

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. 1548
Order No. R-1290

APPLICATION OF SHELL OIL COMPANY
FOR PERMISSION TO INSTALL AN
AUTOMATIC CUSTODY TRANSFER SYSTEM
IN THE VACUUM POOL, LEA COUNTY,
NEW MEXICO, AND FOR PERMISSION TO
COMMINGLE THE PRODUCTION FROM FOUR
SEPARATE LEASES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 19, 1958, 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 26th day of November, 1958, 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, Shell Oil Company, is the owner and operator of the following-described leases in the Vacuum Pool, Lea County, New Mexico:

State "B" Lease (B-1414) consisting of the E/2
SE/4 of Section 30, Township 17 South, Range 35 East.

State "F" Lease (B-2423) consisting of the S/2
SW/4 of Section 29, Township 17 South, Range 35 East.

State "A" Lease (B-2354) consisting of the NE/4
of Section 31, Township 17 South, Range 35 East.

State "H" Lease (B-2284) consisting of the NW/4
SW/4 of Section 29, Township 17 South, Range 35 East.

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(3) That the applicant proposes to commingle the Vacuum (San Andres) Pool production from the above-described leases and to install automatic custody transfer equipment to handle the Vacuum (San Andres) production from said leases.

(4) That approval of the subject application will not cause waste nor impair correlative rights provided that the production from each of said leases is separately metered prior to commingling and provided further that adequate testing and measuring equipment is installed.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, be and the same is hereby authorized to install automatic custody transfer equipment to handle the Vacuum (San Andres) production from the following-described leases:

State "B" Lease (B-1414) consisting of the E/2
SE/4 of Section 30, Township 17 South, Range 35 East.

State "F" Lease (B-2423) consisting of the S/2
SW/4 of Section 29, Township 17 South, Range 35 East.

State "A" Lease (B-2354) consisting of the NE/4
of Section 31, Township 17 South, Range 35 East.

State "H" Lease (B-2284) consisting of the NW/4
SW/4 of Section 29, Township 17 South, Range 35 East,

all in Lea County, New Mexico.

(2) That the applicant be and the same is hereby authorized to commingle the production from the Vacuum (San Andres) Pool from the above-described leases after the production from each lease has been separately metered.

PROVIDED HOWEVER, That said meters be checked for accuracy at intervals and in a manner satisfactory to the Commission.

PROVIDED FURTHER, That the applicant shall install adequate testing facilities to permit the testing of all wells located on the above-described leases at least once each month

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to determine the individual production from each well.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



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