

*Entered July 7, 1959
A.P.*

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. 1569
Order No. R-1427

APPLICATION OF THE OIL CON-
SERVATION COMMISSION ON ITS OWN
MOTION TO CONSIDER THE PROMUL-
GATION OF AN ORDER PROHIBITING
THE FLARING OF CASINGHEAD GAS
FROM OIL WELLS IN SAN JUAN, RIO
ARRIBA, MCKINLEY, AND SANDOVAL
COUNTIES, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 17, 1958, March 18, 1959, and June 9, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 25th day of June, 1959, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said 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 the evidence presented in this case conclusively establishes that a very substantial quantity of casinghead gas produced from oil wells in San Juan, Rio Arriba, McKinley, and Sandoval Counties, New Mexico, is presently being flared or vented.
- (3) That the evidence presented further indicates that in a number of areas in said Counties the present production of casinghead gas is relatively small, and it is neither economically feasible to gather this gas nor to reinject it.
- (4) That the evidence presented further indicates that in certain other areas in said Counties a large percentage of the produced casinghead gas is necessary for the operation and maintenance of the leases.

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(5) That there is no necessity at the present time for the promulgation of an order prohibiting the flaring or venting of casinghead gas in any areas in said Counties other than the Gallegos-Gallup Oil Pool and the Bisti-Lower Gallup Oil Pool.

(6) That there is a definite need for the promulgation of an order prohibiting the flaring or venting of casinghead gas in the Gallegos-Gallup Oil Pool and the Bisti-Lower Gallup Oil Pool, so as to eliminate what is clearly preventable waste.

(7) That operators in the Gallegos-Gallup Oil Pool and the Bisti-Lower Gallup Oil Pool have been met with certain delays in their efforts to make beneficial use of the produced casinghead gas, and therefore, in order to provide them sufficient time to procure sales for, or beneficial disposition of, such casinghead gas, any order prohibiting the flaring or venting of gas in the Gallegos-Gallup Oil Pool and the Bisti-Lower Gallup Oil Pool should be effective December 31, 1959.

(8) That every newly completed well in said Pools should be given ninety days to make beneficial use of the produced casinghead gas.

IT IS THEREFORE ORDERED:

That except when authorized by or pursuant to the following provisions of this order, no casinghead gas shall be flared or vented from any well in the Gallegos-Gallup Oil Pool and the Bisti-Lower Gallup Oil Pool after December 31, 1959; provided however, that any well completed in said pools after September 30, 1959, shall be given ninety days in which to make beneficial use of the produced casinghead gas.

Any operator who desires to obtain an exception to the foregoing provisions of this order shall submit to the Secretary-Director an application for such exception with a statement setting forth the facts and circumstances justifying such exception. The Secretary-Director is hereby authorized to grant such an exception if he determines that the granting of the exception is reasonably necessary to prevent waste or to prevent undue hardship on the applicant. If the Secretary-Director declines to grant administrative approval of the requested exception, the matter shall be set for hearing if the operator so requests.

The flaring or venting of casinghead gas from any well in violation of any provision of this order will result in suspension of any further allowable for said well.

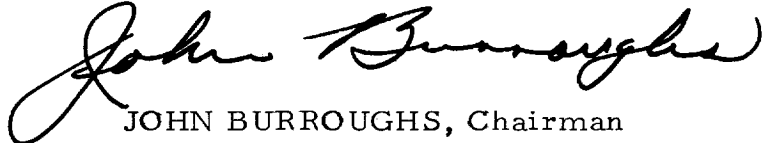
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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