

Entered October 23, 1959

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. 1772
Order No. R-1292-A

APPLICATION OF PAN AMERICAN
PETROLEUM CORPORATION FOR AN
AMENDMENT TO ORDER NO. R-1292
TO PROVIDE FOR AUTOMATIC CUS-
TODY TRANSFER OF EMPIRE-ABO
PRODUCTION FROM FOUR STATE
LEASES IN EDDY COUNTY, NEW
MEXICO, PERMITTED TO BE COM-
MINGLED PURSUANT TO THAT ORDER

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 desires that Order No. R-1292 be amended to provide for automatic custody transfer of the Empire-Abo Pool production from the four state leases permitted to be commingled by that order.

(3) 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.

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

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

(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.

IT IS THEREFORE ORDERED:

(1) That Order No. R-1292 be and the same is hereby amended to authorize the installation of an automatic custody transfer system to handle the Empire-Abo Pool production from the four state leases permitted to be commingled by that order.

(2) That the above-described 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.

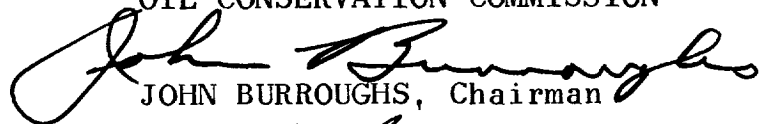
PROVIDED HOWEVER, That all provisions of Order No. R-1292 shall continue in full force and effect.

PROVIDED FURTHER, That both lease production meters and meters used in the 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.

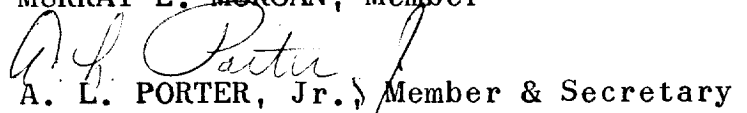
PROVIDED FURTHER, That all meters shall be checked for accuracy at least once each month until further direction by the Secretary-Director. Meters shall be calibrated against a master meter or against a test tank of measured volume and the results of such calibration filed with the Commission on the 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


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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