

CASE 1954: Application of SHELL for  
approval of automatic custody trans-  
fer to handle production from the  
Saunders (Permo-Penn) Pool.

Case No.

1954

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Application, Transcript,  
Small Exhibits, Etc.

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil Company for approval  
of an automatic custody transfer system.

CASE 1954

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

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

EXAMINER HEARING

IN THE MATTER OF:

Application of Shell Oil Company for approval of  
an automatic custody transfer system. Applicant,  
in the above-styled cause, seeks an order author-  
izing the installation of an automatic custody  
transfer system to handle the production from the  
Saunders (Permo-Pennsylvanian) Pool from all wells  
presently completed or hereafter drilled on the  
State A lease comprising the E/2 of Section 34,  
Township 14 South, Range 33 East, Lea County,  
New Mexico.

CASE 1954

BEFORE:

Mr. Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 1954.

MR. PAYNE: Case 1954: Application of Shell Oil Company  
for approval of an automatic custody transfer system.

MR. UTZ: Are there any appearances in this case?

MR. FEDERICI: William Federici of Seth, Montgomery,  
Federici and Andrews for Shell Oil Company. We will have one  
witness, Mr. George Olson.

(Witness sworn.)

MR. PAYNE: Let the record show that the witness was  
sworn for Cases 1954, 1955, 1956, 1957.

(Applicant's Exhibits Nos. 1, 2,  
& 3 marked for identification.)



MR. FEDERICI: If the Commission please, this is an application for approval of an automatic custody transfer system in each of these cases.

GEORGE W. OLSON

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

DIRECT EXAMINATION

BY MR. FEDERICI:

Q Would you state your name? A George W. Olson.

Q Occupation?

A Mechanical Engineer with Shell Oil Company in Roswell.

Q Have you testified before this Commission before?

A No, I haven't.

Q Will you give the Commission some background on your education and experience?

A I received a Bachelor of Electrical Engineering from the University of Minnesota, 1945, and Bachelor of Science in Electrical Engineering in 1950. I went to work for Shell in 1950 and have remained in their employ since that time. I have been working in the Mechanical Engineering Section and have spent at least three and a half years specializing in the field facilities work, which includes automation.

Q What type of work have you done down here in the Roswell office?

A I have spent approximately a year and a half in Roswell doing general mechanical engineering work on the mechanical aspects

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of producing and handling crude oil and gas.

MR. FEDERICI: Does the Commission accept the qualifications?

MR. UTZ: Yes, sir.

Q (By Mr. Federici) Are you familiar with this application No. 1954?

A Yes, sir.

Q Are you generally familiar with the type of installation that is proposed in this application?

A Yes, sir.

Q Does Shell Oil Company have other installations of the type proposed here now in operation?

A Yes, sir. Shell Oil Company has two installations similar to this in operation in New Mexico, and very similar installations and operations in other States.

Q How long have these installations been operating in New Mexico?

A One installation was made in 1958, and the second one was made in 1959.

Q Can you state your opinion as to whether or not these operations have been successful?

A Yes, they have. They have operated successfully and have accurately measured the crude oil sold from the fields and leases involved.

Q I hand you what has been marked Exhibit No. 1, and ask

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you to state what that is and to explain the exhibit, please.

A Exhibit No. 1 is a plat showing the State A lease in the Saunders Field, which is located on the East Half of Section 34, Township 14 South, Range 33 East in Lea County, New Mexico. This lease has eight producing wells not shown on the plat, but all eight wells are produced into one single tank battery and it's this tank battery at which we propose to install the automatic custody transfer unit.

Q Is that area involved there already fully developed?

A Yes, sir, it is.

Q What type of wells are those in the area?

A These are all pumping wells. They are powered primarily with gas engines. We have one electrically pumped well, but the rest are gasoline pumped engines.

Q Did you state the production rate of the wells?

A Six hundred barrels of oil per day and four hundred barrels of water per day.

Q Is this proposed installation adequate to handle the expected production from the entire lease?

A Yes, it is.

Q I hand you what has been marked Exhibit No. 2 and ask you to state what that is and explain it, please.

A Exhibit 2 is a schematic drawing and bill of material of the automatic custody transfer skid which we propose to install in the Saunders Field on the State A lease. This drawing shows



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charge pump, the B.S. and W. monitor, the meter, the sampler, the electrical controls, and accessory items which make up the automatic custody transfer skid.

