

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. 1822
Order No. R-1326-A

APPLICATION OF CITIES SERVICE
OIL COMPANY FOR APPROVAL OF
THREE AUTOMATIC CUSTODY TRANSFER
SYSTEMS ON THE DRICKEY-QUEEN
SAND UNIT, CAPROCK-QUEEN POOL,
LEA AND CHAVES COUNTIES, NEW
MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 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 16th day of December, 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, operator of the Drickey-Queen Sand Unit in Chaves County, New Mexico, proposes to handle all Caprock-Queen Pool production from said Unit by means of three automatic custody transfer systems, more particularly described as follows:

(a) An automatic custody transfer system to handle all Caprock-Queen Pool production from the following-described acreage in said Unit:

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPA
Section 33: S/2 SW/4, NE/4 SW/4, SE/4,
S/2 NE/4, NE/4 NE/4
Section 34: SW/4

-2-

Case No. 1822

Order No. R-1326-A

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM

Section 3: All

Section 10: N/2

(b) An automatic custody transfer system to handle all Caprock-Queen Pool production from the following-described acreage in said Unit:

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM

Section 35: S/2

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM

Section 1: N/2 NW/4, SW/4 NW/4

Section 2: All

Section 11: W/2, W/2 E/2

Section 14: NE/4 NW/4, NW/4 NE/4

(c) An automatic custody transfer system to handle all Caprock-Queen Pool production from the following-described acreage in said Unit:

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM

Section 10: S/2

Section 14: S/2 NW/4, NW/4 NW/4, N/2 SW/4,
SW/4 SW/4

Section 15: All

Section 16: N/2, SE/4, N/2 SW/4, SE/4 SW/4

Section 22: NW/4

(3) That Order No. R-1326 authorizing an automatic custody transfer system for a portion of the acreage proposed to be served by the system described in paragraph (2) (a) of the findings herein should be superseded by the order issued in this case.

(4) That the applicant proposes to measure the oil passing through the three automatic custody transfer systems by means of positive displacement meters.

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

(6) That the above-described systems should be so equipped as to prevent the undue waste of oil in the event of malfunction or 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.

-3-
Case No. 1822
Order No. R-1326-A

IT IS THEREFORE ORDERED:

(1) That Order No. R-1326 be and the same is hereby superseded.

(2) That the applicant be and the same is hereby authorized to install the three following-described automatic custody transfer systems in the Drickey-Queen Sand Unit in Chaves County, New Mexico:

(a) A system to handle all Caprock-Queen Pool production from the following-described acreage in said Unit:

ACT SYSTEM NO. 1

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM
Section 33: S/2 SW/4, NE/4 SW/4, SE/4,
S/2 NE/4, NE/4 NE/4
Section 34: SW/4

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM
Section 3: All
Section 10: N/2

(b) A system to handle all Caprock-Queen Pool production from the following-described acreage in said Unit:

ACT SYSTEM NO. 2

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM
Section 35: S/2

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM
Section 1: N/2 NW/4, SW/4 NW/4
Section 2: All
Section 11: W/2, W/2 E/2
Section 14: NE/4 NW/4, NW/4 NE/4

(c) A system to handle all Caprock-Queen Pool production from the following-described acreage in said Unit:

ACT SYSTEM NO. 3

TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM
Section 10: S/2
Section 14: S/2 NW/4, NW/4 NW/4, N/2 SW/4,
SW/4 SW/4
Section 15: All
Section 16: N/2, SE/4, N/2 SW/4, SE/4 SW/4
Section 22: NW/4

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells on said Drickey-Queen Sand Unit at least once each month to determine the individual production from each well.

-4-

Case No. 1822

Order No. R-1326-A

PROVIDED FURTHER, That the above-described systems shall be so equipped as to prevent the undue waste of oil in the event of malfunction or flow-line break.

PROVIDED FURTHER, That all meters used in the above-described automatic custody transfer system shall be operated and maintained in such a manner as to ensure an accurate measurement of the liquid hydrocarbon production at all times.

PROVIDED FURTHER, That all 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 calibration filed with the Commission on the Commission form entitled "Meter Test Report."

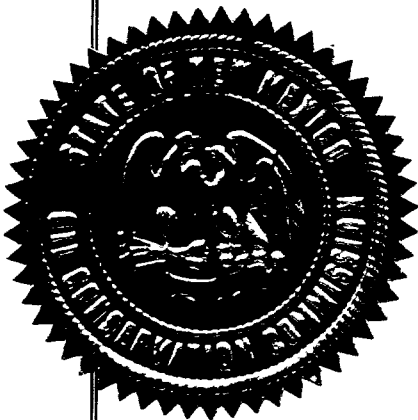
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



vem/