

Case No.

295

Application, Transcript,
Small Exhibits, Etc.

NOTE: This document is for order
only and is not to be used in court.
Orders of the court must be made in court.

NOTICES OF PUBLICATION
CASE 295

Hobbs Daily News-Sun
Santa Fe New Mexican

July 27 1951

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

| | | |
|--|---|----------------|
| IN THE MATTER OF THE APPLICATION OF |) | |
| CONTINENTAL CARBON COMPANY FOR AN |) | Case No. 295 |
| ORDER AND PERMIT TO EXTEND ITS PRESENT |) | Extending |
| PERMIT AND INCREASE PERMISSIBLE USE OF |) | Case No. 169 |
| GAS IN THE MANUFACTURE OF CHANNEL CARBON |) | |
| BLACK. |) | Order No. R-88 |

SUPPLEMENTAL ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter coming on for hearing upon the Supplemental Petition of Continental Carbon Company for an increase in permissible use of gas in the manufacture of channel carbon black in Lea County, New Mexico, of 20,000,000 cubic feet per day, and

Due notice of hearing upon said Supplemental Application having been published as provided by law fixing the 7th day of August, 1951, at Santa Fe, New Mexico, as the time and place for hearing thereon, and

The matter having come on for hearing and the Commission having heard testimony and evidence as to the need and necessity for the increase applied for, and

It appearing therefrom that channel carbon black is an essential commodity in the manufacture of tire casings and other rubber goods, as well as ink for use in the printing industry and various and sundry other uses, and that the demand is in excess of the supply, and, further, that channel carbon black is in short supply and recognized by government agencies to be a critical commodity, and

It further appearing to the Commission that there is residue gas being flared, which constitutes surface waste and which is suitable and sufficient for the additional needs and uses applied for and that the use of the same will result in the conservation of waste,

IT IS, THEREFORE, ORDERED, that the order of this Commission dated January 24, 1949, in Case No. 169, granting applicant the right to use not to exceed 18,000,000 cubic feet per day, be and the same hereby is modified as follows:

1. That the permissible amount which Applicant, Continental Carbon Company, may use shall be increased to not exceed 38,000,000 cubic feet per day instead of 18,000,000 cubic feet, as originally granted;

2. That the right shall be extended and granted for such use for a period of fifteen (15) years from the date of this order, such period of time being recognized as necessary and desirable for the proper amortization of the investment required to be made by Applicant in the use, and,

IT IS FURTHER ORDERED, that the original order of January 24, 1949, in all other respects remain unchanged and be considered as applicable to the entire use hereby granted to Applicant to the same extent and effect as if copied herein in full, and that this Order shall be merely supplemental of the original order.

DONE at Santa Fe, New Mexico this 8th day of August, 1951.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem

EDWIN L. MECHEM, Chairman

Guy Shepard

GUY SHEPARD, Member

R. R. Spurrer

R. R. SPURRIER, Secretary

SEAL

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Chas 295

August 30, 1951

C
O
P
Y

Mr. E. C. Iden
Iden and Johnson
715 First National Bank Building
Albuquerque, New Mexico

Dear Mr. Iden:

Attached are several copies of Oil Conservation Commission Order No. R-88 by which Continental Carbon Company's request for an increase in permissible use of natural gas in the manufacture of channel carbon black has been granted.

Very truly yours,

R. R. Spurrier
Secretary - Director

RRS:mr

Encl.

F

INTER-OFFICE TRANSMITTAL SLIP

TO RRS

FROM _____

- ☐ For Approval
- ☐ For Signature
- ☒ Note and Advise
- ☐ Note and Return
- ☐ For Your Files
- ☐ For Your Handling

Remarks:

Shall signed order be
sent ?

If you have an extra -
but not necessarily
signed -

E. C. IDEN
BRYAN G. JOHNSON
JAMES T. PAULANTIS

IDEN & JOHNSON
ATTORNEYS AND COUNSELORS AT LAW
715-16-17-18-19 FIRST NATIONAL BANK BUILDING
ALBUQUERQUE, NEW MEXICO

August 28, 1951

Mr. R. R. Spurrier
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Spurrier:

Can you now tell us when we may expect the order in
Case No. 295, Continental Carbon Company, pursuant
to your telegram of August 11?

Many thanks.

