

BEFORE THE  
OIL CONSERVATION COMMISSION  
September 21, 1960

Examiner Hearing

IN THE MATTER OF:

Application of Pan American Petroleum Corporation for off-lease storage of oil. Applicant, in the above-styled cause, seeks an order authorizing it to store the Empire-Abo Pool production from its Malco "N" Lease (NW/4 and N/2 SW/4 of Section 15) in a separate tank battery to be located on its State "BR" Lease (NE/4 NE/4 of Section 16), both in Township 18 South, Range 27 East, Eddy County, New Mexico.

CASE NO.  
2082

BEFORE:

Daniel S. Nutter, Examiner  
Oliver E. Payne

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: The next case will be 2082.

MR. PAYNE: Application of Pan American Petroleum Corporation for off-lease storage of oil.

MR. NEWMANN: Kirk Newmann, Atwood and Malone, Roswell, representing the Applicant. We have one witness.

ALBERT H. GREEN

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

DIRECT EXAMINATION

BY MR. NEWMANN:



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Q Will you state your name and employment, please, sir?

A Albert H. Green, Petroleum Engineer, Pan American Petroleum, Lubbock, Texas.

Q Have you previously testified before the Commission?

A Yes, sir.

Q Are the witness' qualifications accepted?

MR. NUTTER: Yes, sir. Please proceed.

Q (By Mr. Newman) Would you state the purpose and the reasons for the application in this case?

A Pan American wishes to store production from their Malco "N" Lease which is shown outlined in red on the first attachment of the exhibit, move production from that lease to the adjoining State "BR" Lease which is outlined in green, for purposes of saving investment and gas flow lines and to reduce the operating cost by what would be considered a consolidation and centralization of tank batteries without actually commingling production.

Q What would be the length of the flow line to the offset battery?

A The flow line from the Malco Number 1 Well to the proposed battery as situated will be 1100 feet.

Q Will there be any commingling of production from this Malco 1 "N" Well with other production from other leases or wells?

A No, sir, none whatsoever.

Q Will you refer to the second attachment of the proposed Exhibit and state what it shows, sir?



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A Attachment 2 of the exhibit is a schematic drawing showing the flow routing of production from the two leases involved. The color scheme is presented to coincide with the first attachment. The drawing shows that production from each well enters its respective treater where gas is separated from the oil production, the oil production passes onto the individual storage tank where it is run to the pipe line transporter. The gas production from each lease is shown leaving the treaters, passing through individual gas production meters and onto the gas purchaser.

Q Will you state briefly what your third attachment of the exhibit is?

A The third attachment is consent from the USGS of this off-lease storage proposal.

Q What is your 4th attachment?

A Attachment 4 is approval of the Commissioner of Public Lands for our proposed off-lease storage.

Q Is there any possible way that correlative rights could be effected by this granting of this application?

A In my opinion none whatsoever.

Q Is there any way that waste could be caused by granting of the application?

A No, sir.

Q Would the granting of the application serve to prevent waste?

A Yes, sir, economic waste.



Q Would it also permit the extended production of the well on the Malco "N" Lease by reducing the cost of operating that well?

A Yes, sir.

Q Was this exhibit and attachment prepared by you or under your direction?

A Yes, sir.

Q We offer the exhibit.

MR. NUTTER: Pan American Exhibit Number 1 will be admitted, a bundle of four sheets. Any questions of Mr. Green? Mr. Payne.

BY MR. PAYNE:

Q Mr. Green, there will be no commingling of the production from the two leases, is that right?

A That is correct, no commingling of all your gas production prior to sale.

MR. NUTTER: Any further questions? The witness may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Newman?

MR. NEWMAN: No.

MR. NUTTER: Does anyone have anything they wish to offer for Case 2082? We will take the case under advisement, and recess to 1:15.



STATE OF NEW MEXICO    )  
                                  :  
COUNTY OF BERNALILLO   )

I, LEW NELSON, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of proceedings before the Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me and/or under my personal supervision and that the same is a true and correct record to the best of my knowledge, skill and ability.

Witness my hand and seal this the 30 day of September, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Lew Nelson  
NOTARY PUBLIC

My Commission Expires:  
June 1<sup>st</sup>, 1964

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I N D E X

<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>
ALBERT H. GREEN		
By Mr. Newman	2	
By Mr. Payne		4

<u>EXHIBIT</u>	<u>FOR IDENTIFICATION</u>	<u>OFFERED</u>
Applicant's Exhibit No. 1	4	4

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 2082  
heard by me on 9/21, 1960.

[Signature], Examiner.  
New Mexico Oil Conservation Commission



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