

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. 1948
Order No. R-1630-B

APPLICATION OF HUMBLE OIL & REFINING
COMPANY FOR PERMISSION TO COMMINGLE THE
PRODUCTION FROM SEVERAL SEPARATE LEASES
AND FOR APPROVAL OF AN AUTOMATIC CUSTODY
TRANSFER SYSTEM IN THE EMPIRE-ABO POOL,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 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 9th day of May, 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, Humble Oil & Refining Company, is the operator of the Chalk Bluff Draw Unit in the Empire-Abo Pool, Eddy County, New Mexico, which unit consists of the following-described acreage:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 4: SE/4 SW/4, NE/4 SW/4, and SW/4 SW/4
Section 8: SE/4 NE/4 and SE/4
Section 9: W/2
Section 16: NW/4
Section 17: NE/4

(3) That there are some 14 separate leases included in the above-described Chalk Bluff Draw Unit.

(4) That the applicant seeks permission to commingle the Empire-Abo Pool production from all wells presently completed

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or hereafter drilled in the said Chalk Bluff Draw Unit and it further seeks approval of an automatic custody transfer system to handle said commingled Empire-Abo Pool production.

(5) That while all the subject acreage is within the Chalk Bluff Draw Unit, a participating area for Empire-Abo Pool production has not yet been established.

(6) That by Order R-1630 and R-1630-A the applicant was authorized to commingle the Empire-Abo Pool production from three leases in the Chalk Bluff Draw Unit, which leases comprise the following-described acreage, SE/4 SW/4 of Section 4, E/2 NW/4 of Section 9, and E/2 SW/4 of Section 9 all in Township 18 South, Range 27 East, Eddy County, New Mexico.

(7) That said Order R-1630 and R-1630-A set forth the procedure to be used by the applicant in measuring the production from each of the three above-described leases.

(8) That the applicant proposes to separately meter the production from each of the other leases in the Chalk Bluff Draw Unit until such time as said leases have been included in a participating area for Empire-Abo Pool production from said Chalk Bluff Draw Unit.

(9) 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.

(10) That the applicant proposes to install high-level emergency switches which will shut-in the wells at the header in the event the automatic custody transfer system shuts off the flow of oil to the pipeline. Further, that the applicant will install plastic-coated, corrosion-resistant high pressure flow lines from the wells to the header.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to commingle the Empire-Abo Pool production from all wells presently completed or hereafter drilled in the Chalk Bluff Draw Unit comprising the following-described acreage in Eddy County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 4: SE/4 SW/4, NE/4 SW/4, and SW/4 SW/4
Section 8: SE/4 NE/4 and SE/4
Section 9: W/2
Section 16: NW/4
Section 17: NE/4

PROVIDED HOWEVER, That the production from each lease included in the Chalk Bluff Draw Unit shall be separately metered until such time as it is included in a participating area for Empire-Abo Pool production, except that the production from the three leases described in Order R-1630 and R-1630-A shall be measured as set forth in said Orders.

(2) That the applicant be and the same is hereby authorized to install automatic custody transfer equipment to handle said commingled Empire-Abo Pool production from all wells presently completed or hereafter drilled in the said Chalk Bluff Draw Unit.

PROVIDED FURTHER, That storage tanks shall be equipped with a high-level emergency shut-in switch which will shut in the leases at the lease-header in the event the high-level switch fails, and that the flow-lines leading from the wells to the header shall be plastic-coated high-pressure lines.

(3) That the applicant shall provide adequate facilities to permit the testing of all Empire-Abo Pool wells located in the Chalk Bluff Draw Unit at least once each month to determine the individual production from each well.

(4) That all meters 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 intervals not to exceed one 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

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



