

Casa No.

772

Application, Transcript,
Small Exhibits, Etc.

CASE 772: Radford-Zachry Oil Company's
application for exception to the No-Flare
Rule.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

APPLICATION OF RADFORD-ZACHRY OIL
COMPANY, INC., FOR AN EXCEPTION TO
ORDER NO. R-520 AND PARTICULARLY TO
SECTION (10) THEREOF COVERING SPECIAL
RULES APPLICABLE TO THE JALMAT GAS POOL.)

COMES NOW the applicant, Radford-Zachry Oil Company, Inc.,
and files this its application for an exception to Order No.
R-520 and particularly to Section (10) thereof covering special
rules applicable to the Jalmat Gas Pool and for cause would show:

Applicant is the operator and owner of an oil well located
in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 17, Township 22 South, Range 37 East,
N.M.P.M., Lea County, New Mexico, known as the Radford-Zachry
Christmas No. 1, and that said well is capable of and is
producing some gas along with the oil.

That said well at the present time is producing
approximately three barrels of oil and 50 m.c.f.'s of gas per
day and that the gas produced with said oil is now being flared.

Applicant would further show that request for a
connection to the Skelly Oil Company Plant and the Gulf Oil
Corporation Plant serving the area has been made as per copies
of said request, marked Exhibits "A" and "B", attached hereto
and made a part hereof, and to the date of the filing of this
application neither company has agreed to make a connection
and unless an exception is granted, applicant will be required
to shut in its well, resulting in irreparable loss and injury
to the applicant.

WHEREFORE, applicant prays that the Commission make an
exception excusing the Radford-Zachry Christmas No. 1 well,
located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 17, Township 22 South, Range
37 East, N.M.P.M., Lea County, New Mexico, in the Penrose-Skelly
Field from the requirements of Section (10) of Order No. R-520,
being the special rules of the Jalmat Gas Pool.

Respectfully submitted,

RADFORD-ZACHRY OIL COMPANY, INC.

BY

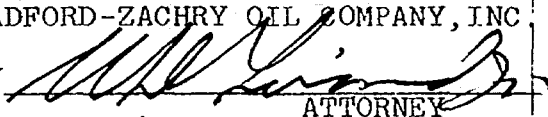

ATTORNEY

EXHIBIT "A"

RADFORD-ZACHRY OIL COMPANY, INC.
P. O. BOX 1685
HOBBS, NEW MEXICO

September 2, 1954

Mr. J. R. Green
Skelly Oil Company
P. O. Box 379
Eunice, New Mexico

Dear Sir:

At present the casinghead gas produced by our Christmas No. 1, Penrose-Skelly Field, is being flared. As the recent order issued by the New Mexico Oil Conservation Commission forbids flaring, we desire to obtain a connection for this gas.

Christmas No. 1 is located in the NE/4 of the SE/4 of Section 17, Township 22S, Range 37E, Lea County, New Mexico. Currently it is producing approximately 3 barrels of oil and 50 Mcf of gas per day. The gasoline content of the gas is estimated at .6 to .7 GPM.

We hereby request that you check Christmas No. 1 and advise us as to whether or not you will connect to it and purchase the casinghead gas.

Yours very truly

RADFORD-ZACHRY OIL CO., INC.

BY: Guy R. Zachry, Pres.

EXHIBIT "B"

RADFORD-ZACHRY OIL COMPANY, INC.
P. O. BOX 1685
HOBBS, NEW MEXICO

September 2, 1954

Mr. A. E. Risinger
Gulf Oil Corporation
P. O. Box 99
Eunice, New Mexico

Dear Sir:

At present the casinghead gas produced by our Christmas No. 1, Penrose-Skelly Field, is being flared. As the recent order issued by the New Mexico Oil Conservation Commission forbids flaring, we desire to obtain a connection for this gas.

Christmas No. 1 is located in the NE/4 of the SE/4 of Section 17, Township 22S, Range 37E, Lea County, New Mexico. Currently it is producing approximately 3 barrels of oil and 50 Mcf of gas per day. The gasoline content of the gas is estimated at .6 to .7 G.P.M.

We hereby request that you check Christmas No. 1 and advise us as to whether or not you will connect to it and purchase the casinghead gas.

Yours very truly,

RADFORD-ZACHRY OIL CO., INC.

BY: Guy R. Zachry, Pres.

MELVIN NEAL
W. D. GIRAND, JR.
KERMIT E. NASH
W. D. GIRAND, SR.
J. W. NEAL

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO
MAIN OFFICE OCC

TELEPHONES:
3-5171 3-5172
P. O. BOX 1328

October 23, 1954
10:07 AM 8:45

Oil Conservation Commission,
Santa Fe, New Mexico

In re: Application of Radford-Zachry Oil
Company, Inc., Case No. 772

Gentlemen:

In support of the application of Radford-Zachry Oil Company, Inc. for an exception to the no flare order, we are herewith enclosing letters from Skelly Oil Company and Gulf Oil Corporation showing their refusal to make a connection to the Radford-Zachry Christmas No. 1 Well.

