

CASE 2105: Application of SHELL for  
permission to commingle Eunice and  
Bumont Pool production.

Case No.

2105

---

Application, Transcript,  
Small Exhibits, Etc.

DRAFT

RSM/esr  
October 20

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CAUSED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 2105  
Order No. R- 1804

APPLICATION OF SHELL OIL COMPANY  
FOR PERMISSION TO COMMINGLE THE  
PRODUCTION FROM SEVERAL SEPARATE  
LEASES AND FOR AN AUTOMATIC  
CUSTODY TRANSFER SYSTEM, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
October 19, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter,  
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 October, 1960, the Commission,  
a quorum being present, having considered the application, the  
evidence adduced, and the recommendations of the Examiner, Daniel S.  
Nutter, 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 is the owner and operator of the  
following-described State leases, located in Lea County, New  
Mexico:

State "M" Lease, consisting of Lots 1, 2, 7, 8,  
9, 10, 15, and 16 of Section 1, Township 21  
South, Range 35 East.

State "L" Lease, consisting of the SE/4 of  
Section 1, Township 21 South, Range 35 East.

State "G" Lease, consisting of Lots 11 and 12  
of Section 6, Township 21 South, Range 36 East.

State "F" Lease, consisting of Lots 13 and 14  
of Section 6, Township 21 South, Range 36 East.

(3) That the applicant proposes to commingle the Eunice Pool production with the Eumont Pool production from all wells on the above-described leases.

(4) That Order No. R-663 authorizes the commingling of Eunice Pool production with Eumont Pool production without the necessity of metering the production from each pool prior to commingling.

(5) That the applicant further proposes to install an automatic custody/<sup>transfer</sup>system to handle the commingled production.

(6) 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.

(7) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, be and the same is hereby authorized to commingle the Eunice Pool production with the Eumont Pool production from all wells <sup>presently completed or hereafter drilled</sup> on the following-described State leases in Lea County, New Mexico:

State "M" Lease, consisting of Lots 1, 2, 7, 8, 9, 10, 15, and 16 of Section 1, Township 21 South, Range 35 East.

State "L" Lease, consisting of the SE/4 of Section 1, Township 21 South, Range 35 East.

State "G" Lease, consisting of Lots 11 and 12 of Section 6, Township 21 South, Range 36 East.

State "F" Lease, consisting of Lots 13 and 14 of Section 6, Township 21 South, Range 36 East.

(2) That the applicant be and the same is hereby authorized to install automatic custody transfer equipment to handle the said commingled production from all wells located on the above-described leases.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described leases at least once each month to determine

the individual production from each well.

PROVIDED FURTHER, 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 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-in the lease production at the wellhead in the event the storage facilities become full.

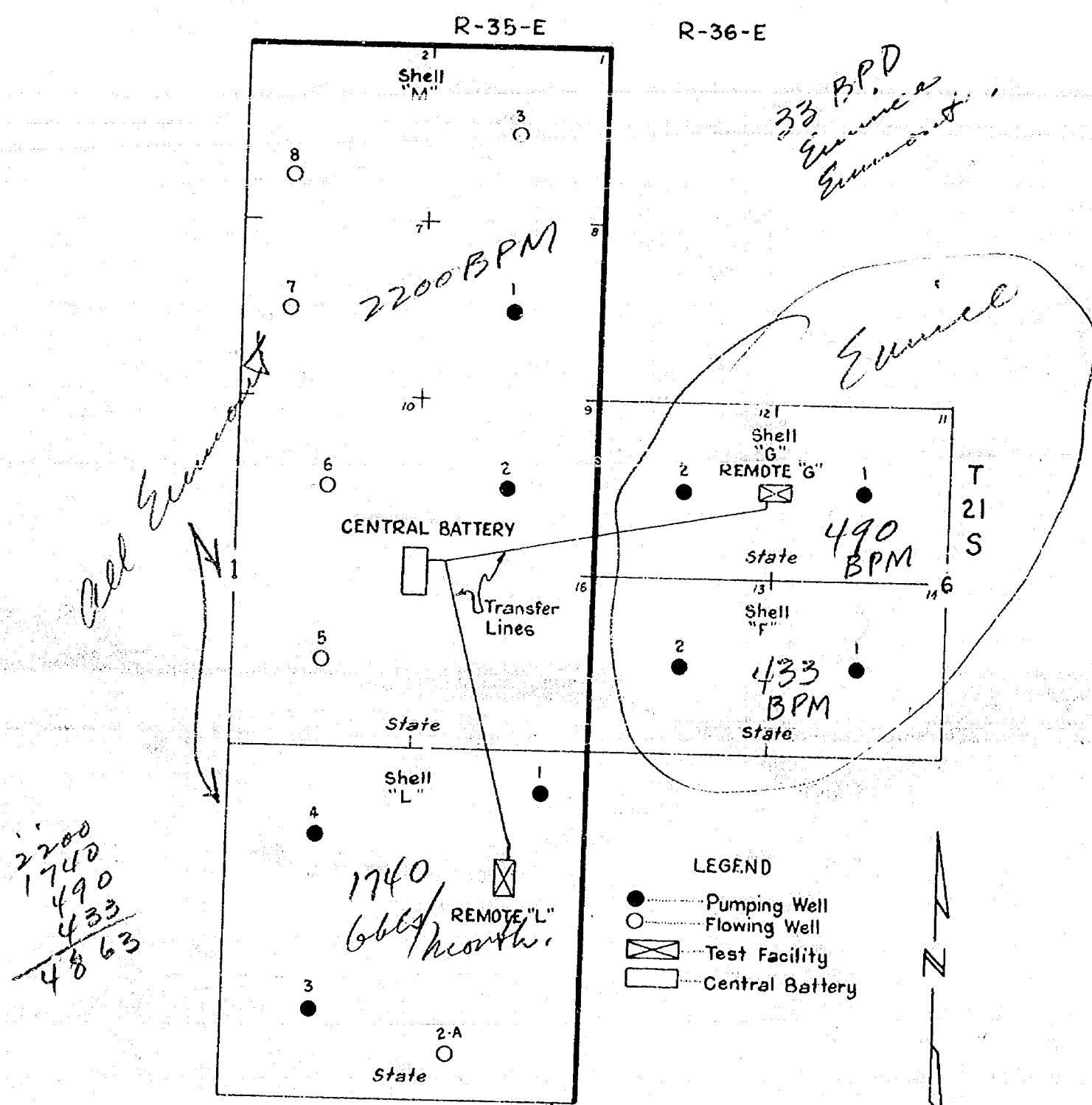
IT IS FURTHER ORDERED:

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.



BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
Shell EXHIBIT NO. 1  
CASE NO. 2105

SHELL OIL COMPANY  
Roswell Division  
Scale: 1"=1000'  
Exhibit I

DOCKET: EXAMINER HEARING, WEDNESDAY, OCTOBER 19, 1960Oil Conservation Commission - 2 a.m., Mabry Hall, State Capitol, Santa Fe, NM

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, Attorney, as Alternate Examiner:

- CASE 2099: Application of Continental Oil Company for 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 Eunice Pool production from all wells presently completed or hereafter drilled on the Meyer B-4 Lease consisting of the E/2 and the E/2 W/2 of Section 4, Township 21 South, Range 36 East, Lea County, New Mexico.
- CASE 2100: Application of Continental Oil Company for 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 Maljamar Paddock Pool production from all wells presently completed or hereafter drilled on the William Mitchell "A" Lease consisting of the N/2 of Sections 19 and 20, Township 17 South, Range 32 East, Lea County, New Mexico.
- CASE 2101: Application of Cities Service Oil Company for an order force-pooling all mineral interests in a standard 80-acre oil production unit. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests within the vertical limits of the Southwest Gladiola-Devonian Pool in a standard 80-acre unit consisting of the S/2 SW/4 of Section 27, Township 12 South, Range 37 East, Lea County, New Mexico. The non-consenting royalty owners include B. F. Turner and wife, George C. Koch and wife, Hugh O. Sears and wife, Harry J. Kaendl and wife, and Clark and Judge Properties, a partnership.
- CASE 2102: Application of Amerada Petroleum Corporation for permission to commingle the production from several separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry, Drinkard, and Fusselman production from all wells on its Ida Wimberley lease comprising portions of Sections 24, 25 and 26, Township 25 South, Range 37 East, Lea County, New Mexico. Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

CASE 2103: Application of Gulf Oil Corporation for an oil-oil dual completion. Applicant, in the above styled cause, seeks an order authorizing the dual completion of its Vinson-Ramsay "B" Well No. 6, located in Unit K, Section 36, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blincbry Pool and the production of oil from an undesignated Tubb Pool through parallel strings of 1½-inch tubing.

CASE 2104: Application of Shell Oil Company for permission to commingle the production from separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Drinkard Pool and Tubb Pool production from all wells located in Section 4, Township 22 South, Range 37 East, Lea County, New Mexico, after separately metering the production from the Tubb Pool only.

CASE 2105: Application of Shell Oil Company for permission to commingle the production from two separate pools from several separate leases and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the Eunice and Eumont Pool production from all wells on four leases in Section 1, Township 21 South, Range 35 East, and Section 6, Township 21 South, Range 36 East, Lea County, New Mexico. Applicant further seeks authorization to install an automatic custody transfer system to handle said commingled production.

CASE 2106: Application of Texaco Inc. for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of the State "BH" Well No. 3, located in Unit E, Section 11, Township 12 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from an undesignated Wolfcamp Pool and the production of oil from an undesignated Pennsylvanian Pool through parallel strings of tubing.

CASE 2107: Application of Pan American Petroleum Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the Denton (Devonian) and Denton (Wolfcamp) Pool production from two wells on the W. H. Fort "A" lease comprising the E/2 of Section 25, Township 14 South, Range 37 East, Lea County, New Mexico, without separately metering the production from each pool.



- CASE 2108: Application of Chambers and Kennedy for an unorthodox oil well location. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Sinclair State Well No. 1 to be located in an undesignated Abo pool at a point 990 feet from the South line and 200 feet from the West line of Section 35, Township 17 South, Range 28 East, Eddy County, New Mexico.
- CASE 2109: Application of Jack S. Reaves for the establishment of a 52-acre non-standard oil proration unit. Applicant, in the above-styled cause, seeks an order establishing a 52-acre non-standard Delaware oil proration unit consisting of lots 3 and 4 of Section 36, Township 26 South, Range 28 East, Eddy County, New Mexico.
- CASE 2110: Application of Chambers and Kennedy for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Monterey State Well No. 3, located 660 feet from the North line and 1650 feet from the West line of Section 32, Township 18 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from an undesignated Yates oil pool and the production of oil from the North Shugart-Queen Grayburg Pool through parallel strings of 2-inch tubing.

1960 SEP 21 PM 3 45

BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
SHELL OIL COMPANY FOR AN EXCEPTION  
TO SECTION (a) OF RULE 309 OF THE  
COMMISSION FOR MOVEMENT OF OIL FROM  
LEASE WITHOUT TANKAGE AND FOR APPROVAL  
OF THE COMMINGLING OF PRODUCTION FROM  
FOUR STATE LEASES INTO A COMMON TANK  
BATTERY IN THE EUMONT AND EUNICE FIELDS  
LOCATED IN SECTION 1, TWP. 21 S., RGE.  
35 E., AND IN SECTION 6, TWP. 21 S.,  
RGE. 36 E., LEA COUNTY, NEW MEXICO.

Case 2105

APPLICATION

Shell Oil Company hereby requests approval for an exception to Rule 309 (a) of the Rules and Regulations of the Commission, to permit oil to be transported from the leases hereinafter described without being measured in tank batteries. The applicant proposes to construct common treating and storage facilities to handle production from the several leases and to thereby commingle production from the leases into common facilities and thereafter handle the production through an automatic custody transfer unit.

