

**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. 1554
Order No. R-1294

**APPLICATION OF THE TEXAS COMPANY
FOR PERMISSION TO INSTALL AN
AUTOMATIC CUSTODY TRANSFER SYSTEM
IN THE BISTI-LOWER GALLUP OIL POOL,
SAN JUAN COUNTY, NEW MEXICO, AND
FOR PERMISSION TO COMMINGLE THE
PRODUCTION FROM FIVE SEPARATE LEASES.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 19, 1958, 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 26th day of November, 1958, 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, The Texas Company, is the owner and operator of the following-described leases in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico:

Navajo Allottee	Section 14:	NW/4
	Section 15:	NE/4
Navajo Allottee "T"	Section 14:	SW/4
Navajo Allottee "O"	Section 15:	SE/4
Navajo Allottee "M"	Section 23:	NW/4

all in Township 25 North, Range 11 West, NMPM.

(3) That the applicant proposes to commingle the Bisti-Lower Gallup Oil Pool production from the above-described leases and to install automatic custody transfer equipment to handle the Bisti production from said leases.

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(4) That the applicant proposes to separately meter the production from each of said leases by means of metering separators prior to commingling.

(5) That approval of the subject application will not cause waste nor impair correlative rights provided adequate testing and measuring equipment is installed.

IT IS THEREFORE ORDERED:

(1) That the applicant, The Texas Company, be and the same is hereby authorized to install automatic custody transfer equipment to handle the production from the following-described leases in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico:

Navajo Allottee	Section 14:	NW/4
	Section 15:	NE/4
Navajo Allottee "T"	Section 14:	SW/4
Navajo Allottee "O"	Section 15:	SE/4
Navajo Allottee "M"	Section 23:	NW/4

all in Township 25 North, Range 11 West, NMPM.

(2) That the applicant be and the same is hereby authorized to commingle the production from the Bisti-Lower Gallup Oil Pool from the above-described leases after the production from each lease has been separately metered.

PROVIDED HOWEVER, That the metering separators used in the automatic custody transfer system shall be checked for accuracy at intervals and in a manner satisfactory to the Commission.

PROVIDED FURTHER, That the applicant shall install adequate testing facilities to permit the testing of all wells located on the above-described leases at least once each month to determine the individual production from each well.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem
EDWIN L. MECHEM, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 28, 1958

C
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P
Y

Mr. L. C. White
Gilbert, White & Gilbert
P.O. Box 787
Santa Fe, New Mexico

Dear Mr. White:

On behalf of your client, The Texas Company, we enclose two copies of Orders R-1293 and R-1294 issued November 26, 1958, by the Oil Conservation Commission in Cases 1553 and 1554, respectively.

Please note that these orders require that each meter installed in the subject systems shall be tested for accuracy at intervals and in a manner satisfactory to the Commission. It will be necessary for The Texas Company to run a series of tests of sufficient duration to determine that the meters are functioning properly immediately following installation. Thereafter, tests should be made at intervals not to exceed one month and a report of said calibration filed with the Commission. The meters shall be calibrated against a master meter or against a test tank of measured volume.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

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Encls.