

**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. 1594
Order No. R-1346

**APPLICATION OF THE IBEX COMPANY FOR
PERMISSION TO INSTALL THREE SEPARATE
LEASE AUTOMATIC CUSTODY TRANSFER
SYSTEMS IN THE ARTESIA FIELD, EDDY
COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 4, 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 2nd day of March, 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 is the operator of certain wells being produced by water flood operations on the Welch Duke State lease, the Resler Yates State lease, and the McNutt State lease, all in Township 18 South, Range 28 East, Artesia Field, Eddy County, New Mexico.
- (3) That the applicant proposes to install a separate automatic custody transfer system and a separate consolidated tank battery to handle the production from each of said leases.
- (4) That applicant further seeks an exception to Rule 309 of the Commission Rules and Regulations inasmuch as the consolidated tank battery for said Resler Yates State lease is to be located on said McNutt State lease.

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(5) That the applicant proposes to measure the oil passing through each separate automatic custody transfer system by means of positive displacement meters.

(6) That previous use of positive displacement meters and automatic custody transfer equipment, similar to that proposed by the applicant, has shown such equipment to be reliable and the use of same should be permitted.

(7) That each well producing into a central tank battery should be tested periodically to determine its individual production.

(8) That the positive displacement meters used in each of the automatic custody transfer systems should be checked periodically for accuracy.

IT IS THEREFORE ORDERED:

1. That the applicant, The Ibez Company, be and the same is hereby authorized to install a separate automatic custody transfer system to handle the production from each of the following leases in Township 18 South, Range 28 East, Artesia Field, Eddy County, New Mexico: Welch Duke State lease, Resler Yates State lease, and McNutt State lease, and to produce all wells on each of said leases into a separate consolidated tank battery for that lease.

2. That the applicant be and the same is hereby authorized to physically locate the consolidated tank battery for the production from the Resler Yates State lease on the McNutt State lease.

PROVIDED HOWEVER, That the applicant shall make periodic production tests of all wells producing into each of the consolidated tank batteries to determine the individual production from each well.

PROVIDED FURTHER, That the positive displacement meters used in each of the automatic custody transfer systems shall be checked for accuracy once each month until further order of the Secretary-Director, and the results of such tests shall be furnished to the Commission.

PROVIDED FURTHER, That the applicant shall install a mechanical device in each separate transfer system which will shut down each well's pumping units in the event the storage tanks are full.

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

