

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. 1959
Order No. R-1677

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR APPROVAL OF AN AUTOMATIC
CUSTODY TRANSFER SYSTEM IN THE
EMPIRE-ABO POOL, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 11, 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 19th day of May, 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, Sinclair Oil & Gas Company, is the owner and operator of the M. Yates "B" (ARC) lease consisting of the S/2, NE/4, S/2 NW/4, and the NE/4 NW/4 of Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant proposes to install an automatic custody transfer system to handle the Empire-Abo Pool production from all wells presently completed or hereafter drilled on the said M. Yates "B" (ARC) lease.
- (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, provided adequate safety features are incorporated therein.

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IT IS THEREFORE ORDERED:

That the applicant, Sinclair Oil & Gas Company, be and the same is hereby authorized to install automatic custody transfer equipment to handle the Empire-Abo Pool production from all wells presently completed or hereafter drilled on its M. Yates "B" (ARC) lease consisting of the S/2, NE/4, S/2 NW/4, and NE/4 NW/4 of Section 33, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

PROVIDED HOWEVER, That inasmuch as the lease shut-in facilities will be at the lease header rather than at the wellheads, the flowlines used in the automatic custody transfer system shall be plastic-coated pressure-tested tubing.

PROVIDED FURTHER, That the applicant shall install adequate facilities to permit the testing of all wells on the said M. Yates "B" (ARC) lease at least once each month to determine the individual production from each well.

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

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
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



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