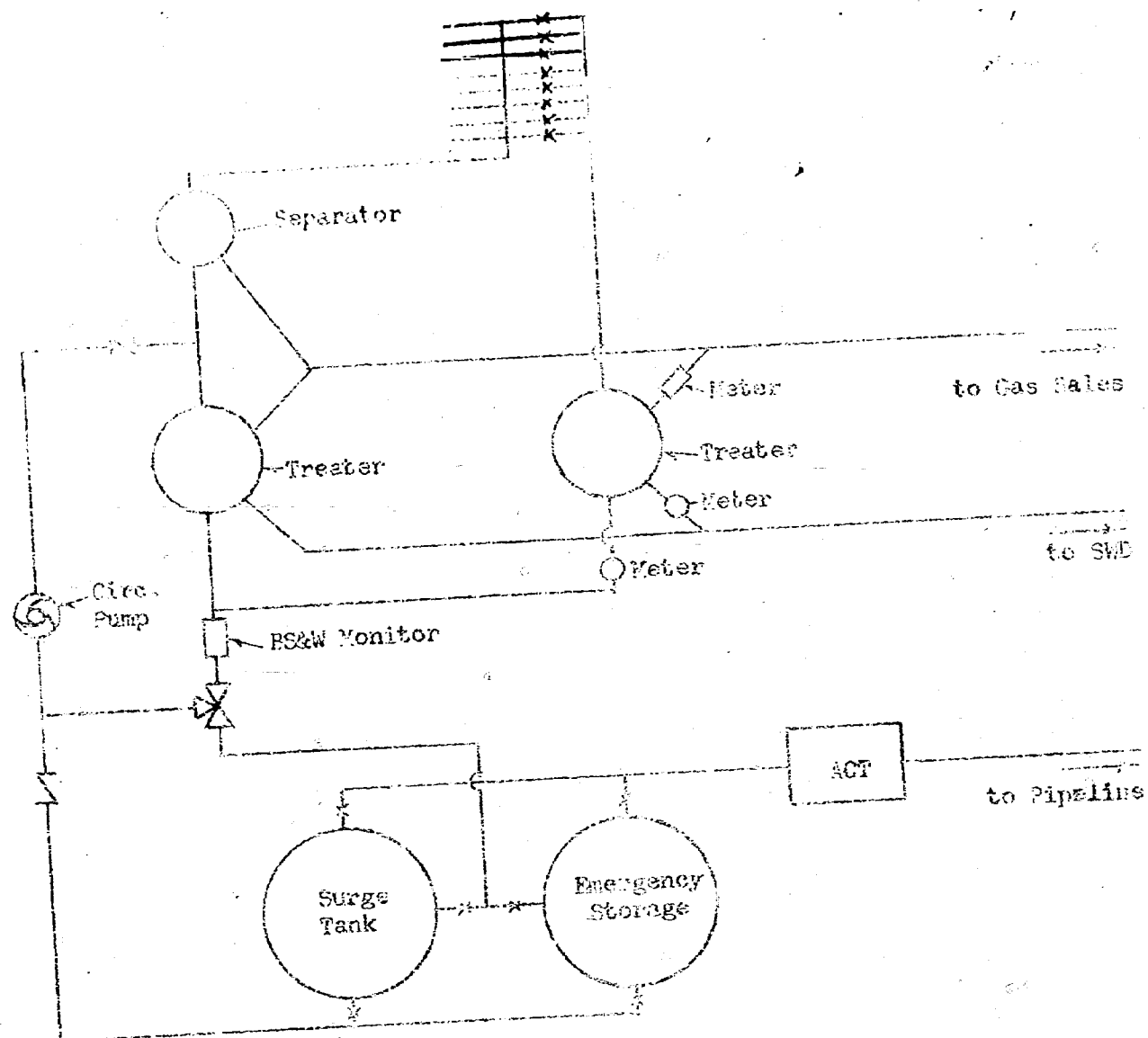


**CASE 2152: Application of CONTINENTAL
for automatic custody transfer system
to handle production from Sanderson
B-10 and Sanderson B-15 leases.**

Casa No.

