

*Entered June 9, 1959  
A.D.*

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. 1667  
Order No. R-1404

APPLICATION OF THE ATLANTIC  
REFINING COMPANY FOR PERMISSION  
TO INSTALL AUTOMATIC CUSTODY  
TRANSFER EQUIPMENT ON ITS NAVAJO  
TRIBAL LEASE, HORSESHOE-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 May 12, 1959, 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 25th day of May, 1959, 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, The Atlantic Refining Company, is the owner and operator of the Navajo Tribal Lease No. 14-20-603-734 in the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, comprising the following-described acreage:

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM

Section 29:	All
Section 30:	All
Section 31:	All
Section 32:	All
Sections 28 and 33:	That portion lying within the Navajo Indian Reservation



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(3) That by Order No. R-1288, the applicant was authorized to produce all Horseshoe-Gallup Oil Pool wells on the above-described acreage into a common tank battery.

(4) That the applicant proposes to install automatic custody transfer equipment on said Navajo Tribal Lease No. 14-20-603-734 to handle the production from all Horseshoe-Gallup Oil Pool wells on said Lease.

(5) That the applicant proposes to measure the oil passing through the automatic custody transfer equipment by means of positive displacement meters.

(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.

(7) That the positive displacement meters used in the automatic custody transfer system should be checked for accuracy once each month until further direction by the Secretary-Director.

IT IS THEREFORE ORDERED:

(1) That the applicant, The Atlantic Refining Company, be and the same is hereby authorized to install automatic custody transfer equipment to handle the Horseshoe-Gallup Oil Pool production from all wells presently completed or hereafter drilled on the Navajo Tribal Lease No. 14-20-603-734 comprising the following-described acreage in San Juan County, New Mexico:

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM

Section 29:	All
Section 30:	All
Section 31:	All
Section 32:	All
Sections 28 and 33:	That portion lying within the Navajo Indian Reservation

PROVIDED HOWEVER, That the automatic custody transfer system shall be so equipped as to prevent the undue waste of oil in the event of malfunction or flow-line break.

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.



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Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibrations 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

  
JOHN BURROUGHS, Chairman

  
MURRAY E. MORGAN, Member

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

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