This automatic custody transfer unit will be installed downstream of one of the existing stock tanks, which will be used as a surge tank. The oil will be -- that is, the control of flow of oil will be by level controls on the tank which will start the charge pump to pump the oil past the B. S. and W. monitor. If the oil meets pipeline specifications, the monitor will allow the oil to go through the meter, which is Item No. 4 on the skid, and to the pipeline. In the event that the oil is not clean enough for pipeline specifications, the B. S. and W. monitor will reject it and open Valve No. 7 and return the oil to the treating system.

The electrical controls on the skid are designed to monitor the operation of the meter; that is, if the meter fails to register, the system will be shut down.

Valve No. 5 shown on here is a combination back pressure and shut-in valve, which will maintain constant back pressure on the meter to assure accurate measurement and will close at any time the pump has stopped. It is a normally closed type valve. This equipment is very comparable and similar to the type of equipment we are now using in other fields.

Q Would you describe, or tell the Examiner what the purpose of this application for installation of an automatic custody transfer system is?





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A We propose to install this automatic custody transfer unit in order to conserve gravity, which in turn will conserve volume of oil which is normally lost in conventional operation with stock tanks. With the reduced time, retention time in the surge tank, we do not anticipate as much vapor loss as we now have. We also expect to reduce operating costs, and thereby permit us to operate the lease longer and produce a larger volume of oil. Also we will salvage a number of stock tanks which we will be able to then use on other leases.

Q Do I understand that this system does not change anything except the method for measuring the oil, is that correct?

A That is correct. The handling of the wells, the treating of the oil, the testing of the wells, all the operations up to the point of measuring the oil for shipment to the pipeline will be unchanged.

Q Do I understand that all of the production under this application is from one lease?

A That is correct, to the best of my knowledge.

Q Has the pipeline been notified of this application?

A Yes, sir, they have.

Q Will you examine Exhibit No. 3 and state what that is?

A Exhibit No. 3 is a letter from Service Pipe Line Company stating that the proposed facilities are satisfactory to them and they are agreeable to receive oil from the locations here listed, the State A lease in the Saunders Pool.



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Q Does the system which is proposed to be installed tend to reduce the loss of volatile gas?

A Yes, sir.

Q Is that a significant factor in a system of this type?

A We believe this is the most significant factor and the greatest reason for selling automatic custody transfer.

Q Does it thereby tend to prevent waste?

A Yes, sir.

Q In your opinion is this in the interest of conservation and prevention of waste?

A I believe it is.

Q These Exhibits 1, 2, and 3, were they prepared under your supervision?

A Yes, they were.

MR. FEDERICI: We offer the exhibits in evidence.

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

CROSS EXAMINATION

BY MR. UTZ:

Q How many tanks do you have on this lease at the present time, Mr. Olson?

A We have six 500 barrel tanks.

Q How many will you have with this automatic custody transfer system?

A We will have two 500 barrel tanks.



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Q That will be interconnected with equalizers and so forth?

A Yes, they will.

Q Will they have switch mechanism on one of the tanks to activate the automatic custody transfer system?

A Yes, one of the tanks will have the control. The other will be a reserve tank.

Q The bad oil will go back to the control tank or another tank?

A No, it will go back to the treating system, to the settling tank.

Q Is that a third tank in the system?

A That's right. We have a 750 barrel acetylene tank or gun barrel ahead of the two 500 barrel tanks. The bad oil will go back to the treating system and not to the other surge tank.

Q What controls will be on this one 500 barrel tank, control tank?

A We will use a pressure type liquid level switch to control the automatic custody transfer unit. That is the pressure switch which senses the level of the fluid in the tank and will start the automatic custody transfer skid in operation at a certain level and stop it at a certain level. It is the same type of level control we are now using in one of our present automatic custody transfer units.

Q How about an emergency high level switch in case this switch should fail?



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A We do not have an emergency high level switch proposed, because we have sufficient capacity to hold all the oil we would anticipate we could possibly produce between the time that the lease operator will be on the lease and observe the operation. The lease operator will be on the lease and observe the operation at a minimum of once a day, and we have in excess of twenty-four hours surge capacity available.

