

CASE 2133: Application of HUMBLE OIL  
CO. for an automatic custody  
transfer system and for exception to  
RULE 309 (a).

Case No.

2133

Application, Transcript,  
Small Exhibits, Etc.

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
NOVEMBER 30, 1960

IN THE MATTER OF:

CASE 2133 Application of Humble Oil & Refining Company for :  
an automatic custody transfer system and for an :  
exception to Rule 309 (a). Applicant, in the :  
above-styled cause, seeks permission to install :  
an automatic custody transfer system to handle :  
the Gallup production from an undesignated Gallup :  
pool from all wells presently completed or here- :  
after drilled on its Navajo "L" Lease consisting :  
of all or portions of Sections 25, 26, 35 and 36, :  
Township 29 North, Range 14 West, San Juan County, :  
New Mexico. :

BEFORE:

Daniel S. Nutter, 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. NUTTER: Case 2133.

MR. MORRIS: Case 2133. Application of Humble Oil & Re-  
fining Company for an automatic custody transfer system and for an  
exception to Rule 309 (a).

MR. BRATTON: Howard Bratton, appearing on behalf of the  
applicant. We have one witness, Mr. Lee Perry. I will ask that  
the record show he has already been sworn.

LEE N. PERRY,

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

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PHONE CH 3-6691

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as follows:

DIRECT EXAMINATION

BY MR. BRATTON:

Q You are the same Lee Perry who testified in Case 2132?

A Yes, sir.

Q You are familiar with the area and the installation proposed in Case 2133?

A Yes, sir.

Q What is the purpose of the application in Case 2133?

A We wish to obtain an exception to Rule 309 (a) for permission to store the production for more than sixteen wells in common tankage, and permission to use automatic custody transfer for the production from all present and future wells producing from an undesignated Gallup pool, which, by the way, is the same area I believe you will have under advisement in the extension of the Chacha Gallup. This is on Humble's Navajo "L" Lease and six miles south, southwest in Farmington, San Juan County, New Mexico.

(Whereupon, Applicant's Exhibit A was marked for identification.)

Q This is reflected on Exhibit A, Mr. Perry?

A Yes, sir, the Navajo "L" Lease is shown in yellow on Exhibit A. However, we are only concerned at this hearing with the northern part, Sections 25 and 26, 35 and 36, Township 29 North, Range 14 West. As I said, the proposed extension of the Chacha Gallup cuts diagonally across these four -- diagonally south-

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east across these four sections. The producing wells at the present 1, 2, 3 and 4 and 5. I suppose to show that 5 is also a producer as of now, are shown in black on Exhibit A, and the tank battery in the south part of Section 26.

Q Are wells 6, 7 and 8 currently drilling?

A 6 is probably in the process of being completed. We've already set casing on it, and looks like it will certainly be a good full well. We should be moving in on 7, and 8 will come next.

Q Why did you complete an automatic custody unit here, Mr. Perry?

A If the extension of the Chacha Gallup is approved, our lease here will produce something like 2500 barrels per day, which we require, according to our rule of 410 10,000 barrels tankage, conventional operation with the automatic custody propose two 2500-barrel tanks to be adequate. A certain amount of cleaning loss in the tanks will be avoided by using automatic custody transfer, and labor for both the operator and pipeline company in rather distant areas will be reduced.

(Whereupon, Applicant's Exhibit B was marked for identification.)

Q Refer to Exhibit B, Mr. Perry, and explain the type of automatic custody transfer unit proposed.

A The automatic custody transfer unit we are proposing to use is a very conventional unit. To begin with, let me direct you to just run through it here. If you start there at the top left,



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the flow lines come in to the header, and production will move to the right, through the lease shut-in valve, through the separators and into a 500-barrel surge tank. From the surge tank the oil moves to the LACT down at the bottom left. This movement will be controlled by high-low pressure liquid level controller shown as Item No. 11 there over at the left edge of the automatic custody transfer unit. The high-low pressure switch would start the charging pump and open initial valve 9, the combination back pressure and shut-in valve no. 9 at a preset high level in the surge tank. The same high-low switch would stop the charging pump and allow the pump to lose oil, would proceed through the conventional equipment shown on this Exhibit B; same thing, normal monitor, same diverting valves wouldn't go that way through the strainer, through the devisory meter and sampler to the pipeline connection at the right if the oil is good. When the BS&W contents exceeds the limit set, the Monitor No. 3 there would open the diverting valve No. 5 and route the production of the bad oil back to the bad oil tank where it would be manually treated and returned to the automatic custody transfer unit. We provide an equalizer line between the surge tank and the bad oil tank and a major high level shut-in switch the 15th will be installed on the bad oil tank. This would prevent overflow and waste in the event of equipment malfunction or bad oil by shutting in the lease shut-in valve No. 14.