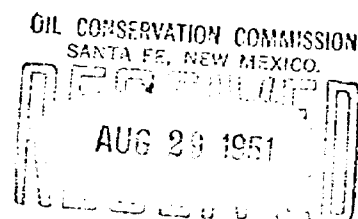
Very truly yours,

IDEN AND JOHNSON

BY

E. C. Iden

ECI:NC



Ex #1

Case 295

see pg 2

List of

BASIC MATERIALS AND ALTERNATES

DEPARTMENT OF COMMERCE

National Production Authority

Salvage and Reclamation Division

ISSUE NO. 1

The purpose of this list is to indicate the current relative availability of the more important materials as a guide for both procurement and substitution for the Armed Services, Government Agencies and Industry. Revisions will be issued periodically to reflect any changes in availability.

"List of Basic Materials and Alternates" reviews some 550 materials grouped according to three degrees of available supply at the present time—(1) very short, (2) tight, (3) in fair supply.

Materials classifications have been determined in collaboration with: Industrial Economics Division of Policy Coordination Bureau and the various Materials Divisions of National Production Authority; Office of Materials Resources of the Munitions Board.

In making this compilation it is assumed that the Mobilization program will be continued as currently planned.

Among the important factors determining the group location for each material, are the following:

Supply

Availability of materials.
Sources—domestic or foreign.
Transportation required.
Production capacity.
Manpower.

Demand

Military requirements.
Defense-supporting programs.
Stockpiles.
Domestic industries.
Civilian economy.

GROUP SUPPLIES

The fulfillment of requirements for both defense and civilian needs already has put heavy strain on supplies of a number of key materials.

Certain alloy metals such as nickel, cobalt, and tungsten are in very short supply. All nonferrous metals are tightening rapidly.

Steel, in spite of capacity production and increased facilities is becoming critical. Only a few types and shapes are generally available.

Chemicals are spotty, with key items tending to tighten related groups, though

many important categories are still in fair balance.

The range of adaptability among plastics as substitutes for metals already has resulted in such a tightening in their supply that cellulose acetate is the only important plastic still generally available.

Lumber is the one large materials group that as yet has not been affected seriously.

(Released June 20, 1951.)

GROUP I

Materials in Group I are in *very short supply*. Alternates should be selected for all these materials whenever possible.

GROUP II

Materials in Group II are in *tight supply*. Expanded use of these materials by industry should be avoided.

GROUP III

Materials in Group III are in *fair supply*. These materials should be used as alternates for those in Groups I and II whenever possible.

GROUP I-A—METALS
(In very short supply)

a—Nonferrous:

Aluminum.
Copper.
Magnesium.
Lead.
Silentium.
Tin.
Zinc.

b—Rare:

Iridium.
Osmium.
Platinum.
Rhodium.
Silver.

c—Ferrous alloys:

Cobalt.
Columbium.
Molybdenum.
Nickel.
Tantalum.
Titanium.
Tungsten.

d—Ferrous:

Bars, cold drawn.
Bars, alloy, hot rolled.
Bars and semifinished steel.
Castings, high alloy:
Corrosive-resistant.
Heat-resistant.
Die blocks.
Forgings, heavy.

METALS

d—Ferrous—Continued:

Plate, tin.
Plates.
Shapes, structural.
Sheet, galvanized.
Sheet:
Electrical.
Hot rolled.
Strip:
Cold rolled.
High carbon.
Hot rolled.
Stainless steel, nickel-bearing.
Tubing, seamless:
Carbon mechanical.
Carbon pressure.
Tubing, welded: Carbon mechanical.
Wire.

GROUP II-A—METALS
(In tight supply)

a—Nonferrous:

Antimony.
Bismuth.
Cadmium.
Germanium.
Tellurium.

b—Rare:

None.

c—Ferrous alloys:

Chromium.
Manganese.
Silicon.
Vanadium.

d—Ferrous:

Bars, hot rolled, carbon steel.
Black sheet.
Forgings, medium.
Castings:
Iron alloy gray.
Iron malleable.
Steel, low alloy.
Pipe, line.
Pipe, butt weld.
Stainless steel (other).
Tubing, seamless:
Alloy mechanical.
Alloy pressure.
Tubing, welded: Carbon mechanical.

GROUP III-A—METALS
(In fair supply)

a—Nonferrous:

None.

b—Rare:

Palladium.

c—Ferrous alloys:

Boron.
Calcium.
Titanium (ferro).
Zirconium.

d—Ferrous:

Castings:
Carbon steel.
Gray iron.
Forgings, small.
Tool steel.

