

Entered February 13, 1967

C.L.P.

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. 3517
Order No. R-3190

APPLICATION OF PAN AMERICAN PETROLEUM
CORPORATION FOR A VAPOR RECOVERY SYSTEM,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 25, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of February, 1967, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Pan American Petroleum Corporation, seeks permission to install, at its central tank battery for the Navajo Tribal P, N, and U Leases in the Tocito Dome-Pennsylvanian "D" Pool, San Juan County, New Mexico, a vapor recovery system including facilities for extracting the liquids from said vapor.

(3) That the applicant also requests that said liquids not be chargeable to the oil allowable for said leases.

(4) That vapors from the heater treater and from the stock tanks serving said leases are of such quality, quantity, and pressure as to be non-commercial at this time.

(5) That the proposed project should result in the recovery of otherwise unrecoverable hydrocarbons.

-2-

CASE No. 3517

Order No. R-3190

(6) That recovery of hydrocarbons from vapors that would otherwise be vented to the atmosphere is in the interest of conservation, the prevention of waste through the recovery of otherwise unrecoverable hydrocarbons, and will not violate correlative rights.

(7) That the applicant should be authorized to install, at its central tank battery for the Navajo Tribal P, N, and U Leases in the Tocito Dome-Pennsylvanian "D" Pool, San Juan County, New Mexico, a vapor recovery system including facilities for extracting the liquids from said vapor and that said liquids should not be chargeable to the oil allowable for said leases provided such operation does not cause the average gravity of the stock tank oil to be reduced below a limiting gravity for such stock tank oil as established by an average oil-gravity test.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pan American Petroleum Corporation, is hereby authorized to install, at its central tank battery for the Navajo Tribal P, N, and U Leases in the Tocito Dome-Pennsylvanian "D" Pool, San Juan County, New Mexico, a vapor recovery system including facilities for extracting the liquids from said vapor.

(2) That liquids extracted from said vapor shall not be chargeable to the oil allowable for said leases.

IT IS FURTHER ORDERED:

(1) That the operator shall apply heat or vacuum to the oil only to the extent the average gravity of the stock tank oil will not be reduced below a limiting gravity for such stock tank oil as established by an average oil-gravity test conducted under the following conditions:

- (a) The separator system that is used to separate the hydrocarbons shall be operated at not less than 200 pounds per square inch.
- (b) The heater treater shall not be operated at a temperature in excess of 130° Fahrenheit.
- (c) The test interval shall be for a minimum of 24 hours, and the average oil gravity after weathering for not

-3-

CASE No. 3517

Order No. R-3190

more than 24 hours shall then become the limiting gravity factor for applying heat or vacuum to unmeasured oil on the tested lease.

(2) That initial gravity tests shall be made by the operator before the facilities herein authorized are first used. Subsequent tests shall be made at the request of either the Commission or any interested party; and such subsequent tests shall be witnessed by the requesting party. Any interested party may witness the tests.

(3) That the operator shall enter on the face of Commission Form C-115 the gravity of the oil delivered to market from the lease reported, and it is provided that should a volume of oil delivered to market from the subject facilities not meet the gravity requirement established by the described test, adjustment shall be made by charging the allowable of the lease on the relationship of the volume and the gravity of the particular crude.

(4) That Form C-111 shall be filed each month in accordance with Rule 1111 of the Commission Rules and Regulations.

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


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

STATE OF NEW MEXICO


OIL CONSERVATION COMMISSION



DAVID F. CARGO, Chairman



GUYTON B. HAYS, Member



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

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