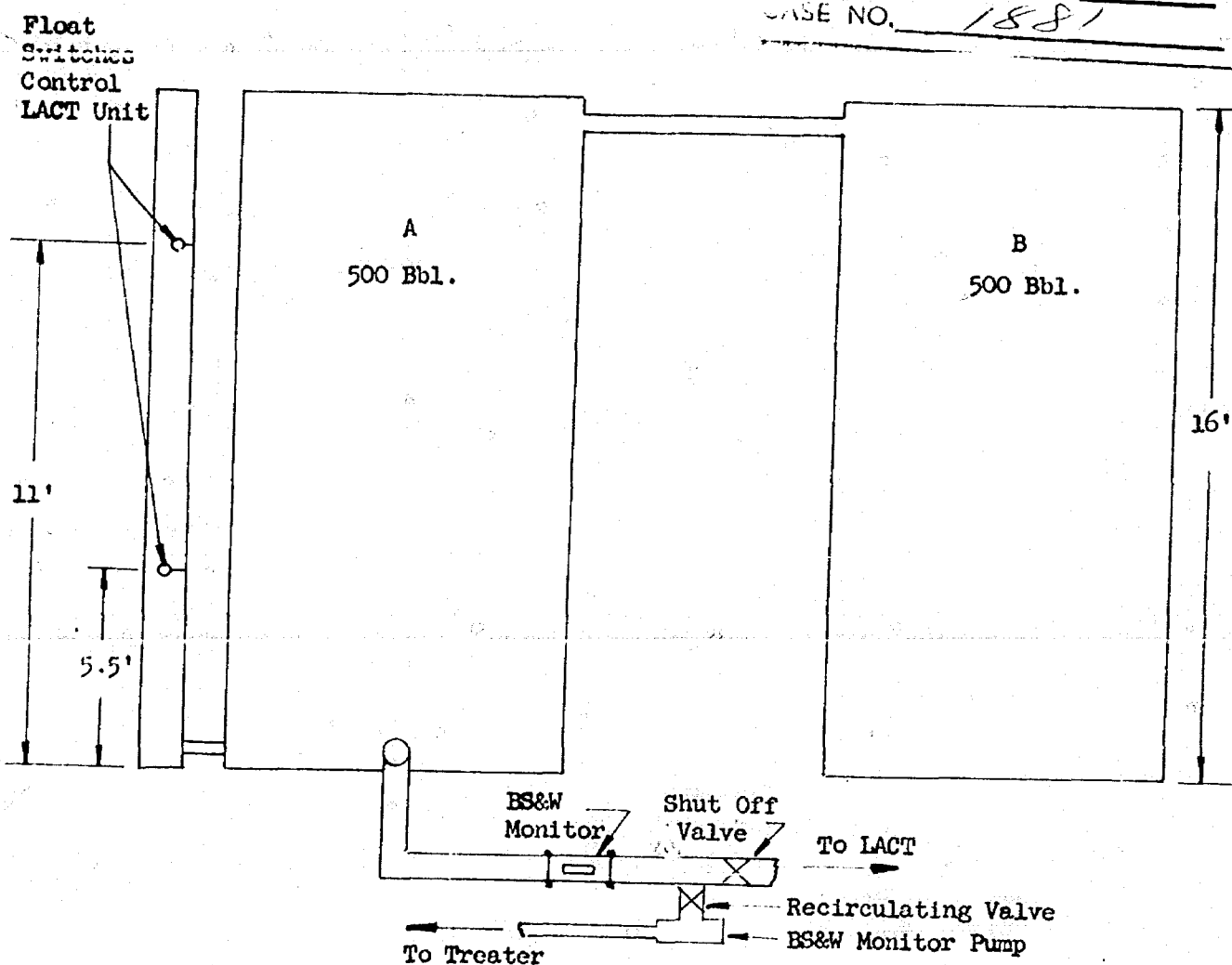
1. Grant Texaco's application for LACT for its V.D. Sawyer lease ~~in the Coronado~~ ^{said lease} Heronian Oil Pool consisting of:
#5-36 E, Sec. 34, E/2.
2. Custody transfer will be in NW/4 SE/4 of said section.
3. Meter shall be tested each 30 days