We trust that with this evidence of inability to obtain a connection, an exception to the order will be granted.

Very truly yours,

NEAL & GIRAND,

BY: 

G/cl
Encls.

cc: Radford-Zachry Oil Company, Inc.
Box 1685
Hobbs, New Mexico



SKELLY OIL COMPANY

TULSA 2, OKLAHOMA

MANUFACTURING DEPARTMENT
JAMES W. VAIDEN, VICE PRESIDENT

GAS PURCHASES AND SALES
R. D. TURNER, SUPERINTENDENT
L. L. BYARS, ATTORNEY

September 10, 1954

Radford-Zachry Oil Company, Inc.
P. O. Box 1685
Hobbs, New Mexico

Attention: Mr. Guy R. Zachry

Gentlemen:

This is written in response to your request of September 2, that we connect and purchase the casinghead gas produced from the No. 1 Well on your Christmas lease, which is described as the NE/4 SE/4 of Section 17-22S-37E, Lea County, New Mexico.

Content and volume tests indicate that there would be approximately 50 thousand cubic feet of gas per day, testing .9 gallon per thousand, available for processing. Our operating people advise that it would require 2,800 feet of pipe to make the tie in, that the total cost of the installation, including meter and meter setting, would exceed \$3,000.00, and that the connection can not be justified under these circumstances.

We regret therefore to advise you that we shall not be able to give you a connection to this property at this time, but if additional production should be obtained, or if factors involving costs and income from the gas should change for the better, we shall be glad to review the matter.

Very truly yours,

SKELLY OIL COMPANY

L. L. Byars
L. L. Byars

LLB:ms

cc - Messrs. J. A. Craig
J. R. Green



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

FORT WORTH
PRODUCTION DIVISION

Box 962
Roswell, New Mexico
October 5, 1954

Radford-Zachry Oil Company
Box 1685
Hobbs, New Mexico

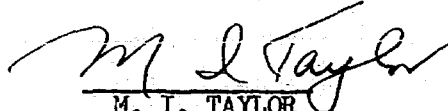
Re; Connection Radford-Zachry
Christmas Well No. 1 to
Eunice Gasoline Plant
Gas Gathering System

Dear Sir;

A survey of above captioned lease has been completed and due to the small volume of gas and distance from our gathering system it is not economically feasible to take this gas at the present.

Should conditions change in the future we will be happy to reconsider this connection.

Yours truly,


M. I. TAYLOR
Zone Superintendent
of Production

GP:js

C. MELVIN NEAL
W. D. GIRAND, JR.
KERMIT E. NASH
W. D. GIRAND, SR.
J. W. NEAL

NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

September 10, 1954

TELEPHONES:
3-5171 3-5172
P. O. BOX 1326

MAIN OFFICE OCC

1954 SEP 13 AM 8:1

Oil Conservation Commission,
Santa Fe, New Mexico.

Attention: Mr. W. B. Macey

Gentlemen:

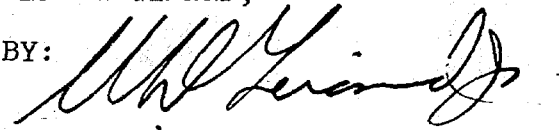
We enclose herewith application, in triplicate,
of Radford-Zachry Oil Company, Inc. to allow them to
produce their Christmas No. 1 well in the Penrose-Skelly
Pool.

Since preparing this application we have received
a communication from the local superintendent of the Skelly
Plant, a copy of the letter being submitted herewith.

Very truly yours,

NEAL & GIRAND,

BY:



G/cl

Encls.

cc: Radford-Zachry Oil Co., Inc.
Box 1685
Hobbs, New Mexico

(copy sent to Zachry)

EUNICE, NEW MEXICO

COPY

September 8, 1954

Mr. J. A. Craig
Skelly Oil Company
Tulsa, Oklahoma

Dear Sir:

Mr. Guy R. Zachry with the Radford Zachry Oil Company, Inc. has asked that we give him a letter as to whether or not we can tie in their Number 1 Christmas well located in the NE/4 SE/4 Section 17-22S-37E.

I doubt very much if we could afford to go the 2,800' required to pick up this gas. Our test shows a volume of 54 mcf per day with a gpm of .923 at twenty pounds separator pressure.

Will you furnish Mr. Zachry with a letter if you agree with me that we cannot afford to tie the gas into our gathering system?

Yours very truly,

s/ J. R. Green

J. R. Green

JRB/brn
encl. 1