

County, _____

Township _____ Range _____

Township _____ Range _____

Township _____ Range _____

Township _____ Range _____

Form 104—(Four on Township)

17

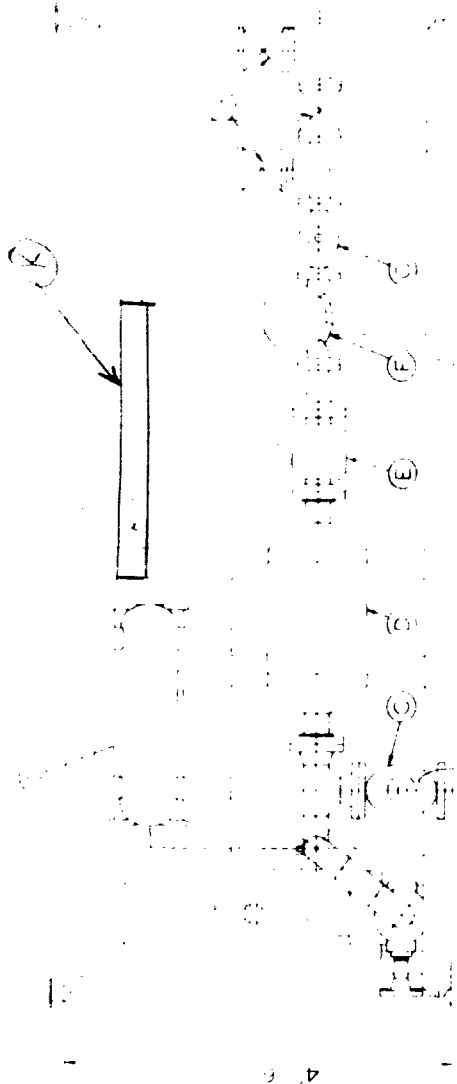
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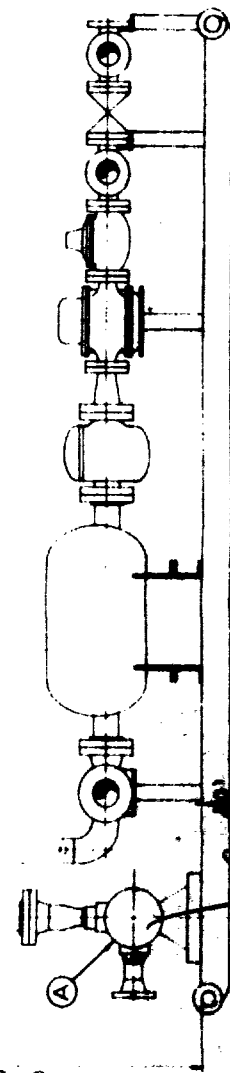
BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 1926



PLAN VIEW



ELEVATION VIEW

ITEM	DESCRIPTION	QUANTITY
1	SMITH INSTRUMENTS INC. MONITOR WITH PROBE	1
2	SMITH INSTRUMENTS INC. VALVE	1
3	SMITH INSTRUMENTS INC. VALVE	1
4	SMITH INSTRUMENTS INC. VALVE	1
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99	SMITH INSTRUMENTS INC. VALVE	1
100	SMITH INSTRUMENTS INC. VALVE	1

K Control Panel

CASE NO. 1926



BASES (CONTINUOUS) CWP	
STANDARD LACT	
UNIT	
STANDARD	
UNIT	

Case No. 1936

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 4, 1960

Mr. S. H. Cavin
Hondo Oil & Gas Company
Box 660
Roswell, New Mexico

Dear Sir:

Enclosed herewith are two copies of Order R-1643 in
Case 1926 issued by the Oil Conservation Commission
this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

lr/

Enclosures: (2)

cc [signature]
[signature]

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 26, 1960

Hondo Oil & Gas Company
Box 660
Roswell, New Mexico

Attention: Mr. J. M. McMinn

Re: Lease No. 1926
Order No. R 1643

Gentlemen:

Reference is made to your letter of April 22, 1960, wherein you state that Hondo Oil & Gas Company is desirous of experimenting with and testing certain types of motor valves which will be installed on the wells connected to the automatic custody transfer system authorized by the subject order.

It is our understanding that prior to the installation of any valves on all of the wells, Hondo wishes to install valves on two wells only and determine their serviceability and reliability during a 90-day test period.

Inasmuch as the subject lease is currently being developed and is in a state of more or less continuous attendance throughout the day, we believe that such a test period for this lease is reasonable.

