

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

IN THE MATTER OF: :

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. :

State Corporation Commission
Hearing Room
Capitol Building
Santa Fe, New Mexico
February 25, 1960

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 1888.

MR. FLINT: Case 1888. Application of C. W. Trainer for
off-lease storage of oil production.

MR. UTZ: Are there any other appearances in this case?
If not, you may proceed.

(Witness sworn.)

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C. W. TRAINER

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

DIRECT EXAMINATION

BY MR. FLINT:

Q Will you state your name, please?

A My name is C. W. Trainer.

Q You are appearing here to represent yourself in this case?

A That's right.

Q And you are not a corporation?

A Individual.

Q You are individual?

A Right.

Q Mr. Trainer, will you please proceed with the presentation of whatever information you wish?

A I have the two contiguous eighty acre tracts in the Pearl-Queen area. We will call this Exhibit 1, if we may. Two tracts being the West half of the Northeast quarter, the Rushing lease, and the East half of the Northwest quarter, being the Signal State lease have two wells in the Signal State lease, and one on the Rushing lease. Now, this map shows Shell Oil Company or Shell Pipeline Company's gathering system into the field. I drilled these wells first, and drilled the tank battery for them

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at a point nearest the Shell Pipeline in this. That point is about four hundred and fifty feet east of the west line of the Signal State.

MR. UTZ: Be Southeast Northeast, or Southeast Northwest?

A Yes, and very near the South line. We can call this Exhibit 2. It is a surface plat showing exactly where that tank battery is, and the proposed pipeline. All I wanted to do was locate the battery for the Rushing lease over here on the Signal State lease so that the one pipeline could serve both batteries. There would be no commingling, or no interconnection between any of the tanks, and I have built those batteries under temporary permission from Joe Ramey in Hobbs, and I seek now permanent permission to produce the wells.

Q (By Mr. Flint) Mr. Trainer, the only reason for your application is convenience of operating and delivering this production?

A I'm a little bit embarrassed because when I applied for the hearing, Shell Pipeline told me if I put both batteries over there, maybe they could connect it. Since then, they told me I would have to build it myself. So, I'm going to build it myself. In any event, it is more economic to tie it to one point or it would break even for me because I would have to have low flow lines.

MR. UTZ: What about the royalty interest in these two tracts?

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A This is State and this is fee (indicating). All the interests are different. The tank batteries consist each one of two two hundred ten barrel tanks with separate meter treater with separate lines to the **pipeline**, and connects anywhere, except they will be connected at the pipeline header.

Q (By Mr. Flint) When you do complete this pipeline, or it is completed to your lease, you will still be delivering production from these two leases separately?

A That's right. They will be just as though they were a mile apart or ten miles apart.

MR. UTZ: You have two tank batteries on your State lease?

A That's right.

MR. UTZ: You want to store it, the A. G. Rushing oil on the State lease?

A That's right. You have a Rule, I believe, that says that the oil must be measured on the lease it is produced on, and so what, all I'm asking is permission to measure it on this other lease over there for convenience.

Q (By Mr. Flint) Mr. Trainer, you prepared these two Exhibits yourself?

A Well, John West prepared this one for the right-of-way, and I borrowed this, is Shell Pipeline map, and I spotted my wells on there. There may be some wells that are not shown, but all the pertinent ones--

Q But for the purpose of your application, that portion



of these plats were prepared by you or under your supervision?

A That's right.

Q Would you like to offer these as an Exhibit at this time?

A Yes.

MR. UTZ: Without objection, they will be entered into the record.

MR. PORTER: Mr. Utz, I have a question.

MR. UTZ: Yes.

MR. PORTER: Mr. Trainer, who is the one transporter in the Pearl-Queen Pool?

A Shell Pipeline and trucks.

MR. PORTER: In trucks?

A Yes, I truck mine now.

MR. PORTER: I see. But Shell--is Shell Oil Company the purchaser of all the oil produced in that Pool, or do you know?

A Well, they are not purchasing mine, but they said they would purchase it if I could get the pipeline down there. The Permian Oil Company is purchasing mine, and it is being run in Texas-New Mexico Pipeline over Monument for the account of Tidewater on some kind of a-- There may be a swap-out deal where Shell will work back with Tidewater.

MR. PORTER: In order to connect your tank battery from where it is presently established, how much line would Shell Pipeline have to lay?

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A Four thousand seven hundred eighty-five feet.

MR. PORTER: Who produces most of the oil in this Pool?

A Shell, they have-- Gee, I don't know, but I would say they have fifty wells, or fifty--

MR. PORTER: I see. Thank you.

MR. UTZ: What was the length of that pipeline again?

A It is on that Exhibit 2 you have there, four thousand seven hundred eighty-five feet. See, this is the point of my tank battery, and this is where Shell's big ~~automatic tapping battery~~ is. Shell has offset my lease up here, but they don't have any pipeline connection there because they are going down to this big ~~automatic thing~~. As a matter of fact, they used to have a battery on the Skellan lease and they took up that pipeline when they went in there. That does not have very much bearing on the case.

MR. UTZ: Do they have a gathering system ^{or} those wells?

A Long flow lines. They are producing into one tank down here with meters all of their wells down here.

MR. UTZ: What size line is this going to be?

A Four inch. See, I have to build it to Shell's specifications in order to connect it to their system.

MR. FLINT: But, there are wells in this offsetting lease to the South which produce into the Shell?

A Sure, and to the West too.

MR. FLINT: And to the West?

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A And away on over down here, they're drilling down in here (indicating).

MR. UTZ: Those are gathering lines for an A.C.T. system?

A Yes. Shell used a lot of pipe to get their flow lines to these wells down here (indicating).

MR. UTZ: Are there any other questions?

If not, the witness may be excused.

(Witness excused.)

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

Take the case under advisement.

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C E R T I F I C A T E

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in steno-type and reduced to typewritten transcript by me and/or 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 and Seal, this, the 15th day of March, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
NOTARY PUBLIC

Mv commission expires:
October 5, 1960.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1888, heard by me on Feb. 25, 1960.

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

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