Frank D. [Signature]

Staff Member

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2
CASE NO. 1881

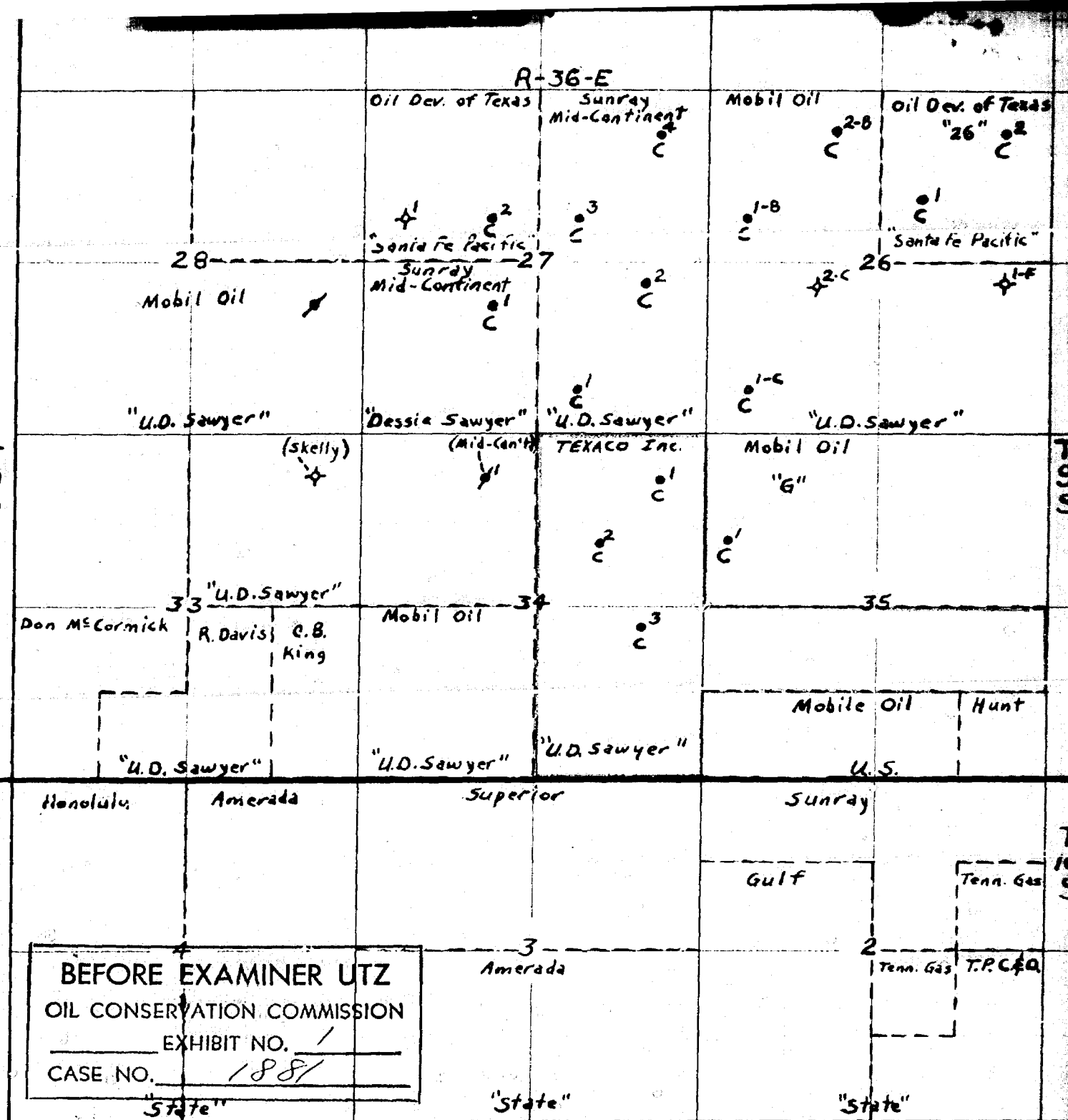


NOTE: Reserve storage above top float switch in Tank A to top Tank B 677 Bbls. At allowable rate of 729 BOPD, three wells @ 243 BOPD reserve storage time equals $\frac{677}{729}$ = .93 day or 22.3 hrs. Maximum time lease will go unattended is 18 hours.