Q Mr. Perry, is that equipment which you propose here in common useage, has its reliability been established?



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A Yes, sir. There are numerous very similar systems in operation throughout New Mexico. Several in the Farmington area itself. As a matter of fact, that is one reason we chose the particular equipment we did. We have -- we will have a corrosion resistant meter, although this production here is not particularly corrosive. Both the diverting valve and the combination valves 5 and 9 as well as the lease shut-in valves normally closed, so that in the event of power failure the automatic custody transfer unit would be shut in. The area, Four Corners Pipeline Company, has approved our proposal and are willing to prove and maintain the automatic custody transfer equipment.

Q Do you have anything further you would care to explain about the system, Mr. Perry?

A I believe it pretty much a conventional system. Any other questions? I would be glad to answer them.

Q Were Exhibits 1 and 2 prepared by you?

A Yes, sir.

## CROSS-EXAMINATION

BY MR. PAYNE:

Q Your application here is for all of Sections 25 and 26 and 35 and 36, is that right?

A Yes, sir.

Q For all wells presently drilled or hereafter completed?

A Yes, sir.

MR. PAYNE: Thank you.



BY MR. NUTTER:

Q Mr. Perry, in the event that the monitor No. 3 detects bad oil, it opens up the diverting valve No. 3. It's also got to close the valve some place?

A It would also, if I left that on automatic, would close the back pressure of the combination valve here, No. 9.

Q Then that oil goes into the bad oil tank?

A Yes.

Q No automatic treating facility?

A No, sir.

Q Oil would accumulate in the bad oil tank until it either reached the high level switch in the bad oil tank or until the switcher came out on to the lease?

A That's right.

Q The whole thing is, when we reach a point where we are anticipating water production or bad, unacceptable oil, we will install treating facilities?

A That would take care of this. This bad oil tank, actually, we feel it would be more of a use in the event of equipment malfunction. We don't anticipate bad oil and when, and until a certain time, and when we do, well, we will put in treating facilities.

Q This might be a more or less just a storage for the present time with the LACT for some reasons of malfunction?

A That's right. We feel like we should be left when we proved to ourselves that this equipment is in good shape, it's going

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to operate, and when we get treating facilities in we would actually take out one of these tanks. At that time there will be plenty, also plenty of places for using tanks. We would like to be left with that possibility.

Q Well, now, at the present time you are planning to put the bad oil tank in?

A Yes, sir.

Q You have both?

A Three balance tanks in and we'll leave three tanks in for a little while. As I say, that is, up there, it's not too far from Farmington, but Farmington is a long ways from anything else. We would like to have plenty of storage there until such time as we do satisfy ourselves that everything is going to work just fine.

Q What's the interval of surge tank when the high and low level pressure switches?

A We can set that any way we want to by using this high-low pressure switch. My intention is to set it about 3 feet above the pipeline connection and have about a 6-foot interval between that and the high switch, something like 200 barrels.

Q 200 barrels and normally the bad oil tank would be empty?

A Yes, sir.

Q Some 700 barrels of storage in all probability?

A Yes, sir. You would have 700 -- no, you would have all but 3 feet of the surge tank actually because you would have to fill up this surge tank to get to the overflow line.



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Q I see. You stated when this lease is fully developed, if this other pool down to the southeast is extended to include it, you would have a production of how much per day?

A Well, say, fifteen fields would be 2500 barrels, as I believe that's right. One time I figured it out 164, about 2300, closer to 2300.

Q Sixteen wells or seventeen wells, it's just according to how the development goes along?

A You all refer to that case and know we are reaching in that direction. We just don't know where it's going to stop.

Q So, in all probability, if you had a malfunction of the LACT, and had full development of the lease here, you would within a period of twelve or thirteen hours probably fill all of the available storage and have to rely on the high level shut-in switch?

A That's right.

Q What happens when these leases are shut in by the valves there, No. 14 on the schematic --

A You mean so far as production is concerned?