The applicant is of the opinion that the approval of the procedure will be in the interests of conservation and that all correlative rights will be protected.

The applicant proposes that production from the following four State leases with common beneficiary, be commingled and after being commingled and treated the automatic unit will transfer the commingled crude. These leases are as follows:

Shell's 8-well State M. Lease, Eumont Field,  
located in Lots 1, 2, 7, 8, 9, 10, 15 and 16,  
Section 1, T-21-S, R-35-E;

Shell's 4-well State L Lease, Eumont Field,  
located in the SE $\frac{1}{4}$  Section 1, T-21-S, R-35-E;

Doyle  
Mailed  
10-5-60

Shell's 2-well State G Lease, Eunice Field,  
located in Lots 11 and 12, Section 6, T-21-S,  
R-36-E;

Shell's 2-well State F Lease, Eunice Field,  
located in Lots 13 and 14, Section 6, T-21-S,  
R-36-E.

WHEREFORE, applicant requests that a hearing be held upon  
this application, and approval be given thereto.

Respectfully submitted,

SHELL OIL COMPANY

By



GOVERNOR  
JOHN BURROUGHS  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
MURRAY E. MORGAN  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY DIRECTOR

P. O. BOX 871  
SANTA FE

October 24, 1960

Mr. William Federico  
Attorney at Law  
Box 828  
Santa Fe, New Mexico

Re: Case No. 2105  
Order No. B-1804  
Applicant:

Shell Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.,  
Secretary-Director

lr/

Carbon copy of order also sent to:

Hobbs OCC x  
Artesia OCC         
Aztec OCC       

Other

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. 2105  
Order No. R-1804

APPLICATION OF SHELL OIL COMPANY  
FOR PERMISSION TO COMMINGLE THE  
PRODUCTION FROM SEVERAL SEPARATE  
LEASES AND FOR AN AUTOMATIC  
CUSTODY TRANSFER SYSTEM, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 19, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 24th day of October, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 is the owner and operator of the following-described State leases, located in Lea County, New Mexico:

State "M" Lease, consisting of Lots 1, 2, 7, 8, 9, 10, 15, and 16 of Section 1, Township 21 South, Range 35 East.

State "L" Lease, consisting of the SE/4 of Section 1, Township 21 South, Range 35 East.

State "G" Lease, consisting of Lots 11 and 12 of Section 6, Township 21 South, Range 36 East.

State "F" Lease, consisting of Lots 13 and 14 of Section 6, Township 21 South, Range 36 East.

-2-

CASE No. 2105  
Order No. R-1804

(3) That the applicant proposes to commingle the Eunice Pool production with the Eumont Pool production from all wells on the above-described leases.

(4) That Order No. R-663 authorizes the commingling of Eunice Pool production with Eumont Pool production without the necessity of metering the production from each pool prior to commingling.

(5) That the applicant further proposes to install an automatic custody transfer system to handle the commingled production.

(6) 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.

(7) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, be and the same is hereby authorized to commingle the Eunice Pool production with the Eumont Pool production from all wells presently completed or hereafter drilled on the following-described State leases in Lea County, New Mexico.

State "M" Lease, consisting of Lots 1, 2, 7, 8, 9, 10, 15, and 16 of Section 1, Township 21 South, Range 35 East.

State "L" Lease, consisting of the SE/4 of Section 1, Township 21 South, Range 35 East.

State "G" Lease, consisting of Lots 11 and 12 of Section 6, Township 21 South, Range 36 East.

State "F" Lease, consisting of Lots 13 and 14 of Section 6, Township 21 South, Range 36 East.

(2) That the applicant be and the same is hereby authorized to install automatic custody transfer equipment to handle the said commingled production from all wells located on the above-described leases.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the

-3-

CASE No. 2108

Order No. R-1804

above-described leases at least once each month to determine the individual production from each well.

PROVIDED FURTHER, 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 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-in the lease production at the wellhead in the event the storage facilities become full.

IT IS FURTHER ORDERED:

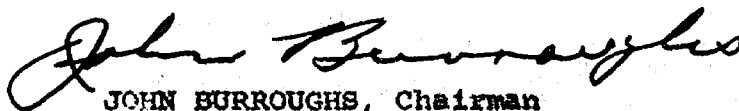
That all meters used in the above-described automatic custody transfer system shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

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."

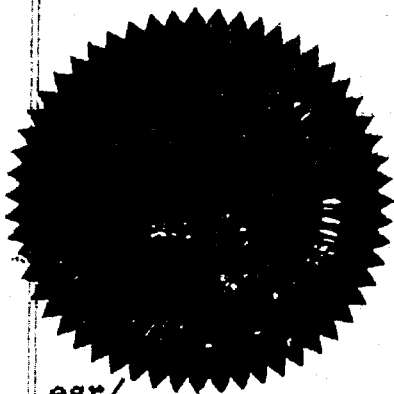
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JOHN BURROUGHS, Chairman

  
MURRAY E. MORGAN, Member

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



esr/

BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 19, 1960

## EXAMINER HEARING

-----  
IN THE MATTER OF:

Application of Shell Oil Company for permission  
to commingle the production from two separate  
pools from several separate leases and for auto-  
matic custody transfer system. Applicant, in  
the above-styled cause, seeks permission to  
commingle the Eunice and Eumont Pool production  
from all wells on four leases in Section 1,  
Township 21 South, Range 35 East, and Section 6,  
Township 21 South, Range 36 East, Lea County,  
New Mexico. Applicant further seeks authoriza-  
tion to install an automatic custody transfer  
system to handle said commingled production.

Case 2105

-----  
BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. MORRIS: Application of Shell Oil Company for per-  
mission to commingle the production from two separate pools from  
several separate leases and for an automatic custody transfer  
system.