CHEMICALS

GROUP I—CHEMICALS
(In very short supply)

Acetylene.
Albumin, serum.
Amino phenol.
Ammonium persulfate.
Amyl phenol.
Aniline.
Aniline dyes.
Anthraquinone dyes.
Argon.
Aureomycin.
Benzene dichloride.
Bismuth compounds.
Blood plasma.
Boric acid.
Butyl phenols.
Calcium carbide.
Carbon black.
Carbon dioxide.
Chlorophenol-para.
Chrome green.
Chrome molybdate orange.
Citric acid.
Cortisone.
Copper sulfate.
Crypton.
Cupric aceto arsenite.
Cyclohexylamine.
Dichlorobenzene-para.
Dicyclohexylamine.
Diethylamine.
Digitals.
Di-isooctyl sebacate.
Dimethyl sulfate.
Diphenylamine.
Ethylene dichloride.
Formaldehyde.
Freon.
Glycerine.
Hexylresorcinol.
Hydrides, metal.
Hydrogen.
Hydrogen peroxide.
Hydroquinones.
Lead chromate.
Litharge.
Lithium hydride.
Lithopone.
Methyl chloride.
Methylene chloride.

Napthanates.
Nicotinic acid.
Oleum.
Oxygen.
Penicillin.
Phenol.
Phenolic dyes.
Phthalic anhydride.
Pine oils.
Pine tar.
Potassium hydride.
Potassium perchlorate.
Quinoline.
Quinolinic acid.
Resorcinol.
Sebacic acid.
Sodium chloride.
Sulfadiazine.
Sulfathiazole.
Sulfur.
Sulfur components (except sulfur chloride).
Sulfuric acid.
Tetramethylthiuramdisulfide.
Tetraethylthiuramdisulfide.
Trichlorethane.
Trichlorethylene.
Triocetyl phosphate.
Xenon.

GROUP II-B—CHEMICALS
(In tight supply)

1080.
Acetaldehyde.
Aldrin.
Aluminum chemicals.
Aminophyllin.
Ammonia: Anhydrous, aqua.
Ammonium chemicals (except ammonium persulfate).
Antibiotics (except those in Group I).
Antimony chloride.
Antimony trichloride.
Apatite.
Azelaic acid.
Barium chemicals.
Benzene hexachloride (BHC).
Benzene trichloride.
Benzoic acid.
Benzothiazoldisulphide.
Bordeaux mixture.
Borax.
Butyl aldehyde.

Butyl amine.
Butyl carbitol.
Butyl carbitol acetate.
Butyl cellosolve.
Cadmium sulfide.
Calcium chemicals (except calcium carbide and calcium arsenate).
Caustic potash.
Cellosolve acetate.
Chloral.
Chloride of lime.
Chlorine.
Chlorophenol.
Chrome alum.
Chromic acid.
Copper chemicals (except those in Groups I and III).
D. D. T.
Debris.
Detergents, synthetic.
Dethane.
Diethylamine.
Dichlorethylether.
Dieldrin.
Diethanolamine.
Diethylethanamine.
Dimethylamine.
Dimethyl phthalate.
Diocetyl azelate.
Dithane.
Ethylamine.
Ethyl chloride.
Ethylene diamine.
Ethylene glycol.
Ethylene oxide.
Ferric salts.
Formic acid.
Fumigants.
Helium.
Hexaethyl tetra phosphate.
Hydrobromic acid.
Hydrogen chloride (gas).
Hydrochloric acid.
Isopropyl acetate.
Isopropyl alcohol.
Lanthanum oxide.
Lead chemicals (except lead arsenate).
Lead pigments (except those in Group I).
Lime sulfur solution.
Lithium chemicals (except lithium hydride).
Magnesium chemicals (except magnesium sulphate).

