

# THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



November 22, 1957

P. O. BOX 1720  
FORT WORTH 1, TEXAS

PRODUCING DEPARTMENT  
WEST TEXAS DIVISION

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico  
Attention: Mr. A. L. Porter, Jr.

*NA/NE*

Gentlemen:

The Texas Company operates its Riddel Well No. 2, located in Section 12, Township 21 South, Range 36 East, Lea County, New Mexico, as a gas well in the Eumont Pool. This well is connected to the Permian Basin Pipe Line Company gas gathering system in this area. In the Lea County gas proration schedule for November, 1957, this well is indicated to have a cumulative underproduction of 75,211 MCF as of October 1, 1957. The Texas Company's contract with Permian Basin Pipe Line Company requires that, in the event the well under contract has insufficient pressure to enter the Permian Basin gathering system at the line pressure being maintained, the purchaser will provide compressor facilities in order to maintain production from the well. Under the terms of Commission Order R-836, that portion of the underproduction referred to above which accrued to this well as of July 1, 1957 will be cancelled as of January 1, 1958. It is The Texas Company's contention that its Riddel Well No. 2 has at this time, and had during the period prior to July 1, 1957, the capacity to produce the allowable assigned it; and was prevented from doing so only because of the lack of compressor facilities, which are required to force gas from this well into the Permian gathering system.

On the basis of the extenuating circumstances surrounding the underproduction for Riddel Well No. 2, The Texas Company requests that the Commission set for hearing its application for exception to the cancellation provisions of the Commission Order R-836, as they pertain to The Texas Company's Well No. 2, Eumont Pool, Lea County, New Mexico. It will be requested that non-cancellation provisions granted under Order R-836 be extended for a reasonable period of time, in order that The Texas Company will have an opportunity to eliminate underproduction which has accrued to Riddel Well No. 2.

By a letter dated November 19, 1957, a hearing on this same matter was requested for The Texas Company's State of

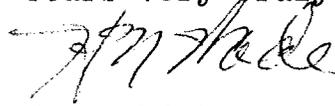
New Mexico Oil  
Conservation Commission

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November 22, 1957

New Mexico "B" NCT-2 Well No. 3, Jalmat Pool, Lea County, New Mexico. It is respectfully requested that these applications be set for hearing on the same Commission docket.

Yours very truly,

A handwritten signature in cursive script, appearing to read "H. N. Wade", written in dark ink.

H. N. WADE  
Petroleum Engineer

HNW-cb

THE TEXAS COMPANY

TEXACO PETROLEUM PRODUCTS



PRODUCING DEPARTMENT  
WEST TEXAS DIVISION

P. O. BOX 1720  
FORT WORTH 1, TEXAS

November 19, 1957

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Reference is made to my letter dated October 29, 1957, and your letter dated November 4, 1957, whereby The Texas Company requested, and was denied, administrative approval for exception to the cancellation provisions of Commission Order R-836 as pertains to The Texas Company's State of New Mexico "B" (NCT-2) Well No. 3, Jalmat Pool, Lea County, New Mexico. In order to re-familiarize you with the problem facing us on this well, the following portions of my letter of October 29, 1957, will be quoted as follows:

"The Texas Company operates its State of New Mexico "B" (NCT-2) Well No. 3 as a gas well in the Jalmat Pool, Lea County, New Mexico. This well is connected to the Permian Basin Pipe Line Company gas gathering system in this area. In the Lea County gas proration schedule for October 1957 this well is indicated to have a cumulative underproduction of 345,351 MCF. The Texas Company's contract with Permian Basin Pipe Line Company requires that, in the event that the well under contract has insufficient pressure to enter the Permian Basin gathering system at the pressure being maintained, the purchaser will provide compressor facilities in order to maintain production from the well. Over a period of several months, The Texas Company has urged Permian Basin to install the compressor facilities necessary to produce State of New Mexico "B" (NCT-2) Well No. 3, a well whose producing pressure is less than the pressure being maintained in the Permian Basin gathering system. To date, Permian Basin has not installed the necessary compressor facilities; and, therefore, the relatively large cumulative underproduction for this well has resulted. The Texas Company was recently notified by Permian Basin Pipe Line Company that the necessary compressor facilities are to be installed in the very near future. The compressors have been

*See log 1-7-58*  
*MW/MC*  
*11-23-56*

November 19, 1957

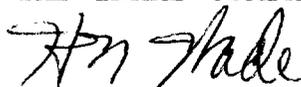
ordered, and an early delivery is anticipated.

As of January 1, 1957, a new balancing period will commence for the Jalmat Pool; and, under the Commission's rules and regulations for the Jalmat Pool, underproduction which has accrued to those wells incapable of producing their allowable is to be cancelled. The Texas Company respectfully submits that its State of New Mexico "B" (NCT-2) Well No. 3 is capable of producing the allowable which is assigned it, if the proper compressor facilities are provided."

The Texas Company contends that the information submitted above shows that extenuating circumstances exist which should exclude State of New Mexico "B" (NCT-2) Well No. 3 from the cancellation provisions of Order R-836. In view of these extenuating circumstances, it is respectfully requested that the Commission set for hearing prior to January 1, 1958, The Texas Company's application for an exception to the cancellation provisions of Order R-836 as they pertain to underproduction for its State of New Mexico "B" (NCT-2) Well No. 3. The Texas Company has no objection to this matter's being heard before a duly appointed examiner of the Commission, if the Commission so desires.

Yours very truly,

THE TEXAS COMPANY



H. N. Wade  
Petroleum Engineer

HNW-JEB