MR. FEDERICI: William Federici, Seth, Montgomery and  
Federici. I have one witness, Mr. Bob Sumerwell.

MR. MORRIS: Let the record show that Mr. Sumerwell was  
sworn in the prior case.

R. L. SUMERWELL

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

DEARNLEY-MEIER REPORTING SERVICE, Inc.  
ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691





MR. FEDERICI: Are the witness's qualifications to testify in this case satisfactory to the Commission?

MR. NUTTER: Yes, sir.

DIRECT EXAMINATION

BY MR. FEDERICI:

Q Are you acquainted with Shell's application in Case 2105?

A Yes, sir.

Q Will you state the purpose of Shell's application?

A The four leases in question, which are shown on Exhibit

1 --

(Whereupon, Exhibit 1 through  
2 marked for identification.)

Q (By Mr. Federici) -- I hand you Exhibit 1 and will ask you to explain that to the Examiner.

A The four leases are state leases operated by Shell. The two leases on the right, contain four wells which are producing from the Eunice pay. The two leases on the left, contain eleven wells which are producing from the Eumont pay. Currently, the production is produced into separate tank batteries. However, these batteries are deteriorated or either in need of replacement or commingling. Again, the four leases are marginal production, all the wells are under allowable. Considerable retention time on two of the leases, particularly constitute weathering on leases due to weathering; so Shell's proposal to install two remote facilities which will be test sites at Remote G. and Remote L. The wells from those two

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



points will be tested at those locations. The wells on the M lease or central battery will transfer down to the central battery testing, and we have a proposal to install an A.C.T. unit to transfer the production to the pipe line. Production will be allocated back to each, by monthly well tests. That is what we are proposing.

Q Have you prepared a plat of the proposed consolidation system?

A Yes, sir.

(Whereupon, Exhibit 2 marked for identification.)

Q (By Mr. Federici) I hand you what has been marked as Shell's Exhibit 2 and ask you to state what that is and explain it to the Examiner, what's shown on the Exhibit?

A The left corner is the existing battery serving it, and we propose to take it out and the A.C.T. unit will be added; but the test facilities and the treating system are the same. The Remote G in the right hand corner is proposed, and we are proposing to install a three phase metering separator to test the wells, and then the fluid will be produced on down to the central battery to the heater, and it has treating and testing facilities to test the wells. The transfer lines are under low pressure, we have a relief valve in both the Remotes and are higher than the central battery, so we merely have pressure that is sufficient to buck the head on the counter on the heating system.

Q Does Shell have other installations of this type in

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

operation in New Mexico?

A Yes, sir.

Q Would you state, in your opinion, if this has been successful?

A Yes, sir; they sure have.

Q Is the area involved here fully developed?

A Yes, sir.

Q And did you explain the type of wells?

A They are marked on Exhibit 1. Six of them are flowing wells and I believe nine are pumping wells.

Q And did you state the production of the wells, production rate?

A Yes, sir; I will. The M lease produces approximately twenty-two hundred barrels per month. The L lease produces approximately 1740 a month. The G, 490, and the F lease, 433 barrels per month.

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

A Yes, sir. We expect a total of something like 200 barrels a day to pass through the A.C.T. unit. We have 600 barrels of storage, which would give us approximately three days. I might also state, we have the Land Commissioner's permission to commingle these leases and is all dedicated to a common beneficiary.

Q Have you the approval of the purchaser for this system?

A Shell Pipe Line has approved these specifications.



(Whereupon, Exhibit 3  
marked for identification.)

Q (By Mr. Federici) I hand you what has been marked as Shell's Exhibit 3, and will ask you to state what that is and explain it to the Commission, please.

A From the Surge tank, the oil will come to the suction of the pipe and pass through a BS & W monitor and will divert the bad oil on, if the BS & W exceeds one percent. Item 7 is the diverting valve, which would be energized when excessive BS & W is sensed. Item 3 is a combination strainer and air eliminator. Item 4 is a P.D. meter, item 5 is a back pressure valve and set-stop valve and closes when the pump is not energized. Item 6, this is in essence what we have installed on six leases in the past.

Q Do I understand the system, this is a method for measuring the oil?

A Yes, sir; that is all the A.C.T. unit will do.

Q And eliminates tank batteries?

A Eliminate approximately eight tanks. We have now installed ten tanks, and we expect considerable conservation through shipping the oil directly to the pipe line.

Q Does the system which is proposed to be installed, tend to help loss of volume to the gas?

A Yes, sir.

Q Is the acreage factor in this system of significance?

A To conserve both gravity and volume, which is both money.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Q Tends to prevent waste?

A Yes, sir.

Q In your opinion, will this be in the interest of conservation and the prevention of waste?

A Yes, sir.

Q Were Exhibits 1, 2 and 3 prepared under your supervision?

A Yes, sir; they sure were.

MR. FEDERICI: We offer Exhibits 1 through 3.

MR. NUTTER: They will be admitted.

MR. FEDERICI: That is all I have.

MR. NUTTER: Any questions of Mr. Sumerwell?

CROSS-EXAMINATION

BY MR. NUTTER:

Q Mr. Sumerwell, Remote G uses a three phase metering test separator. The State M. Lease is measured through a volume meter, would you describe what a volume meter is?

A A volume meter is no more than a vessel which we calibrate for a one barrel dump and will meter the production, and we have a sampler, also, to determine the cut. The three phase separator, we are installing; the volume meters we already have installed. We don't propose to change that, but wells F and G are currently tested in the tank without any means of testing; so to modernize this facility, we are going to put in a three phase separator for tests.

Q So the volume meter in effect will be a one barrel dump meter?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691

PAGE 7

A Yes, sir.

Q What is the current top unit allowable for the Eunice Pool?

A Thirty-three barrels per day, I believe.

Q Are any of these four Eunice Pools capable of making top allowable?

A No, sir; they sure are not.

Q The top unit allowable for the Eumont?