SCHEMATIC DIAGRAM LACT BATTERY AND CONTROLS

CROSSROADS (DEVONIAN) POOL

TEXACO Inc., U. D. SAWYER LEASE
SEC. 34, T-9-S, R-36-E
LEA COUNTY, NEW MEXICO



R-36-E

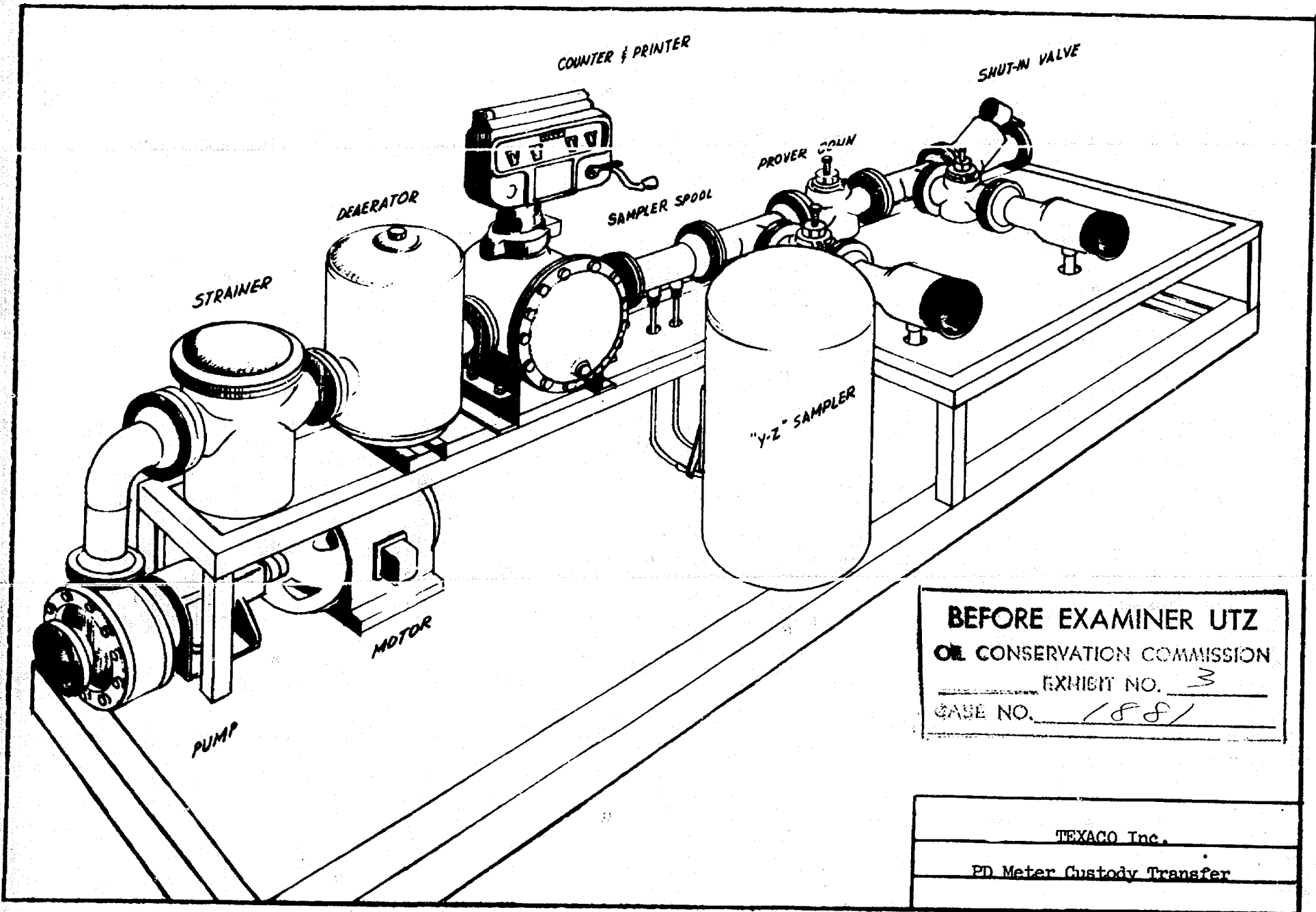
PLAT OF TEXACO Inc., U. D. SAWYER LEASE AND OFFSET LEASES
 Lea County, New Mexico
 Scale: 1 inch = 2000 feet
 LMF January 21, 1960