CHEMICALS—Continued

Maleic acid.
Manganese chemicals.
Mercury chemicals.
Metaphosphoric acid.
Methanol.
Methylamine.
Methyl carbitol.
Monochlorobenzene.
Monoethanolamine.
Methyl ethyl ketone.
Methyl isobutyl carbinol.
Methyl isobutyl ketone.
Neon.
Nicotin amide.
Nikethamine.
Nitric acid.
Nitro aniline-para.
Nitrochlor benzene-para.
Nitrogen gas.
Nitrous oxide.
Orthophosphoric acid.
Oxalic acid.
Para dichloro benzene.
Parathion.
Pentachlorophenol.
Pentaphen.
Phenolsulfonic acid.
Phosphorus.
Phosphorus chemicals.
Polyphosphoric acid.
Potassium chemicals (except those in Group I).
Pyrophosphoric acid.
Riboflavin.
Silicon tetrachloride.
Soda lime.
Sodium chemicals (except sodium chloride).
Strontium chemicals.
Sulfonic acid.
Sulfur chloride.
Tetraphosphoric acid.
Thallium sulfate.
Theophylline.
Tin chemicals.
Titanium pigments.
Titanium tetrachloride.
Tricresyl phosphate.
Triethylamine.
Toxaphene.
Tributylxyethyl phosphate.
Tumaric acid.
Typhus vaccine.
Vitamin A.
Vitamin B-12.
Zinc chemicals (except zinc phosphide).
Zinc oxide.
Zirconyl nitrate.
Zirconium dioxide.

GROUP III-B—CHEMICALS (In fair supply)

Acetic acid.
Acetyl toluidine.
Adipic acid.
Allyl alcohol.
Allyl chloride.
Amine benzoic acid.
Aminoethylethanolamine.
Amyl acetate.

GROUP I-C (In very short supply)

Cedar: Port Orford.
Cypress.
Eucalyptus: Ironbark.
Plywood: Softwood, exterior.
Teak.

GROUP II-C (In tight supply)

Hardwoods,* top grades:
Alder.
Ash.
Basswood.

*Refers to broadleaf varieties, largely deciduous, and not to the hardness of the wood.

Amyl alcohol.
Amyl alcohol, tertiary.
Amyl nitrate.
Anisidine.
Arsenic chemicals.
Arsenous acid.
Benzaldehyde.
Benzene sulphonamide.
Benzene sulfonic acid.
Benzoic acid.
Benzoquinone trichloride.
Benzoyl chloride.
Benzyl acetate.
Benzyl alcohol.
Benzyl benzoate.
Benzyl chloride.
Butyl acetate, secondary.
Butyl acetate, tertiary.
Butyl alcohol, tertiary.
Butyl ether.
Butyric acid.
Calcium arsenate.
Carbon tetrachloride.
Casein.
Chlordan.
Chloroacetophenone.
Chloroform.
Copper aceto arsenate.
Copper aceto arsenite.
Crotonaldehyde.
Cyclohexanol.
Cyclohexanone.
Dibutoxyethyl adipate.
Disooctyladipate.
Diisopropanolamine.
Diisopropylamine.
Dimethylethanolamine.
Dipentaerythritol.
Diphenyl urea.
Disinfectants.
Dithio carbamate fungicides.
Epichlorohydrin.
Epsom salts (magnesium sulfate).
Esters.
Ethers (except dichlorethyl ether).
Ethyl acetoacetate.
Ethyl alcohol.
Ethylhexanediol.
Ethyl hexyl alcohol.
Ethylene chlorhydrin.
Glycolic acid.
Glycols (except ethylene glycol).
Glyoxal.
Heptanol-3.
Heptanol special.
Hexanol-normal.
Hydriodic acid.
Hydrofluosilicic acid.
Hydrogen sulfide.
Hydroxy benzoic acid.
Hypophosphoric acid.
Insulin.
Iodine.
Iron sulfate.
Iso amyl alcohol.
Iso butyl acetate.
Iso butyl alcohol.
Iso octyl alcohol.
Iso phorone.

LUMBER AND WOOD PRODUCTS

Hardwoods—Continued

Beech.
Birch.
Cherry.
Chestnut.
Cottonwood.
Elm.
Hickory.
Lignum vitae.
Magnolia.
Mahogany.
Maple.
Oak.
Red gum.
Sycamore.
Tupelo.
Walnut.
Yellow poplar.

