

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



P. O. BOX 871
SANTA FE

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

March 24, 1961

Mr. Kirk Newman
Atwood & Malone
Box 867
Roswell, New Mexico

Re: Case No. 2198
Order No. W-1922
Applicant:
H. S. Moss

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A handwritten signature in cursive script, reading "A. L. Porter, Jr.", is written over the typed name.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC **x**
Artesia OCC
Aztec OCC

OTHER

**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. 2198
Order No. R-1922**

**APPLICATION OF H. S. MOSS
FOR PERMISSION TO COMMINGLE
THE PRODUCTION FROM THREE
SEPARATE POOLS AND FOR AN
AUTOMATIC CUSTODY TRANSFER
SYSTEM, LEA COUNTY, NEW
MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 23, 1961, 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 March, 1961, 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, H. S. Moss, seeks permission to commingle the production from the Southwest Gladiola-Wolfcamp Pool, the Southwest Gladiola-Devonian Pool and an undesignated Pennsylvanian pool from all wells presently completed or hereafter drilled on its D. P. Peck Lease comprising the W/2 of Section 26, Township 12 South, Range 37 East, NMPM, Lea County, New Mexico.

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

(4) That the proposed installation as shown on Exhibit No. 1 herein should be authorized, provided, however, that a sampler and a meter utilizing a non-reset totalizer should be installed on the bad oil line, and, provided further, that all production meters should be of a type utilizing a non-reset totalizer.

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CASE No. 2198
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(5) That inasmuch as an industry committee has been appointed to study all phases of commingling and to recommend minimum standards to prevent abuses thereof, it may be that this installation, at a later date, will have to be altered to conform to such standards as the Commission may prescribe.

(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.

IT IS THEREFORE ORDERED:

(1) That the applicant, H. S. Moss, is hereby granted permission to commingle the production from the Southwest Gladiola-Wolfcamp Pool, the Southwest Gladiola-Devonian Pool and an undesignated Pennsylvanian pool from all wells presently completed or hereafter drilled on its D. P. Peck Lease comprising the W/2 of Section 26, Township 12 South, Range 37 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That a sampler and a meter utilizing a non-reset totalizer shall be installed on the bad oil line, and, provided further, that all production meters shall be of a type utilizing a non-reset totalizer.

PROVIDED FURTHER, That it may be that this installation, at a later date, will have to be altered to conform to such standards as the Commission may prescribe.

(2) That the applicant is hereby authorized to install an automatic custody transfer system to handle said commingled production.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described 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 a pressure of at least 1 1/2 times the shut-in pressure of the wells.

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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."

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

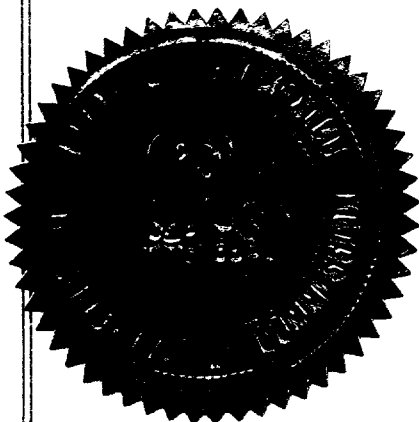
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman


E. S. WALKER, Member

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



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