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. 1770
Order No. R-1506

APPLICATION OF PAN AMERICAN
PETROLEUM CORPORATION FOR PER-
MISSION TO INSTALL AN AUTOMATIC
CUSTODY TRANSFER SYSTEM ON ITS
LOIS WINGERD LEASE, LEA 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 Com-
mission, 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 re-
quired by law, the Commission has jurisdiction of this cause
and the subject matter thereof.

(2) That the applicant is the owner and operator of
the Lois Wingerd Lease consisting of the SE/4 and the E/2
NE/4 of Section 23, and the NW/4, SE/4, E/2 NE/4 and the
E/2 SW/4 of Section 24, all in Township 12 South, Range 37
East, Lea County, New Mexico.

(3) That the applicant proposes to install an automatic
custody transfer system to handle the Gladiola-Devonian Pool
production from all wells presently drilled or hereafter com-
pleted on said Lois Wingerd Lease.

(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 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.

(6) 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.

(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:

That the applicant, Pan American Petroleum Corporation, be and the same is hereby authorized to install automatic custody transfer equipment to handle the Gladiola-Devonian Pool production from its Lois Wingerd Lease consisting of the SE/4 and the E/2 NE/4 of Section 23, and the NW/4, SE/4, E/2 NE/4 and the E/2 SW/4 of Section 24 all in Township 12 South, Range 37 East, Lea County, New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of all wells on the said Lois Wingerd Lease at least once each month to determine the individual production from each well.

PROVIDED FURTHER, 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 FURTHER, 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.

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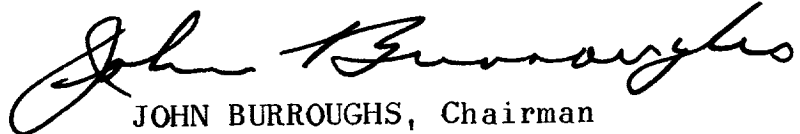
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

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

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