Ketones (except methyl ethyl).
Lead arsenate.
Magnesium salts.
Mesityl oxide.
Methyl bromide.
Methyl diethanolamine.
Monoethylamine.
Monoisopropanolamine.
Monoisopropylamine.
Monomethylamine.
Naphtha.
Naphthalene.
Nicotine.
Nicotine sulfate.
Nitro aniline.
Nitrochlorobenzene.
Nitro ethane.
Nitro methane.
Nitro propane-1.
Nitro propane-2.
Octanol-normal.
Paints.
Para amino benzoic.
Paraformaldehyde.
Paraldehyde.
Para nitro benzoic.
Paris green.
Pentaerythritol.
Perchlorethylene.
Phenolsulphonic acid.
Phthalyl glycolates.
Propionaldehyde.
Propionic acid.
Propyl acetate—normal.
Propyl alcohol—normal.
Propylene chlorhydrin.
Propylene dichloride.
Propylene oxide.
Pyrethrum.
Pyrocatechol.
Quinacrine hydrochloride.
Ricinoic acid esters.
Rodenticides.
Rotenone.
Sabadilla.
Salicylates.
Salicylic acid.
Santonin.
Secondary butyl alcohol.
Shellac.
Soaps.
Soil fumigants.
Starch derivatives.
Succinic acid.
Synthetic detergents.
Toluene derivatives.
Tributylamine.
Triethanolamine.
Triethylamine.
Triethylenetetramine.
Trisopropanolamine.
Trimethylamine.
Tripentaerythritol.
Turpentine.
Vitamins (other than Group II).
Weed killers (herbicides).
Wood preservatives.
Zinc chemicals (other than Group II).

GROUP II-C (In tight supply) (CON'T)

Plywood: Softwood, interior.
Softwoods (conifers) top grades:
Cedar:
Alaska.
Incense.
Western red.
Douglas fir.
Fir:
Balsam.
White.
Hemlock.
Larch.
Pine:
Lodgepole.
Ponderosa.
Southern

LUMBER AND WOOD PRODUCTS—Continued

Softwoods—Continued

Pine—Continued
Sugar.
White.
Redwood.
Spruce:
Engelmann.
Sitka.

GROUP III-C (In fair supply)

Cork.
Hardwoods,* lower grades:
Alder.
Ash.
Basswood.
Beech.
Birch.
Cherry.
Chestnut.
Cottonwood.
Elm.

*Refers to broadleaf varieties, largely deciduous, and not to the hardness of the wood.

Hardwoods—Continued

Hickory.
Lignum vitae.
Magnolia.
Mahogany.
Maple.
Oak.
Red gum.
Sycamore.
Tupelo.
Walnut.
Yellow poplar.
Plywood: Hardwood.*
Rattan.
Softwoods (conifers) lower grades:
Cedar:
Alaska.
Incense.
Western red.

Softwoods—Continued

Douglas fir.
Fir:
Balsam.
White.
Hemlock.
Larch.
Pine:
Lodgepole.
Ponderosa.
Southern.
Sugar.
White.
Redwood.
Spruce:
Engelmann.
Sitka.
Wood Products, treated:
Mine timbers.
Piling.
Poles.
Posts.
Railroad ties.

PLASTICS

GROUP I-D—PLASTICS (In very short supply)

Ethyl cellulose.
Nylon plastic.
Polyvinyl alcohol.
Polyvinyl acetate.
Phenolic resins.
Polyethylene.
Poly tetrafluor ethylene.
Resorcinol resins.

GROUP II-D—PLASTICS (In tight supply)

Alkyds.
Cellophane.
Cellulose butyrate.
Melamine.
Methacrylate.
Pliofilm.
Polyesters.

Polystyrene.
Polyvinyl butyral.
Polyvinylidene chloride.
Urea resins.

GROUP III-D—PLASTICS (In fair supply)

Cellulose acetate.
Vinyl chloride.

TEXTILE, LEATHER AND BRISTLE

GROUP I-E—TEXTILE, LEATHER AND BRISTLE

(In very short supply)

Cotton:
Duck.
Webbing.
Cotton linters (chemical grade).
Feathers and down (waterfowl).
Hides and skins, domestic.
Hog bristles.
Insoles, military.
Silk: Nolls and waste.
Vegetable tanning materials:
Chestnut.
Quebracho.
Wattle.

GROUP II-E—TEXTILE, LEATHER AND BRISTLE

(In tight supply)

Abaca.
Acetate:
Filament.
Staple.
Cotton goods: Combed, wind-resistant.
Cotton:
Tire cord.
Yarn.
Cord fabric.
Glass:
Fiber.
Yarn.
Henequen.
Nylon bristle.
Nylon:
Filament.
Staple.
Rayon, high tenacity:
Cord.
Yarn.
Cord fabric.

Sisal.
Viscose:
Filament yarn.
Staple.
Wool:
New.
Reprocessed.

