

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 1917
Order No. R-1656-A

IN THE MATTER OF THE APPLICATION OF
AMERADA PETROLEUM CORPORATION FOR
PERMISSION TO COMMINGLE THE PRODUCTION
FROM TWO SEPARATE POOLS IN LEA COUNTY,
NEW MEXICO, SEPARATELY METERING THE
PRODUCTION FROM ONLY ONE POOL PRIOR
TO COMMINGLING.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for reconsideration upon the petition of Amerada Petroleum Corporation for a rehearing in Case No. 1917, Order No. R-1656, heretofore entered by the Oil Conservation Commission of New Mexico on April 25, 1960.

NOW, on this 20th day of May, 1960, the Oil Conservation Commission, a quorum being present, having considered the petition for rehearing,

FINDS:

(1) That the applicant's request in Case No. 1917 was two-fold: (1) for permission to commingle the production from two separate pools in exception to Rule 303(a) of the Commission Rules and Regulations and (2) for permission to determine the production from one pool by the use of a meter, subtracting this volume from the total commingled production as measured in tanks on the lease in order to determine the production from the other pool.

(2) That the applicant was granted the requested commingling authorization, but was required to meter the production from each pool prior to commingling since the meter tests taken by the applicant to support its application for a one-meter installation were of too short a duration to have any significant probative value, particularly in view of the fact that a meter failure occurred during these tests.

(3) That without knowledge of the proper weathering or shrinkage factors to apply to the measured volume of oil, the production attributable to each pool cannot be accurately determined. This might very well result in the production of oil in excess of the allowables for the wells in one of the two pools being commingled with a concomitant impairment of correlative rights.

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(4) That the Commission recognizes that carefully controlled tests conducted over at least a one year's period of time might establish that an accurate month-to-month shrinkage factor can be determined.

(5) That accordingly, it granted the applicant the option of initiating certain tests which would be very useful in proving the accuracy or inaccuracy of a one-meter installation in a system where the production from two or more pools is being commingled.

(6) That the applicant, in its petition for rehearing, does not state that it has any new or additional evidence to present to the Commission.

(7) That the Commission has fully considered all testimony and exhibits received in Case No. 1917 and a mere repetition of such testimony would serve no useful purpose.

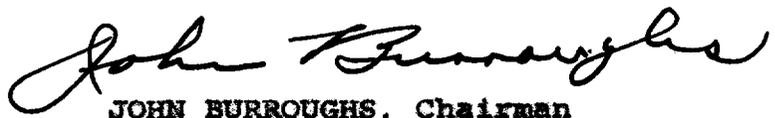
(8) That in view of the findings set forth above, the petition for rehearing should be denied.

IT IS THEREFORE ORDERED:

That the applicant's petition for rehearing in Case No. 1917 be and the same is hereby denied.

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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