

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6925
Order No. R-6422

APPLICATION OF CARIBOU FOUR
CORNERS, INC. FOR TWO EXCEPTIONS
TO RULE 306, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:



This cause came on for hearing at 9 a.m. on June 25, 1980, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 5th day of August, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Caribou Four Corners, Inc., is the owner and operator of two wells, being the Kirtland Wells Nos. 1 and 2, located in Units A and B, respectively, of Section 13, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico.

(3) That said wells are too far removed from a regular gas gathering system and produce too little gas to justify laying a line to said system at this time.

(4) That said wells are relatively close to a local gas distribution system which could handle a portion of the gas produced, but only after costly treatment and on a severely seasonally restricted basis only.

(5) That pending further development by the drilling of additional wells and the making of more gas available to justify

laying a line to the nearest gas gathering system, the applicant proposes to install gas treating facilities at Wells Nos. 1 and 2 to remove all condensate and to also strip the gas of most of the natural gas liquids contained therein.

(6) That the aforesaid Kirtland Well No. 1 produces approximately 50 MCF per day of casinghead gas and from this, applicant expects to extract some 1.5 barrels of condensate and approximately 150 gallons of propane, and to consume approximately 35 MCF as fuel and shrinkage.

(7) That the aforesaid Kirtland Well No. 2 produces approximately 60 MCF per day of casinghead gas and from this, applicant expects to extract a slightly greater amount of condensate and propane and to consume a similar amount of gas as the No. 1 well.

(8) That the applicant would reinject the remaining residue gas into the wells except periodically when pressure problems would prevent doing so, and requests authority to flare the remaining gas when such pressure problems prevent reinjection into the wells.

(9) That the recovery of the additional volumes of liquids from the casinghead gas and the prospect of recycling the residue gas most of the time make the proposed system worthy of favorable consideration as in the interest of conservation and the prevention of waste.

(10) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Caribou Four Corners, Inc., is hereby authorized to install a liquid recovery system at each of its Kirtland Wells Nos. 1 and 2, located in Units A and B, respectively, of Section 13, Township 29 North, Range 15 West, NMPM, San Juan County, New Mexico, and to flare the residue gas from such liquid recovery facilities when pressure problems prevent reinjecting said gas back into the wells.

(2) That this authority shall become effective upon completion of installation of the liquid recovery systems as outlined at the hearing of this case.

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

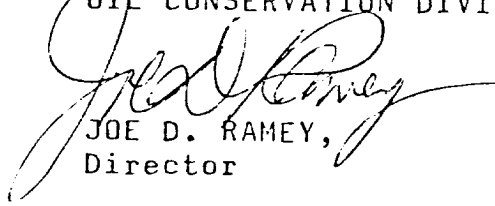
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Case No. 6925

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

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