

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Edwin R. Anderson.

Q Are you the same Mr. Anderson as in Cases 2187 and 2190?

A Yes sir.

Q Mr. Anderson, are you familiar with the application of Continental Oil Company in Case 2191?

A Yes sir.

Q Would you state briefly what is proposed in this application?

A This is an application for an automatic custody transfer for the Continental Oil Companies' State S-30 lease which is located in the Northwest Quarter and the Northwest Quarter of the Southwest Quarter of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico.

Q How many wells are there located on that lease at the present time?

A One well at the present time.

Q Would you discuss briefly the discussion history of that well?

A This well is known as the Continental Oil Companies' State S-30 No. 1 Well. It was completed January 21, 1961, and its initial potential has 215 barrels of 41.7 degree gravity oil per day and 40 barrels of water flowing through a 106 fourths inch chain.

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tubing presently at 40 pounds per square inch volume and we'll raise that to 1,077.

Q Do you plan to drill any wells on this lease?

A Yes sir.

Q Referring to what has been made as Exhibit Number 1, would you discuss that Exhibit?

A Exhibit Number 1 is a location, an ownership plat, showing the State S-30 lease outlined in red as the State D before the State S-30 lease was located in the Northwest Quarter and Northwest Quarter of the Southwest Quarter of Section 30, Township 17 South, Range 29 East. The proposed location of the battery, which is the point where the automatic custody transfer will take place is shown as a small, red square.

Q Referring to what has been made as Exhibit Number 2, would you discuss that Exhibit?

A Exhibit Number 2 is a schematic drawing of the proposed battery. The production from the State S-30 No. 1 Well or additional wells will flow the Production Separator and then on to the custody transfer Run Tank. There is currently a small amount of water being produced, but the amount is decreasing, and it's expected to cease in the near future. However, a water production, a Heater Treater, will be installed between the Separator and Run Tank, the locations shown as a dashed circle. When additional wells are completed on this lease, a 3 Phase Metering stage Separator will be installed to test each well individually. Production from this Sep-

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arator will reenter the production stream at a point downstream from the Production Separator, or the automatic transfer unit as located behind the Run Tank. The movement of fluid through the transfer unit will be governed by high-low level switches on the Run Tank.

Q Now, would this facility enable you to make the test which is needed by the Oil Conservation Commission in the event that others are drilled?

A The installation of a 3 stage Separator will be able to do this.

Q Referring to Exhibit Number 2 again, would you discuss lease shut-in facilities which will be available on that installation?

A The automatic lease shut-in facilities are shown on Exhibit 2, a high-level shut off switch on the tank closest to the flow line valve which causes the pressure build-up in the flow line actuating the automatic well head and shutting the well.

Q What storage facilities will you have on the installation?

A A 400 barrel Run Tank will also serve as storage.

Q How much time storage will that provide you on the lease at any time?

A Approximately nine days.

Q In the event additional storage is needed, will it be installed if other wells are drilled?

A That's right.

Q What's the expected time on this?

A The maximum should be only about three days.

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Q Referring to what has been made as Exhibit Number 3, will you discuss that Exhibit?

A Exhibit Number 3 is a schematic drawing of the proposed automatic custody transfer unit. I believe it is self explanatory.

Q Is this type of installation the type which is in common use in New Mexico?

A It's in common use by Continental Oil Company in New Mexico, yes.

Q Have you used it on other installations which have been approved by this Commission?

A The same, yes.

Q Who is the purchaser of the oil on this lease?

A At present, we're not sure who the purchaser is; however, it will be either one of two companies, the Service Pipeline Company or the Continental Pipeline Company. Both of these companies have been approved, and both of them have approved the proposed ACT installation.

Q Will connections be available to connect the metering facilities from time to time as might be required by the Commission?

A Yes, they will.

Q Is the proposed custody transfer unit economically feasible in your opinion?

A Yes sir.

Q Would an approval of this application be in the interest of the prevention of economic waste?

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A Yes sir.

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

A Yes sir.

MR. KELLAHIN: At this time, I would like to offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection, Exhibits 1, 2 and 3 will be entered into the record.

MR. KELLAHIN: That is all of the questions I have.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Anderson, in regard to your Exhibit 2, I believe you said you had a high-level shut off switch in your 400 barrel storage barrel tank, is that correct?

A Yes sir.

Q Does that in the event of failure of your normal high-level switch shut off your system at the header?

A I don't quite understand your question. You said the normal high-level shutoff switch?

Q Do you mean a low-level and one high-level switch?

A Well, we have an interval which will. A high-level switch for ACT and an emergency level near the top of the tank.

Q Well, the emergency high-level switch is what I am referring to?

A Yes sir, that sets on the header.



Q So in the event it is necessary for this switch to function, it's a safety switch, and then it would build up considerable pressure in the line between the header and well?

A Yes sir.

Q What type of lines do you propose to put in?

A Standard two inch lines.

Q What kind of pressure would they stand?

A I am not familiar with the exact pressure rating, but I can supply that information.

Q Do you have any intentions of putting a well-head shut on pressure switches on the well head to shut in the well head, or will the well head pressure build up the flow lines?

MR. PAYNE: I believe you testified they had been shut in at the well head, and that is what I was thinking that they were shut in at the well head also.

Q (By Mr. utz) What kind of well-head pressure do you have in this area, would you say?

A No sir, those are the first wells, and maybe the well-head pressure --

Q Is the well completed?

A On completion, it was 450 pounds.

Q What is the allowable on the Empire-Abo Pool now, do you know?

A Something like 62 barrels, I believe.

MR. UTZ: Any other questions?



CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Anderson, inasmuch as you haven't labeled the mechanical features of your Exhibit Number 3, would you trace the flow of oil and name what each one of these is as you go along?

A The flow of oil will enter from the left side of the Exhibit, and what is marked as number one is a CT pump which will send the oil onto what is marked as number 2, which is the Error Eliminator. The oil then passes through the Strainer, which is marked number 3, and through a Loop on which the 3 is and Double Monitor as located, which is marked as number 4. Then through a Diverter Valve, which is marked as number 5, on through the PD Meter, which is marked as number 7. Between the Diverter Valve and PD Meter, a portion of oil is taken in the sample which is marked in number 6. The oil proceeds on through number 9, which is a Shut-in Valve, and number 8, which is a Prover Loop, and passes through number 10, which is a Back-pressure Valve, and immediately in front of the Back-pressure Valve, is what is marked as number 11 and is a high-pressure shutdown control.

Q Any corrosion problems in this area, Mr. Anderson?

A I don't think there is any corrosion in this Abo Pool that I am aware of.

Q Are you aware of any paraffin problems?

A No.

Q I take it that you don't plan to use a corrosion meter

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until the time you encountered any corrosion problems?

A That's right.

MR. UTZ: Any other questions? The witness may be excused.

(Witness excused.)

MR. UTZ: The case will be taken under advisement.

STATE OF NEW MEXICO)
: SS
COUNTY OF BERNALILLO)

I, LA VERNE E. JAMES, 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 13th day of March, 1961.

La Verne E. James
Notary Public - Court Reporter

My commission expires:
January 6, 1965.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2191, heard by me on Feb. 23, 1961.

[Signature]
Examiner
New Mexico Oil Conservation Commission

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