

CASE NO. 32

BEFORE THE OIL CONSERVATION COMMISSION
OF
THE STATE OF NEW MEXICO

May 18, 1942

The hearing was called to order by Governor John E. Miles, Chairman of the Oil Conservation Commission of the State of New Mexico, at two o'clock in the afternoon of May 18, 1942, in the Governor's Office, State Capitol, the Commission sitting as follows:

Hon. John E. Miles, Governor of New Mexico, Chairman
Hon. H. R. Rogers, Commissioner of Public Lands, Member
Hon. John M. Kelly, State Geologist, Secretary
Hon. Carl B. Livingston, Chief Clerk and Legal Advisor.

Present:

Roy O. Yarbrough	Oil Conservation Commission	
Barney Cockburn		
H. A. Anderson	Visitor	Chicago
H. L. Sawyer	N.M.Oil & Gas Ass'n.	Roswell
A. D. Wilbur	Humble Pipe Line Co.	Houston, Texas
Sam Sanders		Artesia, N. M.
D. R. McKeithan	Phillips Pet. Co.	Bartlesville, Okla.
Glenn Staley	Proration Office	Hobbs, N. M.
Oren C. Roberts	Murchison & Closuit, Inc.	Artesia, N.M.
Robert C. Anderson	Malco Refineries, Ind.	Artesia, N. M.
Marshall Rowley	Carper Drlg. Co.	Artesia, N. M.
Emery Carper	" " "	Artesia, N. M.
Leo R. Manning	State Land Office	

The Chairman then announced that the Commission is now in session, and called upon the Secretary to read the minutes of the last meeting.

The Secretary thereupon read the minutes of the meetings of April 30th, which minutes were acted upon in executive session.

BY MR. KELLY: I would like to recommend that the Commission take up these things as we go along. The Commission will now be in quasi-judicial session to hear case No. 32. The Attorney for the Commission will read the call.

Whereupon, Mr. Livingston read the call as follows:

"NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following public hearing to be held at the Capitol, Santa Fe, New Mexico:

Case No. 32

The petition of the New Mexico Oil and Gas Association to consider revision of Order No. 410 of the Commission in the following respects: In lieu of Form C-108 and Form C-109, 'the adoption of a form which proposes to consolidate all the information now contained in Form C-108 and Form C-109'. This case is set for 2 o'clock P.M., May 18, 1942.

Any person having any interest in the subject of said hearing shall be entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting April 30, 1942.

Given under the seal of said Commission at Santa Fe, New Mexico, on April 30, 1942.

OIL CONSERVATION COMMISSION

BY (Sgd) John M. Kelly
Secretary."

SEAL

BY MR. LIVINGSTON: The Commission is now ready to proceed upon Case No. 32.

BY MR. SAWYER: (Representing the petitioner) Governor Miles, the Honorable Commission: In connection with the petition of the New Mexico Oil and Gas Association to consolidate Forms C-108 and C-109, I would like to make a brief statement.

The petitioners feel that by the consolidation of these two forms there will be a saving in paper, labor and office work, and I would like to present Mr. Glenn Staley as our principal witness, and he will present the proposed forms.

GLENN STALEY,

being first duly sworn to tell the truth, the whole truth, and nothing but the truth, testified as follows:

BY MR. LIVINGSTON:

Q State your name for the record.

A Glenn Staley, Chairman of the Engineers Advisory Committee for the operators of Lea County, and Deputy of the Oil Conservation Commission.

Q Pardon me -- this is to qualify you and for the record. Please state your experience in the oil business in New Mexico, and in what capacities.

A I have been identified with the oil industry in the State of New Mexico for the past twenty years; educated as a geologist and engineer. In that time I have occupied the position of State Geologist and Proration Umpire for the oil fields of southeastern New Mexico for the past

twelve years.