Q What's the cost of installation of an emergency high level switch?

A Oh, approximately I'd say about \$200.00 or so, including the labor and all, installation and materials.

Q You said these are all pumping wells, didn't you?

A Yes, sir.

Q You just have ordinary line pipe lead from the wells to the tank, then?

A Yes, sir.

Q What kind of pressure do these lines have to stand?

A We normally have pressures in the order of fifty pounds, more or less.

Q There will be very little chance of line breakage under such pressure?

A Yes, sir. I don't think there's any problem in that respect.

MR. UTZ: Any other questions of the witness? Oh, I have one more. Are all these wells non-marginal wells?



A No, sir. We have only one well that's top allowable.

Q Which well is that?

A I cannot tell you, I do not have the information here, I don't know which one it is.

MR. UTZ: Any other questions of the witness? If not, the witness may be excused.

(Witness excused.)

MR. UTZ: Any other statements in this case? If not, the case will be taken under advisement and we will proceed to Case 1955.

MR. FEDERICI: I wonder if we could go to 1956 and 1957, which are very similar to this one. There's a very little difference in 1955.

MR. UTZ: All right. We will take Case 1956. Are all the automatic custody systems the same as this one?

MR. OLSON: 1956 and 1957 are the same; 1955 is only slightly different.

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STATE OF NEW MEXICO    )  
                                   ) ss  
 COUNTY OF BERNALILLO    )

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing was reported by me in Stenotype, and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

DATED this 8th day of May, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Ada Dearnley*  
 NOTARY PUBLIC

My Commission Expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1954, heard by me on April 27, 1960.

*Thomas A. [Signature]*  
 Examiner  
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, 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. 1954  
Order No. R-1666

APPLICATION OF SHELL OIL COMPANY  
FOR APPROVAL OF AN AUTOMATIC  
CUSTODY TRANSFER SYSTEM IN THE  
SAUNDERS (PERMO-PENNSYLVANIAN)  
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 27, 1960, 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 9th day of May, 1960, 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, Shell Oil Company, is the owner and operator of the State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to install an automatic custody transfer system to handle the Saunders (Permo-Pennsylvanian) Pool production from all wells presently completed or hereafter drilled on the said State A 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.

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CASE No. 1954  
Order No. R-1666

IT IS THEREFORE ORDERED:

That the applicant, Shell Oil Company, be and the same is hereby authorized to install automatic custody transfer equipment to handle the Saunders (Permo-Pennsylvanian) Pool production from all wells presently completed or hereafter drilled on its State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the applicant shall either install high level safety shut-in switches in the storage tanks which will shut-in the wells at the header and at the well-head, thus preventing the over-flow of oil in the event of malfunction of the equipment, or it shall install and maintain sufficient storage capacity to handle one and one-half times the daily lease allowable excluding the capacity of the gun barrel.

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

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."

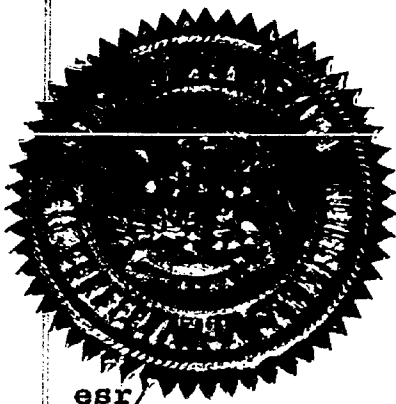
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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



esr/



DRAFT  
OEP:esr  
May 4

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. 1954

Order No. R-1666

APPLICATION OF SHELL OIL COMPANY  
FOR APPROVAL OF AN AUTOMATIC  
CUSTODY TRANSFER SYSTEM IN THE  
SAUNDERS (PERMO-PENNSYLVANIAN)  
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
April 27, 1960, 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, 1960, 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 sub-  
ject matter thereof.

(2) That the applicant, Shell Oil Company, is the owner and operator of the State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to install an automatic custody transfer system to handle the Saunders (Permo-Pennsylvanian) Pool production from all wells presently completed or hereafter drilled on the said State A 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.

IT IS THEREFORE ORDERED:

That the applicant, Shell Oil Company, be and the same is hereby authorized to install automatic custody transfer equipment to handle the Saunders (Permo-Pennsylvanian) Pool production from all wells presently completed or hereafter drilled on its State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico.

