

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
DECEMBER 12, 1960

IN THE MATTER OF:

CASE 2145 Application of Oil Development Company of Texas:
for off-lease storage of oil. Applicant, in :
the above-styled cause, seeks an order author- :
izing it to store the East Crossroads-Devonian :
production from its Santa Fe Pacific Railroad :
Lease (S/2 SW/4 of Section 19, Township 9 South :
Range 37 East) in a separate tank battery to be :
located on its Santa Fe Pacific Railroad Lease, :
Crossroads-Devonian Pool (NE/4 of Section 26, :
Township 9 South, Range 36 East) both in Lea :
County, New Mexico. :

BEFORE:

Elvis A. Utz, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. UTZ: Case 2145.

MR. MORRIS: Case 2145. Application of Oil Development
Company of Texas for off-lease storage of oil.

MR. McCOY: Robert W. McCoy, 1220 Simms Building, Albu-
querque, New Mexico, appearing for Oil Development Company of Texas.
I have one witness, Mr. Examiner, John Major, which I would like
sworn.

(Witness sworn)

JOHN C. MAJOR,

called as a witness, having been first duly sworn, testified as

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follows:

DIRECT EXAMINATION

BY MR. McCOY:

Q For the record, would you please state your name and your occupation and address?

A My name is John Major. Address, Amarillo, Texas. General Superintendent for Oil Development Company of Texas.

Q In connection with your duties of general superintendent for your company, are you familiar with the general operation of your company in the Crossroads and East Crossroads area in Lea County, New Mexico?

A Yes, sir.

Q Please state your professional qualifications?

A I am a graduate petroleum engineer from the University of Oklahoma. I have been a licensed professional engineer with this company for eleven years.

Q Are you familiar with the application filed by your company before the O.C.C.?

A Yes, sir.

(Whereupon, Applicant's Exhibit No. 1 marked for identification)

Q I will ask you to direct your attention to what has been marked Exhibit No. 1, and ask that you explain this Exhibit to the Commission.

A Exhibit No. 1 is a map of the general Crossroads, East

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Crossroads area. The colors on the map indicate common mineral ownership by Santa Fe Pacific Railroad. The different colors represent different leaseholders. Lone Star Producing Company, Socony Mobile Oil Development Company of Texas. Point A is the present location of the tank battery that we would like to move to Point B on the map.

Q Your company is asking for exceptions to Rule 309-A, is it not?

A A portion of that rule, yes.

Q How do you presently operate at Point A, so far as disposal of brine?

A In open pits, unlined dirt pits.

Q In the proposed operation involved in your application, will there be any commingling of oils?

A No, sir.

Q Is it not true that the Royalty owner of both A and B-- is it not true that the owner is common owner of those two leases?

A Yes, sir.

(Whereupon, Applicant's Exhibit No. 2 marked for identification)

Q Now, will you take Exhibit 2, direct your attention to Exhibit 2, please, sir, and explain to the Commission what that purports to represent?

A That is a statement by our company telling what we would like to do. At the present time we are disposing of the water in



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open pits. We would like to dispose of the water on the ground. We belong to a Crossroads salt water disposal system and have received approval from the operator of that system to put this water from East Crossroads into the Crossroads disposal system. We would like to move the tank battery part of its facilities to Point B, which is the tank battery serving its northeast quarter of Section 26, that we may tie the water directly into the Crossroads disposal system. We would like to do that by pumping the total fluid from Well No. 1, 19, down the line, then utilize the pumping capacity of the pump that is on the well as a prime mover, to move this oil and water down the line to a disposal point.

Q Were Exhibits 1 and 2 prepared under your supervision, sir?

A Yes, sir.

MR. McCOY: At this time we move to offer Exhibits 1 and 2 into evidence, Mr. Examiner.

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

(Whereupon, Applicant's Exhibits
1 and 2 were received in evidence)

MR. McCOY: Mr. Major, should the Commission look favorably upon this application, in your judgment, would it result in more efficient operation in your company so far as disposal of this brine is concerned?

A Yes, it would. It would save us money, we will be utilizing power that is already there. To separate the oil and



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water at the present tank battery would require additional receptacles to catch the water and automatic controls to pump it to the Crossroads Field for automation. I think we would have to bring in electricity which is about a mile and a half away. Then, in case the electric power failed, we would be right back to shutting the well in or putting small amounts back in the pit. Under this operation, it is just completely automatic it goes directly to the disposal system.

Q Now, have you made a preliminary study of 1 the cost of your cost in dollars that would be saved to your company by following the proposal outlined in your application?

A Not a detailed study. Preliminary study, we feel on some of the salvage we can affect from the present tank battery we can save between seventeen and twenty thousand dollars.

Q In your judgment, would the granting of this application be in the interest of the O.C.C. Oil Conservation?

A Yes, it is more efficient operation.

Q Insofar as you know, would the correlative rights of any other parts be affected?

A No, there would be no effect.

MR. McCOY: This concludes my questioning, Mr. Examiner.

MR. UTZ: We would like to cross examine the witness.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Major, the oil from the production on your Section



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19 will be separated on your location by your Section 26, is that right?

A Yes.

Q Will that be a buried line?

A We will try to bury it. We have a little difficulty with the land owner in that area. We doesn't like for us get out in his grass. We would like to buty it approximately twelve inches.

Q There will be no connection of any nature between the two leases?

A No physical connection.

MR. UTZ: Any other questions?

BY MR. PAYNE:

Q Mr. Major, if you bury your line, how do you propose to determine if there is a flow line break?

A Just like we do with our other flow line, sir. We have to see evidence of it at the surface.

Q Then you wouldn't bury it over twelve inches, you say?

A No, sir.

Q Now, actually, approval of this application is probably very desirable since you are disposing of your salt water and in the East Crossroads?

A Yes, sir.

Q Therefore, any fresh water might constitute some hazard to them?

A Yes, sir.



Q And the water will, if the application is granted, the water will then be injected into a salt water disposal well?

A Into two disposal wells now operating in the Crossroads Field.

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

(Witness excused.)

MR. UTZ: Any statements?

MORRIS: No statements, Mr. Examiner.

MR. UTZ: Case will be taken under advisement. We will take a ten-minute recess.

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, LLEWELYN NELSON, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript 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 16 day of March,
1960, in the City of Albuquerque, County of Bernalillo, State of
New Mexico.

Laurel Lynn J. Nelson
NOTARY PUBLIC

My Commission expires:

June 14, 1964

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2195, heard by me on Dec. 12, 1960.
Thos. G. Mc, Examiner
New Mexico Oil Conservation Commission

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