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March 3, 1961

Mr. A. L. Porter
Executive Director
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Porter:

We enclose, in triplicate, Application of The Atlantic Refining Company for Approval of an Automatic Custody Transfer System in Connection With Atlantic's Rutter-Federal Lease in the Bluiett Pool, Roosevelt County, New Mexico.

We would appreciate your setting this matter down to be heard before the first Examiner's hearing possible and would appreciate your sending us a copy of the notice.

Yours sincerely,

HERVEY, DOW & HINKLE

By Clarence E. Hinkle

CEH:bc

Encls.

cc: Atlantic Refining Co.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO.

APPLICATION OF THE ATLANTIC REFINING
COMPANY FOR APPROVAL OF AN AUTOMATIC
CUSTODY TRANSFER SYSTEM IN CONNECTION
WITH ATLANTIC'S RUTTER-FEDERAL LEASE
IN THE BLUITT POOL, ROOSEVELT COUNTY,
NEW MEXICO.

2232

APPLICATION

TO THE NEW MEXICO OIL CONSERVATION COMMISSION:

COMES The Atlantic Refining Company and hereby makes application for the approval of an automatic custody transfer system in connection with its Rutter-Federal Lease situated in the Bluitt Pool, Roosevelt County, New Mexico, and embracing the following described land, to-wit:

Township 8 South, Range 37 East, N.M.P.M.

Section 28: SW $\frac{1}{4}$

Containing 160 acres, more or less,

and in support of such application respectfully shows:

1. That there is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat showing the Oil and Gas Lease hereinabove described, together with the well located thereon producing from the Bough "C" formation and the ownership of the surrounding leasehold interests.

2. That Applicant proposes to install an automatic custody transfer system to handle the production from the present well located upon said lease and any wells which may hereafter be completed in the Bough "C" formation.

3. That the automatic custody transfer system will include adequate facilities to handle the production from all

wells upon said leasehold premises and will be installed in such a manner as to permit the testing of said wells at least once each month to determine the individual production therefrom. That in order to prevent the overflow and waste of oil in the event the automatic custody transfer system should fail to transfer oil to the pipeline, Applicant proposes to provide adequate storage facilities or else to equip said facilities so as to automatically shut in the lease production at the well heads in the event storage facilities should become full. The automatic custody transfer facilities to be installed will be similar to those previously approved by the Commission.

Respectfully submitted,

THE ATLANTIC REFINING COMPANY

By *W. T. Toulmin*

HERVEY DOW & HINKLE

By *James F. Hinkle*
Roswell, New Mexico
Attorneys for Applicant