

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. 1881  
Order No. R-1608

APPLICATION OF TEXACO INC.  
FOR PERMISSION TO INSTALL AN  
AUTOMATIC CUSTODY TRANSFER  
SYSTEM ON ITS U. D. SAWYER  
LEASE, 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 27, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, 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 5th day of February, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 is the owner and operator of the U. D. Sawyer lease, consisting of the E/2 of Section 34, Township 9 South, Range 36 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to install an automatic custody transfer system to handle the Crossroads-Devonian Pool production from all wells presently drilled or hereafter completed on said U. D. Sawyer lease.
- (4) That the applicant proposes to measure the oil passing through said automatic custody transfer equipment by means of either dump-type or positive displacement meters.
- (5) That the meters to be used in the above-described system should be checked for accuracy once each month and the results of such tests furnished the Commission.

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(6) That the above-described system should be so equipped as to prevent the undue waste of oil in the event of malfunction or flow-line break.

(7) 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 should 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 should so equip the existing facilities as to automatically shut down the lease production in the event the storage facilities become full.

(8) 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.

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to install automatic custody transfer equipment to handle the Crossroads-Devonian Pool production from all wells presently drilled or hereafter completed on its U. D. Sawyer lease, consisting of the E/2 of Section 34, Township 9 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 on the said U. D. Sawyer lease at least once each month to determine the individual production from each well.

PROVIDED FURTHER, That the above-described system shall be so equipped as to prevent the undue waste of oil in the event of malfunction or flow-line break.

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

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

PROVIDED FURTHER, That in order to prevent the overflow and waste of oil in the event the automatic custody transfer system

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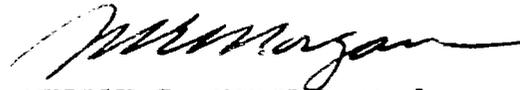
authorized by this order fails to transfer oil to the pipeline, the applicant shall add additional storage facilities from time to time, as it becomes necessary, to store the production which will accrue during the hours that said lease is unattended; or, in the alternative, shall so equip the existing facilities as to automatically shut down the lease production in the event the storage facilities become full.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



JOHN BURROUGHS, Chairman



MURRAY E. MORGAN, Member

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