~~PROVIDED HOWEVER, That in lieu of installing well-head shut-in valves the lease gathering lines shall not carry a pressure in excess of 50 pounds.~~

~~PROVIDED FURTHER,~~ <sup>HOWEVER</sup> That the applicant shall either install high level safety shut-in switches in the storage tanks which will shut-in the wells at the header <sup>and the well-head,</sup> thus preventing the overflow of oil in the event of malfunction of the equipment, or it shall install <sup>and maintain</sup> sufficient storage capacity to handle one and one-half times the daily lease allowable excluding the capacity of the gun barrel.

PROVIDED FURTHER, That the applicant shall install adequate facilities to permit the testing of all wells on said State A

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CASE No. 1954

Order No. R-\_\_\_\_\_

lease at least once each month to determine the individual production from each well.

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, -----

*June 1954*

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

In the Matter of the Application of  
SHELL OIL COMPANY for an Exception  
to Section (a) of Rule 309 of the  
Commission to Permit Installation  
of Automatic Custody Transfer Equip-  
ment in the E $\frac{1}{2}$ , Section 34, Township  
14 South, Range 33 East, Saunders  
Field, Pennsylvanian Production.

PETITION

SHELL OIL COMPANY hereby makes application for a hearing and order to approve an exception to Section (a) of Rule 309 of the Commission to permit the movement of oil from the Lease hereinafter described without the same being measured in tankage, and to permit the installation of automatic custody transfer facilities thereon, and for the movement of oil from the said Lease to the pipe line connection. The production which is the subject of this application is from the Pennsylvanian formation. The Lease which is the subject of this application is known as Shell's State A Lease, Saunders Field, and covers the E $\frac{1}{2}$  of Section 34, Township 14 South, Range 33 East, N.M.P.M.

Applicant requests that the exception and approval, if granted, cover all present and future production from the said Lease insofar as it covers the Pennsylvanian formation.

Respectfully submitted,

SHELL OIL COMPANY

By

*[Signature]*  
Its Attorney.

*Received  
Mailed  
4-10-54  
[initials]*

CASE 1954: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Saunders (Permo-Pennsylvanian) Pool from all wells presently completed or hereafter drilled on the State A lease comprising the E/2 of Section 34, Township 14 South, Range 33 East, Lea County, New Mexico.

CASE 1955: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Monument Pool from all wells presently completed or hereafter drilled on the State B lease comprising the NW/4 of Section 36, Township 19 South, Range 36 East, Lea County, New Mexico.

CASE 1956: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Townsend-Wolfcamp Pool from all wells presently completed or hereafter drilled on the State ETA lease comprising all of Section 8, Township 16 South, Range 35 East, Lea County, New Mexico.

CASE 1957: Application of Shell Oil Company for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the production from the Denton (Devonian) Pool from all wells presently completed or hereafter drilled on the Priest lease comprising the N/2 of Section 1, Township 15 South, Range 37 East, Lea County, New Mexico.

CASE 1949: Application of Trice Production Company for approval of a "slim-hole" completion. Applicant, in the above-styled cause, seeks an order authorizing the "slim-hole" completion of its Four Lakes State Well No. 1, located in the NE/4 NW/4 of Section 11, Township 12 South, Range 34 East, Lea County, New Mexico, to be completed in either the Pennsylvanian or Wolfcamp formation at a minimum total depth of 10,000 feet.

CASE 1950: Application of Sinclair Oil & Gas Company for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the West Teas Pool production from its State Lea 886 lease consisting of the S/2 NW/4 and N/2 NE/4 of Section 16 with the West Teas Pool production from that portion of its State Lea 6019 lease consisting of the NW/4 NW/4 and SE/4 of said Section 16, all in Township 20 South, Range 33 East, Lea County, New Mexico.

CASE 1951: Application of Texaco Inc. for a gas-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the State "CH" Well No. 1, located in Unit H, Section 36, Township 20 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of gas from an undesignated Atoka gas pool and the production of gas from the South Salt Lake-Pennsylvanian Gas Pool through parallel strings of tubing.

