

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 8, 1960

Mr. Bill Kastler
Box 689
Roswell, New Mexico

Dear Mr. Kastler:

On behalf of your client, Gulf Oil Corporation,
we enclose two copies of Order R-1605 in Case No.
1872 issued by the Oil Conservation Commission on
this date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

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Enclosures

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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. 1872
Order No. R-1605

APPLICATION OF GULF OIL CORPO-
RATION FOR PERMISSION TO COM-
MINGLE THE PRODUCTION FROM FOUR
SEPARATE LEASES AND FOR PERMISSION
TO INSTALL AN AUTOMATIC CUSTODY
TRANSFER SYSTEM IN THE PEARL-
QUEEN POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 27, 1960, 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 5th day of February, 1960, 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 owner and operator of the following-described leases in Township 19 South, Range 35 East, Lea County, New Mexico:

Lea-State "AP" lease, E/2 of Section 30;

Lea-State "AQ" lease, N/2 of Section 32;

Lea-State "BG" lease, N/2 of Section 33;

Lea-State "IH" lease, W/2 SW/4 and W/2 SE/4
of Section 29.

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(3) That the applicant proposes to commingle the Pearl-Queen Pool production from all wells located on the above-described leases after separately metering the combined production from the said "AP," "BG," and "IH" leases and after separately metering the production from the said "AQ" lease.

(4) That the applicant proposes to install an automatic custody transfer system to handle said commingled production.

(5) 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.

(6) That approval of the subject application will neither cause waste nor impair correlative rights, provided adequate treating, testing, and storage facilities are installed.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to commingle the Pearl-Queen Pool production from all wells located on the following-described leases in Lea County, New Mexico:

Lea-State "AP" lease, E/2 of Section 30;

Lea-State "AQ" lease, N/2 of Section 32;

Lea-State "BG" lease, N/2 of Section 33;

Lea-State "IH" lease, W/2 SW/4 and W/2 SE/4
of Section 29;

all in Township 19 South, Range 35 East.

PROVIDED HOWEVER, That prior to such commingling, the operator shall separately meter the production from the said "AQ" lease and shall also separately meter the combined production from the said "AP," "BG," and "IH" leases.

(2) That the applicant be and the same is hereby authorized to install automatic custody transfer equipment to handle the Pearl-Queen Pool production from all wells located on the above-described leases.

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

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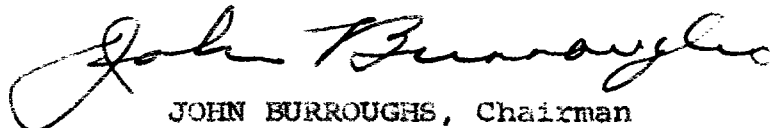
PROVIDED FURTHER, That the automatic custody transfer system shall be so equipped as to prevent the undue waste of oil in the event of malfunction or flow-line break.

PROVIDED FURTHER, That all meters used in the above-described system shall be operated 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 a 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, Chairman


MURRAY E. MORGAN, Member


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



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