

PROPOSED RULES TO ESTABLISH A PROCEDURE FOR  
ADMINISTRATIVE APPROVAL OF AUTOMATIC CUSTODY TRANSFER SYSTEMS

RULE 309 - CENTRAL TANK BATTERIES

- (c) The Secretary-Director of the Commission shall have authority to grant exceptions to Rule 309 (a), to permit the use of automatic custody transfer equipment without notice or hearing, provided application for administrative approval has been filed in due form and such application contains the following:
- (1) Lease plat.
  - (2) Schematic sketch of the proposed automatic custody transfer system indicating the function of each of the various components.
  - (3) Application states that the proposed installation is basically similar in design and operation to one previously approved by the Commission, giving case, order number and date of approval for the installation. If one not previously approved, complete description of the installation should be included.
  - (4) Application evidences that the pipe line purchaser has approved the installation.
  - (5) Installation would incorporate the use of safety shut down devices to shut-in the lease in the event of full storage; or in the alternative, provide sufficient storage to handle the production during the unattended hours.
  - (6) Automatic custody transfer equipment shall incorporate a safety shut down device to prevent the delivery of unmetered oil.
  - (7) Installation shall have a set-stop counter to stop the delivery of oil when all legal allowable for the month has been run.

The Secretary-Director may, upon his own motion, after receipt of the application, set the matter for hearing if, in his opinion, conditions should be encountered which will tend to involve waste or impair correlative rights.

Case No. 2243

Exhibit No. 2