

Entered June 24, 1958  
C.H.P.

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. 1466  
Order No. R-1208

APPLICATION OF TIDEWATER OIL  
COMPANY FOR APPROVAL OF THE  
INSTALLATION OF A LEASE AUTOMATIC  
CUSTODY TRANSFER SYSTEM ON ITS  
COATES "C" LEASE TO HANDLE THE  
PRODUCTION FROM THE JUSTIS-  
ELLENBURGER POOL, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 11, 1958, 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 18<sup>th</sup> day of June, 1958, 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, Tidewater Oil Company, is the owner and operator of the Coates "C" lease comprising the E/2, SE/4 NW/4 and the NE/4 SW/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to install automatic lease custody transfer equipment and automatic sampling equipment and other related facilities to handle the oil production from a maximum of ten wells on its Coates "C" lease from the Justis-Ellenburger Pool.

(4) That the applicant further proposes to transfer custody of the production from the said Coates "C" lease to the purchaser by means of positive displacement meters.

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(5) That positive displacement meters will provide an accurate and reliable means for measuring the oil produced from said lease and that their use should be permitted provided said meters are periodically checked for accuracy.

(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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Tidewater Oil Company, be and the same is hereby authorized to install automatic testing and production facilities and automatic custody transfer equipment to handle the Justis-Ellenburger Pool production from a maximum of ten wells on its Coates "C" lease comprising the E/2, SE/4 NW/4, and NE/4 SW/4 of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That each positive displacement type meter in the system shall be checked for accuracy at intervals and in a manner satisfactory to the Commission.

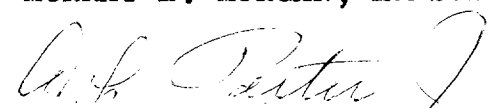
PROVIDED FURTHER, That in the event the oil produced from the Ellenburger formation underlying the above-described Coates "C" lease should become other than pipeline quality, the applicant shall install adequate treating and monitoring facilities in the system.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
EDWIN L. MECHEM, Chairman

  
MURRAY E. MORGAN, Member

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

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