

NEW MEXICO OIL CONSERVATION COMMISSION

Oil Conservation Commission

Santa Fe, NEW MEXICO

Examiner Hearing (Daniel S. Nutter)

REGISTER

HEARING DATE May 11, 1960 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
JH Hooper	Gulf Oil Corp	Roswell N.M.
WV Kattler	— — — —	— —
RH Cress	— — — —	— —
Jack Caranagh	— — — —	— —
L.P. White	Bilbaker & Gilbert	Santa Fe
KA Swanson	Artes Oil & Gas Company	Dallas
Worrell Mankin	— — — —	—
Ed Robinson	TEXACO Inc.	MIDLAND
R.M. Anderson	Sinclair	Midland
Hampton	Great Western Oil Co	MIDLAND
Bob Rusty W	Harvey Dow & Hinkle	Roswell
Merrill Watson	Great Western Drilling	Midland
Ray A. ...		Roswell
Raymond Smith	McGrath & Smith	Midland
Jack Campbell	Campbell + Russell	Roswell N.M.

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_____, NEW MEXICO

REGISTERHEARING DATE May 11, 1960 TIME: 9 a.m.

NAME:	REPRESENTING:	LOCATION:
Jason W. Kellali M. C. Shalkom W. J. Withers	Kellali & Fox Olund Packer Pump Co. Texas Petroleum Prod. Co.	Santa Fe, N.M. Hobbs, N.M. Huntington, Texas

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 11, 1960

EXAMINER HEARING

IN THE MATTER OF:)

Application of Texaco Inc., for approval)
of an automatic custody transfer system.)
Applicant, in the above-styled cause,)
seeks an order authorizing the installa-)
tion of an automatic custody transfer)
system to handle the production from the)
Echol-Devonian Pool from all wells on its)
State "AR" Lease, consisting of the N/2)
SW/4 and Lots 3 and 4 of Section 2, Town-)
ship 11 South, Range 37 East, Lea County,)
New Mexico.)

Case 1958

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please.

The first case on the docket will be Case 1958.

MR. PAYNE: "Application of Texaco Inc., for approval of
an automatic custody transfer system."

MR. WHITE: If the Examiner please, Charles White of
Gilbert, White and Gilbert, Santa Fe, New Mexico appearing on be-
half of the Applicant, Texaco Company. We have one witness to be
sworn.

(Witness sworn.)



J. E. ROBINSON, JR.

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATIONBY MR. WHITE:

Q Mr. Robinson, will you state your full name for the record, please?

A J. E. Robinson, Jr.

Q By whom are you employed and in what capacity?

A Texaco Inc. as proration engineer.

Q Have you previously testified before this Commission?

A Yes, sir, I have.

Q Have your qualifications been accepted?

A Yes, sir, they have.

Q Is Texaco the operator of its State "AR" Lease?

A Yes, we are.

Q Will you refer to your ownership plat, Exhibit No. 1, and explain it to the Examiner, please?

A Exhibit No. 1 is a plat of the area surrounding Texaco's New Mexico "AR" Lease. Colored in yellow is our lease, which shows that we have two Devonian wells. Also shown on the plat is the location of the offset wells, all located in Section 2. Sinclair has one offsetting well and Shell has two Devonian wells located on their State "A" Lease with a total of five wells presently



completed in the Echol-Devonian Field.

Q Will you explain your proposed LACT installation, and in so doing, refer to Exhibit No. 2?

A Exhibit No. 2 is a schematic diagram of the proposed LACT battery and the controls. The oil will come down the flow line from the well, go into a ^{metering} free water knockout; from there it will pass into a gun barrel treater and then into a 750 barrel power oil tank which we will use to pump these wells by co-pump and then into the tank A which is a 500 barrel reservoir tank. On tank A we have a boot in which we have located our high and low level switches. When the oil in tank A reaches the high float switch located 12 feet above the ground, the LACT system will go on stream and will continue to put oil into the pipeline until the level of the oil reaches the low level switch, at which time it will shut off.

If the oil is acceptable by the pipeline as it passes through the BS and W monitor probe, it will continue downstream through the LACT system. If it is not acceptable by the pipeline, a three-way valve will shut the stream off to the system and start up a recirculating monitor pump and will pump back the bad oil to the treater until such time that good oil, clean oil is passing through the BS and W monitor and the LACT system will again go on stream.

We have two 500 barrel tanks that will act as reserve tanks in case we would have a malfunction in the LACT system that would prevent

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tank A from overflowing.

At the present time we have two wells which have an allowable of 277 barrels of oil per day. In tank A we have an additional supply of reservoir space of 100 barrels, and then we have the two additional 500 barrel tanks for a total of 1100 barrels storage capacity; at the rate of 554 barrels per day for the two wells this would give us a storage of 1.99 days or 47.7 hours. The maximum time that the lease will go unattended is 41 hours since this lease is pumped by six day pumper.

Q Mr. Robinson, do you anticipate any additional wells?

A No, sir, the lease is fully developed now.

Q You believe this storage is adequate?

A Yes, sir, I do.

Q Now, will you refer to Exhibit No. 3 and explain that, please?

A Exhibit No. 3 is a three dimensional sketch of the custody transfer unit. As shown on Exhibit No. 2, when the oil in the reservoir tank reaches the high flow switch shown on this exhibit by the figure No. 1, the oil will go on stream, it will pass downstream, be picked up by the pump and will pass through the monitor probe which is shown by the No. 9. If the oil is acceptable, it will pass on downstream, go through the three way routing valve. It will pass through a strainer, through a narrow eliminator and then on through the PD meter and on past a back pressure valve,



which will keep a back pressure on the system that will prevent any entrained gas or air from backing out in the oil, thus preventing any malfunction in the meter reading.

This system also has a prover tank which will be calibrated to ASTM standards. It will be a 10 barrel calibrated tank. When we want to prove our meter we will shut the plug valve shown as figure 12, we will open the plug valve 16 and 15, and circulate oil in this system until the system is entirely full of oil. We will then close the plug valve 15 and fill the calibrated tank until it reaches the 10 barrel mark. We will then shut valve 16 and open valve 15 and pump the oil from the prover tank through the PD meter and check our meter reading before and after running a known measured volume and we will thus prove our PD meter in this fashion.

Q In your opinion, is the installation a reliable and economical means of transferring the custody of oil?

A Yes, sir, it is. It has been proven in the past that such an installation is very accurate.

Q Has the same type of equipment in previous installations been approved by the Commission, do you know?

A Yes, sir, very similar applications.

Q Were these exhibits prepared by you or under your direction?

A Yes, sir, they were.

MR. WHITE: At this time we offer Exhibits 1 through 3.