2152

Application, Transcript,
Small Exhibits. Etc.



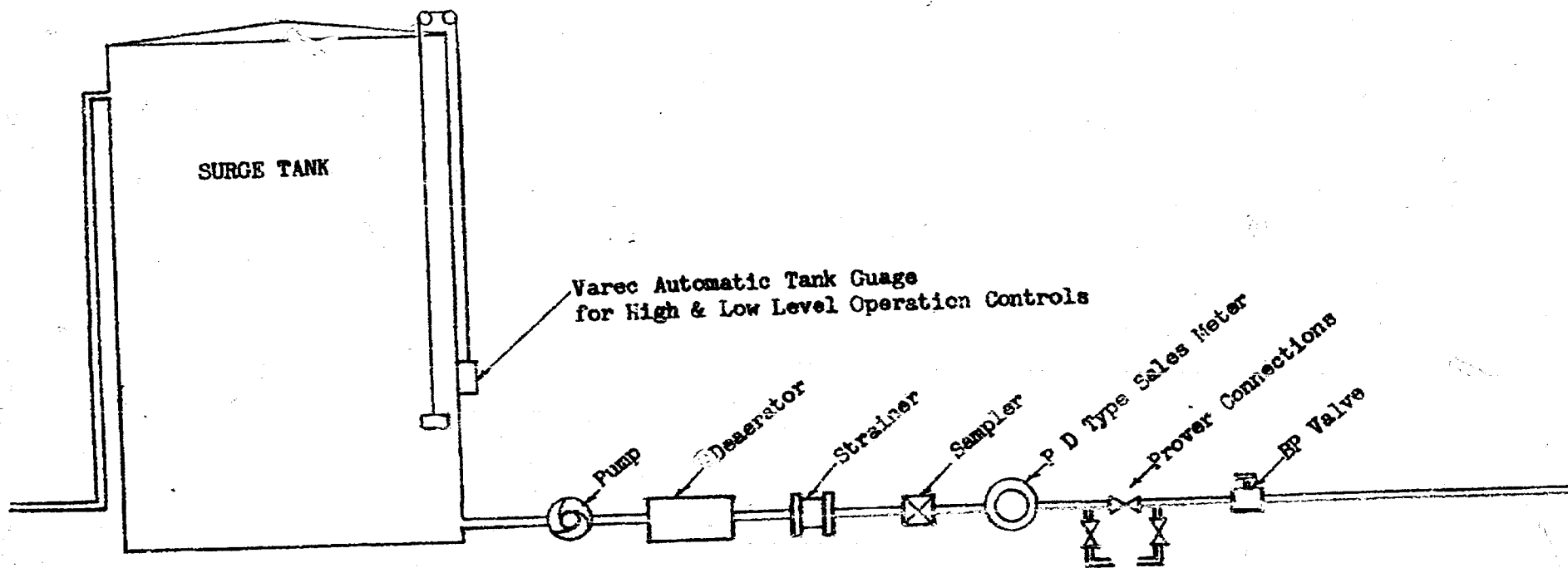
BEFORE EXAMINER NUTTER
 OF CONSERVATION COMMISSION
Contd. EXHIBIT NO. 2
2152

CONTINENTAL OIL COMPANY
 SANDERSON B-10 & 3-15 LEASES

WEST MONUMENT AREA
 Schematic Drawing
 of
 TANK BATTERY HOOKUP

CASE: 2152
 EXHIBIT: 2

Holbs Dist. Office



CONTINENTAL OIL COMPANY
Schematic Diagram Of
PROPOSED ACT INSTALLATION

BEFORE EXAMINER NUTTER OF CONSERVATION COMMISSION EXHIBIT NO. <u>3</u> NO. <u>2152</u>

CASE: 2152
EXHIBIT: 3

Memo

From

Daniel S. Nutter
Chief Engineer

To Case 2152

DSN SF
Jan 1/9/61

Recommended that Conth's
LACT be approved w/
auto SI facilities or
adequate stg for max
unattended time provided
required

BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

FILED IN 100-30

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR AN EXCEPTION
TO RULE 309(a) IN ORDER TO INSTALL AN
AUTOMATIC CUSTODY TRANSFER SYSTEM FOR
ALL WELLS PRODUCING FROM THE MONUMENT
AND EUMONT POOLS WITHIN THE BOUNDARIES
OF THE SANDERSON B-10 AND SANDERSON B-15
LEASES CONSISTING OF THE N/2 N/2, SE/4 NE/4,
NE/4 SE/4, AND S/2 S/2 of SECTION 10 AND
THE N/2 N/2 AND S/2 of SECTION 15, T-20S,
R-36E, NMPM, LEA COUNTY, NEW MEXICO.

Case 2152

A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and respectfully requests
an exception to statewide Rule No. 309(a) for permission to install an automatic
custody transfer system for all wells producing from the Monument and Eumont
Oil Pools within the boundaries of the Sanderson B-10 and Sanderson B-15 leases
consisting of the N/2 N/2, SE/4 NE/4, NE/4 SE/4, and S/2 S/2 of Section 10 and
the N/2 N/2 and S/2 of Section 15, T-20S, R-36E, NMPM, Lea County, New Mexico,
and in support thereof would show:

1. That the applicant is co-owner and operator of the Sanderson B-10
and Sanderson B-15 leases consisting of the N/2 N/2, SE/4 NE/4, NE/4 SE/4, and
S/2 S/2 of Section 10 and the N/2 N/2 and S/2 of Section 15, T-20S, R-36E,
NMPM, Lea County, New Mexico.
2. That the Sanderson B-10 and Sanderson B-15 leases are part of the
same basic lease.
3. That the royalty interests are common, that being the United
States Government.
4. That applicant proposes to consolidate the existing tank batteries
and install an automatic custody transfer system.
5. That approval to commingle the oil production from the Monument
Pool and oil production from the Eumont Pool is being sought under the provisions
of Rule 663 of the New Mexico Oil Conservation Commission.
6. That the proposed installation in exception to Rule 309(a) is in
the interest of conservation and prevention of waste.

Wherefore, applicant prays that this matter be set for hearing before
the Commission's duly qualified examiner and that upon hearing an order be
entered granting applicant permission to install an automatic custody transfer
system on the above described property.

*Rocky
Mailed
12-27-60*

Respectfully submitted,

W. A. Mead

Wm. A. Mead
Division Superintendent
of Production
New Mexico Division

DOCKET: EXAMINER HEARING, WEDNESDAY, JANUARY 4, 1961

OIL CONSERVATION COMMISSION CONFERENCE ROOM - 9 a. m. - STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, alternate examiner:

- CASE 2147: Application of Socony Mobil Oil Company for an order authorizing a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water into the Pennsylvanian formation through its Capps Federal Well No. 1, located 1980 feet from the South and East lines of Section 13, Township 9 South, Range 35 East, Bough (Pennsylvanian) Pool, Lea County, New Mexico.
- CASE 2148: Application of Pan American Petroleum Corporation for a force-pooling order. Applicant, in the above-styled cause, seeks an order force-pooling all mineral interests in the Atoka-Pennsylvanian Gas Pool in a 320-acre standard gas unit consisting of the N/2 of Section 22, Township 18 South, Range 26 East, Eddy County, New Mexico. Interested parties include:
- Mobil Oil Company, Sinclair Oil & Gas Company, Mr. J. R. Lee, Mr. Clyde R. Jenkins and wife and The New Mexico Veterans Service Commission as guardian for Mr. Thomas Franklin Egger.
- CASE 2149: Application of El Paso Natural Gas Products Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the Cha-Cha-Gallup Pool production from all wells presently completed or hereafter drilled on the Ojo Amarillo Lease comprising all of Sections 27, 28, 33, and 34, Township 29 North, Range 14 West, San Juan County, New Mexico.
- CASE 2150: Application of Continental Oil Company for a triple completion. Applicant, in the above-styled cause, seeks an order authorizing the triple completion of its Northeast Haynes-Apache 9 No. 1 Well, located in the NW/4 SW/4 of Section 9, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of hydrocarbons from the Blanco-Mesaverde Pool, the production of hydrocarbons from the Greenhorn formation and the production of hydrocarbons from the Dakota Producing Interval through the casing-

