

152-1057

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December 24, 1959

Mr. A. L. Porter, Jr.
Secretary- Director
New Mexico Oil Conservation
Commission
P.O. Box 871
Santa Fe, New Mexico

*Public and
admission approved*

Re: Kenneth Murchison Federal No. 2
and No. 3 Wells, San Juan County,
New Mexico, Leases: NM 036255-A
and NM 036255-B.

Dear Sir:

This letter is ~~written~~^{written} on behalf of Kenneth Murchison as operator of the above wells as an application for an exception to the Conservation Commission's Order No. R-1427 with respect to the above wells.

Enclosed is a map with the two wells circled in red to show their location.

The casinghead gas produced from these wells is covered by a Casinghead Gas Contract dated June 16, 1958, between Shell Oil Company and El Paso Natural Gas Company. Shell filed such Contract as a rate schedule with the Federal Power Commission under their ~~form~~ No. G-15987 and was granted a Certificate of Public Convenience and Necessity on June 19, 1959.

It was the opinion of the operator that no additional Federal Power Commission filings were necessary, but nevertheless, new filings have been sent Air Mail to the Federal Power Commission on behalf of the present owners, Kenneth Murchison, Delhi-Taylor Oil Corporation, E. W. Mudge, Jr., and J. A. Humphrey. Separate filings were made by Delhi-Taylor. Temporary authorization has been requested under Section 157.28 of the Commission's Regulations, and I have been in telephone conversation with Mr. Joseph Gutride, Secretary of the Federal Power Commission. It is believed that temporary authorization will be granted promptly.

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To: Mr. A. L. Porter, Jr.
New Mexico Oil Cons.Comm.

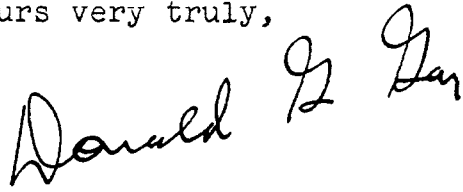
December 24, 1959

The Engineering Department of El Paso Natural Gas Co. estimates that the two wells together produce only 196 MCF of casinghead gas per day.

We are now informed that El Paso has recently advised you that gathering facilities cannot be installed by January 1, 1960, but will be installed promptly thereafter.

In view of the above, it is respectfully requested that an exception be made to the Order of the Conservation Commission and that these wells be allowed to produce oil and casinghead gas for the short time necessary to secure the additional Federal Power Commission authorization and install the gathering facilities. It is believed that the Federal Power Commission authorization will be received prior to the completion of the installation of the gathering facilities.

Yours very truly,


DONALD G. GAY

Encl.

DGG:mk