

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 779
Order No. R-1038

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
PROMULGATING RULES AND REGULATIONS
GOVERNING THE COLLECTION, TRANS-
PORTATION, AND SALE OF LIQUID
HYDROCARBONS RECOVERED IN DRIP TRAPS
OR OTHER COLLECTING DEVICES WHICH
CONSTITUTE A PART OF GAS GATHERING
AND TRANSMISSION SYSTEMS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 20, 1954, at Hobbs, New Mexico, and again on November 17, 1954, December 16, 1954, and January 13, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 26th day of August, 1957, the Commission, a quorum being present, having considered the testimony adduced at said hearings, and being fully advised in the premises,

FINDS:

- (1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That "drip" should be defined as any liquid hydrocarbon incidentally accumulating in a gas gathering or transportation system.
- (3) That the presence of drip in a gas gathering or transportation system retards the flow of gas and must be removed in order to efficiently operate the system.
- (4) That drip is a valuable hydrocarbon which should not be wasted when it is economically feasible to salvage the same.
- (5) That drip should be designated as a "legal" product in order to facilitate its sale and movement.

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(6) That the gas transporter should file Commission Form C-110 designating the transporter authorized to remove the drip from its gas gathering or transportation system.

(7) That every person transporting drip within the State of New Mexico should file Commission Form C-112 each month, showing the amount, source, and disposition of all drip handled during the reporting period.

(8) That every person transporting drip directly from a gas gathering or transportation system should be required to file plats with the Commission locating and identifying each drip trap which he is authorized to service.

(9) That every person transporting drip directly from a gas gathering or transportation system should be required to keep a record of daily acquisitions from each drip trap which he is authorized to service, which records should be made available at all reasonable times for inspection by the Commission or its authorized representatives.

(10) That every gas transporter in the State of New Mexico should, within ninety (90) days after the effective date of this order, and annually thereafter, file maps of its gas gathering and transportation systems in the State of New Mexico, locating and identifying thereon each drip trap in said systems, said maps to be accompanied by a report showing the disposition being made of the drip from each of said drip traps.

IT IS THEREFORE ORDERED:

1. That every person presently engaged in transporting drip directly from a gas gathering or transportation system within the State of New Mexico shall file with the Commission, within thirty (30) days after the effective date of this order, a plat or plats, drawn to scale, locating and identifying each drip trap which he is authorized to service.

2. That every gas transporter in the State of New Mexico shall, within ninety (90) days after the effective date of this order, file with the Commission maps of its entire gas gathering and transportation systems within the State of New Mexico, locating and identifying thereon each drip trap in said systems, said maps to be accompanied by a report, on a form prescribed by the Commission, showing the disposition being made of the drip from each of said drip traps.

3. That the Oil Conservation Commission Rules and Regulations be and the same are hereby amended to include Rule 314 as follows:

RULE 314. GATHERING, TRANSPORTING AND SALE OF DRIP

(a) "Drip" is defined as any liquid hydrocarbon incidentally accumulating in a gas gathering or transportation

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System.

(b) The waste of drip is hereby prohibited when it is economically feasible to salvage the same.

(c) The movement and sale of drip is hereby authorized, provided the provisions of this Rule are complied with.

(d) No drip shall be transported nor sold until the gas transporter has filed Commission Form C-110 designating the drip transporter authorized to remove the drip from its gas gathering or transportation system.

(e) Every person transporting drip within the State of New Mexico shall file Commission Form C-112 each month, showing the amount, source, and disposition of all drip handled during the reporting period, and such other reports as may hereafter be required by the Commission.

(f) Prior to commencement of operations, every person transporting drip directly from a gas gathering or transportation system shall file with the Commission plats drawn to scale, locating and identifying each drip trap which he is authorized to service.

(g) Every person transporting drip directly from a gas gathering or transportation system shall keep a record of daily acquisitions from each drip trap which he is authorized to service, which records shall be made available at all reasonable times for inspection by the Commission or its authorized representatives.

(h) Every gas transporter in the State of New Mexico shall, on or before the first day of November of each year, file with the Commission maps of its entire gas gathering and transportation systems within the State of New Mexico, locating and identifying thereon each drip trap in said systems, said maps to be accompanied by a report, on a form prescribed by the Commission, showing the disposition being made of the drip from each of said drip traps.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



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