

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 692  
Order No. R-463

THE APPLICATION OF THE OIL CONSERVATION  
COMMISSION UPON ITS OWN MOTION FOR AN  
ORDER REVISING RULE 404, 'NATURAL GAS  
UTILIZATION,' SAID AMENDMENT PERTAINING  
TO THE UTILIZATION OF NATURAL GAS FROM  
A GAS WELL IN THE MANUFACTURE OF CARBON  
BLACK.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing on April 15, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 10th day of June, 1954, the Commission, a quorum being present, having considered the testimony adduced at the hearing and being fully advised in the premises,

FINDS:

1. That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
2. That Rule 404, 'NATURAL GAS UTILIZATION,' of the Commission's Rules and Regulations should be amended to permit the utilization of natural gas for the manufacture of carbon black under the conditions hereinafter set forth in this order.

IT IS THEREFORE ORDERED:

1. That Rule 404, 'NATURAL GAS UTILIZATION,' be and the same hereby is amended to read as follows:

RULE 404. NATURAL GAS UTILIZATION

- (a) After the completion of a natural gas well, no gas from such well shall be (1) permitted to escape to the air, (2) used expansively in engines or pumps

*Entered 6-21-54 J.R.*

and then vented, or (3) used to gas-lift oil wells unless all gas produced is processed in a gasoline plant, used in the manufacture of carbon black, or beneficially used thereafter without waste.

- (b) Carbon black plants may utilize natural gas only in those instances in which all casinghead gas and residue gas produced in the vicinity of or which may reasonably be reached from the carbon black plant, is being used beneficially.
- (c) Any carbon black plant hereinafter constructed, or any existing carbon black plant which enlarges or expands its facilities for the manufacture of carbon black, may utilize natural gas in the manufacture of carbon black only after permission of the Commission is obtained upon due notice and hearing.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Member and Secretary

(S E A L)