

*Entered 2 May 30th 1960
A.S.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. 1958
Order No. R-1680

APPLICATION OF TEXACO INC. FOR
APPROVAL OF AN AUTOMATIC CUSTODY
TRANSFER SYSTEM IN THE ECHOL-
DEVONIAN 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 May 11, 1960, 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 19th day of May, 1960, 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, Texaco Inc., is the owner and operator of the State "AR" lease comprising the N/2 SW/4 and Lots 3 and 4 of Section 2, Township 11 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to install an automatic custody transfer system to handle the Echol-Devonian Pool production from all wells presently completed or hereafter drilled on the said State "AR" lease.

(4) 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.

-2-

CASE No. 1958
Order No. R-1680

IT IS THEREFORE ORDERED:

That the applicant, Texaco Inc., be and the same is hereby authorized to install automatic custody transfer equipment to handle the Echol-Devonian Pool production from all wells presently completed or hereafter drilled on its State "AR" lease comprising the N/2 SW/4 and Lots 3 and 4 of Section 2, Township 11 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the said State "AR" lease at least once each month to determine the individual production from each well.

PROVIDED FURTHER, That inasmuch as no well-head shut-in facilities will be installed in the automatic custody transfer system, the applicant shall install storage facilities capable of handling the lease production during the maximum unattended hours of operation.

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.

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."

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

esr/