

QLP

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. 1802
Order No. R-1522

APPLICATION OF JOHN H. TRIGG
FOR AN AUTOMATIC CUSTODY TRANS-
FER SYSTEM AND FOR PERMISSION
TO PRODUCE MORE THAN 16 WELLS
INTO A COMMON TANK BATTERY, IN
THE 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 October 28, 1959, 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 12th day of November, 1959, 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 is the operator of the Federal Trigg Lease comprising, in part, all of Sections 4 and 9, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico.

(3) That the applicant proposes to produce into a common tank battery all the Caprock-Queen wells presently or hereafter completed on that portion of the Federal Trigg Lease described above.

(4) That the applicant proposes to install an automatic custody transfer system to handle the Caprock-Queen Pool production from all wells on that portion of the said Federal Trigg Lease described above.

(5) That the applicant proposes to measure the oil passing through the automatic custody transfer equipment by means of dump-type or positive displacement meters.

(6) That all meters used in the automatic custody transfer system should be checked for accuracy once each month until further direction by the Secretary-Director.

(7) That in order to prevent the overflow and waste of oil in the event the automatic custody transfer system fails to transfer oil to the pipeline, the applicant should 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 should so equip the existing facilities as to automatically shut down the lease production in the event the storage facilities become full.

(8) 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.

(9) That approval of the subject application will neither cause waste nor impair correlative rights, provided that adequate testing and storage facilities are installed.

IT IS THEREFORE ORDERED:

(1) That the applicant, John H. Trigg, be and the same is hereby authorized to produce into a common tank battery all oil produced from wells presently or hereafter completed in the Caprock-Queen Pool on that portion of the Federal Trigg Lease comprising all of Sections 4 and 9, 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 to handle the Caprock-Queen Pool production from all wells presently completed or hereafter drilled on the above-described portion of the Federal Trigg Lease.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of each well at least once each month.

PROVIDED FURTHER, That in order to prevent the overflow and waste of oil in the event the automatic custody transfer system authorized by this order fails to transfer oil to the pipeline, the applicant shall add additional storage facilities from time to time, as it becomes necessary, to store the production which will

-3-

Case No. 1802

Order No. R-1522

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.

IT IS FURTHER ORDERED:

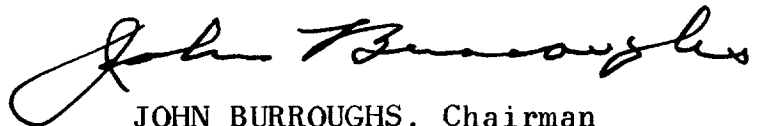
That all meters used in the above-described automatic custody transfer system shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

That meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director.

Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibrations 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, Chairman



MURRAY E. MORGAN, Member



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

S E A L

vem/