LEGEND

C - Crossroads Pool

OFFSET OPERATORS

Mobil Oil Company, P. O. Box 2406, Hobbs, New Mexico
 The Superior Oil Company, P. O. Box 1900, Midland, Texas
 Sunray Mid-Continent Oil Co., P. O. Box 128, Hobbs, N. Mex.



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 1881

TEXACO Inc.
PD Meter Custody Transfer

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 28, 1960

IN THE MATTER OF
CASE NO. 1881

TRANSCRIPT OF PROCEEDINGS

January 28, 1960

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



I N D E XWITNESSPAGE

J. E. ROBINSON, JUNIOR

Direct Examination by Mr. White

4

QUESTIONS by Mr. Utz

9

QUESTIONS by Mr. Payne

10

<u>NUMBER</u>	<u>EXHIBIT</u>	<u>MARKED FOR IDENTIFICATION</u>	<u>INTRODUCED</u>	<u>OFFERED</u>	<u>ADMITTED</u>
App. #1	Plat	3	4	8	8
" #2	Schematic Diagram	3	5	8	8
" #3	3-Dimensional Drawing	3	7	8	8

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 28, 1960.

IN THE MATTER OF:

APPLICATION OF TEXACO, INC., for approval
of an automatic custody transfer system.
Applicant, in the above-styled cause, seeks
an order authorizing the installation of
automatic custody transfer facilities to
handle the Crossroads-Devonian Pool produc-
tion from the U. D. Sawyer lease comprising
the E/2 of Section 34, Township 9 South,
Range 36 East, Lea County, New Mexico.

CASE
NO. 1881

BEFORE:

Elvis Utz, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The next case will be Number 1881.

MR. PAYNE: Application of Texaco, Incorporated, for
approval of an automatic custody transfer system.

Let the record show that the witness has previously been
sworn.

MR. WHITE: Charles White, of Gilbert, White and
Gilbert, Santa Fe, New Mexico, appearing on behalf of the appli-
cant. We have one witness, Mr. Robinson.

(Thereupon Applicant's Exhibits
1, 2, 3, and 4, were marked
for identification.)

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



J. E. ROBINSON, JUNIOR

a witness, called by and on behalf of the Applicant, having been previously sworn, testified as follows:

DIRECT EXAMINATIONBY MR. WHITE:

Q Mr. Robinson, are you acquainted with Texaco's application for an automatic custody transfer system, on its U. D. Sawyer lease?

A Yes, sir, I am.

Q Is the Texaco Company the sole owner and operator?

A They are.

Q Will you refer to Exhibit Number 1, and explain it to the Commission, please?

A Exhibit Number 1 is a plat of the area, showing Texaco's U. D. Sawyer lease, located in Section 34 and 35 of Township 9 South, Range 36 East. The lease is bordered with the yellow marking. It shows that Texaco has three wells completed in the Crossroads-Devonian Pool. It also shows all other wells within the immediate area that are completed in the Crossroads-Devonian Field.

In this application, Texaco is asking for an AOT Unit, since it is economically desirable, in that it will conserve natural resources by preventing waste, reduce the initial investment cost, and improve operating efficiency and economics.

Q Where will this unit be located?

