

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. 2056
Order No. R-1767

APPLICATION OF GULF OIL CORPORATION
FOR PERMISSION TO COMBINE THE PRO-
DUCTION FROM SEVERAL SEPARATE LEASES
AND FOR AUTHORIZATION TO INSTALL TWO
AUTOMATIC CUSTODY TRANSFER SYSTEMS,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 24, 1960, 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 9th day of September, 1960, 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, Gulf Oil Corporation, is the owner and operator of the following-described leases in Lea County, New Mexico:

William A. Ramsay "A" Lease, consisting of all of Sections 27, 34 and 35,

Arnott Ramsay "C" Lease, consisting of the S/2, NW/4, N/2 NE/4, and SW/4 NE/4 of Section 21,

Arnott Ramsay "D" Lease, consisting of all of Section 33,

J. F. Janda "A" Lease, consisting of the E/2 SE/4 of Section 20,

J. F. Janda "B" Lease, consisting of the SE/4 of Section 32,

CASE No. 2056
Order No. R-1767

Harry Leonard "A" Lease, consisting of the S/2
and the NE/4 of Section 22,

all in Township 21 South, Range 36 East, NMPM, and the

J. F. Janda "F" Lease, consisting of all of
Section 4,

Harry Leonard "D" Lease, consisting of all of
Section 3,

both in Township 22 South, Range 36 East, NMPM.

(3) That the applicant has previously been authorized to commingle the production from the Arrowhead, Bumont, Eunice-Monument, South Eunice, and Jalmat Pools, Lea County, New Mexico, from all wells on each of the above-described leases.

(4) That the applicant now seeks an order authorizing it to produce this commingled production from all wells on the said Ramsay Leases into one battery and to produce the commingled production from the said Janda and Leonard Leases into another battery. Further, the applicant seeks permission to install two automatic custody transfer systems, one to handle the commingled production from the Ramsay Leases, the other to handle the commingled production from the Janda and Leonard Leases.

(5) That the ownership of the said Ramsay Leases is common throughout and the ownership of the said Janda and Leonard Leases is common throughout. Accordingly, approval of the request to commingle the production from the separate leases will neither cause waste nor impair correlative rights.

(6) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to produce the Arrowhead, Bumont, South Eunice, and Eunice Pool production from the following-described leases into a common tank battery:

William A. Ramsay "A" Lease, consisting of all of
Sections 27, 34 and 35,

Arnott Ramsay "C" Lease, consisting of the S/2,
NW/4, N/2 NE/4, and SW/4 NE/4 of Section 21,

ILLEGIBLE

CASE No. 2056
Order No. R-1767

Arnott Ramsay "D" Lease, consisting of all of
Section 33,

Township 21 South, Range 36 East, NMPM.

(2) That the applicant be and the same is hereby authorized to install an automatic custody transfer system to handle the above-mentioned commingled production.

(3) That the applicant be and the same is hereby authorized to produce the Rumont, South Eunice, Eunice-Monument, and Jalmat Pool production from the following-described leases into a common tank battery:

J. F. Janda "A" Lease, consisting of the E/2 SE/4
of Section 20,

J. F. Janda "B" Lease, consisting of the SE/4 of
Section 32,

Harry Leonard "A" Lease, consisting of the S/2
and the NE/4 of Section 22,

all in Township 21 South, Range 36 East, NMPM, and the

J. F. Janda "F" Lease, consisting of all of
Section 4,

Harry Leonard "D" Lease, consisting of all of
Section 3,

both in Township 22 South, Range 36 East, NMPM.

(4) That the applicant be and the same is hereby authorized to install an automatic custody transfer system to handle the above-mentioned commingled production.

PROVIDED HOWEVER, That there shall be no commingling of the production from either of the above-described common tank batteries or automatic custody transfer systems prior to the marketing of said production.

PROVIDED FURTHER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described leases at least once each month to determine the individual production from each zone of each well.

PROVIDED FURTHER, That the applicant shall install storage facilities capable of handling the total production from said leases during the maximum unattended hours of operation.

-4-

CASE No. 2056
Order No. R-1767

IT IS FURTHER ORDERED:

That all meters used in the above-described automatic custody transfer systems 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

John Burroughs

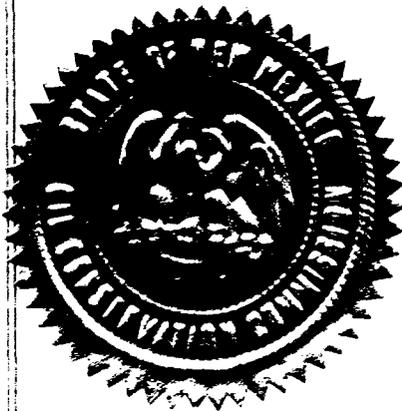
JOHN BURROUGHS, Chairman

Murray E. Morgan

MURRAY E. MORGAN, Member

A. L. Porter, Jr.

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



esr/