

*Entered July 1, 1960*  
*A.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. 2000  
Order No. R-1704

APPLICATION OF GULF OIL CORPORATION  
FOR PERMISSION TO COMMINGLE THE PRO-  
DUCTION FROM THREE SEPARATE LEASES  
AND FOR PERMISSION TO INSTALL AN  
AUTOMATIC CUSTODY TRANSFER SYSTEM,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 22, 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 30th day of June, 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 is the owner and operator of the following-described leases located in Section 13, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico:
  - R. R. Bell (NCT-G) lease consisting of the S/2 SE/4
  - Graham-State (NCT-H) lease consisting of the W/2 SW/4
  - H. T. Orcutt (NCT-D) lease consisting of the W/2 NE/4
- (3) That the ownership of the above-described leases is common throughout.
- (4) That the applicant proposes to commingle the Monument Pool production from each of the above-described leases into a common battery to be located in the said H. T. Orcutt (NCT-D) lease.
- (5) That the production will be allocated to the individual leases on the basis of individual well tests.

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(6) That the applicant proposes that an automatic custody transfer system be utilized to handle the commingled production.

(7) 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 that adequate safety features are incorporated therein.

(8) That inasmuch as the ownership of the above-described leases is common throughout, approval of the subject application will neither impair correlative rights nor cause waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, be and the same is hereby authorized to commingle the production from the Monument Pool from all wells presently completed on the following-described leases:

R. R. Bell (NCT-G) lease consisting of the S/2 SE/4

Graham-State (NCT-H) lease consisting of the W/2 SW/4

H. T. Orcutt (NCT-D) lease consisting of the W/2 NE/4

all in Section 13, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install high-level safety shut-in switches in the storage tanks which will shut-in the wells at the wellhead in the event of malfunction of the equipment.

PROVIDED FURTHER, That the applicant shall conduct monthly tests of all wells on the above-described leases in order to determine the individual production from each well.

(2) That the applicant be and the same is hereby authorized to install automatic custody transfer equipment to handle the said commingled production from all wells located on the above-described leases.

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

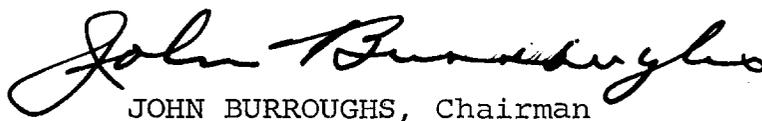


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That meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

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

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