A Thirty-three barrels.

Q Are any of the eleven wells in the Eumont capable of making top allowable?

A No, sir; all the wells are marginal.

Q Marginal.

A The Eumont and Eunice, I think some of the M wells are probably capable, but we were penalized on the gas-oil ratio.

Q What is the actual working level in the -- first of all, you have two three hundred barrel tanks on Exhibit 2. Is one of those a Surge tank and the other available storage?

A Yes, sir; it sure is. The first tank there, will be equipped with a pressure switch, which will run the oil to the pipe line, and the second will be equipped with equalizers to handle it.

Q Normally, that second tank would be empty?

A Completely.

Q What are your working levels in the run tank?



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

A They will be two to four feet, very low.

Q What is your available storage, about the four foot level?

A Sixteen foot tanks, twelve feet.

Q So normally, you have three hundred barrels of available storage in the overflow tank, and approximately, how much would you have available --

A -- Approximately, two hundred barrels.

Q Do you have that much capacity in your gun barrel or is that normally full?

A It's normally pretty full.

Q Now, do you provide any kind of lease shut-in device in this installation?

A No, sir; none are proposed.

Q You are relying on the five to six hundred barrels of storage?

A Yes, sir; we are.

Q To take care of production in the event of malfunction?

A More than adequate.

Q What is the maximum unattended time for this lease?

A Sixteen hours. It will be well supervised, the lease operator's doghouse is on that lease, and it will get a little more attention than the rest of the leases. I might point out, take our F lease, for instance, we probably will have only one tank of oil from this lease and will have approximately thirty days weathering time, so this will be considerably reducing weathering and shrinkage.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

Q I see. Now, the M lease at the present time is averaging twenty-two hundred barrels a month?

A Yes, sir.

Q The L, 1740 barrels a month?

A Yes, sir.

Q The G, 409?

A Yes, sir.

Q And the F, 433?

A That is correct.

Q Does that approximately total 4863?

A I haven't any idea.

Q At any rate, that rate of production is less than the sixteen hour total unattended time, as far as your storage capacity is concerned?

A Yes, sir. It's approximately 200 barrels per day that the rate for the four leases -- we have 600 barrel storage, was that your question?

Q Yes, sir.

MR. NUTTER: Any further questions of Mr. Sumerwell?

(No response)

MR. NUTTER: You may be excused. Do you have anything further, Mr. Federici?

MR. FEDERICI: Nothing further.

MR. NUTTER: Does anyone have anything further in Case





(No response)

MR. NUTTER: We will take the case under advisement and take a fifteen minute recess.

(Whereupon, the taking of the hearing was concluded.)

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6691



I N D E XWITNESS:PAGE

R. L. SUMERWELL

Direct Examination by Mr. Federici

2

Cross-Examination by Mr. Nutter

6

E X H I B I T S

<u>Number</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
App 1	2	6	6
App 2	3	6	6
App 3	5	6	6

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, NEW MEXICO

PHONE CH 3-6591



DEARNLEY-MEIER REPORTING SERVICE, Inc.  
ALBUQUERQUE, NEW MEXICO

PHONE CM 3-669

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO )

ss.

I, LEWELLYN NELSON, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 19 day of November, 1960.

Lewellyn J. Nelson  
Notary Public-Court Reporter

My commission expires:  
June 14, 1964.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2105 heard by me on 10/19, 1960.  
[Signature], Examiner  
New Mexico Oil Conservation Commission

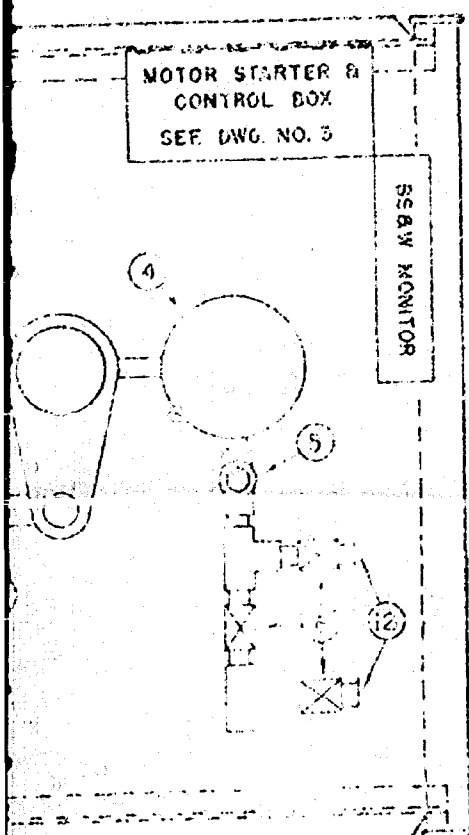


# BILL OF MATERIAL

1. 2" Marlow pump, Model 14 HEL-9 self-priming centrifugal pump, mounted on skid base c/w coupling and 3 HP, 440/220 volt, 60 cycle, three phase, 3600 rpm drip proof motor (to be supplied by Shell Oil Company).
2. 2" inline probe w/monitor, range 0-3% (Gulf Research & Development Company Patent).
3. 1-1/2" Combination Air Eliminator and Strainer w/1/4" mesh screen.
4. 1-1/2" Model T-6 A. O. Smith positive displacement meter w/standard trim, 125 psi, flanged ends, cast iron body complete with No. 109 horizontal non-reset counter to register barrels. Type T electric transmitter geared for 1 pulse per 4 barrels throughput, automatic temperature compensator for 36° API and No. 464 set stop counter (maximum reading 99,999) c/w switch.
5. 1-1/2" Clayton Model 58 E combination back pressure and solenoid valve, spring range 20-80 set at 25 psi or equivalent.
6. 1-1/2" threaded or flanged plug valve (equipped with apparatus for pipe line seal).
7. 2" Clayton Model 136 E valve c/w solenoid or equivalent.
8. 0-100# pressure gage and gage snubber.
9. 3" x 2" screwed swage with 1" collar.
10. 0-180° angle type mercury thermometer in 1/2 inch thermowell.
11. 1" collar.
12. 3" Evertite part "A" coupler, female thread w/dust cup

## NOTES

1. Equipment to be skid-mounted, as close-coupled as practicable and adequately braced.
2. Mount weather proof electrical components on metal rack 2' above skid.
3. Drain piping to be connected to air eliminator and strainer.



