

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. 1826
Order No. R-1445-A

APPLICATION OF CONTINENTAL OIL
COMPANY FOR PERMISSION TO COM-
MINGLE THE PRODUCTION FROM THREE
SEPARATE LEASES AND FOR PERMISSION
TO INSTALL AN AUTOMATIC CUSTODY
TRANSFER SYSTEM IN THE EL MAR-
DELAWARE 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 December 11, 1959, 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 16th day of December, 1959, 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, Continental Oil Company, is the owner and operator of the following-described leases in Lea County, New Mexico:

Wilder lease, W/2, SE/4, W/2 NE/4 and SE/4
NE/4 of Section 25 and all of Section 26,
Township 26 South, Range 32 East.

Payne lease, Lots 1, 2, 3, and 4 of Section
35, Township 26 South, Range 32 East, and the
S/2 and S/2 N/2 of Section 30 and all of
Section 31, Township 26 South, Range 33 East.

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Bradley 35 lease, N/2 N/2 of Section 35,
Township 26 South, Range 32 East.

(3) That the applicant proposes to commingle the El Mar-Delaware production from all wells located on the above-described leases after separately metering the production from each lease. Applicant proposes to install an automatic custody transfer system to handle said production.

(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.

(5) That approval of the subject application will neither cause waste nor impair correlative rights provided adequate testing and storage facilities are installed.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, be and the same is hereby authorized to commingle the El Mar-Delaware production from all wells presently drilled or hereafter completed on the following-described leases in Lea County, New Mexico, after separately metering the production from each lease:

Wilder lease, W/2, SE/4, W/2 NE/4 and SE/4
NE/4 of Section 25 and all of Section 26
Township 26 South, Range 32 East.

Payne lease, Lots 1, 2, 3, and 4 of Section
35, Township 26 South, Range 32 East, and the
S/2 and S/2 N/2 of Section 30 and all of
Section 31, Township 26 South, Range 33 East.

Bradley 35 lease, N/2 N/2 of Section 35,
Township 26 South, Range 32 East.

(2) That the applicant be and the same is hereby authorized to install automatic custody transfer equipment to handle the El Mar-Delaware Pool production from all wells presently drilled or hereafter completed on the above-described leases.

PROVIDED HOWEVER, That the automatic custody transfer system shall be so equipped as to prevent the undue waste of oil in the event of malfunction or flow-line break.

PROVIDED FURTHER, That if the automatic custody transfer system which is installed differs in any significant respect from the system presented in the hearing of this case, such system shall not be utilized until approved by the Secretary-Director.

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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.

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

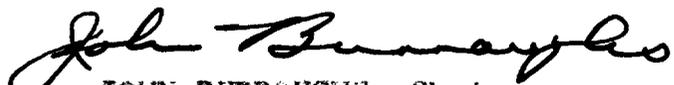
IT IS FURTHER ORDERED:

That the applicant shall install adequate facilities to permit the testing of each well on the above-described leases at least once each month.

(3) That Order No. R-1445 be and the same is hereby superseded.

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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