

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF THE )  
 IBEX COMPANY FOR AN ORDER AUTHORIZING THE )  
 INSTALLATION AND USE OF LEASE AUTOMATIC )  
 CUSTODY TRANSFER EQUIPMENT ON THE WELCH )  
 DUKE STATE LEASE, THE RESLER YATES STATE )  
 LEASE AND THE MC NUTT STATE LEASE, ALL )  
 SITUATED IN THE ARTESIA FIELD IN TOWNSHIP )  
 18 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY )  
 COUNTY, NEW MEXICO, AND FOR CONSOLIDATION )  
 OF MULTIPLE TANK BATTERIES AS EXCEPTION )  
 TO COMMISSION RULE NO.309 AS TO THE RESLER )  
YATES STATE LEASE. )

Case 1594

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 OIL CONSERVATION COMMISSION

APPLICATION

Comes now Applicant, The Ibex Company, by its attorneys, and states:

1. That Applicant is the operator of wells situated on the Welch Duke State Lease, the Resler Yates State Lease, and the McNutt State Lease, all in Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

2. That said leases are being produced by water flood operations and that such operations have resulted in increased production of certain wells to the extent that additional storage tanks will have to be installed, unless lease automatic custody transfer equipment is authorized for more efficient use of present tank batteries.

3. That as to the Resler Yates State Lease, on which numerous tank batteries are situated, it is necessary that there be a consolidation of numerous tank batteries on said lease at some central point prior to installation of lease automatic custody transfer equipment and that such central location for the consolidated tank batteries is proposed to be in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 21, Township 18 South, Range 28 East.

4. That considerable additional expenses will be incurred and loss of efficiency result, and premature abandonment of the project for economic reasons might result in the loss of ultimate recovery

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of oil unless this application is granted.

WHEREFORE, Applicant prays for the following relief:

1. That it be authorized an exception to Rule No. 309 of the Commission Rules and Regulations by being permitted to consolidate all tank batteries on the Resler Yates State Lease into one tank battery at a location of the lease operator's choice, which is proposed to be the SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 21, Township 18 South, Range 28 East.

2. That it be authorized to install lease automatic custody transfer equipment for each of the following leases in the Artesia Field:

- (a) McNutt State Lease
- (b) Welch Duke State Lease
- (c) Resler Yates State Lease

3. That the Commission set this matter down for hearing before an Examiner at the earliest possible date and notice of such hearing be published as required by law.

DATED this 19th day of January, 1959.

Respectfully submitted,

THE IBEX COMPANY

By: \_\_\_\_\_

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Its Attorneys