

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL CARBON COMPANY FOR
PERMISSION TO USE RESIDUE, FLARE,
AND GAS WELL GAS IN THE MANUFAC-
TURE OF CARBON BLACK.

Case No. 169

P E T I T I O N

Continental Carbon Company, a corporation duly organized and existing under the laws of Delaware, with application now pending before the State Corporation Commission of the State of New Mexico, to qualify as a foreign corporation, hereby makes application to use residue, flare and/or gas well gas in the manufacture of carbon black, and in support of such application respectfully states to the Oil Conservation Commission of the State of New Mexico:-

1. Continental is in the business of manufacturing carbon black, and has offices at 295 Madison Avenue, New York City, N. Y., and 1400 West Tenth Street, Amarillo, Texas.

2. Continental is engaged in the manufacture of carbon black, and proposes to move and re-erect a two-unit carbon black manufacturing plant, which has heretofore been operated at Sunray, Texas, to a location in Lot 15, Section 3, Township 21, South of Range 37 East, N.M.P.M., adjacent to the present plant of Whitco Carbon Company, which was formerly known as Panhandle Carbon Company.

Continental has entered into an agreement with Skelly Oil Company to take residue gas from its Eunice No. 2 gasoline extraction plant, which is located on $S\frac{1}{2} SE\frac{1}{4} NE\frac{1}{4}$ and $N\frac{1}{2} NE\frac{1}{4} SE\frac{1}{4}$ of Section 28, Township 21, South of Range 37 East. The carbon black plant of petitioner will be of the type generally known as a channel plant for the manufacture of carbon black by what is generally known as the channel process.

3. The source of said residue gas and flare gas will be principally from the Skelly Oil Company's Eunice No. 2 gasoline extraction plant, which is now being erected, through which plant gases will be processed for the recovery of gasoline, leaving a surplus residue gas, which said residue gas has been heretofore, and is now being, flared into the atmosphere, from Skelly Oil Company's gasoline extraction plant No. 1 and from producing oil wells, to the extent of approximately twenty million cubic feet per day; that the arrangements made between Continental and Skelly provide for the delivery by Skelly Oil Company, through a pipe line from their gasoline extraction plant to the new channel carbon black plant of petitioner, of approximately eighteen million cubic feet per day. At times it may be necessary to supplement this residue gas with flare gas from other sources, due to causes beyond the operational control of Skelly Oil Company. Such flare gas may be drawn temporarily direct from either oil-gas wells or gas wells, the idea being that such gas drawn directly from oil-gas wells or gas wells shall be used only in a standby capacity to level off production and operational gas shortages.

4. Channel carbon black is still an essential commodity in the manufacture of tire casings and other rubber goods and products. The demand for channel carbon black is still slightly in excess of supply. A sound working inventory is still not available to the industry.

5. The moving of this carbon black manufacturing plant by Continental does not create new production in the industry, but merely is moving capacity for production from one location to another. The moving of this plant into New Mexico will tend to conserve gas, which is now going to waste.

WHEREFORE, Continental Carbon Company respectfully submits that the moving of said plant from its former location to its location in Lot 15, Section 3, Township 21, South of Range 37 East, and the manufacture of channel carbon black in said plant

will constitute and result in a beneficial use in said residue gas, flare gas and gas well gas, and result in substantial economic benefit to the State of New Mexico, and the conservation of vital and irreplaceable resources, as defined in the conservation laws of the State of New Mexico.

Dated this 10th day of December 1948.

CONTINENTAL CARBON COMPANY

BY

C. E. McKinney
Vice President

STATE OF TEXAS)
) SS
COUNTY OF POTTER)

C. E. MCKINNEY, being duly sworn on oath, deposes and says: That he is Vice President of Continental Carbon Company, the petitioner in the above entitled matter; that he has read the foregoing petition and knows the contents thereof, and that the same is true to his own knowledge.

