

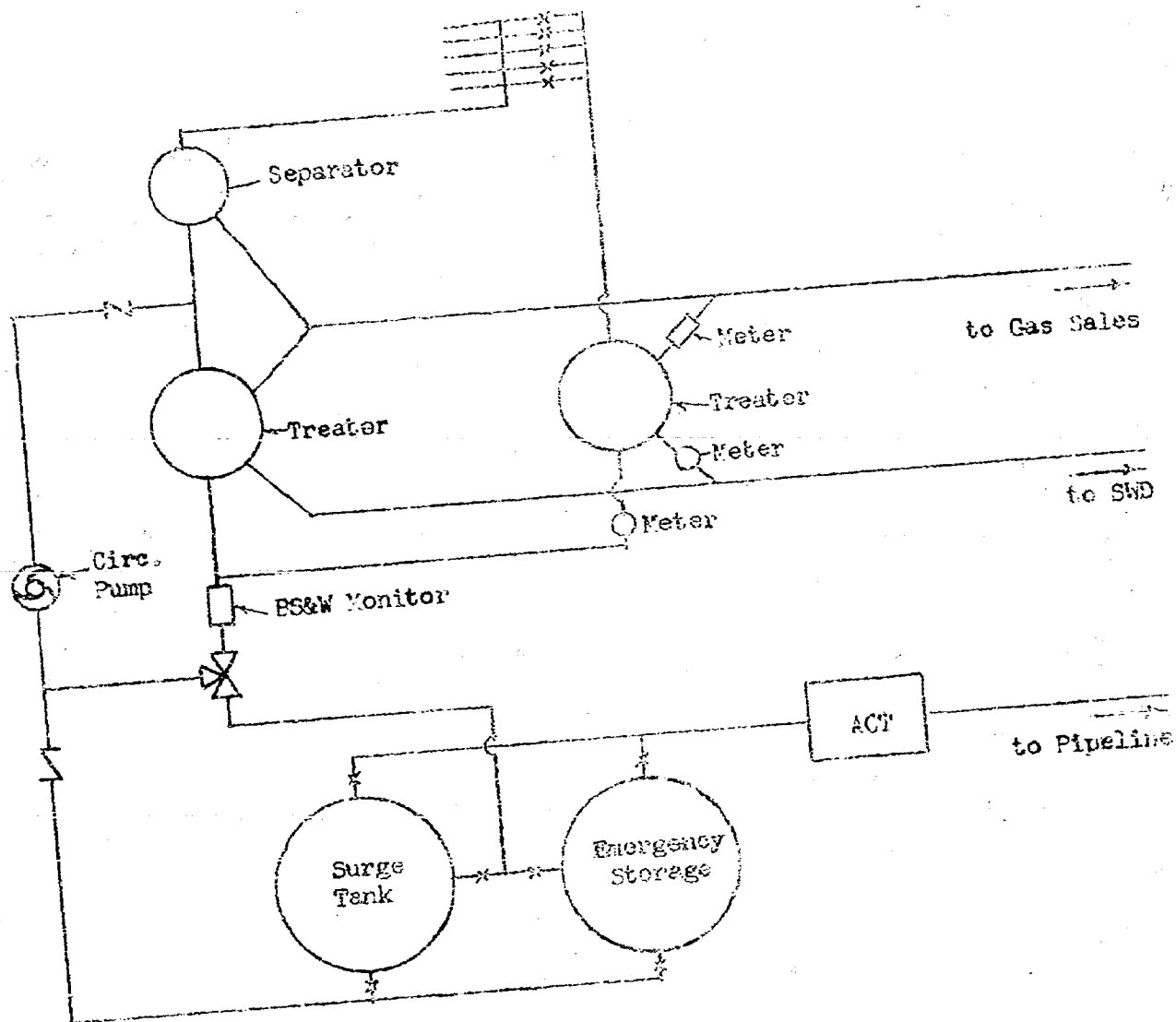
**CASE 2154: Application of CONTINENTAL
for automatic custody transfer system
to handle production from Sanderson
B-14 Lease.**

Casa No.

