

*Entered January 26, 1959*  
*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. 1580  
Order No. R-1326

APPLICATION OF CITIES SERVICE OIL  
COMPANY FOR PERMISSION TO INSTALL  
AUTOMATIC CUSTODY TRANSFER EQUIPMENT  
ON ITS GOVERNMENT "B" LEASE, CAPROCK-  
QUEEN POOL, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 7, 1959, 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 21st., day of January, 1959, 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, Cities Service Oil Company, is the owner and operator of the Government "B" Lease in the Caprock-Queen Pool, Chaves County, New Mexico, comprising the following-described acreage:

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM  
Section 3: All  
Section 10: N/2

(3) That the applicant proposes to install automatic custody transfer equipment on said Government "B" Lease and to produce all Caprock-Queen Pool wells on said Lease into a common tank battery.

(4) That the applicant proposes to measure the oil passing through the automatic custody transfer equipment by means of positive displacement meters.

-2-  
Case No. 1580  
Order No. R-1326

(5) That positive displacement meters provide an accurate and reliable means for measuring oil and their use should be permitted.

(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.

(7) That the applicant should be permitted to produce more than sixteen wells into a common tank battery provided that each well which is producing into said battery is periodically tested to determine the individual production from said well.

(8) That the positive displacement meters used in the above-described system should be checked for accuracy once each month until further order of the Secretary-Director.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, be and the same is hereby authorized to produce into a common tank battery all wells producing from the Caprock-Queen Pool on its Government "B" Lease, which comprises all of Section 3 and the N/2 of Section 10, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico.

(2) That the applicant be and the same is hereby authorized to install automatic custody transfer equipment utilizing positive displacement meters on the aforementioned Government "B" Lease.

PROVIDED HOWEVER, That the applicant shall make periodic production tests of all wells producing into the said common tank battery to determine the individual production of said wells.

PROVIDED FURTHER, That the positive displacement meters used in the automatic custody transfer equipment referred to above shall be checked for accuracy once each month until further order of the Secretary-Director and the results of such tests shall be furnished to the Commission.

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

S E A L  
ir/