CASE 1952: Application of Texaco Inc. for establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks the establishment of a 476-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the N/2 of Section 4 and the NE/4 of Section 5, Township 24 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the E. D. Fanning Well No. 6, to be located 660 feet from the North and West lines of said Section 4.

CASE 1953: Application of Keohane, Saunders, Welch and Iverson for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hinkle-Federal Well No. 7-B in the Shugart Pool at a point 330 feet from the South line and 2329 feet from the East line of Section 35, Township 18 South, Range 31 East, Eddy County, New Mexico.

Docket No. 12-60

CASE 1945:

Application of Permian Oil Company for an order force-pooling the interests in a 320-acre unit in the Dakota formation. Applicant, in the above-styled cause, seeks an order force-pooling all Dakota formation mineral interests in the 320 acres comprising the E/2 of Section 5, Township 30 North, Range 13 West, San Juan County, New Mexico, the non-consenting mineral interest owners being Raymond H. Walker and Edith Walker, 1250 South Figueroa Street, Los Angeles, California, and Norman Roybark and Rose Ella Roybark, address unknown.

CASE 1946:

Application of J. R. Cone for an exception to the over-production shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Mobil-Myers Well No. 4, Unit I, Section 22

Pan American-Myers Well No. 1, Unit H, Section 22

both in Township 24 South, Range 36 East, Lea County, New Mexico.

CASE 1947:

Application of Phillips Petroleum Company for the establishment of two 80-acre non-standard oil proration units and one unorthodox oil well location. Applicant, in the above-styled cause, seeks an order establishing two 80-acre non-standard oil proration units in the Kemnitz-Wolfcamp Pool, Lea County, New Mexico, each consisting of a portion of the S/2 of Section 25, Township 16 South, Range 33 East. Applicant further seeks approval of an unorthodox oil well location in said Kemnitz-Wolfcamp Pool, the location to be in the center of the NW/4 SE/4 of said Section 25.

CASE 1948:

Application of Humble Oil & Refining Company for authority to commingle the production from several 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 Empire-Abo Pool production from certain leases in Sections 4, 8, 9, 16 and 17, Township 18 South, Range 27 East, Eddy County, New Mexico, all of such leases being in the Chalk Bluff Draw Unit. Applicant also seeks approval of an automatic custody transfer system to handle said Empire-Abo Pool production from all wells presently completed or hereafter drilled on said leases.

DOCKET: EXAMINER HEARING APRIL 27, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe

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

- CASE 1942: Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the Jicarilla Well No. 28-1, located in the NW/4 SE/4 of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation and the production of oil from the Dakota formation through parallel strings of tubing.
- CASE 1927: (Continued)  
Application of J. W. Brown for the establishment of special rules and regulations governing the Brown Pool in Chaves County, New Mexico, to provide for 2½-acre spacing in said pool.
- CASE 1943: Application of Gulf Oil Corporation for a dual completion and for an exception to the tubing requirements of Rule 107. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Apache-Federal Well No. 8, located in Unit D, Section 8, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Otero-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through the casing-tubing annulus and the tubing respectively. Applicant further seeks an exception to certain tubing requirements set forth in Rule 107 of the Commission's Rules and Regulations.
- CASE 1944: Application of Great Western Drilling Company for establishment of a 200-acre non-standard gas proration unit in the Eumont Gas Pool. Applicant, in the above-styled cause, seeks an order establishing a 200-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the E/2 NE/4 of Section 32 and the E/2 NW/4 and NW/4 NW/4 of Section 33, all in Township 19 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to its Bordages Well No. 1 located 330 feet from the North line and 270 feet from the West line of said Section 33.



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H. L. Hurley

Fish NW, Inc.  
"A" 2  
8-11-62

**BEFORE EXAMINER UTZ**  
**OIL CONSERVATION COMMISSION**  
 Appl. EXHIBIT NO. 1  
 CASE NO. 1954

Gulf  
9-21-64Amerada  
HBPTexas  
"BW"

4205 ● -5513  
 D.A.  
 -5843T.D. III-13-53

State

4212 ● -5535  
 -5798-5/2"  
 -5695(21)84h  
 260b/d(11)  
 -5798 T.D. VII-25-59  
 -5788 P.B. 1000 GA

4211 ● -5529  
 -5892-7"  
 -5721(12)88h  
 834b/d(117b)6W(d)(5/8)R-9  
 -5936 T.D. X-6-51  
 -5821 P.B.  
 2-2500 G.A.

