

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. 1715  
Order No. R-1450

APPLICATION OF GULF OIL  
CORPORATION FOR PERMISSION TO  
INSTALL A LEASE AUTOMATIC  
CUSTODY TRANSFER SYSTEM ON  
ITS B. V. CULP LEASE, LEA  
COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause came on for hearing at 9:00 o'clock a.m. on July 8, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 5<sup>th</sup> day of July, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Gulf Oil Corporation, is the owner and operator of the B. V. Culp Lease consisting of the SW/4 NW/4, E/2 NW/4, and the NE/4 of Section 19, Township 19 South, Range 37 East, Lea County, New Mexico.
- (3) That the applicant proposes to install a lease automatic custody transfer system to handle the Monument Pool production from all wells located on said B. V. Culp Lease.
- (4) That the applicant proposes to measure the oil passing through said automatic custody equipment by means of either dump-type or positive displacement meters.

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(5) That the meters to be used in the above-described system should be checked for accuracy once each month and the results of such tests furnished to the Commission.

(6) That the above-described system should be so equipped as to prevent the undue waste of oil in the event of malfunction on flow-line break.

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

IT IS THEREFORE ORDERED:

That the applicant, Gulf Oil Corporation, be and the same is hereby authorized to install lease automatic custody transfer equipment to handle the Monument Pool production from its B. V. Culp Lease consisting of the SW/4 NW/4, E/2 NW/4, and the NE/4 of Section 19, Township 19 South, Range 37 East, Lea County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells on the said B. V. Culp Lease at least once each month to determine the individual production from each well.

PROVIDED FURTHER, That all meters used in the automatic custody transfer system referred to above shall be checked for accuracy at least once each month until further direction of the Secretary-Director, and the results of such tests shall be furnished to the Commission.

PROVIDED FURTHER, That the above-described automatic custody transfer system shall be so equipped as to cause all flowing wells connected thereto to be shut-in at the well-head in the event of malfunction or flow-line break.

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