SHELL OIL COMPANY  
ROSWELL DIVISION  
MECHANICAL ENGINEERING SECTION

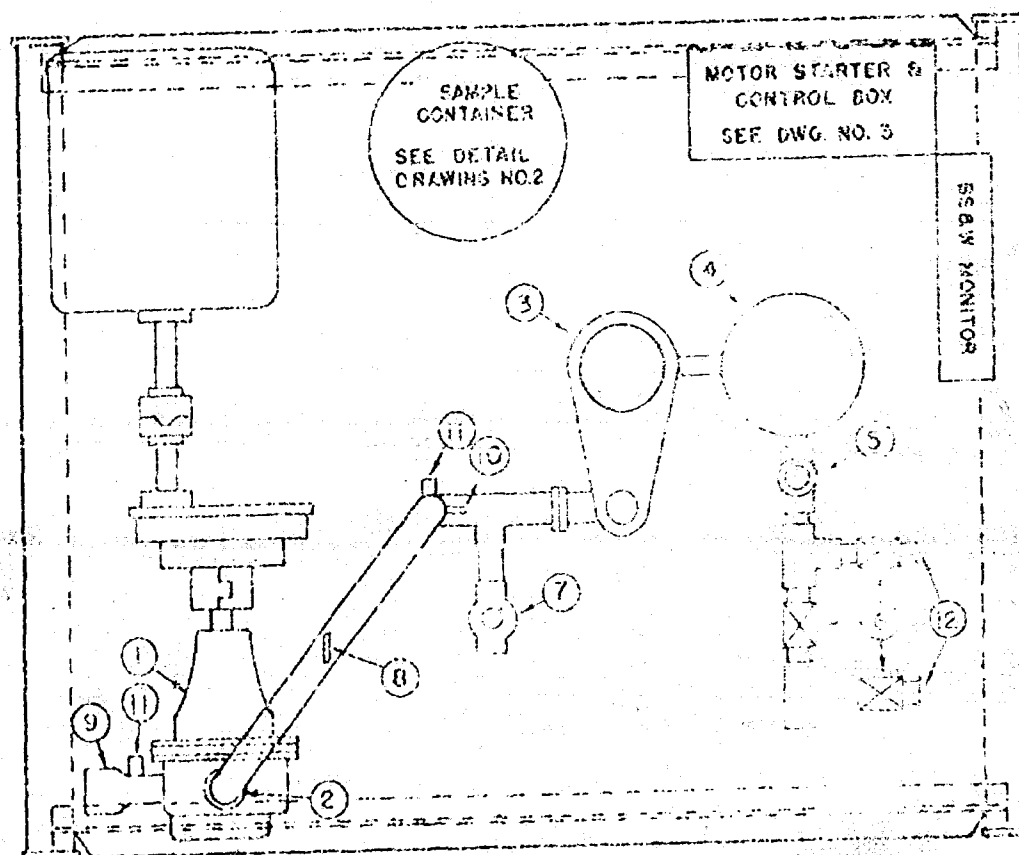
SKID MOUNTED PD METER  
ACT UNIT

*Per 1*

Drawn by: JFJ

Date: 4-12-60

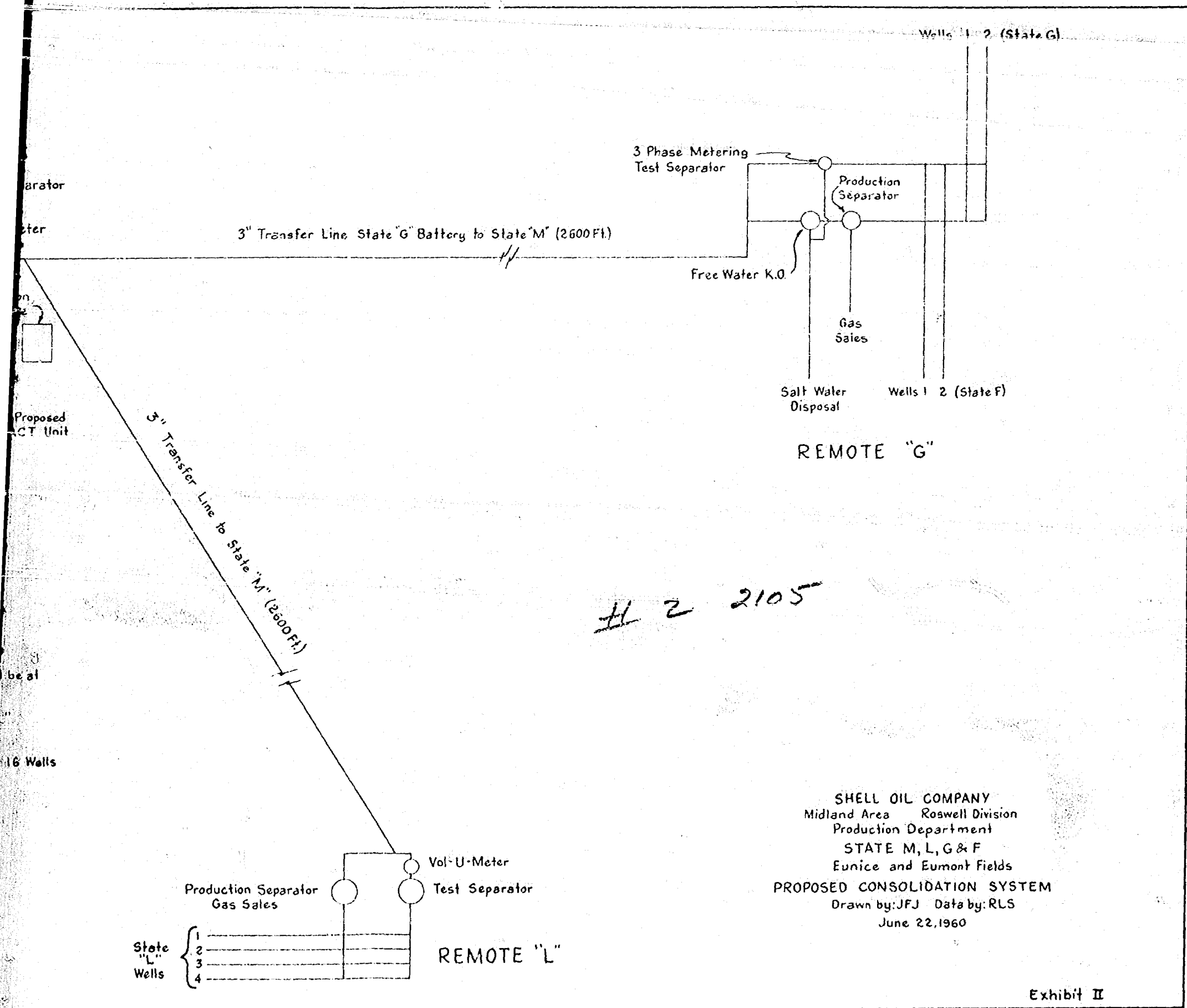
Drawing No. 1



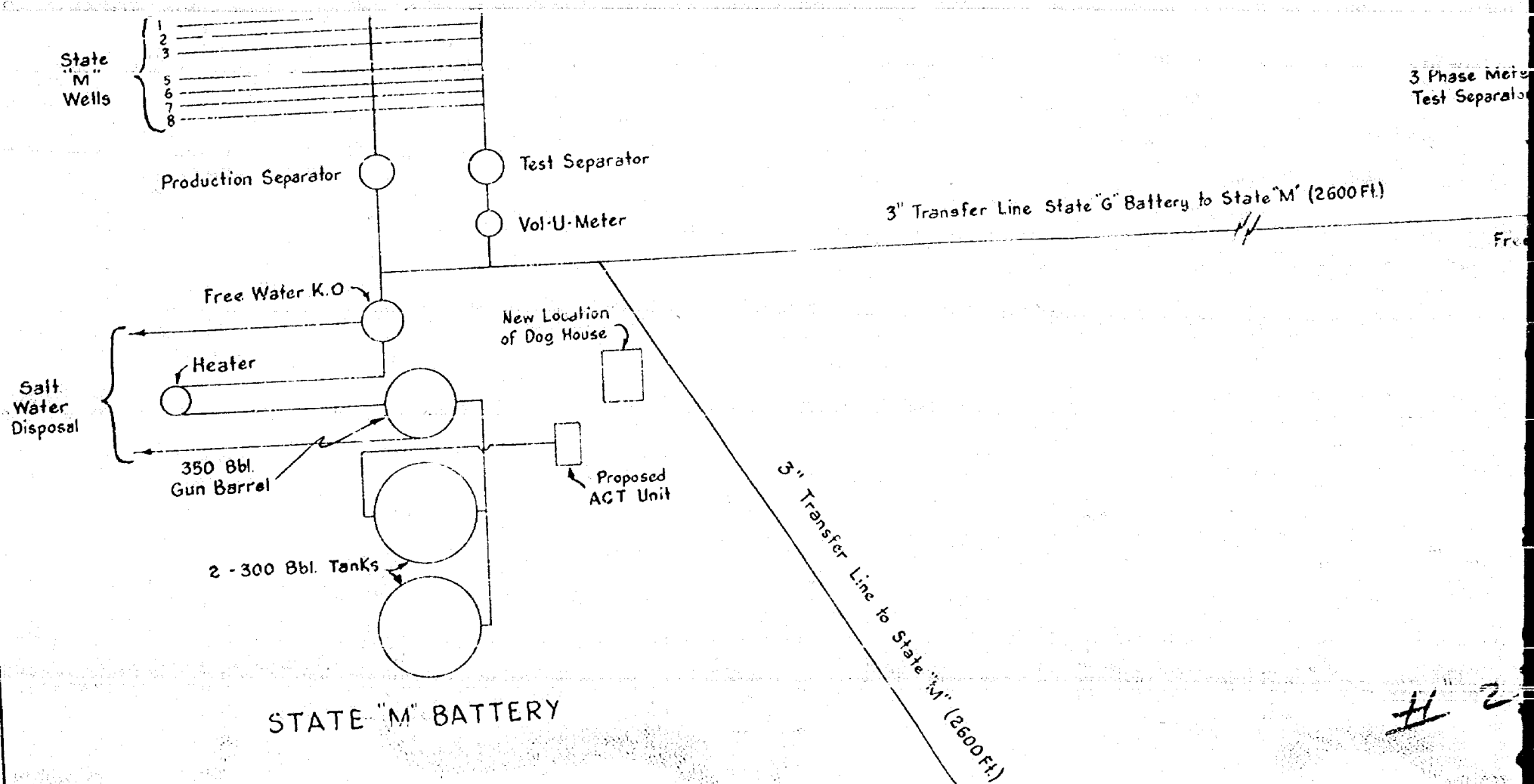
1. 2" Marlow pump, Model 14 HEL-9 set on skid base c/w coupling and 3 HP, 4 rps drip proof motor (to be supplied).
2. 2" inline probe w/monitor, range 0 to 100 (Patent).
3. 1-1/2" Combination Air Eliminator.
4. 1-1/2" Model T-6 A. O. Smith positioner, 125 psi, flanged ends, cast iron body, non-reset counter to register barrels for 1 pulse per 4 barrels through pump, 360° API and No. 464 set stop counter.
5. 1-1/2" Clayton Model 58 E combination spring range 20-80 set at 25 psi on pump.
6. 1-1/2" threaded or flanged plug valve.
7. 2" Clayton Model 136 E valve c/w skid.
8. 0-100# pressure gage and gage snubber.
9. 3" x 2" screwed swage with 1" collar.
10. 0-180° angle type mercury thermometer.
11. 1" collar.
12. 3" Evertite part "A" coupler, female.

