

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. 2133
Order No. R-1835

APPLICATION OF HUMBLE OIL & REFINING
COMPANY FOR APPROVAL OF AN AUTOMATIC
CUSTODY TRANSFER SYSTEM IN AN UNDESIG-
NATED GALLUP POOL, AND FOR AN EXCEPTION
TO RULE 309(a), SAN JUAN COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 30, 1960, 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 8th day of December, 1960, 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, Humble Oil & Refining Company, is the owner and operator of the Navajo "L" Lease, comprising in pertinent part all of Sections 25, 26, 35 and 36, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

(3) That the applicant proposes to install an automatic custody transfer system to handle the Gallup production from all wells presently completed or hereafter drilled on the above-described portion of the Navajo "L" Lease.

(4) 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.

-2-

CASE No. 2133

Order No. R-1835

(5) That the applicant further seeks an exception to the sixteen unit limitation of Rule 309(a).

IT IS THEREFORE ORDERED:

(1) That the applicant, Humble Oil & Refining Company, be and the same is hereby authorized to install an automatic custody transfer system to handle the Gallup production from all wells presently completed or hereafter drilled on the Navajo "L" Lease, comprising in pertinent part all of Sections 25, 26, 35 and 36, Township 29 North, Range 14 West, NMPM, San Juan County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described portion of the Navajo "L" Lease at least once each month to determine the individual production from each well.

PROVIDED FURTHER, That in order to prevent the overflow and waste of oil in the event the automatic custody transfer system fails to transfer oil to the pipeline, the applicant shall add additional storage facilities from time to time, as it becomes necessary, to store the production which will accrue during the hours that said lease is unattended, or in the alternative, shall either so equip the existing facilities as to automatically shut-in the lease production at the wellhead in the event the storage facilities become full, or test the flow-lines to at least $1\frac{1}{2}$ times the shut-in pressure of the wells.

IT IS FURTHER ORDERED:

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.

That meters shall be checked for accuracy at least once each 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."

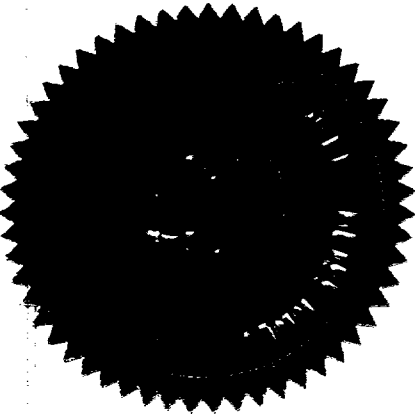
(2) That the applicant be and the same is hereby granted an exception to the sixteen unit limitation of Rule 309(a).

-3-

CASE No. 2133
Order No. R-1835

DONE at Santa Fe, New Mexico, on the day and year herein-
above 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

esr/