

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF SINCLAIR OIL & GAS COMPANY FOR
PERMISSION TO INSTALL AN AUTOMATIC
CUSTODY TRANSFER SYSTEM ON ITS
M. YATES "B" (ARC) LEASE IN THE
EMPIRE ABO POOL, EDDY COUNTY,
NEW MEXICO.

CASE NO. 1959

ORDER NO. _____

A P P L I C A T I O N

SINCLAIR OIL & GAS COMPANY, a Maine corporation with an operating office in Midland, Texas, hereby makes application for permission to install an automatic custody transfer system and represents the following:

1.

Applicant is the owner and operator of its M. Yates "B" (ARC) lease, consisting of 600 acres and being all of Section 33, Township 17-South, Range 28-East, N. M. P. M., Eddy County, New Mexico, except the $NW\frac{1}{4}NW\frac{1}{4}$ thereof, which is productive of oil from the Empire Abo Pool. Applicant is presently drilling the second well on said lease and it is anticipated that there may ultimately be fifteen producing wells drilled thereon.

2.

Applicant proposes to install an automatic custody transfer system to handle the Empire Abo Pool production from all wells presently drilled or hereafter completed on said M. Yates "B" (ARC) lease. The applicant proposes to measure the oil passing through said automatic custody transfer equipment by means of either dump-type or positive displacement meters. Said meters will be checked for accuracy at reasonable intervals and the results of such tests furnished to the Commission as may be required by the Commission. All equipment used in the system shall be operated and maintained in such a manner as to insure an accurate measurement of the liquid hydrocarbon production at all times.

*Order
Filed 4-28-60
[Signature]*

3.

Said lease consists of lands owned by the State of New Mexico and a copy hereof is being furnished to the Commissioner of Public Lands with the request that the Commissioner notify the applicant and the Commission of his approval or any objections hereto, prior to hearing on this application.

4.

Applicant represents that the automatic custody transfer equipment which it proposes to install is a reliable and economic means of transferring the custody of oil and that the use of such equipment is in the interest of prevention of waste and will not impair correlative rights.

WHEREFORE, applicant prays that this application be set for hearing before an Examiner at Santa Fe, New Mexico, that notice be given hereon and that upon such hearing permission be granted to applicant for the use of said automatic custody transfer system.

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