GROUP III-E—TEXTILE, LEATHER AND BRISTLE

(In fair supply)

Coir: Coir yarn.
Cotton goods (not listed elsewhere).
Flax.
Horse hair.
Istle.
Jute.
Silk (other than nolls and waste).
Sunn.
Vegetable tanning materials (other than in Group I).
Wool: Reused.

MISCELLANEOUS

GROUP I-F—MISCELLANEOUS (In very short supply)

Asbestos: Textile fibers.
Beryl ore.
Corundum.
Graphite:
Crucible flake.
Madagascar flake.
Diamonds: Industrial.
Kyanite.
Mica:
Muscovite block and film (size 5½ inch and larger, better than stained).
Bookform splittings.
Monazite sand.
Rare earths.

Rubber:
Guayule.
Latex.
Natural.
Synthetic.
Talc: Indian block.
Wood pulp.

GROUP II-F—MISCELLANEOUS (In tight supply)

Asbestos: Short fiber.
Diatomite.
Fluorspar:
Acid.
Metallurgical.
Glues, animal.
Magnesite.

Mica, phlogopite, block:
Muscovite block and film (stained and poorer).
Muscovite splittings.
Paper.
Paperboard.
Quartz crystals (NBS Grades I and II).
Talc: Ground, including steatite.

GROUP III-F—MISCELLANEOUS (In fair supply)

Fuller's earth.
Paper, waste.
Pyrophyllite.
Reclaimed rubber.
Rutile.
Zircon.

Additional Copies

Additional copies of "List of Basic Materials and Alternates" may be had from the nearest District or Regional Office of the Department of Commerce.

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

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TRANSCRIPTION OF HEARING

CASE NO. 295

August 7, 1951

(DATE)

E. E. GREESON  
ADA DEARNLEY  
COURT REPORTERS  
BOX 1302  
PHONE 2-4547  
ALBUQUERQUE, NEW MEXICO

BEFORE THE  
OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

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In re: Application of Continental  
Carbon Company for an order and  
permit to extend its present permit  
(granted after hearing of Case 169)  
and increase permissible use of gas  
in the manufacture of channel carbon  
black in Lea County, New Mexico.

Case No. 295

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TRANSCRIPT OF HEARING

August 7, 1951

(See transcript in Case 269 and 270 for  
register of attendance and appearances.)

MR. SHEPARD: The next case is 295.

(Mr. Graham reads the summary of the case.)

MR. IDEN: I am E. C. Iden of Albuquerque, appearing for the Continental Carbon Company. I understand there are no objections or protests in this matter, and I don't want to unnecessarily take up the time of the Commission. If the Commission cares to indicate how far you would like to go into this, I have four witnesses here that could answer any questions that might be desired. But as I say, if there is no objection I don't want to unnecessarily take up the time of the Commission.

MR. SHEPARD: Well, we will hear them just briefly, Mr. Iden, for the record.

MR. IDEN: Mr. Seligman, will you please be sworn?

HAROLD B. SELIGMAN,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. IDEN:

Q State your name please.

A Harold B. Seligman.

Q And what is your connection with the applicant, Continental Carbon Company?

A I am Vice President of the company.

Q Located where?

A Amarillo, Texas.

Q The Continental Carbon Company is a corporation isn't it?

A That's right.

Q Organized under the laws of what state?

A The State of Delaware.

Q And qualified to do business in the State of New Mexico?

A In New Mexico.

Q Also Texas, I believe.

A That is correct.

Q Will you, Mr. Seligman, just give the Commission a general picture of your situation and what you are doing now in New Mexico in the way of production of carbon black, and what you hope to do or expect to do if the application now being heard is granted by the Commission.

A At the present time we have a panel carbon black plant located near Eunice, New Mexico, which has an annual production capacity of about 13 million pounds per year. As a result of the application we have made, we propose to burn an additional volume of natural gas and install additional plant capacity which will increase the capacity of the existing plant by an additional 15 million, thus making a total plant capacity of about 28 million pounds per year.

Q You are now using about 1800 cubic feet I understand?

A That is correct.

Q Under a permit by this Commission?

A That is correct.

Q And for what length of time have you been using that amount of gas?

[illegible]



# CORRECTION

The preceding \_\_\_\_\_  
documents were incorrectly  
filmed. They are refilmed  
following this target. Moring

12-83

A Since the first of 1949.

Q Now this gas that you will use if this permit is granted, that is, if the extension is granted, is that gas that is being flared in the area down there?

