

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 1957

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

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OIL CONSERVATION COMMISSION
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EXAMINER HEARING

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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 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 com-)
prising the N/2 of Section 1, Township 15)
South, Range 37 East, Lea County, New Mexico.)

CASE 1957

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BEFORE:)

Mr. Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: We will proceed to Case 1957.

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

MR. FEDERICI: Same appearances as in Case 1956 in
Case 1957.

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

GEORGE W. OLSON

called as a witness, having been first duly sworn on oath, testi-
fied as follows:



DIRECT EXAMINATION

BY MR. FEDERICI:

Q You are the same George Olson who testified in Case No. 1956?

A Yes, sir, I am.

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

A Yes, I am.

Q And is there any difference between the type of installation proposed in this case as in Case No. 1956?

A No, sir. This installation is identical to the installation discussed in Case 1954 and 1956. This installation, proposed installation will handle the production from Shell's A. R. Priest lease, which is in the Denton (Devonian) Pool, and the lease is located in the North Half of Section 1, Township 15 South, Range 37 East.

Q Now on Exhibit 1 there, will you state to the Examiner the number of wells and other data?

A This proposed installation will handle production from the Devonian wells only shown on this lease. The two Wolfcamp wells are not considered. There are five producing Devonian wells, which produce approximately 710 barrels of oil per day and 180 barrels of water per day. All five wells are pumping wells, which are pumped by gas engines, and there are two top allowable wells on the lease. We have on this lease, on the Devonian tank

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battery, eight 500 barrel tanks; and we propose to keep two 500 barrel tanks on the lease after the installation of the automatic custody transfer unit.

Q Is all production from one lease?

A Yes, sir, I believe it is.

Q And you have Exhibit No. 2 there, would you explain that briefly and is it the same as Exhibit No. 2 in Case No. 1956?

A Yes, sir, it is. It's the same identical proposed automatic custody transfer skid unit.

Q Did you give the production and the type of wells as shown on Exhibit 1?

A Yes, sir. The production is 710 barrels of oil per day and 180 barrels of water per day.

Q With reference to Exhibit No. 3, has the pipe line company been notified of the application?

A Yes, sir, they have, and we have a copy of their letter stating their approval of this installation.

Q Is that the same as Exhibit No. 3 in Case No. 1956?

A Yes, it is.

MR. FEDERICI: If the Examiner please, we offer in evidence at this time the testimony given in the previous Cases 1956 and 1954 insofar as it is pertinent and material to this case.

MR. UTZ: The testimony in Case 1954 and Case 1956 will be accepted into the record of this case.

MR. FEDERICI: At this time we offer in evidence



Exhibits 1, 2, and 3.

MR. UTZ: Without objection they will be accepted.

CROSS EXAMINATION

BY MR. UTZ:

Q You say you have two top allowable wells on this lease?

A Yes, sir.

Q Do you know which wells they are?

A No, sir, I do not know which ones they are.

Q How many total wells did you have?

A We had five total Devonian wells.

Q As far as your storage capacity and your lines and so forth, they're the same as you stated in Cases 1954 and 1956?

A That's correct.

Q Have about the same gathering line pressures?

A Correct.

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

(Witness excused.)

MR. UTZ: Any statements in this case? If not, the case will be taken under advisement.

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