

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Ex-29
1559

December 30, 1959

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O
P
Y

Mr. William Loar
Sunray Mid-Continent Oil Company
Box 2039
Tulsa 2, Oklahoma

Gentlemen:

Reference is made to your request for administrative approval of an exception to the no-flare provision of Order No. R-1427 for twelve oil wells in the Bisti-Lower Gallup Oil Pool and for one well in the Gallegos-Gallup Oil Pool, both in San Juan County, New Mexico.

After studying your application, the Commission has determined that administrative approval cannot be granted. Accordingly, the case has been set for hearing before the Commission on January 13, 1960. It would be helpful if your witness in this case is prepared to testify concerning the present casinghead gas production from these wells and the disposition thereof.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/CEP/ir

cc: Mr. L. C. White
Santa Fe, New Mexico

Encl
mailed
for H, 1960
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF SUNRAY MID-CONTINENT
OIL COMPANY FOR AN EXCEPTION TO ORDER
NO. R-1427 IN SO FAR AS IT APPLIES TO
CERTAIN LEASES IN THE SOUTHEAST PORTION
OF THE BISTI-LOWER GALLUP OIL POOL AND
IN THE GALLEGOS-GALLUP OIL POOL, AND IN
THE ALTERNATIVE, FOR AN EMERGENCY ORDER
FOR AN EXCEPTION TO SAID ORDER No. R-1427.

CASE No. 1859

A P P L I C A T I O N

Comes now Sunray Mid-Continent Oil Company and respectfully states:

1. That it is the operator of the following leases within the Bisti-Lower Gallup Oil Pool and Gallegos-Gallup Oil Pool, San Juan County, New Mexico, each of which is productive of oil from the respective Pools, viz:

Bisti-Lower Gallup Oil Pool:

Bittonney Nez Well No. 1
Section 23, Township 25 North, Range 11 West

Es-Ka-Ba-Ey Well No. 1 and Well No. 2
Section 25, Township 25 North, Range 11 West

Es-Ka-Nel-E-Wood Well No. 1
Section 22, Township 25 North, Range 11 West

H. Platero Well No. 1
Section 15, Township 25 North, Range 11 West

Ka-Des-Pah Well No. 1 and Well No. 2
Section 25, Township 25 North, Range 11 West

Ki-Yah-Be-Tah Well No. 1
Section 24, Township 25 North, Range 11 West

Mar-Ga-Le-Tah Well No. 1 and Well No. 2
Section 23, Township 25 North, Range 11 West

Nah-Glee-Des-Tah Eaton Well No. 1 and Well No. 2
Section 30, Township 25 North, Range 10 West

Gallegos-Gallup Oil Pool:

New Mexico Federal J Well No. 1
Section 35, Township 27 North, Range 13 West

1 2. That the production from the aforesaid wells is subject to the
2 no flare restriction as contained in Order No. R-1427 which provides that no
3 casinghead gas shall be flared or vented from any well within the afore-
4 mentioned Pools after December 31, 1959.

5 3. That the Applicant has been diligent in its efforts to comply
6 with said Order and to this end has made application to and has obtained
7 approval from the Federal Power Commission to sell and to otherwise make
8 beneficial use of the casinghead gas and has completed its negotiations for
9 pipeline connections with the El Paso Natural Gas Company and has otherwise
10 fully performed any and all matters and things that it as an oil operator
11 and producer can do to comply with the terms of said Order.

12 4. That notwithstanding the assurance that a pipeline system and
13 connection for the handling of said gas would be installed prior to January
14 1, 1960, Applicant is now advised by El Paso Natural Gas Company that the
15 field facilities being constructed by said company for the handling of such
16 gas will not be completed before January 15, 1960.

17 5. That due to no fault of the Applicant it is now confronted with
18 a delay of approximately 15 days in the disposal of the casinghead gas in
19 accordance with Order No. R-1427 and is further confronted with the restrict-
20 ion of the oil production from all of the foregoing leases which will cause
21 undue hardship on the Applicant.

22 6. That by reason of the foregoing an emergency exists.

23 WHEREFORE, Applicant prays for administrative approval for an except-
24 ion to said Order pursuant to the provisions therein until said field
25 facilities of El Paso Natural Gas Company are completed and in operation; in
26 the alternative should this Commission see fit not to grant such administra-
27 tive exception Applicant prays for issuance of an emergency order pursuant
28 to Rule 1202 of this Commission granting an exception to said Order No.
29 R-1427 in so far as the same applies to Applicant's leases herein named and

1 setting said matter for hearing before this Commission at its regular
2 hearing set for January 13, 1960.

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4 SUNRAY MID-CONTINENT OIL COMPANY
5 BY WILLIAM R. LOAR
6 and

7 GILBERT, WHITE AND GILBERT
8 P. O. Box 787
9 Santa Fe, New Mexico

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By *Levin*
Its Attorneys

GILBERT, WHITE AND GILBERT
ATTORNEYS AT LAW
SANTA FE, NEW MEXICO

OIL AND GAS PRODUCTION AND DISPOSITION

SUNRAY MID-CONTINENT LEASES SE DISTRICT AND GALLAGHER-GALLUP OIL FIELDS

SAN JUAN COUNTY, NEW MEXICO

<u>Lease</u>	<u>Well No.</u>	<u>Oil Prod. Bbls/day November</u>	<u>Gas Prod. MCF/day November</u>	<u>Lease Use CF/day</u>	<u>Gas * Sales MCF/day</u>	<u>Gas * Flared MCF/day</u>
Hittomay-Mez 23-25-11	1	69	99	0	8.1	0
Es-Kee-Ba-Ry 25-25-11	1	98	39	0		
	2	49	72	0	2.2	2.1
Es-Ka-Mel-E-Wood 24-25-11	1	112	214	224		
	2	S. I.	S. I.	-	11.2	1.7
H. Platero 15-25-11	1	56	224	0	47 ** 17.7	0
Ka-Dos-Pah 25-25-11	1	112	27			
	2	112	120	0	11.2	2.2
Ki-Yah-De-Tah 24-25-11	1	2	5	200	4.2	0
Mar-Ga-La-Tah 23-25-11	1	75	114	0		
	2	37	83	0	1.7	0
H. Eaton 30-25-10	1	57	23	180		
	2	100	141	206	21.0	2.2
Federal J 35-27-13	1	3	44	300	0	43.7
TOTALS		882	1,205	1,100	904.2	249.7

* Estimates based on January 12, 1960 takes by El Paso.

** Sale for pipeline pump use.

not contracted

*42.2
21.7
2.2
43.7
111.8*