Q Yes, sir.

A This is a long narrow field and actually except on the ends we wouldn't be drained, so just wait until tomorrow to get our production.

Q Well, now --

A We should be able to make it up.



Q Are the wells flowing at the present time?

A The wells are flowing. The tests were considerably more than the 164 for the ChaCha Gallup. The tests on those things range from 227 to 331.

Q What about the pressures that the wells have, the pressure that would appear on the flow line?

A The shut-in tubing pressure?

Q Yes, sir.

A That ranges from about 415 to 1095, that's going down. I think I know what we are talking about here. Figuring on the flow lines right now have standard pipe on the flow lines. It looks like some way of either isolating one high pressure well, and putting in high pressure pipe on that. Let me put it this way. We intend to provide, or test our flow line to one and a half times the shut-in pressure so that there will be no danger of blowing them up.

MR. NUTTER: Any further questions of Mr. Perry?

MR. BRATTON: We offer Exhibits 1 and 2.

A A and B.

MR. BRATTON: A and B.

MR. NUTTER: Humble's Exhibits A and B will be entered into evidence.

(Whereupon, Humble's Exhibits A and B were received in evidence.)



MR. NUTTER: Do you have anything further?

MR. BRATTON: No.

MR. NUTTER: Does anyone have anything else? We will  
take the case under advisement.

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STATE OF NEW MEXICO     )  
                                   )   ss  
 COUNTY OF BERNALILLO    )

I, Lewellyn 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 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 16th day of December, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

*Lewellyn 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. 2133 heard by me on 11/30, 1960.

*[Signature]*, Examiner  
 New Mexico Oil Conservation Commission

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PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



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DRAFT

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 2133

Order No. R-1835

APPLICATION OF Humble Oil & Refining Company  
FOR APPROVAL OF AN AUTOMATIC CUSTODY TRANSFER  
SYSTEM IN ~~THE~~ AN UNDESIGNATED GALLUP POOL, AND FOR AN EXCEPTION  
TO RULE 309(a), SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on  
November 30, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter,  
Examiner duly appointed by the Oil Conservation Commission of New  
Mexico, hereinafter referred to as the "Commission," in accordance  
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the Commission,  
a quorum being present, having considered the application, the  
evidence adduced, and the recommendations of the Examiner,  
Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Humble Oil & Refining Company,  
is the owner and operator of the Navajo "L"  
Lease, comprising ~~the~~ in pertinent part, all of Sections 25,  
26, 35 and 36,

~~of~~ Township 29 North, Range 14 West, NMPM,  
San Juan County, New Mexico.

(3) That the applicant proposes to install an automatic  
custody transfer system to handle the Gallup  
~~Pool~~ production from all wells presently completed or hereafter  
drilled on the above-described portion of the Navajo "L" Lease.

(4) That the previous use of automatic custody transfer  
equipment, similar to that proposed by the applicant, has shown  
that such equipment is a reliable and economic means of trans-  
ferring the custody of oil, and that the use of such equipment  
should be permitted, provided adequate safety features are  
incorporated therein.

(5) That the applicant further seeks an  
exception to the sixteen unit limitation of Rule

IT IS THEREFORE ORDERED:

(1) That the applicant, Humble Oil & Refining Company,  
be and the same is hereby authorized to install an automatic custody  
transfer system to handle the Gallup  
~~pool~~ production from all wells presently completed or hereafter  
drilled on the Navajo "L" Lease,  
comprising ~~the~~ in pertinent part all of Sections 25, 26,  
35 and 36,  
~~of~~ San Juan Township 29 North, Range 14 West, NMPM,  
County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate  
facilities to permit the testing of all wells located on the above-  
described portion of the Navajo "L" Lease  
at least once each month to determine the individual production  
from each well.

PROVIDED FURTHER, That in order to prevent the overflow and  
waste of oil in the event the automatic custody transfer system  
fails to transfer oil to the pipeline, the applicant shall add  
additional storage facilities from time to time, as it becomes  
necessary, to store the production which will accrue during the  
hours that said lease is unattended, or in the alternative, shall ~~either~~  
so equip the existing facilities as to automatically shut-in the  
lease production at the wellhead in the event the storage facili-  
ties become full, or test the flow-lines to at least 1 1/2  
times the shut-in pressure of the wells.

