

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

P. O. Drawer 669
Roswell, New Mexico

W. A. Shellshear
DISTRICT MANAGER

F. O. Mortlock
DISTRICT EXPLOSION
MANAGER

M. I. Taylor
DISTRICT PRODUCTION
MANAGER

H. C. Vivian
DISTRICT SERVICES MANAGER

February 6, 1961

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Application for Hearing to
Revise Statewide Rule 309 to
Establish a Procedure for
Administrative Approval for
Automatic Custody Transfer Systems

Gentlemen:

Gulf Oil Corporation respectfully requests that the Commission set for hearing this application to consider the revision of Statewide Rule 309 to establish a procedure for administrative approval of automatic custody transfer systems where equipment of a type previously approved by the Commission is proposed.

In support of this application, Gulf submits the following:

- (1) Sufficient evidence in Gulf's opinion is available to prove that an ACT system is an accurate and efficient method of accounting for production and delivering to the pipe line.
- (2) Present rules require a separate hearing for each installation of ACT equipment even though the identical ACT equipment has consistently been approved on other locations.
- (3) Gulf is of the opinion that all ACT systems approved by the Commission have been basically similar in design utilizing safety equipment to shut in the lease in the event of full storage or in the alternative provide for sufficient storage for handling the production during the unattended hours.
- (4) In the event conditions should be encountered which might tend to involve waste or to impair correlative rights, the administrative approval could be withheld and the applicant notified that a hearing will be required or the Commission may upon its own motion institute proceedings for a hearing.



February 6, 1961

It is requested that this matter be set for hearing at an early date.

Respectfully submitted,

GULF OIL CORPORATION

By *W. A. Shellshear*
District Manager

JHH:sz

cc: Oil Conservation Commission
Post Office Box 2045
Hobbs, New Mexico

DOCKET: REGULAR HEARING - THURSDAY, APRIL 13, 1961

OIL CONSERVATION COMMISSION - 9 A.M. - HIGH SCHOOL CAFETERIA 1300 EAST
SCHARBAUER, HOBBS, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for May, 1961.
- (2) Consideration of the allowable production of gas for May, 1961, from nine prorated pools in Lea County, New Mexico, also consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for May, 1961.

CASE 2241: Application of Potash Company of America for an extension of the potash-oil area. Applicant, in the above-styled cause, seeks an extension of the potash-oil area as set forth in Order R-111-A, and amendments thereto, to include the following-described acreage: Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico

Section 13: SW/4 NW/4 and NW/4 SW/4

Section 14: SE/4 NE/4 and NE/4 SE/4

CASE 2242: Application of the Oil Conservation Commission on its own motion to consider certain changes in the definition section of its Rules and certain changes in the definitions in Rule 107, and to consider amending Rule 112 to provide, among other things, for administrative approval for multiple slim-hole completions.

CASE 2243: Application of Gulf Oil Corporation for an amendment of Rule 309 (a). Applicant, in the above-styled cause, seeks an amendment of Rule 309 (a) to permit the installation of lease automatic custody transfer equipment without the necessity of notice and hearing.

CASE 2244: Southeastern New Mexico nomenclature case calling for an order creating new pools and extending existing pools in Chaves, Eddy, Lea and Roosevelt Counties, New Mexico, and for an order defining the vertical limits of a certain Pool:

- (a) Create a new oil pool, the vertical limits to be the Abo formation. This pool is to be designated as the Allison-Abo Pool and described as:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM

SECTION 11: NW/4

- (b) Create a new oil pool, the vertical limits to be the Pennsylvanian formation. This pool is to be designated as the East Allison-Pennsylvanian Pool and described as:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
SECTION 8: NE/4

- (c) Create a new oil pool, the vertical limits to be the Abo Reef formation. This pool is to be designated as the South Lovington-Abo Pool and described as:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
SECTION: 20: NE/4

- (d) Create a new oil pool, the vertical limits to be the Abo Reef formation. This pool is to be designated as the East Vacuum-Abo Pool and described as:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
SECTION 36: SW/4

- (e) Extend the Arrowhead Pool, to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 20: SW/4

- (f) Extend the Atoka-Grayburg Pool, to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
SECTION 14: SE/4

- (g) Extend the Bluit-Pennsylvanian Pool, to include:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
SECTION 29: SW/4

- (h) Extend the Brushy Draw-Delaware Pool, to include:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: S/2 S/2

- (i) Extend the East E. K-Queen Pool, to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
SECTION 22: E/2 SE/4