

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
MABRY HALL  
Santa Fe, New Mexico  
June 22, 1960

EXAMINER HEARING

IN THE MATTER OF:	Case 2001
Application of Franklin, Aston and Fair, Inc., for an amendment of Order No. R-1573-A. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1573-A to provide an alternative to the shut-in provisions contained therein as relating to certain leases in the Empire-Abo Pool, Eddy County, New Mexico.	

BEFORE:

- D. S. Nutter, Chief Engineer
- O. E. Payne, General Counsel

TRANSCRIPT OF HEARING

Mr. Nutter: Case 2001.

Mr. Payne: Application of Franklin, Aston and Fair, Inc., for an amendment of Order No. R-1573-A.

Mr. Jennings: My name is Jim Jennings of Roswell and I am appearing on behalf of Franklin, Aston and Fair and we have two witnesses. But before proceeding with the witnesses, if the Examiner would permit it, I would like to make a statement and possibly this will dispense with the testimony as we have heretofore presented testimony in this matter and we move for an amendment to the Order which was entered April 4, and I believe we had a different Examiner at that time. But, briefly, we are here seeking to amend our Order which was entered on April 4, to include the following language: Provided further, however, that in lieu of the



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installation of high level safety shut-in switches in the storage tanks and in lieu of equipment to shut in flowing wells at the well head, Applicant has the alternative of maintaining storage sufficient to accommodate one day's allowable production from all leases connected to such automatic custody transfer equipment, and further that such installation be visually inspected and attended at least once every twenty-four hours.

Since we filed our application, attention has been directed to the recent Order of Application, it's Order No. 1680 and Case No. 1958, and this Order would appear that the application has changed its attitude toward the high level switch and equipment and shut off the wells at the well head. In the event of flow line break where there is adequate storage facilities to handle the lease production during the mass hours during which the lease is unattended and we feel that we have heretofore presented testimony showing that we have a thousand barrels of storage as a facility at the unit and the lease is attended on the seven day basis, and further that assuming that we have a forty barrel unit allowable unit which we hope we will have in the future, that our maximum production would be 639 barrels, which is actually 37 hours of storage, and if we have to look at the facts and go back to the 33 barrel allowable, which we are working, we have 45 hours of storage and if the Commission has changed its attitude we would like to tender an offer, re-offer the testimony in evidence introduced in



this case in Case No. 1929 and ask that it be incorporated into the record by reference. If you desire for us to proceed, Examiner, we are here and ready, and I think the testimony we have heretofore presented presents all those facts.

Mr. Nutter: Which would be in Case No. 1959, and the record of this Case particularly as it relates to maintenance of adequate storage facilities for the unattended times the lease is in operation.

Mr. Payne: We need additional testimony largely contingent on whether the facts are the same now as they were at the time of the original hearing, or whether you have drilled additional wells and you still have the same storage, what is the status?

Mr. Jennings: It is my understanding at the time of the last hearing we completed eight wells and we were completing number nine, and that is all the leases. We have authority to commingle production under our original Order and that those consist of the total number of wells which will be connected to this.

Mr. Nutter: As I understand it, the maximum amount of oil that has been produced into this particular battery would be 639 barrels with the 40 barrel unit that is with the lease being presently developed.

Mr. Jennings: Yes, sir.

Mr. Payne: And, you have how much storage space on the lease?



Mr. Jennings: We have actually 42,000 there now.

Mr. Payne: The installation calls for 2500 as a surge tank and overflow tank, is that correct?

Mr. Jennings: We have a thousand barrels of storage on the lease, which we will maintain there in any event.

Mr. Payne: What maximum length of time is the lease unattended, approximately sixteen hours?

Mr. Jennings: Twenty-four hours. We will proceed if you desire.

Mr. Nutter: I think we ought to go ahead and put the witness on.

(Witness sworn.)

ROGERS ASTON

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

DIRECT EXAMINATION

BY MR. JENNINGS:

For the purpose of the record, these instruments, these Exhibits have been heretofore introduced in the prior hearing. If you would rather than further clutter the record, we can use these by reference to the other, or we can go ahead and have them introduced.