A That is correct.

Q How will you procure the gas?

A We are purchasing the additional volumes from the Skelly Oil Company, who are making the gas and treating it for extraction of liquids. And we will then get the residue for use in our carbon black plant.

Q You have a contract with the Skelly Oil Company?

A We do.

Q Subject to the permit here being granted?

A That is correct.

Q What is your situation, or the situation of this company so far as the plant is concerned which will be constructed in the event this permit is granted?

A We have an existing plant now located near Sunray, Texas, that was bought during World War II by the Defense Plant Corporation. We propose to move part of this plant to Eunice, New Mexico, and place it nearby our existing plant.

Q Your existing plant, just for the information of the Commission, what is your payroll there? How many employees have you, just generally?

A Approximately 200,000 dollars, about 50 people.

Q About 50 people employed now?

A That's right.

Q And this additional plant, if it is built, will require how many additional employees?

A About 10 additional people. Probably 45 thousand dollars additional payroll.

Q And the plant which you would construct, what can you say about it with reference to its being a modern and efficient plant?

A We believe it will be as modern a carbon black plant as exists in the industry today. It was built originally and designed in 1945, and we have installed special equipment in it to make it as efficient as possible. We believe it is as efficient a unit as exists today.

Q What do you say with reference to importance of carbon black for industrial use, and in that connection I hand you here a list of basic materials and alternates prepared by the Department of Commerce and released June 20, 1951. You have seen that?

A That is correct.

Q What does it indicate?

A It indicates carbon black is considered in the group of chemicals in short supply.

MR. IDEN: I desire to put this in evidence. On page 2 it shows that by this release of June 20, 1951, materials in Group 1 are in very short supply and alternates should be selected for all these materials whenever possible. On page 2,

in Group 1, chemicals in very short supply we find carbon black.

MR. SHEPARD: It will be accepted.

Q How soon is it you hope, Mr. Seligman, to be able to proceed with the construction of this plant if this permit is granted?

A We are in position to begin construction immediately, and we will have the plant completed between now and the end of this year.

Q Is it your desire to begin construction as soon as possible?

A We would like to.

Q If you begin construction immediately, gas would be available upon completion of the construction?

A We have been informed by Skelly Oil Company they will be ready to deliver the gas to us by October the first.

Q Do you have anything more you would like to say to the Commission, Mr. Seligman? If you do, just go ahead.

A The only thing I want to offer here is some data which represents the demand for panel carbon black, indicating the present need for the product. The plant which we are proposing to place in operation in Eunice, has been an operating plant. And it does not represent an expansion of present industry capacity. But as a matter of interest for the Commission, during the year 1950 the production of panel carbon black for the entire United States was 616 million pounds. The demand for this type of black was 668 million pounds so that there was a material decrease in the inventory on hand by the year 1950. The situation during the year 1951 is quite similar. Production and demand is about

in balance. Therefore we believe it essential we maintain our existing capacity, particularly in view of the statement from the National Production Authority that carbon black is considered in very short supply.

Q In a general way, what are the uses of panel carbon black?

A The most important use for panel carbon black is in the rubber industry, where it acts as a reinforcing agent, and enables the long wear and more abrasive qualities of tires. It is also used in all types of rubber products and in printing inks and innumerable number of industrial uses. About 90 per cent goes into the rubber industry where it is an important item.

MR. IDEN: I believe that is all unless the Commission has some questions.

MR. SHEPARD: Well, that will be all.

MR. IDEN: I might make this statement. We have here as witnesses we could offer if the Commission would wish it, H. L. Ericson, who is a gas chemical engineer with the applicant. Mr. M. F. Shafer. All of these are expert men. And Mr. James Gill of the Skelly. His testimony will be along the lines that they are now flowing the gas which we will use if the permission is granted. And unless the Commission desires, I will not put them on. There seems to be no question about it.

MR. SHEPARD: Apparently not.

MR. IDEN: We would like to suggest again, if the Commission does look with favor on this application, they would like speed because they are anxious to get started with their plans.

MR. SHEPARD: We will have an order out right away.

MR. IDEN: Thank you.

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STATE OF NEW MEXICO     )  
                              :   SS.  
COUNTY OF BERNALILLO   )

I HEREBY CERTIFY that the foregoing and attached transcript of proceedings in Case No. 295, before the Oil Conservation Commission, held on August 7, 1951, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, this 28 day of August, 1951.