2154

Application, Transcript,
Small Exhibits, Etc.

Transcript
in Case 2151
and 2152

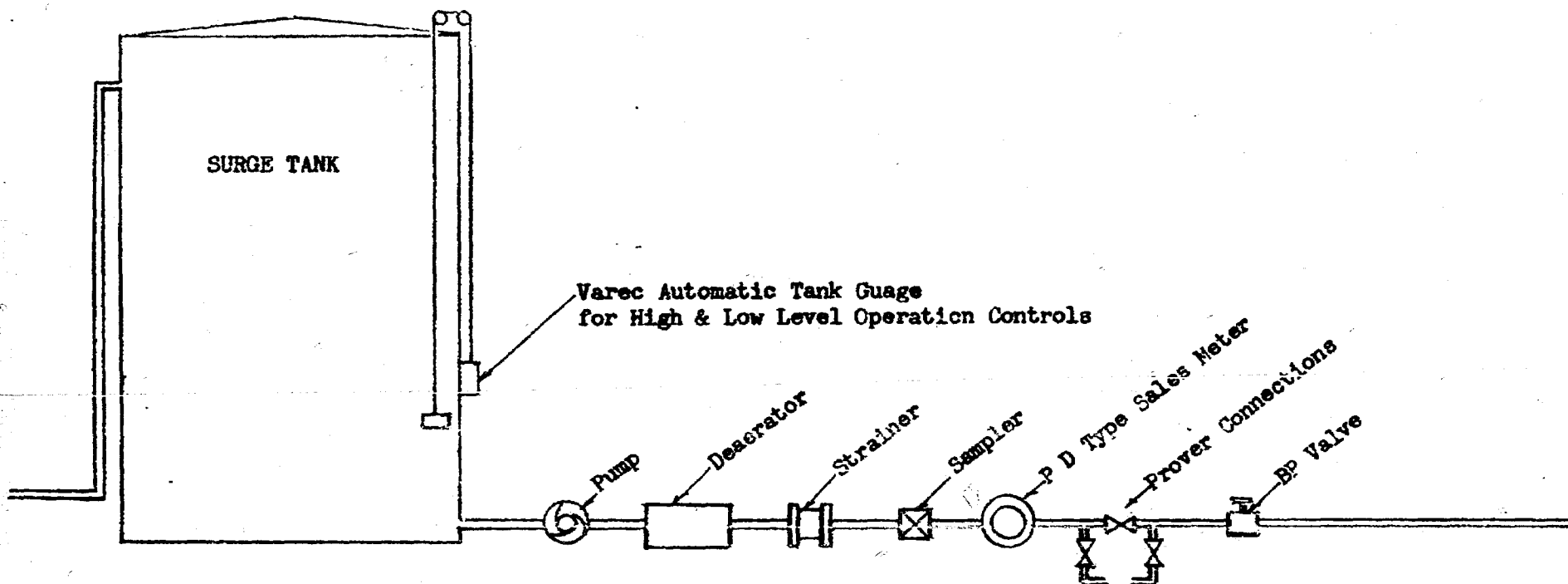


BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Conall EXHIBIT NO. 2
CASE NO. 2154

CONTINENTAL OIL COMPANY
SANDERSON B-14 LEASE
WEST MONUMENT AREA
Schematic Drawing
of
TANK BATTERY HOOKUP

CASE: 2154
EXHIBIT: 2

Hobbs Dist. Office



CONTINENTAL OIL COMPANY
Schematic Diagram Of
PROPOSED ACT INSTALLATION

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>3</u>
CASE NO. <u>2154</u>

CASE: 2154
EXHIBIT: 3

Memo

From

Daniel S. Nutter
Chief Engineer

Case
To 2154

DSN SF
9am 1/4/61

Recommend approval of
Coults LACT with
provision that auto. SI
fac. or adequate stg for
max. unattended time
be installed.

BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

Case 2154

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 OIL POOLS WITHIN THE BOUNDARIES
OF THE SANDERSON B-14 LEASE CONSISTING
OF THE SW/4, SW/4 SE/4, AND THE SW/4, NW/4
OF SECTION 14, T-20S, R-36E, NMPM, LEA COUNTY,
NEW MEXICO.

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-14 lease which consists of the
SW/4, SW/4 SE/4, and the SW/4 NW/4 of Section 14, 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-14
lease consisting of the SW/4, SW/4 SE/4, and the SW/4 NW/4 of Section 14, T-20S,
R-36E, NMPM, Lea County, New Mexico.
2. That the royalty interest is common, that being the United States
Government.
3. That applicant proposes to install an automatic custody transfer
system.
4. That approval to commingle the oil production from the Monument
and Eumont Oil Pools has been granted under the provisions of Rule 663 of the
New Mexico Oil Conservation Commission.
5. 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.

Respectfully submitted,

W. A. Mead

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

Procket
mailed
12-27-60

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.

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.

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER

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

P. O. BOX 871
SANTA FE

January 18, 1963

Mr. James Sullivan
Sullivan & Son
Box 1718
Santa Fe, New Mexico

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

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. 2154
Order No. R-1855**

**APPLICATION OF CONTINENTAL OIL COMPANY
FOR APPROVAL OF AN AUTOMATIC CUSTODY
TRANSFER SYSTEM IN THE MONUMENT AND
MUMONT 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 1314 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. 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-14 Lease, comprising the SW/4, SE/4 SW/4, and the SW/4 NW/4 of Section 14, Township 20 South, Range 36 East, ESM, Lea County, New Mexico.

(3) That the applicant proposes to install an automatic custody transfer system to handle the Monument and Mumont Pool production from all wells presently completed or hereafter drilled on the above-described Sanderson B-14 Lease.

(4) That permission to commingle production from the Monument and Mumont Pools on said lease has previously been obtained pursuant to the provisions of Order No. R-643.

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

-2-

CASE No. 2154

Order No. R-1855

IT IS THEREFORE ORDERED:

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-14 Lease, comprising the SW/4, SE/4, and the SW/4 NW/4 of Section 14, Township 20 South, Range 36 East, MNPM, 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-14 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 so equip the existing facilities as to automatically shut-in the lease production at the wellhead in the event the storage facilities become full.

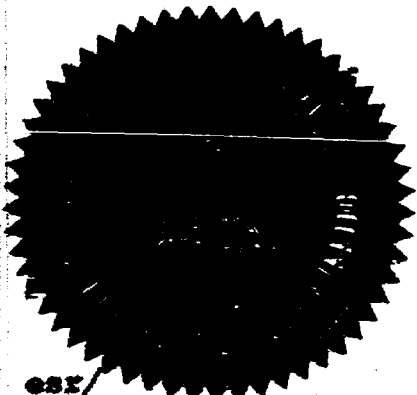
IT IS FURTHER ORDERED:

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.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Ed L. Nechem
EDWIN L. NECHEM, Chairman

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

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

1/4
DRAFT

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

1/6
1/16
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

ASL 1/17
CASE No. 2154
Order No. R- 1855

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 4 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-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, NMPM, Lea County, New Mexico.

(3) 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-14 lease.

(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.

(4) That permission to commingle production from the Monument and Eumont Pools ~~has~~ on said lease has previously been obtained pursuant to the order of the Commission dated 1/16/61.

IT IS THEREFORE ORDERED:

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-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, NMPM,
Lea County, New Mexico.

Lease in
PROVIDED HOWEVER, That the applicant shall install adequate
facilities to permit the testing of all wells located on the above-
described Sanderson B-14 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
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.

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.