4206 ● -5547  
 -5814-5/2"  
 -5616(112/18)72h  
 336b/d(32)  
 -5814 T.D. X-6-51  
 -5821 P.B.  
 2-2500 G.A.

4214 ● -5541  
 -5781-5/2"  
 -5654(69/35)140h  
 243b/d(24/64)  
 -5785 T.D. I-20-59  
 -5788 P.B. 1000 GA

4212 ● -5548  
 -5480-5/2"  
 -5595(178/64)256h  
 241b/d(24/64)  
 -5780 T.D. II-9-58  
 1000 GA

4206 ● -5576  
 -5804-5/2"  
 -5607(114/30)120h  
 302b/d(14)  
 -5804 T.D. II-23-60  
 -5764 P.B. 1750 GA

Fish Northwest, Inc.  
"A"

Shell one  
 NM-1450  
 (600Ac)  
 320Ac  
 P.D.S.  
 "A"

Gulf  
"CK"Fish Northwest, Inc.  
"A"Ame  
"SA"  
41

4216 ● -5544  
 -5800-5/2"  
 -5708(72/54)216h  
 360b/d(32/64)  
 -5800 T.D. XI-27-57  
 -5797 P.B.  
 2000 G.A.

4210 ● -5559  
 -5820-5/2"  
 -5616(34/30)20h  
 261b/d(4885W(12/64)R-1921  
 -5820 T.D. IX-24-57  
 -5797 P.B.

4207 ● -5568  
 -5662-5/2"  
 -5629(17)88h  
 174b/d(44b)W(11/32)R-1465  
 -5663 T.D. XII-10-55  
 -5647 P.B.

4203 ● -5571  
 -5760-7"  
 -5587(11/57)264h  
 888b/d(208W(12/64)R-244  
 -5797 T.D. IX-26-53  
 -5714 P.B.  
 1-8,000 G.A.

4197 ● -5639  
 -5864-5/2"  
 -5737(30)120h  
 300b/d(1585W(24/64)R-39  
 -5883 T.D. II-27-58  
 1000 G.A.

4212 ● -5566  
 -5798-5/2"  
 -5654(34/30)176h  
 240b/d(24/64)  
 -5801 T.D. I-26-58  
 -5768 P.B.  
 3500 GA

4209 ● -5565  
 -5821-5/2"  
 -5616(34/30)176h  
 212b/d(24/64)  
 -5821 T.D. VIII-14-57  
 -5805 P.B.  
 1000 G.A.

4208 ● -5560  
 -5860-5/2"  
 -5616(34/30)176h  
 224b/d(335W(12/64)R-1213  
 -6850 T.D. XI-27-58  
 -6821 P.B. 1000 G.A.

4207 ● -5563  
 -5712-5/2"  
 -5625(24/14)56h  
 213b/d(30W(12/64)R-1621  
 -5737 T.D. IX-9-54  
 -5703 P.B.

Amerada  
"SH"Fish Northwest, Inc.  
Shell-ORR & below  
10,700 "B"  
Shell Can. NM-1291  
320 Ac.  
R.O.S.

4201 ● -5569  
 -5799-5/2"  
 -5586(12/39)166h  
 359b/d(539W(12/64)R-92  
 -5884 T.D. II-17-53  
 -5789 P.B.  
 3-1500 G.A.

4196 ● -5616  
 -5884-5/2"  
 -5754(10/60)240h  
 480b/d(1285W(12/64)R-44  
 -5884 T.D. X-2-56  
 -5874 P.B.  
 4000 G.A.

Gulf

4209 ● -5541  
 -5801-5/2"  
 -5635(26/60)232h  
 274b/d(1/64)  
 -5801 T.D. VII-17-59  
 -5771 P.B.  
 500 G.A.

4202 ● -5564  
 -5722-7"  
 -5653(50)200h  
 392b/d(106b)W(2/4)R-1503  
 -5723 T.D. IX-24-62  
 -5717 P.B.

4204 ● -5564  
 -5717-5/2"  
 -5666(40/18)72h  
 251b/d(1/4)R-1820  
 -5717 T.D. IX-17-52  
 -5685 P.B.