E. E. Green  
REPORTER



*Consent*

E. C. IDEN  
BRYAN G. JOHNSON  
  
JAMES T. PAULANTIS

IDEN & JOHNSON  
ATTORNEYS AND COUNSELORS AT LAW  
715-16-17-18-19 FIRST NATIONAL BANK BUILDING  
ALBUQUERQUE, NEW MEXICO

August 9, 1951

Mr. George Graham  
New Mexico State Land Office  
Santa Fe, New Mexico

Dear George:

As you suggested, I have drafted what seems to me might be a proper order for the Commission to enter in the case heard at Santa Fe on Tuesday, No. 295, Application of Continental Carbon Company for an increase in permissible use of gas in the manufacture of channel carbon black.

I may have the numbers of this case confused, but you can straighten them out.

I enclose three copies of the order. I am sure you appreciate the desirability of applicant, if the request is granted, to get quick action in the matter as they are very anxious to get under way with their construction.

Very truly yours,

IDEN AND JOHNSON

BY

*E. C. Iden*

ECI:NC  
Encls.



INTER-OFFICE TRANSMITTAL SLIP

TO Mr. Spurr  
FROM Edo J

- ☐ For Approval
- ☐ For Signature
- ☐ Note and Advise
- ☐ Note and Return
- ☐ For Your Files
- ☐ For Your Handling

Remarks:

This is ok for Sig  
of the Commission  
I wishes

OK RS

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

Resume of cases scheduled for special hearing at 10 A. M. August 7, 1951, in the Council Chambers of the City Hall, Santa Fe, New Mexico:

CASE 287: (Continued from July 24 hearing) Roland Rich Woolley's application for order approving unorthodox location NE NE NW Sec. 31, Twp. 17S, Rge. 30E, NMPM, in Loco Hills Pool, Eddy County, New Mexico.

CASE 294: Similar application by Roland Rich Woolley, this case involving location SESE 22, Twp. 17S, Rge. 30 E, Eddy County, New Mexico.

CASE 295: Application of Continental Carbon Company for an order and permit to extend its present permit (granted after hearing of Case 169) and increase permissible use of gas in the manufacture of channel carbon black in Lea County, New Mexico.

CASE 296: In the matter of the application of the Oil Conservation Commission upon its own motion for an order creating a new pool for or extension of an existing pool for certain wells in southeastern New Mexico, as presented by (1) Aztec Oil and Gas Company; (2) Shell Oil Company; (3) Ohio Oil Company; and (4) Tide Water Associated Oil Company.

CASE 297: In the matter of the application of Aurora Gasoline Company for an order authorizing an unorthodox well location and approval of a water-flooding program for secondary recovery in the NE/4 of Section 34, Township 22 South, Range 37 East, NMPM (Penrose Skelly pool), Lea County, New Mexico.

CASE 291: (Continued from July 24 hearing). The application of the Oil Conservation Commission upon its own motion for taking testimony on and considering extension of boundaries or consolidation of Mesaverde gas pools in San Juan County, New Mexico.

CASE 279: This case has been successively continued from hearings of June 21 and July 24. It is concerned with the Commission's application upon its own motion for an order directed to S. T. Silverstein, T. H. Donnelly, Sarah D. Ulmer and the Massachusetts Bonding and Insurance Company for plugging and abandonment of well in SE SE SW 11-12N-32E, NMPM, Quay County, New Mexico.

CASES 269 and 270: Rehearing and argument continued from July 24 to August 7, 1951. Phillips Petroleum Company is applicant. Case 269 relates to proration units and allowables for Siluro-Devonian common source of supply discovered in McAlister Fuel Company's J. M. Denton Well No. 1-A (SW SE 11-15S-37E); Case 270 relates to Phillips' application for 80-acre proration units and allowables for the Wolfcamp common source of supply discovered in Atlantic Refining Company's Bettie C. Dickinson Well No. 1-B (NWSW 12-15S-37E).

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W. P. MARSHALL, PRESIDENT

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Oil Conservation Commission

-11-51

CARL IDEN  
15 1st NATIONAL BANK BUILDING  
ALBUQUERQUE, NEW MEXICO

CASE 295 APPLICATION GRANTED BY COMMISSION AND ORDER WILL BE SO WRITTEN.

R. R. SPURRIER, Secretary-Director  
OIL CONSERVATION COMMISSION

Case 295