

*Entered October 23, 1959  
A.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. 1773  
Order No. R-1399-A

APPLICATION OF PAN AMERICAN  
PETROLEUM CORPORATION FOR AN  
AMENDMENT TO ORDER NO. R-1399  
TO PERMIT THE INSTALLATION OF  
TWO AUTOMATIC CUSTODY TRANSFER  
SYSTEMS TO HANDLE THE COMMINGLED  
EMPIRE-ABO PRODUCTION FROM SEVEN  
FEDERAL LEASES IN EDDY COUNTY,  
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 30, 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 19th day of October, 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, Pan American Petroleum Corporation, proposes that Order No. R-1399 be amended to authorize the installation of an automatic custody transfer system to handle that portion of the Empire-Abo Pool production permitted to be commingled by paragraph (1) of said Order No. R-1399.
- (3) That the applicant proposes that Order No. R-1399 be further amended to authorize the installation of another automatic custody transfer system to handle that portion of the Empire-Abo Pool production permitted to be commingled by paragraph (2) of said Order No. R-1399.

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(4) That the applicant proposes to measure the oil passing through said automatic custody transfer equipment by means of either dump-type or positive displacement meters.

(5) That the meters used in the above-described systems should be checked for accuracy at least once each month and the results of such tests furnished to the Commission.

(6) That the above-described systems should be so equipped as to prevent the undue waste of oil in the event of malfunction or flow-line break.

(7) 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.

IT IS THEREFORE ORDERED:

(1) That Order No. R-1399 be and the same is hereby amended to authorize the installation of an automatic custody transfer system to handle that portion of the Empire-Abo Pool production permitted to be commingled by Paragraph (1) of said Order No. R-1399.

(2) That Order No. R-1399 be and the same is hereby further amended to authorize the installation of another automatic custody transfer system to handle that portion of the Empire-Abo Pool production permitted to be commingled by Paragraph (2) of said Order No. R-1399.

(3) That the above-described automatic custody transfer systems shall be so equipped as to prevent the undue waste of oil in the event of malfunction or flow-line break.

PROVIDED HOWEVER, That all provisions of Order No. R-1399 shall continue in full force and effect.

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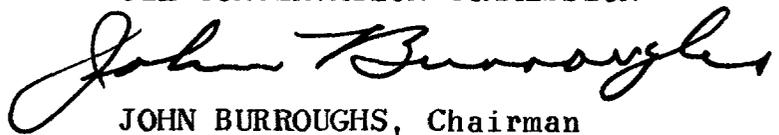
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PROVIDED FURTHER, That meters used in the automatic custody transfer systems herein authorized shall be tested in the same manner as is provided in Order No. R-1399 for testing lease production meters.

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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