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ALBUQUERQUE, NEW MEXICO

A It will be located in the approximate center of our lease, covering the East half of Section 34. Texaco is completing their well Number 3 at this time. Wells Number 1 and 2 are completed in the Devonian, at a depth in excess of 12,000 feet; with flowing pressures of wells Number 1 and 2 there, between 25 and 40 PSI. Well Number 3 will be completed, and will be pumped by a Cope pump in the future. This is a water drive reservoir, and all wells will be pumped by Cope installations.

Q Now, will you refer to Exhibit Number 2, and explain it, please.

A Exhibit Number 2 is a schematic diagram, showing the surge tanks, and the controls that are located on the surge tanks. I might say that before the oil gets here, it comes from the well through the flow line into a separator, and then into a treater, and then into three 500-barrel power oil tanks. This oil will be used as power oil for the Cope pumps, and the -- this oil carries a gritty material, gilsonite, which if not allowed to settle out, will plug up the screens on the Cope pump, and by running the oil through the power oil tanks, we allow two days settling time for the gilsonite to settle out, and then it will come into the surge tanks. The surge tanks have a fabricated boot attached to the tank, with the low level switch located five points, five feet above the bottom of the tank, and with the high level switch located 11 feet above the bottom of the tank.

This exhibit was prepared, taking into consideration, the



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lease allowables, which were 253 barrels a day. The -- when the oil reaches the upper float switch, the Lact unit will be turned on, the oil will come out near the bottom of the tank, and be passed through a B. S. & W. Monitor. If the oil is acceptable by the pipeline, it will be, continue going downstream to the Lact Unit. If it is not acceptable by the pipeline, a selenoid valve, a shut-off valve, will shut off downstream; a recirculating valve will open, and a B. S. & W. Monitor pump will start and recirculate the oil back to the treater until such time as acceptable oil starts passing the B. S. & W. Monitor.

With the exhibit as shown, presently with three wells, and using the lease allowable of 243, we have a daily rate of 729 barrels a day allowable.

We have 177 barrels of additional storage above the high level swith in Tank "A", and we have 500 barrels storage in Tank "B"; or, actually, we have .93 days, or 22.3 hours additional storage capacity; with the 750 barrels a day allowable in January, we have 21.6 hours of additional storage.

We are presently considering drilling an additional well in the field, and when we install this, we are going to put on the third 500-barrel surge tank, which will give us 37.6 hours storage with three wells, or 28.2 hours storage with four wells.

Q Then, in your opinion, do you believe these storage facilities will be adequate?

A Yes, sir, I do. The maximum time that the lease will



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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

go unattended, is 18 hours. This pumper, we have pumpers on this lease, seven days a week in that he will come and check the lease in the morning on his initial rounds, and then he will recheck the lease again in the afternoon, prior to going in. And the maximum time that the lease will go unattended, is 18 hours. We are not automizing -- making the lease automatic. We are merely asking for an automatic custody transfer to eliminate additional tank batteries.

Q In the event there were a power failure, then there would be an overflow into Tank "B", is that correct?

A That's correct. And also into Tank "C", which we will install.

Q Now, will you refer to Exhibit 3, and explain that to the Commission?

A Exhibit 3 is a 3-dimensional drawing of the automatic custody transfer system itself. As the oil passes the B. S. & W. Monitor, and is acceptable by the pipeline, it will go downstream where it will be picked up by the gear pump. The oil will pass through the gear pump into a strainer, where any foreign matter will be strained out of the oil. It will then pass through a deaerator, which will allow any air to be bled out of the system. Also, the deaerator will have an additional safety device, or a float, that would shut down the unit in case of a malfunction or failure on the low level switch on the surge tank. The oil will pass through the deaerator, and will pass through the P. D. meter,



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ALBUQUERQUE, NEW MEXICO

which has a temperature compensator and a sampler spool device within the unit. The sampler spool device will allow a sample of the crude, that is proportional to the flow passing through the meter, to be collected and stored in a 20-gallon container for the pipeline. It will pass on downstream where it will pass through a back pressure valve, or a shut-in valve. This back pressure valve will keep a back pressure on the pressure on the system, you see, thus preventing gas from bleeding out in the system, as it is passing through the back unit.