C. E. McKinney
Subscribed and sworn to before me this 10th day of
December 1948.

My commission expires:

My commission expires
June 1, 1950.

Shirley L. Mansel
Notary Public

ANNOUNCEMENT

CONTINENTAL CARBON COMPANY
WITCO CARBON COMPANY
AND
WITCO HYDROCARBON CORPORATION

ANNOUNCE THE REMOVAL OF THEIR
AMARILLO, TEXAS OFFICES

TO
1400 WEST TENTH AVENUE
AMARILLO, TEXAS
PHONE 3-2855

BEFORE THE OIL CONSERVATION COMMISSION OF
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL)
CARBON COMPANY FOR AN ORDER AND PERMIT TO EXTEND)
ITS PRESENT PERMIT AND INCREASE PERMISSIBLE USE) Case No. 169
OF GAS IN THE MANUFACTURE OF CHANNEL CARBON BLACK)

SUPPLEMENTAL PETITION

Continental Carbon Company heretofore filed a petition before this Commission, Case No. 169, upon which hearing was had on January 6, 1949, and order of the Commission entered on the 24th day of January, 1949, granting to Applicant, among other things, the right, for a period of ten years, to use, in the manufacture of channel carbon black, at the location designated in Lea County, New Mexico, not to exceed 18,000,000 cubic feet per day, reference to which petition, order and all proceedings therein being hereby made.

II

Since the date of such order Continental has continuously produced channel carbon black from volumes of approximately 18,000,000 cubic feet per day.

III

Continental desires to enlarge and expand its plant and facilities for the increased production of channel carbon black at its present location and has satisfactory available market for the increased production herein applied for. Continental has entered into a contract with Skelley Oil Company, one of the major producers in the field, for the purchase of residue gas remaining from casing head gas processed in their plant, and conditioned upon the granting of the authority

and permission hereby requested, Continental will proceed immediately in the increased production of channel carbon black.

IV

That the supply of residue gas and the increased facilities and production, as well as the available market for channel carbon black, all justify and call for an increase of not less than 20,000,000 cubic feet per day, for which application is now made to this Commission.

WHEREFORE, Petitioner prays an order of this Commission, after hearing, that the order of the Commission, No. 806, dated January 24, 1949, be supplemented and amended as follows:

1. That applicant be authorized and permitted to acquire from any convenient source and use in the manufacture of channel carbon black in its plant near Eunice, New Mexico, at the location described in said Order No. 806, and in the extension of said plant, an additional 20,000,000 cubic feet per day of any available residue gas, making a total, together with the 18,000,000 cubic feet per day permitted by said Order No. 806, of 38,000,000 cubic feet per day.

2. That the term for the authorized use of the 20,000,000 additional cubic feet per day run for a period of fifteen years from the date of the order of the Commission, and that Order No. 806 be further modified so that the term for the authorized and permitted use of 18,000,000 cubic feet, as therein authorized, shall be extended so as to end with the term of the increase, i.e., fifteen years from the date of the order of this Commission.

3. That the order of the Commission No. 806 be made applicable to the additional use now applied for, and in all other respects remain unchanged.

DATED THIS 16th day of July, 1951.

CONTINENTAL CARBON COMPANY

BY

M. F. Shaffer

ITS AGENT AND MANAGER, GAS DIVISION

IDEN AND JOHNSON
Attorneys for Petitioner
715 First National Bank Building
Albuquerque, New Mexico

STATE OF NEW MEXICO
COUNTY OF SANTA FE.....SS

M. F. SHAFFER, being first duly sworn, upon oath states: That he is Agent and Manager, Gas Division for Continental Carbon Company and as such makes this verification; that he has read the foregoing Supplemental Petition, knows the contents thereof and that the same is true of his own knowledge and belief.

M. F. Shaffer

SUBSCRIBED AND SWORN to before me this

16 day of July, 1951.

Charles Croshaw

NOTARY PUBLIC

MY COMMISSION EXPIRES:

Jan 14, 1954.