CASE 2150: (Continued)

tubing annulus, 2 7/8-inch tubing and 2 3/8-inch tubing respectively.

CASE 2151: Application of Continental Oil Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the Monument Pool and Eumont Pool oil production from all wells presently completed or hereafter drilled on the Reed A-3 Lease, comprising the W/2, SE/4 S/2 NE/4, and NE/4 NE/4 of Section 3, Township 20 South, Range 36 East, Lea County, New Mexico.

CASE 2152: Application of Continental Oil Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the Monument Pool and Eumont Pool oil production from all wells presently completed or hereafter drilled on the Sanderson B-10 and Sanderson B-15 leases, comprising the N/2 N/2, SE/4 NE/4, NE/4 SE/4, and S/2 S/2 of Section 10 and the N/2 N/2 and S/2 of Section 15, Township 20 South, Range 36 East, Lea County, New Mexico.

CASE 2153: Application of Continental Oil Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the Monument Pool production from all wells presently completed or hereafter drilled on the Sanderson A-11, Sanderson A-14 and Sanderson AB-14 Leases, comprising the SE/4 and S/2 SW/4 of Section 11 and the NE/4, E/2 NW/4, N/2 SE/4, SE/4 SE/4, and NW/4 NW/4 of Section 14, Township 20 South, Range 36 East, Lea County, New Mexico.

CASE 2154: Application of Continental Oil Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the Monument Pool and Eumont Pool oil production from all wells presently completed or hereafter drilled on the Sanderson B-14 Lease, comprising the SW/4 SW/4 SE/4, and the SW/4 NW/4 of Section 14, Township 20 South, Range 36 East, Lea County, New Mexico.

-3-

Docket No. 1-61

CASE 2155: Application of Continental Oil Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of an automatic custody transfer system to handle the Eunice Pool, Monument Pool, and Eumont Pool oil production from all wells presently completed or hereafter drilled on the Reed B-23 and Reed B-24 Leases, comprising the E/2 and S/2 SW/4 of Section 23 and the SW/4 of Section 24, Township 20 South, Range 36 East, Lea County, New Mexico.

14/

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

January 10, 1961

Mr. James Hallahan
Hallahan & Son
Box 1713
Santa Fe, New Mexico

Re: Case No. 2150
Order No. 2151
Applicant: 2152
2153
2154
2155
2156

Dear Sir:

Continental Oil Company

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. 2152
Order No. R-1854**

**APPLICATION OF CONTINENTAL OIL COMPANY
FOR APPROVAL OF AN AUTOMATIC CUSTODY
TRANSFER SYSTEM IN THE MONUMENT AND
BURNETT POOLS, LEA COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 4, 1961, at Santa Fe, New Mexico, before Daniel S. Hutter, 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 10th day of January, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Hutter, 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, Continental Oil Company, is the owner and operator of the Sanderson B-10 and Sanderson B-15 Leases, comprising the N/2 N/2, SE/4 NE/4, NE/4 SE/4, and S/2 S/2 of Section 10 and the N/2 N/2 and the S/2 of Section 15, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the above-described leases have common ownership throughout and are one basic Federal lease divided into two leases by the applicant for administrative purposes.

