

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. 2252
Order No. R-1950

APPLICATION OF CITIES SERVICE
PETROLEUM COMPANY FOR APPROVAL
OF AN AUTOMATIC CUSTODY TRANSFER
SYSTEM IN THE VACUUM-ABO 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 April 19, 1961, at Santa Fe, New Mexico, before A. L. Porter, Jr., 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 28th day of April, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, A. L. Porter, Jr., 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, Cities Service Petroleum Company, is the owner and operator of the State B "J" Lease, comprising the S/2 of Section 35, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to install an automatic custody transfer system to handle the Vacuum-Abo Pool production from all wells presently completed or hereafter drilled on the above-described State B "J" Lease.

(4) That the installation should conform to Exhibit Nos. 3 and 4 in this case, except that a set-stop counter equipped with a non-reset totalizer should be installed to automatically stop the flow of oil through the automatic custody transfer system at or prior to the time the allowable has been run.

(5) That the previous use of automatic custody transfer equipment, similar to that proposed by the applicant, has shown

-2-

CASE No. 2252
Order No. R-1950

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:

That the applicant, Cities Service Petroleum Company, is hereby authorized to install an automatic custody transfer system to handle the Vacuum-Abo Pool production from all wells presently completed or hereafter drilled on the State B "J" Lease, comprising the S/2 of Section 35, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, That the installation shall conform to Exhibit Nos. 3 and 4 in this case, except that at set-stop counter equipped with a non-reset totalizer shall be installed to automatically stop the flow of oil through the automatic custody transfer system at or prior to the time the allowable has been run.

PROVIDED FURTHER, That the applicant shall install adequate facilities to permit the testing of all wells located on the above-described State B "J" 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 so equip the existing facilities as to automatically shut-in the lease production at the well-head in the event the storage facilities become full.

PROVIDED FURTHER, 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."

IT IS FURTHER ORDERED:

That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

CASE No. 2252
Order No. R-1950

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/