

**Amoco Production Company and International Union of Operating Engineers, Local 670, AFL-CIO, Petitioner. Case 16-RC-5824**

October 3, 1972

**DECISION AND DIRECTION OF ELECTION**

BY MEMBERS FANNING, KENNEDY AND PENELLO

Upon a petition duly filed under Section 9(c) of the National Labor Relations Act, as amended, hearings were held on October 22, 1971, and January 5, 6, and 20, and May 24, 1972, before Hearing Officer Evert P. Rhea of the National Labor Relations Board. Following the hearings and pursuant to Section 102.67 of the Board Rules and Regulations and Statements of Procedure, Series 8, as amended, and by direction of the Regional Director for Region 16, the case was transferred to the Board for decision. Thereafter, a brief and a supplemental brief were filed by the Employer.<sup>1</sup>

Pursuant to the provisions of Section 3(b) of the National Labor Relations Act, as amended, the National Labor Relations Board has delegated its authority in this proceeding to a three-member panel.

Upon the entire record in this proceeding, the Board finds:

1. The Employer is engaged in commerce within the meaning of the Act and it will effectuate the purposes of the Act to assert jurisdiction herein.

2. We find that the Petitioner and Intervenor<sup>2</sup> are labor organizations within the meaning of the Act who claim to represent certain employees of the Employer.

3. A question affecting commerce exists concerning the representation of the employees of the Employer within the meaning of Sections 9(c)(1) and 2(6) and (7) of the Act.

4. The Petitioner and the Intervenor seek a unit of full-time, hourly rated, limited hour, field and plant employees, employed by the Employer in its Oklahoma City Area and subareas in the Oklahoma City Area. The Employer contends in substance that only a divisionwide unit of employees is appropriate for purposes of collective bargaining.

Amoco Production Company, a Delaware corporation, is engaged in the exploration for and production of oil and gas. The Employer's principal office is in Tulsa, Oklahoma. Its operation is divided into three divisions: New Orleans, Houston, and Denver. Each division has two operating departments, exploration

and producing.

The Denver Division, involved herein, is under the supervision of a vice president and division manager located at the division headquarters in Denver, Colorado. The Denver Division is divided into three producing department districts, North, South, and Southeast. In turn, these districts are divided into geographical areas, each of which embraces a number of oil and gas fields. The areas are divided into subareas. The Southeast District is composed of the Liberal Area and, the area involved herein, the Oklahoma City Area.

The Oklahoma City Area maintains an office in Oklahoma City, Oklahoma. The area is divided into three subareas; namely, Watonga, Fault Block, and Countryline. The production at Watonga is primarily gas production; production in Fault Block and Countryline is oil production.

The hierarchy of the Oklahoma City Area is headed by an area superintendent who is responsible for the operations within the area. Under the area superintendent and working in the three subareas are area foremen, field foremen, and gang foremen, all in a supervisory capacity. These foremen direct the work of the various hourly rated employees working in the subareas. The area superintendent reports to the district production superintendent who, in turn, reports to the division production manager.

The Employer states that the functions of the division administrative unit necessitate centralized managerial control by the division office. The Employer further states that the division manager has full authority with respect to collective-bargaining matters within the division and that working conditions are uniform throughout the division. Therefore, the Employer contends that only a divisionwide unit would be appropriate.

However, the record indicates that personnel matters are frequently disposed of at the area level. Applications for employment are normally given to a field foreman or the area superintendent. Although hiring is done pursuant to a division personnel forecast, the decision as to who will be hired is made at the area level. The area superintendent then sends to the division office a form indicating the selection of a new employee. There is no evidence in the record that the district superintendent has ever overruled a decision as to hiring made at the area level.

Grievances are filed by employees with their immediate supervisors. Such matters are usually resolved at this local level. If necessary, the grievance is forwarded to the area superintendent to be resolved. A grievance remaining unresolved may be forwarded to the division office. However, the record indicates that division personnel are seldom involved with grievances.

<sup>1</sup> Inasmuch as the record adequately presents the issues and positions of the parties, the Employer's request for oral argument is hereby denied.

<sup>2</sup> Amoco Production Employees Federation.

Transfers and promotions of hourly rated employees within the Oklahoma City Area are made by the area superintendent. Interarea transfers and promotions are made at the division level. In regard to the interchange of hourly rated employees in and out of the Oklahoma City Area, the record reveals that during the past 3 years and in a unit of approximately 90 hourly rated employees, there have been 11 permanent transfers. Eight of these transfers were for company convenience. The record discloses that temporary transfers between areas occur occasionally but not on a regular basis.

The Employer adduced evidence to indicate that the Oklahoma City Area is in a state of depletion<sup>3</sup> and that the area's boundary may thus have to be altered. However, there apparently are no definite plans to change the boundary line of the area. Further, the record indicates that by 1977 the rate of depletion may have affected only about 10 employees within the area.

We conclude that the Employer is not administratively so centralized in its producing operations as to require, as the Employer urges, a finding that only a divisionwide unit of employees is appropriate for the purposes of collective bargaining. Neither do we find that the rate of depletion within the Oklahoma City Area is so significant as to preclude a finding that the area unit is appropriate. Within the Denver Division

of this Employer, the Board has previously found an area unit to be appropriate. See *Pan American Petroleum Corporation*, 179 NLRB 180, enf. 444 F.2d 328 (C.A. 10), cert. denied 404 U.S. 941. There is no history of divisionwide bargaining for the Denver Division and even assuming that the divisionwide unit is an appropriate unit, no union seeks to represent these employees on such basis. Section 9(b) of the Act directs the Board to "decide in each case whether, in order to assure employees the fullest freedom in exercising rights guaranteed by the Act, the unit appropriate for purposes of collective bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof . . ." We find that the hourly rated employees within the Oklahoma City Area constitute a stable and identifiable group of employees with common interests. Accordingly, we conclude that the area unit sought by the Petitioner and the Intervenor is appropriate.

We find the following employees of the Employer constitute a unit appropriate for purposes of collective bargaining within the meaning of Section 9(b) of the Act:

All full-time, hourly rated, limited hour, field and plant employees, employed by the Employer in its Oklahoma City Area and subareas in the Oklahoma City Area; excluding all other employees, working foremen, office-clerical employees, supervisors, guards and watchmen as defined by the Act.

[Direction of election and *Excelsior* footnote omitted from publication.]

<sup>3</sup> "Depletion" is defined by the Employer to mean a predicted irreversible decline in oil and gas production, which is evident in advance of complete exhaustion of supply