

Entered May 9, 1961
C.L.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. 2250
Order No. R-1947

APPLICATION OF TEXACO INC. FOR AN
EXCEPTION TO RULE 309 (a) AND FOR
AN AUTOMATIC CUSTODY TRANSFER SYSTEM,
EDDY AND LEA COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 19, 1961, at Santa Fe, New Mexico, before A. L. Porter, Jr., 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 28th day of April, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, A. L. Porter, Jr., 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, Texaco Inc., seeks permission to commingle the Paduca-Delaware Pool production from all wells presently completed or hereafter drilled on the Cotton Draw Unit, comprising portions of Townships 24 and 25, Ranges 31 and 32 East, NMPM, Eddy and Lea Counties, New Mexico, and to install an automatic custody transfer system to handle said commingled production, provided however, that wells on acreage not committed to the unit agreement and non-commercial wells drilled on committed acreage but not included in the participating area would be stored and measured separately.

(3) 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 adequate safety features are incorporated therein.

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

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IT IS THEREFORE ORDERED:

That the applicant, Texaco Inc., is hereby granted permission to commingle the Paduca-Delaware Pool production from all wells presently completed or hereafter drilled on the Cotton Draw Unit, comprising portions of Townships 24 and 25 South, Ranges 31 and 32 East, NMPM, Eddy and Lea Counties, New Mexico, and to install an automatic custody transfer system to handle said commingled production, provided however, that production from all wells on acreage not committed to said Cotton Draw Unit, and all non-commercial wells drilled on committed acreage but which are not in the participating area shall be measured and stored separately.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells to be served by the automatic custody transfer system at least once each month to determine the individual production from each well.

PROVIDED FURTHER, That adequate fail-safe features, including storage and automatic lease shut-in equipment, shall be installed as proposed on Exhibit No. 3 in this case.

PROVIDED FURTHER, 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.

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."

IT IS FURTHER ORDERED:

That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

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