IT IS FURTHER ORDERED:

That all meters used in the above-described automatic custody  
transfer system shall be operated and maintained in such a manner  
as to ensure an accurate measurement of the liquid hydrocarbon  
production at all times.

That meters shall be checked for accuracy at least once each  
month until further direction by the Secretary-Director.

That meters shall be calibrated against a master meter or  
against a test tank of measured volume and the results of such  
calibration filed with the Commission on the Commission form  
entitled "Meter Test Report."

✓ DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

(2) That the applicant be and the same is  
hereby granted an exception to the sixteen unit  
limitation of Rule 309(a).

Case 2133

LAW OFFICES

J. M. HERVEY 1874-1953

HIRAM M. DOW

CLARENCE E. HINKLE

W. F. BONDURANT, JR.

GEORGE W. HUNTER, JR.

HOWARD C. BRATTON

S. B. CHRISTY, IV

LEWIS C. COX, JR.

PAUL W. EATON, JR.

CONRAD E. COFFIELD

HERVEY, DOW & HINKLE

HINKLE BUILDING

ROSWELL, NEW MEXICO

TELEPHONE MAIN 2-6510  
POST OFFICE BOX 547

November 9, 1960

Re: Application of Humble Oil &  
Refining Company for Automatic  
Custody Transfer System in an  
Undesignated Gallup Oil Pool and  
for Exception to Rule 309(a) on  
its Navajo "L" Lease, Sections  
25, 26, 35 and 36, T. 29 N., R.  
14 W., N.M.P.M., San Juan County,  
New Mexico

New Mexico Oil Conservation Commission  
Santa Fe  
New Mexico

Comes now Humble Oil & Refining Company and requests the  
following:

1. That it be granted an exception to Rule 309(a) to  
permit common tankage for more than 16 wells on its Navajo  
"L" Lease in Sections 25, 26, 35, and 36, T. 29 N., R. 14 W.,  
N.M.P.M., San Juan County, New Mexico.

2. Permission to install and utilize an automatic  
custody transfer system to handle the production from an  
undesignated Gallup Oil Pool under the above lease.

It is requested that this case be set for hearing before  
an Examiner at the first available date.

Respectfully submitted,

HUMBLE OIL & REFINING COMPANY

By Howard C. Bratton  
Hervey, Dow & Hinkle  
P. O. Box 547  
Roswell, New Mexico

Attorneys for Applicant, Humble Oil &  
Refining Company

Robert  
Mailed  
11-17-60  
HCB:db  
[Signature]



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12/2  
DRAFT

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

12/2  
IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
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FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Humble Oil & Refining Company,  
is the owner and operator of the Navajo "L"  
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(3) That the applicant proposes to install an automatic  
custody transfer system to handle the Gallup  
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-2-

CASE No. 2133

Order No. R-\_\_\_\_\_

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PROVIDED HOWEVER, That the applicant shall install adequate  
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described portion of the 1 Navajo "L" Lease  
at least once each month to determine the individual production  
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PROVIDED FURTHER, That in order to prevent the overflow and  
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fails to transfer oil to the pipeline, the applicant shall add  
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That meters shall be calibrated against a master meter or  
against a test tank of measured volume and the results of such  
calibration filed with the Commission on the Commission form  
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DONE at Santa Fe, New Mexico, on the day and year herein-  
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Case 2133

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J. M. HERVEY 1874-1953

HIRAM M. DOW  
CLARENCE E. HINKLE  
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OFFICE 000

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It is requested that this case be set for hearing before  
an Examiner at the first available date.

