

**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. 2085
Order No. R-1787**

**APPLICATION OF GULF OIL CORPORATION
FOR PERMISSION TO COMMINGLE THE
PRODUCTION FROM SEVERAL SEPARATE
POOLS AND FOR PERMISSION TO INSTALL
THREE 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 September 21, 1960, at Santa Fe, New Mexico, before Daniel S. Mutter, 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 3rd day of October, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Mutter, 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 Eunice King Lease, comprising the N/2 of Section 28, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to commingle the production from the Brunson-Ellenburger Pool with production from the Hare Pool on the above-described lease after separately measuring the production from each of said pools and to install an automatic custody transfer system to handle said commingled production.
- (4) That the applicant further proposes to commingle the production from the Wants-Abo Pool, Fuddosh Pool, Penrose-Shelly Pool and Drinkard Pool on the above-described lease after separately measuring the production from each of said pools and to install an automatic custody transfer system to handle said commingled production.

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(5) That the applicant further proposes to commingle the gas condensate production from the Tubb Gas Pool and the Blinbry Gas Pool on the above-described lease and to install an automatic custody transfer system to handle said commingled production.

(6) That the ownership of the Eunice King Lease is common at all depths.

(7) 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 that adequate safety features are incorporated therein.

(8) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, be and the same is hereby authorized to commingle the production from the Brunson-Bilenburger Pool with production from the Hare Pool after separately measuring the production from each of said pools, to commingle the production from the Wants-Abe Pool, Paddock Pool, Penrose-Skelly Pool and Drinkard Pool after separately measuring the production from each of said pools, and to commingle the gas condensate production from the Tubb Gas Pool and the Blinbry Gas Pool, from all wells on its Eunice King Lease, comprising the N/2 of Section 28, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That the applicant be and the same is hereby authorized to install three automatic custody transfer systems to handle the said commingled production, one for the Brunson-Hare production, one for the Wants-Abe, Paddock, Penrose-Skelly and Drinkard production, and one for the Blinbry-Tubb production.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described Eunice King 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 systems malfunction, 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.

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IT IS FURTHER ORDERED:

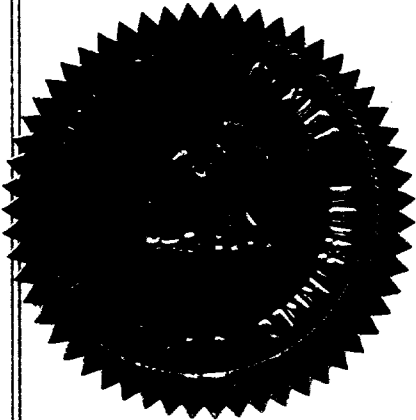
That all meters used in the above-described automatic custody transfer systems shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

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/