Mr. Payne: We will use them by reference in the prior case.



Mr. Jennings: Then the map is an attachment, one, of Exhibit "A".

Q Would you state your name and occupation?

A Rogers Aston, I am vice-president and general manager of Franklin, Aston and Fair, Inc., Roswell.

Q Mr. Aston, is your company the operator of the lease set out in blue and green and black on the attachment of Exhibit "A"?

A The 940 are operated by Franklin, Aston and Fair, Inc.

Q Who has charge of who supervises the wells?

A Our production superintendent in the local hills camp, Rogers, by name.

Q How often does your superintendent visually inspect the installation?

A An absolute minimum of once every twenty-four hours, but actually, since completion of these wells, he has been spending in excess of half his time in this area on a seven day business.

Q Just how far is the camp from this well?

A Our camp is about thirteen or fourteen miles, about a fifteen minute drive.

Q On the black-top?

A On the black-top, within about one hundred yards, yes.

Q How many men do you have employed there?

A We have employees working on the production phase of our operation.

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Q Are these wells on these leases inspected daily or on a seven day basis, or six day?

A Seven day basis, on our production, and the assistant production superintendent when the production superintendent is not able to be down to the wells himself at any given twenty-four hour period, the assistant superintendent visually checks the wells.

Q Do you have instructions to check them every day?

A They do, and in fact the production superintendent made the statement to me, he said, "I am ready to give under oath that I am at those wells at least twice a day." He lives with them day and night.

Mr. Jennings: I believe that is all the questions we have at this time.

Mr. Nutter: Mr. Aston, the leases that are covered by Order No. R-1573-A are completely developed in the Abo?

A (By Witness) Their 940 are flowing wells.

Q And, at the present time there are two 500 barrel tanks in the battery?

A No, the application that was made under the prior hearing was set up on the basis of two 500 barrel tanks. There are actually in existence at the battery four 500 barrel tanks.

Q Do you intend to leave the four tanks in place?

A We will with the possible prospect of pipeline proration, certain physical limitation to the pumping. On that pipeline, for



the foreseeable future, yes, to say indefinitely into the future we haven't. Whatever is in connection with good oil field practice is what we intend to do to protect that production.

Q There will be a minimum of two 500 tanks?

A There will be a minimum in excess of twenty-four hours of actual storage.

Q Also there will be twenty-four hours of actual storage or more available?

A Yes, sir.

Q Do you wish to modify Order R-1573-A to provide that the operator will maintain adequate storage to hold these productions during the unattended time the lease is on production?

A That is our wish.

Mr. Nutter: Does anyone have any questions of Mr. Aston?

RE-DIRECT EXAMINATION

BY MR. JENNINGS:

Q Mr. Aston, will the installation of the units, other than the two futures which we have discussed, actually comply with the Order of the Commission heretofore, April 4th, 1960?

A Yes, it will.

Mr. Nutter: Any further questions of Mr. Aston? You may be excused.

(Witness excused.)

Mr. Nutter: Do you have anything further, Mr. Jennings?



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Mr. Jennings: No.

Mr. Nutter: We will take the case under advisement, and the hearing is adjourned.

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I N D E XWITNESSES:PAGE

ROGERS ASTON

Direct Examination by Mr. Jennings

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Re-direct Examination by Mr. Jennings

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E X H I B I T S

<u>Number</u>	<u>Exhibit</u>	<u>Marked for Identification</u>	<u>Offered</u>	<u>Received</u>
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(By Reference to Prior Case)

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STATE OF NEW MEXICO )  
                                  ) ss  
COUNTY OF BERNALILLO )

I, LEWELLYN NELSON, 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 9th day of July, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Lewellyn J. Nelson*  
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NOTARY PUBLIC

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. 2001, heard by me on 6/22, 1960.

*[Signature]*  
\_\_\_\_\_, Examiner  
New Mexico Oil Conservation Commission