Respectfully submitted,

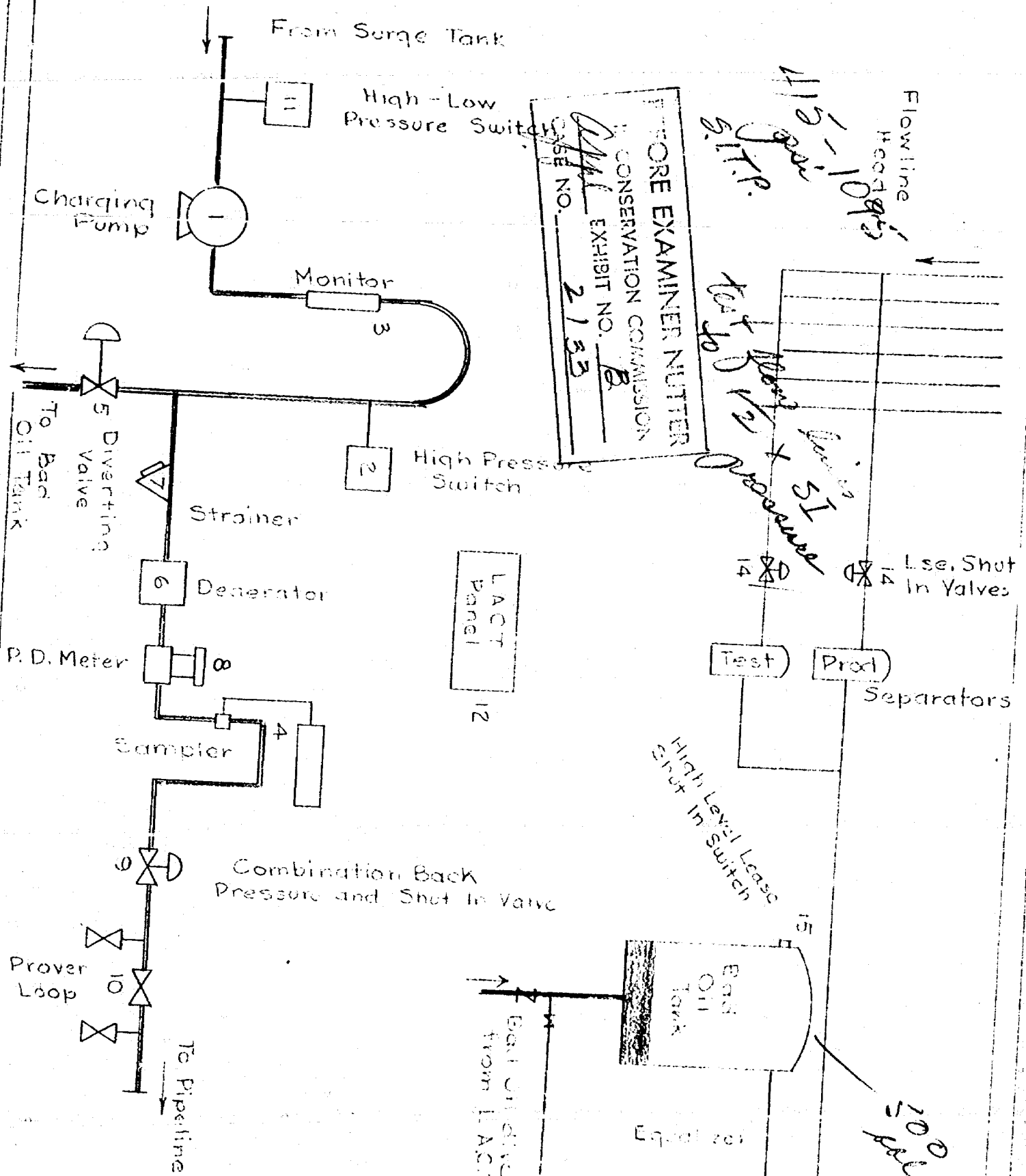
HUMBLE OIL & REFINING COMPANY

By Howard C. Bratton

Hervey, Dow & Hinkle  
P. O. Box 547  
Roswell, New Mexico

Attorneys for Applicant, Humble Oil &  
Refining Company

Rechecked  
Mailed  
11-17-60  
HCB:db



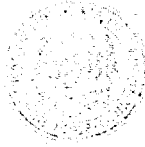
PROPOSED  
LA T RATTURY  
NAVASSO FIELD  
HUMBLE OIL & REFINING CO.  
HOBBS DISTRICT 10-14-60

Exhibit # Bu Case 2133

GOVERNOR  
JOHN BURROUGHS  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
MURRAY E. MORGAN  
MEMBER



P. O. BOX 871  
SANTA FE

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY DIRECTOR

Mr. Howard Bratton  
Harvey, Dow & Hinkle  
Box 547  
Roswell, New Mexico

Re: Case No. 2132 & 2133  
Order No. R-1834 & R-1835  
Applicant:  
Humble Oil & Refining Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

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

ir/

Carbon copy of order also sent to:

