

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE PETITION OF
UNITED CARBON COMPANY, INC.,
FOR AN ORDER OF THE COMMISSION
EXEMPTING IT AND THE PRODUCERS
OF NATURAL GAS IN THE SOUTH EUNICE
POOL FROM WHOM IT PURCHASES NATURAL
GAS, FROM THE OPERATION OF THOSE
PROVISIONS OF ORDER NO. R-368-A, CASE
NO. 582, OF THE COMMISSION AND RELATED
ORDERS, LIMITING THE PRODUCTION OF
NATURAL GAS IN THE SO-CALLED JALCO
GAS POOL.

CASE NO. 691
Order No. R-461

INTERIM
ORDER OF THE COMMISSION

BY THE COMMISSION:

Heretofore, on March 8, 1954, the petitioner filed with the Commission its petition praying that the Commission enter its order exempting and excepting the South Eunice Pool from the operation and effect of the Special Rules and Regulations adopted by the Commission in its Order No. R-368-A in Case 582 to such extent as might be necessary to enable it to obtain from the producers of gas in said pool with whom it has existing contracts, and to enable said producers to produce from said pool and deliver to it, the full amount of 42 million cubic feet of gas per day for use by it in the manufacture of carbon black.

Thereafter, on March 18, 1954, the same petitioner duly filed its application for temporary relief, wherein it was prayed that the petitioner and applicant be granted immediately, and without hearing, the same relief heretofore sought in the petition.

Thereafter, on April 1, 1954, the Commission entered its Emergency Order E-5, effective for a period of 15 days and until April 16, 1954, granting the petitioner and applicant the relief sought in its application for temporary relief and an emergency order.

Thereafter, on April 15, 1954, the petition of United Carbon Company, Inc., which was filed March 8, 1954, and which sought the relief more particularly described above, came on for hearing before the Commission. At said hearing testimony was taken, evidence was presented, and argument of counsel was heard.

At the conclusion of said hearing, the Commission took the matter under advisement, and the counsel for petitioner at that time in open hearing requested that the Commission continue its emergency order in effect, pending the final determination and decision of the Commission.

Entered 4-29-54 J.R.

NOW, on this 16th day of April, 1954, the Commission, a quorum being present at an emergency session, and being fully advised in the premises,

FINDS:

(1) That a final decision and order on the petition of United Carbon Company Inc., which was filed on March 8, 1954, and which was heard by the Commission on the merits on April 15, 1954, cannot and will not be rendered for a period of approximately fifteen days from the date of this order.

(2) That petitioner contends that unless it and the producers of natural gas with whom petitioner has existing contracts are exempted and excepted from the operation and effect of Commission Order R-368-A, pertaining to the Jalco Gas Pool, to the extent necessary to enable petitioner to obtain 42 million cubic feet of gas per day, pending final determination and decision in this case, that petitioner will to its irreparable injury be compelled to immediately shut down and discontinue the operations of approximately one-third of its carbon black plant, located 8-1/2 miles south of Eunice in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(1) That for a period of 15 days from and after April 16, 1954, or until final decision of the Commission in this case, whichever is earlier, the petitioner, United Carbon Company, Inc., and the producers of natural gas in the Jalco Gas Pool with whom it has existing contracts, be and the same hereby are exempted and excepted from the operation and effect of the Special Rules and Regulations adopted by the Commission in its said Order No. R-368-A in Case 582, and related orders, to such extent as may be necessary to enable petitioner to obtain from the producers of natural gas in said pool with whom it has existing contracts, and from other producers with whom petitioner has contracts, the full amount of 42 million cubic feet of gas per day for use by it in the manufacture of carbon black in its plants herein involved.

(2) That this interim order shall remain effective until, and only until, the date of the rendition by the Commission of its decision and order on the petition of United Carbon Company, Inc., or until May 1, 1954, whichever is earlier, and that this order shall not in any particular constitute and be a final decision of the merits of this case, nor of any fact in issue.

BE IT FURTHER ORDERED:

That if it is determined by the Commission in its final decision and order in this case that petitioner is not entitled to the relief prayed for in its said petition, all gas produced and delivered to petitioner during the period of the emergency order heretofore entered and during the period of this interim order from gas wells in the Jalco Gas Pool shall be charged to the allowable of said gas wells in accordance with the Rules and Regulations of the Commission.

GIVEN under the seal of the Oil Conservation Commission at Santa Fe, New Mexico, this 16th day of April, 1954.

Signed by: Edwin L. Mechem, Chairman; E.S. Walker, Member; R. R. Spurrier, Secy.