1. Equipment to be skid-mounted, as shown and braced.
2. Mount weather proof electrical components.
3. Drain piping to be connected to air line.

# 3 2105

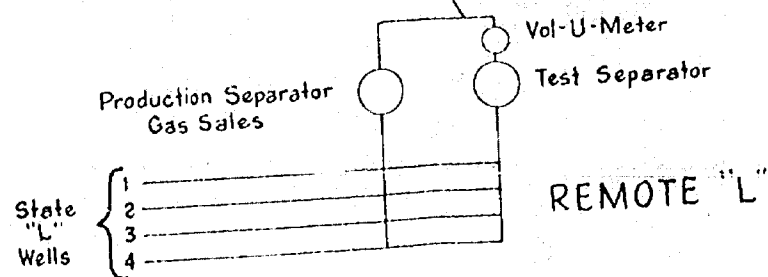


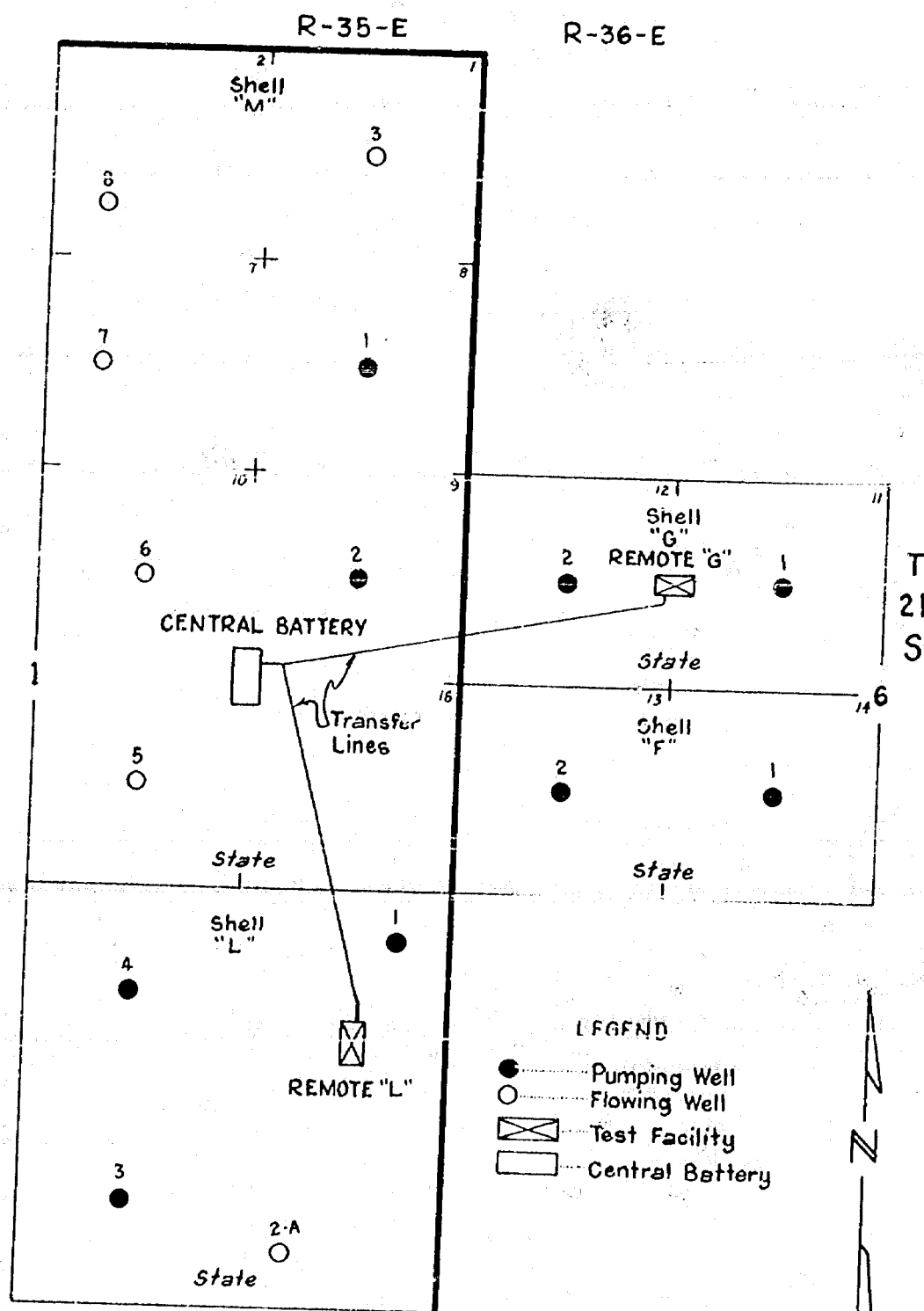
SHELL OIL COMPANY  
 Midland Area Roswell Division  
 Production Department  
 STATE M, L, G & F  
 Eunice and Eumont Fields  
 PROPOSED CONSOLIDATION SYSTEM  
 Drawn by: JFJ Data by: RLS  
 June 22, 1960



Note.

- ① Well Test, Gas Sales, and Salt Water Disposal will be at Remote "G" for the Eunice State "G" & "F" Wells.
- ② Well Test and Gas Sales for the Eumont State "L" Wells will be at Remote "L".
- ③ Treating and Automatic Custody Transfer for all 16 Wells will take place at the State "M" Battery.





#1  
2105

SHELL OIL COMPANY  
Roswell Division  
Scale: 1"=1000'

Exhibit I