

Entered March 18, 1964
A.L.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2984
Order No. R-2655

APPLICATION OF THE PURE OIL COMPANY
AND CONTINENTAL CARBON COMPANY TO
UTILIZE NATURAL GAS IN A CARBON
BLACK PLANT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 5, 1964, at Santa Fe, New Mexico, before Daniel S. Nutter, and at 9 o'clock a.m., on February 19, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of March, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicants, The Pure Oil Company and Continental Carbon Company, seek an order authorizing the utilization of approximately 7 million cubic feet of gas per day in the Continental Carbon Company Carbon Black Plant near Eunice, New Mexico, said gas to be produced from The Pure Oil Company Wilson Deep Unit Well No. 1, completed in the Morrow zone of the Pennsylvanian formation and located in the SE/4 NW/4 of Section 13, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That the aforesaid carbon black plant since its construction has been operating on casinghead gas gathered from numerous leases in the vicinity thereof.

(4) That all casinghead gas produced within the immediate vicinity of said carbon black plant's gathering system which can be connected economically to said system is being gathered; that Continental Carbon Company expressed the intent to continue to utilize all available casinghead gas in its plant as long as it is economically feasible to do so.

-2-

CASE No. 2984

Order No. R-2655

(5) That the production decline curves for many of the leases to which the carbon black plant is connected indicate that the quantity of available gas will diminish sharply within the next few years, making another source of gas necessary if the plant is to continue in operation.

(6) That the burning of gas produced from the Morrow zone of the Pennsylvanian formation by The Pure Oil Company Wilson Deep Unit Well No. 1 for the manufacture of carbon black is a beneficial use of said gas and should be permitted.

IT IS THEREFORE ORDERED:

(1) That The Pure Oil Company is hereby authorized to produce and Continental Carbon Company is hereby authorized to utilize up to 7 million cubic feet of gas per day produced from the Morrow zone of the Pennsylvanian formation by The Pure Oil Company Wilson Deep Unit Well No. 1, located in the SE/4 NW/4 of Section 13, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico, said gas to be used in the manufacture of superior reinforcing furnace black at Continental Carbon Company's SRF Plant near Eunice, New Mexico.

(2) That the applicant, Continental Carbon Company, shall continue to purchase casinghead gas from leases to which it is connected, or which from time to time may become available for connection, providing that the distance and quantity of gas involved make the gathering of such gas economic.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

esr/