Hondo Oil & Gas Company is therefore authorized to utilize the automatic custody transfer system for a period of 90 days without installing the valves on all of the wells.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/DSN/og

Hondo Oil & Gas Company

Box 660

Roswell, New Mexico

April 22, 1960

Donald B. Anderson
Vice President

Exploration and Production
Geological - Phil D. Helmig
Lund - H. E. Harrington
Production - J. R. McAllen

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Ref: Case No. 1926

Order No. R-1643

Gentlemen:

Regarding application of Hondo Oil & Gas Company for approval of Automatic Custody Transfer system in the Empire Abo pool, Eddy County, New Mexico, this letter refers to telephone conversation of April 21, 1960 with Mr. Dan Nutter relating to the portion of Order No. R-1643, page 2, which states "PROVIDED FURTHER that the Automatic Custody Transfer system shall be so equipped as to shut-in the flowing wells at the well head in the event of a flow-line break". It has been determined that valves which are surest to work and designed specifically for purpose of shutting in wells due to flow line breaks cost \$400.00 to \$500.00. Of course, 12 wells at \$400.00 per valve for each well would be more money than we could afford. This, in effect, would make the LACT uneconomical.

Therefore, we have been experimenting with motor valves manufactured by Mason Neilson and Black, Sivalis and Bryson at a cost of about \$200.00, and in accordance with said telephone conversation with Mr. Nutter, Hondo Oil & Gas Company requests 90 days to test these two valves, one on each of two wells flowing to our battery to determine their serviceability and reliability.

The above requested 90-day period, we think, would give us time to experiment with these cheaper valves further to satisfy ourselves that they are either satisfactory or not.

New Mexico Oil Conservation Commission
April 22, 1960

Page 2

All of the wells in this battery are equipped with 3½" O.D., A.P.I. line pipe, 7.75 #/ft., continuous weld, black, double random length, plain end, bevelled for welding. We have welded all of these flow lines. This line pipe is subjected to a mill test of 1,000 psig and is the same line pipe which for additional price can be tested to 2,000 psi at the mill. We regret that we did not bring this out at the hearing. Flow lines were not discussed.

Yours very truly,

HONDO OIL & GAS COMPANY

By


J. R. McMinn

DEARNLEY-MEIER REPORTING SERVICE, Inc.

Ada Dearnley, President
Marianna Meier, Sec.-Treas.

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ALBUQUERQUE, NEW MEXICO
P. O. BOX 1092 PHONE CH 3-6691

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STATEMENTS
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CONVENTIONS

Paul Denny
Saveida Gonzales
Laura Moreno
Thomas T. Tomko
Joseph A. Trujillo

April 12, 1960

Executive Secretary:
Rachel Sheffield

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Ida Rodriguez

Dear Ida:

May we please borrow your copy of case 1926 and 1928 held
on March 23, 1960.

Thanks.

DEARNLEY-MEIER REPORTING SERVICE, INC.

BY-

Ada
ADA DEARNLEY

*Copy of transcripts
mailed April 13, 1960
Returned
April 20th YH*

Our Experience Assures Superior Service

MAIN OFFICE OCC

30 AUG 17 AM 9:12

Hondo Oil & Gas Company

Box 660

Roswell, New Mexico

August 15, 1960

7/16/1960

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Attention: Mr. Dan S. Nutter

Gentlemen:

Reference is made to your letter of July 25, 1960, which extended Hondo Oil & Gas Company's 90-day test period for installation of certain equipment required for the operation of our automatic custody transfer system authorized under the terms of Order No. R-1643 to August 15, 1960.

Inasmuch as Order No. R-1643 has been amended to provide for the use of flow-line tested to 1500 psi as an alternative to the other fail-safe features, we are discontinuing our tests on wellhead shutoff valves and assume you will close your file thereon.

Thank you for your assistance and cooperation in this matter.

Yours very truly,

HONDO OIL & GAS COMPANY

By


S. H. Cavin

DEARNLEY-MEIER REPORTING SERVICE, Inc.

Ada Dearnley, President
Marianna Meier, Sec.-Treas.

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May 10, 1960

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HEARINGS
STATEMENTS
EXPERT TESTIMONY
DAILY COPY
CONVENTIONS

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Ida Rodriguez

Dear Ida:

Reference is made to your inquiry concerning Cases 1926 and 1923 which we borrowed in our letter of April 12, 1960.

I am sorry I neglected to send a letter of transmittal when I returned these copies. However, I have marked in my Oil File that they were returned to your office on April 20, 1960.

Sincerely

DEARNLEY-MEIER REPORTING SERVICE, INC.

BY



ADA DEARNLEY

Our Experience Assures Superior Service