

Entered July 20, 1959
A.L.P.

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. 1703
Order No. R-1330-A

APPLICATION OF TIDEWATER OIL
COMPANY FOR AN AUTOMATIC CUSTODY
TRANSFER SYSTEM AND PERMISSION
TO COMMINGLE THE PRODUCTION FROM
SEVERAL SEPARATE OIL POOLS FROM
TWO SEPARATE LEASES IN LEA COUNTY,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:00 o'clock a.m. on June 24, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, 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 7th day of July, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Tidewater Oil Company, is the owner and operator of the two following-described Federal leases in the Justis Field, Lea County, New Mexico:

Coates "C" Lease, E/2, SE/4 NW/4 and NE/4 SW/4,
Section 24, Township 25 South, Range 37 East

Coates "D" Lease, SE/4 SW/4, Section 24, Township
25 South, Range 37 East

(3) That the ownership of said Federal leases is common throughout.

(4) That the applicant proposes to commingle the intermediate grade crude production from the Justis-Ellenburger, Justis-McKee, Justis-Fusselman,

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Justis-Montoya, and Justis-Blinebry Pools from all wells presently completed or hereafter drilled on both the said Coates "C" and "D" Leases after separately metering the production from each pool, and to pass this commingled production through an automatic custody transfer system.

(5) That the applicant further proposes to commingle the sour crude production from the Justis-Drinkard and Langlie-Mattix Pools from all wells presently completed or hereafter drilled on both the said Coates "C" and "D" Leases after separately metering the production from each pool.

(6) That the applicant further proposes to determine the volume of production from each of the various pools underlying said Coates "C" Lease by subtracting the metered volume of production from that pool on said Coates "D" Lease from the total measured volume from the same pool underlying both leases.

(7) That approval of the subject application will neither cause waste nor impair correlative rights provided the production from each pool is separately metered prior to commingling.

IT IS THEREFORE ORDERED:

(1) That the applicant, Tidewater Oil Company, be and the same is hereby authorized to commingle the intermediate grade crudes from the Justis-Ellenburger, Justis-McKee, Justis-Fusselman, Justis-Montoya, and Justis-Blinebry Pools from all wells presently completed or hereafter drilled on both its Coates "C" and Coates "D" Leases, which leases are described as follows:

Coates "C" Lease, E/2, SE/4 NW/4 and NE/4 SW/4,
Section 24, Township 25 South, Range 37 East

Coates "D" Lease, SE/4 SW/4, Section 24, Township
25 South, Range 37 East

all in the Justis Field, Lea County, New Mexico.

PROVIDED HOWEVER, That the production from each pool shall be separately metered prior to commingling with the production from any other pool.

(2) That after separately metering the production from each of the above-mentioned pools, the applicant be and the same is hereby authorized to pass this commingled production through an automatic custody transfer system.

(3) That the applicant be and the same is hereby authorized to commingle the Justis-Drinkard and Langlie-Mattix production from all wells presently completed or hereafter drilled on said Coates "C" and "D" Leases.

PROVIDED HOWEVER, That the production from each pool shall be separately metered prior to commingling with the production from the other pool.

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(4) That the applicant be and the same is hereby authorized to determine the production from each of the various pools underlying the said Coates "C" Lease by subtracting the metered volume of production from that pool on said Coates "D" Lease from the total measured volume from the same pool underlying both leases.

(5) That all meters shall be operated and maintained in such a manner as to ensure an accurate measurement of production at all times.

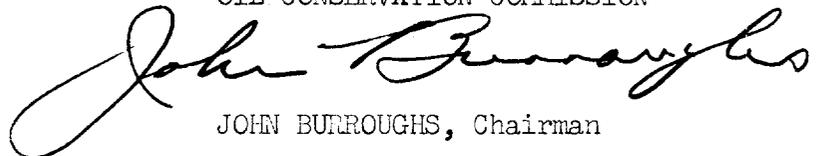
That all meters shall be checked for accuracy at intervals not to exceed one month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the Commission form entitled "Meter Test Report."

(6) That the applicant shall install adequate testing facilities to permit the testing of all wells located on the said Coates "C" and "D" Leases at least once each month to determine the individual production from each zone of each well.

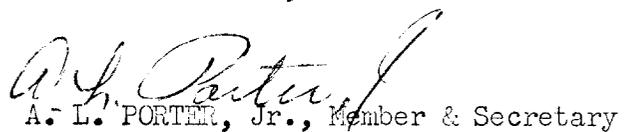
(7) That Order Nos. R-1208, R-1297, and R-1330 be and the same are hereby superseded.

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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