

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. 2093
Order No. R-1799

APPLICATION OF HUMBLE OIL & REFINING
COMPANY FOR AN AMENDMENT OF ORDER
NO. R-1630-B TO PERMIT COMMINGLING
FROM ADDITIONAL SEPARATE LEASES AND
FOR APPROVAL OF AN AUTOMATIC CUSTODY
TRANSFER SYSTEM IN THE CHALK BLUFF
DRAW UNIT AREA, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 5, 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 24th day of October, 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, Humble Oil & Refining Company, is the operator of numerous leases on the following-described lands in the Chalk Bluff Draw Unit Area, Empire-Abo Pool, Eddy County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 4: W/2
Section 5: All
Section 8: All
Section 9: W/2
Section 16: W/2
Section 17: All
Section 20: All
Section 21: W/2 and SE/4

(3) That the applicant seeks permission to commingle the Empire-Abo Pool production from all wells presently completed or hereafter drilled on the above-described lands in the Chalk Bluff Draw Unit Area, and it further seeks approval of an automatic custody transfer system to handle said production.

(4) That the applicant proposes to separately measure the production from each lease on the above-described lands in the Chalk Bluff Draw Unit Area, prior to commingling, until such time as it is included in a participating area for Empire-Abo Pool production.

(5) That inasmuch as Order Nos. R-1630, R-1630-A and R-1630-B authorize the commingling of Empire-Abo Pool production and the installation of an automatic custody transfer system to handle said production on only certain of the lands included in the present application and included in this order, said orders should be superseded.

(6) 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, provided adequate safety features are incorporated therein.

(7) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Humble Oil & Refining Company, be and the same is hereby authorized to commingle the Empire-Abo Pool production from all wells presently completed or hereafter drilled on the following-described lands in the Chalk Bluff Draw Unit Area, Eddy County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 4: W/2
Section 5: All
Section 8: All
Section 9: W/2
Section 16: W/2
Section 17: All
Section 20: All
Section 21: W/2 and SE/4

PROVIDED HOWEVER, That the production from each lease on the above-described lands in the Chalk Bluff Draw Unit Area shall be separately metered prior to commingling until such time as it is included in a participating area for Empire-Abo Pool production.

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(2) That the applicant be and the same is hereby authorized to install automatic custody transfer equipment to handle said commingled Empire-Abo Pool production.

PROVIDED HOWEVER, That storage tanks shall be equipped with a high-level emergency shut-in switch which will shut in the leases at the lease-header in the event the high-level switch fails, and that the flow-lines leading from the wells to the header shall be plastic-coated high-pressure lines.

(3) That the applicant shall provide adequate facilities to permit the testing of all Empire-Abo Pool wells located in the Chalk Bluff Draw Unit at least once each month to determine the individual production from each well.

(4) 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 intervals not to exceed one month until further direction by the Secretary-Director.

That 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."

(5) That Order Nos. R-1630, R-1630-A and R-1630-B be and the same are hereby superseded.

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