

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. 1651
Order No. R-1400

APPLICATION OF CONTINENTAL OIL
COMPANY FOR PERMISSION TO INSTALL
AN AUTOMATIC CUSTODY TRANSFER
SYSTEM AND FOR PERMISSION TO
COMMINGLE THE PRODUCTION FROM
THREE SEPARATE LEASES IN LEA
COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 6, 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 25th day of May, 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, Continental Oil Company, is the owner and operator of the following-described leases in the Hobbs Pool, Lea County, New Mexico:

W. D. Grimes lease, SE/4 of Section 28.

State A-33 lease, SW/4, W/2 SE/4, and SW/4 NE/4
of Section 33.

State A-29 lease, E/2 SW/4 and NW/4 SE/4 of
Section 29.

all in Township 18 South, Range 38 East.

(3) That the applicant seeks permission to commingle the Hobbs Pool production from wells on the above-described leases in a common tank battery located on said A-29 lease.

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(4) That the applicant proposes to separately meter the production from each lease prior to commingling.

(5) That the applicant further seeks permission to install an automatic custody transfer system to handle the Hobbs Pool production from wells located on the three above-described leases.

(6) That the applicant proposes to measure the oil passing through the automatic custody transfer system by means of dump type or positive displacement meters.

(7) That the previous use of automatic custody transfer equipment, similar to that proposed by the applicant, has demonstrated 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.

(8) That the applicant should be permitted to commingle the Hobbs Pool production from the above-described leases after separately metering the production from each lease.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, be and the same is hereby authorized to commingle the Hobbs Pool production from all wells on the following-described leases in a common tank battery:

W. D. Grimes lease, SE/4 of Section 28.

State A-33 lease, SW/4, W/2 SE/4, and SW/4 NE/4
of Section 33.

State A-29 lease, E/2 SW/4 and NW/4 SE/4 of
Section 29.

all in Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

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

PROVIDED FURTHER, That the applicant shall install adequate 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.

PROVIDED FURTHER, That wells producing into the centralized tank battery shall be equipped with high pressure and low pressure shut-off switches to ensure that they will be shut-in at the wellhead in the event of malfunction or flow-line break.

(2) That the applicant be and the same is hereby authorized to install automatic custody transfer equipment utilizing either dump-type meters or positive displacement meters to handle the Hobbs Pool production from wells on the above-described leases.

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IT IS FURTHER ORDERED:

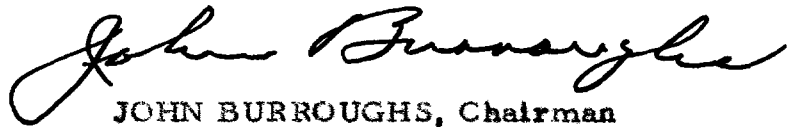
That all meters shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

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

Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibrations 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, Chairman


MURRAY E. MORGAN, Member


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