We also have a prover connection on this unit. On that well prover, are meters which measure it through a prover tank. The crude from the Devonian is sweet, and we do not expect any corrosion from the sweet crude. However, the strainer and air eliminator will be plastic coated.

Q And the gas-oil ratios on your wells Number 1 and 2 are too small to measure?

A Yes, sir, they are.

Q And what are the gravities?

A The gravity is 44.2 degrees.

Q Were these exhibits prepared by you, or under your direction?

A Yes, sir, they were.

MR. WHITE: We move the admission of the exhibits.

MR. UTZ: Without objection, they will be entered.

Q (By Mr. White) Is there anything further you have to



say in regard to this application?

A No, sir.

MR. WHITE: That's all we have on direct examination.

QUESTIONS BY MR. UTZ:

Q Mr. Robinson, am I clear on the fact that there is 677 barrels of storage, total, in both tanks "A" and "B"?

A No, sir. There is 177 barrels of storage in Tank "A", to the equalizer line. And, after Tank "B" fills to the equalizer line, there is a storage of 500 barrels there.

Q That's a total storage of how much?

A We have 677 barrels.

Q In those tanks?

A Yes, sir, above the high level switch.

Q Yes.

A I'm sorry, I thought you meant with a fill-up of 11 feet in Tank "B".

Q No, I was trying to clarify the 677 barrels storage, in two 500-gallon tanks.

A Yes, sir.

Q So, you have the difference between 677 and a thousand, above the transfer line, or equalizing line? In other words, don't these 500-barrel tanks hold 500 barrels?

A That's correct, yes, sir.

Q Then why don't we have a thousand barrels of storage?

A We do have a thousand barrels of storage. We have

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500-barrels in Tank "B". We have 177 barrels of storage above the high level swith, located on Tank "A". If you have a malfunction or a power failure at the moment that the crude reaches the high level swith, then you would have an additional 677 barrels of storage left.

Q Oh, I see, all right.

A However, we were putting on an additional 500-barrel tank, and actually, we would have 1,177 barrels of storage.

Q Do you carry this lease by the U. D. Sawyer name?

A Yes, sir.

MR. UTZ: Are there any further questions of the witness?

QUESTIONS BY MR. PAYNE:

Q Who is the pipeline that takes this oil, Mr. Robinson?

A I believe Magnolia.

Q Do you have any corrosion problem with the Devonian production here?

A No, sir. It is a sweet crude.

Q No paraffin problem?

A No problems. We have a little paraffin there, but no problem.

Q Are these pumping wells, or flowing wells?

A Wells 1 and 2 are presently flowing wells, with tubing pressures varying between 25 and 40 pounds. Well Number 3 will be pumped by a Cope installation.



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Q Now, you don't have a low oil shut-off switch, do you?

A Yes, sir. The low level switch will shut off at a point five and a half feet above the bottom of Tank "A".

Q I see. How about a low pressure shut-off switch?

A On the Lact unit itself. The back pressure valve, at the end of the system, that keeps a back pressure on the unit, it will shut the unit down in case of a failure in the system there, or a line break in the system.

MR. PAYNE: Thank you.

MR. UTZ: The witness may be excused.

(Witness excused.)

MR. UTZ: Any other statements to be made in this case?

(No response.)

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

We will take a short recess.


(Recess.)

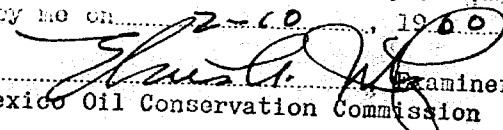


STATE OF NEW MEXICO)
) ss.
 COUNTY OF BERNALILLO)

I, THOMAS T. TOMKO, Court Reporter, 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 under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand this 29th day of January, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.


 Thomas T. Tomko, Court Reporter.

I do hereby certify that the foregoing is a complete record of the proceedings in the Receiver hearing of Case No. 1881, heard by me on 2-10, 1960.

 Examiner
 New Mexico Oil Conservation Commission

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