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DEFORE THE
OIE COMSERVATION COMMISSION
STATE OF NEW MEXICO
Santa Fe, New Mexico

TRANSCRIPT OF PROCEEDINGS

CASE NO. 685

Regular Hearing

March 17, 1954

BEFORE THE OIL CONSERVATION COMMISSION STATE OF NEW MEXICO Santa Fe, New Mexico March 17, 1954

IN THE MATTER OF:

Application of the Commission for an order establishing Rule 508 pertaining to the running of Recovered Load Oil; for a definition of Recovered Load Oil; and for the adoption of Form C-126, said form pertaining to the running of Recovered Load Oil.

Case No. 685

TRANSCRIPT OF PROCEEDINGS

WILLIAM B. MACEY

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. YOST:

- Q State your name, please.
- A William B. Macev.
- Q By whom are you employed, and in what capacity?
- A Oil Conservation Commission as Chief Engineer.
- Q You have made a study, and have some information in connection with Case 685?
- A I wouldn't go so far as to say I made a study of it, Mr. Yost.
 - Q You are familiar with it then?
- A Yes, sir, I am familiar with the case. Unfortunately, Mr. Porter, who has spent a considerable amount of time in this matter,

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is not able to be here today, but he has devised a proposed rule, and a proposed form to permit transporting Recovered Load Oil. The Load Oil problem has arisen especially in southeastern New Mexico in the last two and a half years in connection with hydrophyte. I think the form is very appropriate; it is well drawn, and the rule covers every eventuality that might come up, as we see it right now. There is a possibility that over a period of time we may want to add or delete from the rule, but we cannot see any reason why anyone would have any unfair advantage, or that the operators of off-set wells would be hurt on any wells if this rule was followed.

MR. YOST: I would like to have it marked as Exhibit No. 1.

A The exhibit contains both the rule and the form.

MR. SPURRIER: Have the operators had an opportunity to study this form?

A I am almost sure that the form was distributed in the regular mailing list of the Commission. We thought we had a bunch of forms for this hearing. If anyone wants me to read the rule, or take a look at the form, they are certainly welcome to do so.

MR. SPURRIER: Does anyone have an objection to Mr. Macy's proposal and this form?

MR. WALKER: Don Walker with Gulf Oil. We have looked over the form, and we have looked at it from an accounting viewpoint and production standpoint, and we like it.

MR. TOWNSEND: Jim Townsend with Stanolind. We feel exactly the same way.

MR. ABBOTT: W. G. Abbott. We urge the adoption of the rule and also the form. We have studied it, and it looks very good.

MR. SPURRIER: Anyone else? Without objection, we can

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recommend to the Commission that the rule and the form be adopted.

MR. YOST: We want to offer this in evidence.

MR. SPURRIER: Without objection the exhibit will be admitted. Does anyone else have a comment in this case? If not, we will take the case under advisement and go on to Case 686.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, 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 23rd day of March, 1954.

Motary Public, Court Reporter

My Commission Expires:

June 19, 1955.