(4) That the applicant proposes to install an automatic custody transfer system to handle the Monument and Burnett Pool production from all wells presently completed or hereafter drilled on the above-described Sanderson B-10 and Sanderson B-15 Leases.

(5) 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

CASE No. 2152
Order No. R-1854

should be permitted, provided adequate safety features are incorporated therein.

(6) That the subject order should become effective when the applicant has filed amended Form C-110 indicating its intention to commingle the production from the Monument and Summit Pools, as authorized by Order No. R-663.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, be and the same is hereby authorized to install an automatic custody transfer system to handle the Monument and Summit Pool production from all wells presently completed or hereafter drilled on the Sanderson B-10 and Sanderson B-15 Leases, comprising the N/2 E/2, SE/4 NE/4, NE/4 SE/4, and S/2 S/2 of Section 10 and the N/2 E/2 and the S/2 of Section 15, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described Sanderson B-10 and Sanderson B-15 Leases 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 so equip the existing facilities as to automatically shut-in the lease production at the wellhead in the event the storage facilities become full.

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 this order shall become effective when the applicant has filed amended Form C-110 indicating its intention to commingle the production from the Monument and Summit Pools on the subject leases.

-3-

CASE No. 2152
Order No. R-1854

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



E. L. Meehan

EDWIN L. MEEHAN, Chairman

E. S. Walker
E. S. WALKER, Member

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

ONE/

(6) That the subject order should become effective when the applicant has filed amended Form C-110 indicating its intention to commingle the production from the Monument and Emmont Pools, as authorized by Order No. R-663

pmw
1/4
1/6
1/6
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. 2152
Order No. R- 1854

APPLICATION OF CONTINENTAL OIL COMPANY
FOR APPROVAL OF AN AUTOMATIC CUSTODY TRANSFER
SYSTEM IN THE MONUMENT AND EUMONT POOLS
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 4, 1961, 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 January day of January, 1961, 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, Continental Oil Company, is the owner and operator of the Sanderson B-10 and Sanderson B-15 Leases, comprising the N/2 N/2, SE/4 NE/4, NE/4 SE/4, and 5/2 5/2 of Section 10 and the N/2 N/2 and the 5/2 of Section 15, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

(4) ~~That~~ That the applicant proposes to install an automatic custody transfer system to handle the Monument and Eumont Pool production from all wells presently completed or hereafter drilled on the above-described Sanderson B-10 and Sanderson B-15 Leases.

(5) ~~That~~ 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.

(3) That the above-described leases have common ownership throughout and are ~~basically~~ one basic Federal lease divided into two leases by the applicant for administrative purposes.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company

be and the same is hereby authorized to install an automatic custody transfer system to handle the Monument and Eumont

pool production from all wells presently completed or hereafter

drilled on the Sanderson B-10 and Sanderson B-15 leases,

comprising the N/2 N/2, SE/4 NE/4, NE/4 SE/4, and 3/2

of Section 15, Township 20 South, Range 36 East, 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 Sanderson B-10 and Sanderson B-15 leases

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

so equip the existing facilities as to automatically shut-in the

lease production at the wellhead in the event the storage facilit-

ties become full.

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 this order shall become effective when the
applicant has filed amended Table C-110 indicating
its intention to commence the production from the
Monument and Eumont Pools on the subject lease.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, be and the same is hereby authorized to install an automatic custody transfer system to handle the Monument and Eunont Pool production from all wells presently completed or hereafter drilled on the Janderson B-10 and Janderson B-15 leases, comprising the N/2 N/2, SE/4 NE/4, NE/4 SE/4, and 3/2 3/2 of Section 10 and the N/2 N/2 and the 3/2 of Section 15, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described Janderson B-10 and Janderson B-15 leases 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 so equip the existing facilities as to automatically shut-in the lease production at the wellhead in the event the storage facilities become full.

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 hereinabove designated.

(2) That this order shall become effective when the applicant has filed amended Form C-110 indicating its intention to commence the production from the Monument and Eunont Pools on the subject lease.