4204 ● -5558  
 -5717-5/2"  
 -5690(5)20h  
 456b/d(1/2)R-1483  
 -5701 T.D. I-21-52  
 -5697 P.B.

4199 ● -5569  
 -5710-5/2"  
 -5596(26/17)68h  
 292b/d(1/6)R-1433  
 -5717 T.D. XI-10-52  
 1500 GA

4209 ● -5561  
 -5653(70)280h  
 213b/d(58W(12/64)R-1243  
 2-6000 GA IX-2-56

4207 ● -5561  
 -5633(20)80h  
 272b/d(17)R-1432  
 2-4000 GA I-10-56

4203 ● -5592  
 -5737(20)80h  
 272b/d(17)R-1432  
 -5708 P.B.  
 -5736-5/2" Lnr.

4203 ● -5592  
 -5737(20)80h  
 272b/d(17)R-1432  
 -5708 P.B.  
 -5736-5/2" Lnr.

4198 ● -5572  
 -5706-5/2"  
 -4182(5883)5/2" Lnr.  
 -584(6)24h  
 880b/d(1/2)R-1207  
 -5701 T.D. XI-11-51  
 -5697 P.B.

4198 ● -5572  
 -5706-5/2"  
 -4182(5883)5/2" Lnr.  
 -584(6)24h  
 880b/d(1/2)R-1207  
 -5701 T.D. XI-11-51  
 -5697 P.B.

M. Saunders

State

James W. Gray

-5694(22)88h  
 83b/d(33b)W(12/64)R-1631  
 2000 GA XI-28-58

4207 ● -5533  
 -5708-4"  
 -5618(28)168h  
 824b/d(51b)R-1753  
 -5708 T.D. X-24-51  
 -5706 P.B.  
 500 G.A.

4205 ● -5540  
 -5701-5/2"  
 -5665(25)100h  
 826b/d(31b)R-1630  
 -5701 T.D. XI-27-50  
 -5690 P.B.  
 500 G.A.

4201 ● -5529  
 -4732-5/2"  
 -5637(32)128  
 1134b/d(13b)R-12  
 -5732 T.D. IX-9-54  
 -5809 P.B.  
 500 G.A.

4196 ● -5569  
 -5662 P.B.  
 -5712(26)104h  
 500b/d(35b)W(12/64)R-1338  
 -5701 T.D. III-5-55  
 -5662 P.B.

Texas  
"AQ"

4208 ● -5534  
 -5696-5/2"  
 -5637(33)132h  
 343b/d(122b)W(12/64)R-1620

4204 ● -5536  
 -5699-5/2"  
 -5666(25)100h  
 1166b/d(11)R-1490

4202 ● -5541  
 -5703-5/2"  
 -5663(30)120h  
 733b/d(51b)R-1528  
 -5703 T.D. XI-7-51  
 -5702 P.B.  
 500 G.A.

4199 ● -5551  
 -5635-5/2"  
 -5671(32)  
 661b/d(1/2)

SHELL OIL COMPANY  
 Roswell Production Division  
 SAUNDERS (PERMO-PENN.) POOL  
 State "A" Lease

E/2, Sec. 34, T14S, R33E  
 Lea County, New Mexico  
 April 25, 1960

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 5-2-60

CASE

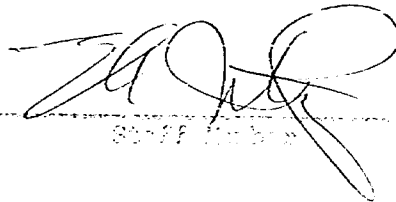
1954

Hearing Date

4-27-60

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

1. Grant Shell's request for an ACT system for their St. "A" lease in the Saunders Oil Pool, consisting of the E/2 sec 34-145-33 E. (Rule 309(a))
2. In lieu of not having W.H. 5 shut in valves the lease gathering lines shall not carry a pressure of more than 50# pressure.
3. In lieu of not having a hi-level emergency lease shut-in feature the lease storage shall be maintained at a minimum of  $1\frac{1}{2}$  times the daily lease allowable excluding the "Luna Barred".
4. All wells are flowing but are choked in order to keep the line pressure down to 50#.
5. Usual ACT order otherwise.

  
SANTA FE, N.M.