

Case No.

523

Application, Transcript,
Small Exhibits, Etc.

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. 523
Order No. R-313

THE APPLICATION OF THE NEW MEXICO
OIL CONSERVATION COMMISSION, UPON
ITS OWN MOTION, FOR AN ORDER RE-
VISING RULE 701 OF THE OIL CONSERVATION
COMMISSION'S RULES AND REGULATIONS TO
ALLOW THE SECRETARY OF THE COMMISSION
TO APPROVE THE DRILLING OF LPG STORAGE
WELLS PROVIDED CERTAIN CONDITIONS ARE MET
BY THE OPERATOR.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on March 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on the 10th day of April, 1953, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at the hearing, 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 there is need for a revision of Section I - Secondary Recovery and Pressure Maintenance, of the Commission's Rules and Regulations, in order to provide for the approval by the Secretary of the Commission of wells to be drilled for the purpose of storing liquefied petroleum gases.

IT IS THEREFORE ORDERED:

(1) That the application of the Oil Conservation Commission be and the same hereby is approved as follows.

(2) That Section I - Secondary Recovery and Pressure Maintenance, should be amended to provide for the addition of Rule 705, as follows:

RULE 705: LPG (STORAGE WELLS)

Applications to drill storage wells for the purpose of storing liquefied petroleum gases shall be submitted to the Director of the Commission for approval. In addition to Form C-101 (Notice of Intention to Drill), the operator shall submit the following information:

1. Certified plat of area within 1/2 mile of proposed well showing thereon the location of the proposed well and the location of any oil or gas wells and dry holes, and lease ownership.

2. Upon completion of the proposed well, operator shall submit Form C-105, Well Log, plus a diagrammatic sketch of the finished installation, together with an estimate of the storage capacity of the cavity.

Applicants shall furnish all operators within a half-mile radius of the proposed well with a copy of the application to the Commission, and applicant shall include with his application a written stipulation that all operators within a half-mile radius of the proposed well have been properly notified. The Secretary of the Commission shall wait at least ten (10) days before approving any such application, and shall approve any such application only in the absence of objection from any notified operator. In the event that an operator objects to the application, the Commission shall consider the matter only after proper notice and hearing.

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

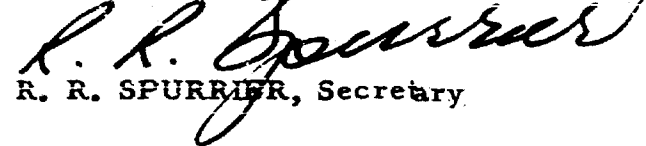
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



R. R. SPURRIER, Secretary

S E A L

CASE 523

Ex 1

**SUGGESTED RULE FOR APPLICATIONS TO DRILL LPG
STORAGE WELLS:**

RULE 705:

Applications to drill storage wells for the purpose of storing Liquified Petroleum Gases shall be submitted to the Director of the Commission for approval. In addition to Form C-101-Notice of Intention to Drill, the operator shall submit the following information:

1. Certified plat of area ^{*notice to operators*} within 1/2 mile of proposed well showing thereon the location of the proposed well and the location of any oil, or gas wells and dry holes, and lease ownership. _{*10 days*}

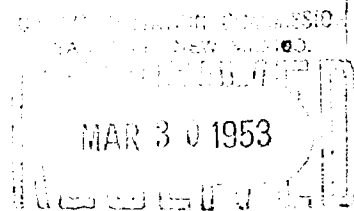
2. Upon completion of the proposed well, operator shall submit Well Log Form C-105 plus a diagrammatic sketch of the finished installation together with an estimate of the storage capacity of the cavity.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
March 17, 1953

TRANSCRIPT OF HEARING

CASE NO. 523



ADA DEAN, RY & ASSOCIATES
2000 S. 10TH ST.
ROOM 12, CROWWELL BLDG.
PHONES 7-8645 AND 5-8541
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

Santa Fe, New Mexico
March 17, 1953.

In the Matter of:

Application of the Oil Conservation
Commission upon its own motion for an
order revising Rule 701 of the Oil Con-
servation Comm' on's Rules and Regula-
tions to allow the Secretary of the Commis-
sion to approve the drilling of LPG storage
wells provided certain conditions are met
by the operator.

Case No. 523

TRANSCRIPT OF HEARING

(Notice of Publication read by Mr. Graham.)

MR. GRAHAM: I presume everyone has a copy of the blue
sheets which contains the suggested changes?

MR. SPURRIER: Any comment on this proposed Rule 705?

MR. SMITH: May it please the Commission. J. K. Smith
from Stanolind. We should like to suggest that the operators
within the area described in Paragraph No. 1 be given notice
simultaneously with the filing of the application of the admitted
Rule 705, so that they will be apprized of what is being done in
that area, and that if it interferes, of course, sufficient time
will elapse, I presume, so that such operators who are notified
may file appropriate protest with the Commission.

MR. MACEY: Ten days sufficient?

MR. SMITH: I would imagine so.

MR. COLLISTON: Paul Colliston, representing Continental.

I would like to concur with Continental and have added to ^{the} Rule provision for the notice to offset operators with sufficient time to protest, if they so desire.

MR. SPURRIER: Anyone else?

MR. SCOTT: Mr. Scott with Shell. I would like to concur with the statements of Stanolind.

MR. SPURRIER: Anyone else?

MR. SMITH: Do I understand that your suggestion of ten days will be from the time the Commission receives it?

MR. SPURRIER: No, the applicants.

MR. SMITH: I mean the offset operators received their copy of the notice. There may be some delay in the mails, of three or four days.

MR. MACEY: I was thinking of ten days after the Commission received the request of the application. They would wait for at least ten days, and I suppose they would want a verification there from the operators that he had submitted it to everybody, too.

MR. SPURRIER: Anyone else? If not the case will be taken under advisement. Without objection we will include this blue sheet to the transcript of the record at this time.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS.

I, ADA DEARNLEY, hereby certify that the above and foregoing transcript of proceedings in Case No. 523, taken before the Oil Conservation Commission on March 17, 1953, at Santa Fe, New Mexico, is a true and correct record.

Dated in Albuquerque, New Mexico, this 29th day of March, 1953.


Notary Public

My Commission Expires:
June 19, 1955.

ADA DEARNLEY & ASSOCIATES
COURT REPORTERS
ROOM 105-106, EL CORTEZ BLDG.
PHONES 7-9645 AND 5-3546
ALBUQUERQUE, NEW MEXICO

CASE 523

**SUGGESTED RULE FOR APPLICATIONS TO DRILL LPG
STORAGE WELLS:**

RULE 705:

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