

*Entered January 27, 1961  
A.P.P.*

06

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. 2149  
Order No. R-1851

APPLICATION OF EL PASO NATURAL GAS  
PRODUCTS COMPANY FOR APPROVAL OF AN  
AUTOMATIC CUSTODY TRANSFER SYSTEM  
IN THE CHA CHA-GALLUP OIL POOL, 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 January 4, 1961, 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 10th day of January, 1961, 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, El Paso Natural Gas Products Company, is the owner and operator of the Ojo Amarillo Lease, comprising all of Sections 27, 28, 33 and 34, 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 Cha Cha-Gallup Oil Pool production from all wells presently completed or hereafter drilled on the above-described Ojo Amarillo 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. 2149  
Order No. R-1851

IT IS THEREFORE ORDERED:

That the applicant, El Paso Natural Gas Products Company, be and the same is hereby authorized to install an automatic custody transfer system to handle the Cha Cha-Gallup Oil Pool production from all wells presently completed or hereafter drilled on the Ojo Amarillo Lease, comprising all of Sections 27, 28, 33 and 34, 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 Ojo Amarillo 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 so equip the existing facilities as to automatically shut-in the lease production at the wellhead in the event the storage facilities become full.

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

S E A L

esr/