Some six or eight months ago the Commission adopted Forms C-108 and C-109. These forms are forms required by the State of New Mexico -- the Oil Conservation Commission of the State of New Mexico, to give them information regarding operations by the various oil companies by wells, by leases and by fields in the various companies. At the time they were adopted it was felt one of these forms, at least C-108, would conform to a similar form required by the Federal Government -- that is, the Federal Tender Board; but due to the fact that it was impossible to get printers to use the same form adjusted to scale, it was impossible to make out these forms for the State at the same time they were made out for the Government; therefore, it required extra labor and extra filing space.

The operators also felt, and the Commission felt that this Form C-108 did not give all of the information required by them for their engineering information; due to the fact that the Oil Conservation Commission is founded on the prevention of waste, it is absolutely necessary that all information regarding production be submitted every month, so that they will have knowledge as to how each well, each lease and each field is operating, and the results.

I might explain that it takes into account total gas, total oil, total water, and gas-oil ratio, and whether the gas is being used for gas lift, or whether a well is pumped, flow valves, or any other means of artificial lift.

Some months ago the Lea County Operators Committee were asked by various members -- that is, operators in Lea and Eddy Counties -- to have the Engineers Advisory Committee draw up a form which would be a consolidation of Forms C-108 and 109, that would give the Commission and the Engineering Departments of the companies the adequate information, and do away with one of the forms now required. Such a form was drawn up and sent out to all operators, and I have here a file of the letters from the various companies which I will submit in evidence. (File submitted and marked "Staley Exhibit A")

The vast majority of these are in favor of such adoption. There are two instances where the companies felt that the present

forms should be retained.

BY MR. KELLY: When we tried to adopt a form that would conform to the Federal Tender Board form, wasn't it the concensus of opinion that the Commission could not adopt a form that would conform to the Tender Board form due to the fact that the Tender Board form required the information on a pool basis, and the Commission on a lease basis?

A That is true.

BY MR. KELLY: And that, in itself, prohibited some operators from duplicating direct, did it not?

A Yes, sir.

BY MR. LIVINGSTON: The use of the two Forms C-108 and C-109 entailed more or less unnecessary work which could be eliminated by combining the work of both in one form?

A Yes, sir, that is true. It is a duplication insofar as the company records are concerned, and due to the war we have a shortage of men, and also a shortage of paper, and not only a shortage of paper, but of filing space. It is impossible to buy filing cabinets. If we can cut out one of these forms -- the big major companies, who have a great number of reports to make out, it requires quite a number of extra files.

BY MR. KELLY: Any questions to be put to the witness? If not, the witness is excused.

BY MR. LIVINGSTON: Have you any other witness?

BY MR. SAWYER: No, I think not.

BY MR. LIVINGSTON: Then the petitioner rests?

BY MR. KELLY: Anyone else present who wishes either to make a statement or present a witness? (No one responds)

BY MR. LIVINGSTON: If the Commission please, here is a joint letter from the Skelly Oil Company and George F. Getty, Inc., in which they ask that their reaction be made a matter of record, and I ask leave to introduce the letter as an exhibit. (Marked Exhibit B).

BY MR. KELLY: The Commission will accept the exhibit for the record. If there are no further witnesses, the Commission will take this case under advisement.

We will go back into quasi judicial session, and we would like to have the witness recalled. (Witness is recalled)

BY MR. KELLY: The Commission would like to have you present the form, the combination of C-108 and C-109.

(Witness presents the form, which is marked "Exhibit C")

You introduce this as Exhibit C to the evidence?

A Yes, sir.

Witness excused

BY MR. KELLY: The Commission has now taken this case under advisement, and wishes to inform the New Mexico Oil and Gas Association that it will adopt the form known as Exhibit C in the evidence, as the operator's monthly report, to be used starting the 20th day of next month, which means reporting of production of this current calendar month.

The Commission was unanimous in its decision.

The Commission will have these forms printed and distributed in time for use on the 20th day of next month.

This case can be considered closed.

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C E R T I F I C A T E

I certify that the above and foregoing four and a half pages of typewritten matter are a true, correct and complete transcript of the shorthand notes taken by me at the hearing in Case No. 32 on May 18, 1942, and by me extended into typewriting. Exhibits A, B and C are attached hereto.

WITNESS my hand this 23rd day of May, 1942.


Esther Barton