

BEFORE THE OIL CONSERVATION COMMISSION
OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CITIES SERVICE OIL COMPANY

Case 1829

BEFORE THE OIL CONSERVATION COMMISSION
OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CITIES SERVICE OIL COMPANY
FOR APPROVAL OF AN AUTOMATIC
CUSTODY TRANSFER IN THE DRICKEY
QUEENSAND UNIT, CAPROCK QUEEN
POOL, CHAVES COUNTY, NEW MEXICO.

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A P P L I C A T I O N

Comes now Cities Service Oil Company, operator of the Drickey Queen Sand Unit, and respectfully requests approval of the installation of an automatic custody transfer system for the Drickey Queen Sand Unit, Caprock Queen Pool, Chaves County, New Mexico, and in support thereof would show:

1. That the Commission by its Order No. R-1326 has heretofore approved the use of automatic custody transfer equipment on the Government B lease in said unit.

2. That applicant proposes to handle all production in the Drickey Queen Sand Unit by automatic custody transfer, as follows:

a. It is desired to amend Order No. R-1326 to include production through the installation on the Government B lease from participating tracts in the Drickey Queen Sand Unit in Sections 33 and 34, Township 13 South, Range 31 East, Chaves County, New Mexico.

b. Additional automatic custody transfer equipment is proposed to handle production from participating tracts in the Drickey Queen Sand Unit in Sections 2, 11, and 14, Township 14 South, Range 31 East; and another to handle production from participating tracts in the Drickey Queen Sand Unit in Sections 10, 15, 16, and 22, Township 14 South Range 31 East, all in Chaves County, New Mexico.

and Sec. 35, T. 13 S, R. 31 E.

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3. It is proposed to use automatic custody transfer equipment consisting of positive displacement meters, sampling equipment and other related facilities to accurately measure and account for oil produced from the Drickey Queen Sand Unit. Installation of automatic custody transfer is in the interest of conservation by the prevention of loss of volatile fractions and reduction of the hazards of ordinary tankage.

4. Delivery of the crude oil will be to the Texas-New Mexico Pipeline Company, who have consented to the installation of automatic custody transfer facilities.

5. Periodic production tests of all wells will be made and the positive displacement meters will be checked for accuracy by a master meter at times designated by the New Mexico Oil Conservation Commission.

6. Copies of this application have been sent to all offset operators.

WHEREFORE, Applicant requests that this matter be set for hearing before the Oil Conservation Commission or before the Commission's duly appointed examiner, in Santa Fe, New Mexico, at as early a date as possible, and that after notice and hearing as provided by law, the Commission enter its order approving applicant's proposal.

Respectfully submitted,
CITIES SERVICE OIL COMPANY

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