

Entered January 26, 1959
P.S.

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. 1577
Order No. R-1327

APPLICATION OF THE PURE OIL COMPANY
FOR PERMISSION TO INSTALL AUTOMATIC
CUSTODY TRANSFER EQUIPMENT ON THE
SOUTH VACUUM UNIT, LEA 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, The Pure Oil Company, is the unit operator of the South Vacuum Unit, Lea County, New Mexico, comprising the following-described acreage:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 26: S/2
Section 27: SE/4
Section 34: NE/4
Section 35: All
Section 36: NW/4, SE/4, and the N/2 SW/4

(3) That the applicant proposes to install automatic custody transfer equipment on said South Vacuum Unit to handle the Devonian production from a maximum of 16 wells.

(4) That the applicant proposes to measure the oil passing through the automatic custody transfer equipment by means

of positive displacement meters.

(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 each well producing into the common tank battery should be individually tested periodically to determine the production from such 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.

(9) That the above-described system should be so equipped as to prevent the undue waste of oil in the event of malfunction or flow line break.

(10) That the production from the E/2 SW/4 and the W/2 SE/4 of said Section 26 should not be commingled with the oil produced from the remainder of said South Vacuum Unit until such time as the royalty interests in said acreage have signed the South Vacuum Unit Agreement.

IT IS THEREFORE ORDERED:

That the applicant, The Pure Oil Company, be and the same is hereby authorized to install automatic custody transfer equipment to handle the Devonian production from a maximum of 16 wells on its South Vacuum Unit, comprising the following-described acreage in Lea County, New Mexico:

<u>TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM</u>	
Section 26:	S/2
Section 27:	SE/4
Section 34:	NE/4
Section 35:	All
Section 36:	NW/4, SE/4, and the N/2 SW/4

PROVIDED HOWEVER, That the production from the E/2 SW/4 and the W/2 SE/4 of said Section 26 shall not be commingled with the oil produced from the remainder of the said South Vacuum Unit until such time as the royalty interests in said acreage have signed the South Vacuum Unit Agreement.

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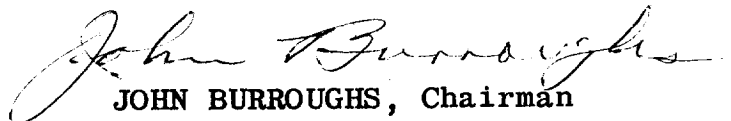
PROVIDED FURTHER, That the applicant shall make periodic production tests of all wells connected to the automatic custody transfer system to determine the individual production of said wells.

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.

PROVIDED FURTHER, That the above-described automatic custody transfer system shall be so equipped as to cause all flowing wells connected thereto to be shut-in at the well-head in the event of malfunction or flow-line break.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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