Hobbs OCC ☒  
Artesia OCC ☐  
Aztec OCC ☒

Other \_\_\_\_\_

**BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:**

**CASE No. 2133  
Order No. R-1835**

**APPLICATION OF HUMBLE OIL & REFINING  
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NATED GALLUP POOL, AND FOR AN EXCEPTION  
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**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 o'clock a.m. on November 30, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 8th day of December, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

**FINDS:**

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Humble Oil & Refining Company, is the owner and operator of the Navajo "L" Lease, comprising in pertinent part all of Sections 25, 26, 35 and 36, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant proposes to install an automatic custody transfer system to handle the Gallup production from all wells presently completed or hereafter drilled on the above-described portion of the Navajo "L" Lease.
- (4) That the previous use of automatic custody transfer equipment, similar to that proposed by the applicant, has shown that such equipment is a reliable and economic means of transferring the custody of oil, and that the use of such equipment should be permitted, provided adequate safety features are incorporated therein.

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CASE No. 2133  
Order No. R-1835

(5) That the applicant further seeks an exception to the sixteen unit limitation of Rule 309(a).

IT IS THEREFORE ORDERED:

(1) That the applicant, Humble Oil & Refining Company, be and the same is hereby authorized to install an automatic custody transfer system to handle the Gallup production from all wells presently completed or hereafter drilled on the Navajo "L" Lease, comprising in pertinent part all of Sections 25, 26, 35 and 36, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described portion of the Navajo "L" Lease at least once each month to determine the individual production from each well.

PROVIDED FURTHER, That in order to prevent the overflow and waste of oil in the event the automatic custody transfer system fails to transfer oil to the pipeline, the applicant shall add additional storage facilities from time to time, as it becomes necessary, to store the production which will accrue during the hours that said lease is unattended, or in the alternative, shall either so equip the existing facilities as to automatically shut-in the lease production at the wellhead in the event the storage facilities become full, or test the flow-lines to at least  $1\frac{1}{2}$  times the shut-in pressure of the wells.

IT IS FURTHER ORDERED:

That all meters used in the above-described automatic custody transfer system shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

That meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director.

That meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

(2) That the applicant be and the same is hereby granted an exception to the sixteen unit limitation of Rule 309(a).

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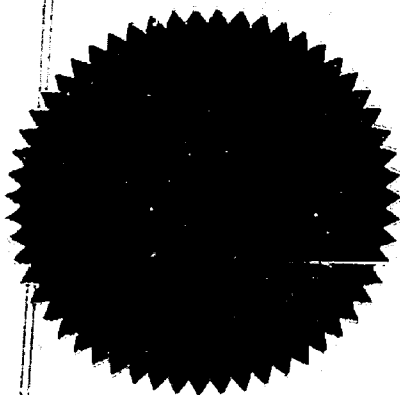
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Morgan*  
MURRAY E. MORGAN, Member

*A. L. Porter, Jr.*  
A. L. PORTER, JR., Member & Secretary



esr/



*psm*  
*7/17*  
*asf*  
*7/17*  
*7-17-61*

*jsu*  
DRAFT

RSM/esr  
July 14, 1961

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 2135

Order No. R-1836-A

IN THE MATTER OF THE APPLICATION  
OF NEARBURG & INGRAM FOR THE ESTAB-  
LISHMENT OF 80-ACRE OIL PRORATION  
UNITS IN THE SOUTHWEST GLADIOLA-  
PENNSYLVANIAN POOL, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 13, 1961, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this \_\_\_\_\_ day of July, 1961, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the evidence presented indicates that the Southwest Gladiola-Pennsylvanian Pool can be efficiently and economically drained and developed on 80-acre proration units.

(3) That to require development of the subject pool on 40-acre proration units might cause the drilling of unnecessary wells.

(4) That correlative rights will not be impaired by development of the subject pool under rules allowing wells to be located in either quarter-quarter section of the 80-acre proration unit.

(5) That development of the subject pool on 80-acre proration units will not cause waste.

(6) That the temporary special rules and regulations promulgated for the subject pool by Order No. R-1836, entered in Case No. 2135 on December 14, 1960, should be made permanent.

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CASE No. 2135  
Order No. R-1836-A

IT IS THEREFORE ORDERED:

(1) That the temporary special rules and regulations promulgated for the Southwest Gladiola-Pennsylvanian Pool by Order No. R-1836, entered in Case No. 2135 on December 14, 1960, are hereby made permanent.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.