Lase Number - 75

Application

Trascripts

Small Exhibits

ETC.



		PAGE 3
		1 MR. UTZ: Case 4751.
		2 MR. HATCH: Application of Sun Oil Company for
an a	8 •	3 pool extension, Lea County, New Mexico.
		4 MR. HINKLE: Clarence Hinkle of Hinkle, Bondurant
		5 & Christy, Roswell, New Mexico, appearing on behalf of
	nick	6 Sun Oil Company. We have one witness and three Exhibits.
	ULU	* * * * *
	mc cormick	8 EDWARD V. STINE,
\$ 	જ	9 was called as a witness and, after being duly sworn, testified
	dearnley, meier	as follows:
	ey, r	DIRECT EXAMINATION
	arnl	BY MR. HINKLE:
		Q State your name, residence and by whom you are employed,
	■ U ▼ U マ X 日 日 マ T	4 please?
	2 2 2 3 3 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	A Edward V. Stine, I live in Dallas and I am employed by
		Sun Oil Company.
		Q What is your position?
	1.243-001 1.243-001	A I am a senior production geologist out of the Dallas
	PHON Phone	Region in charge of the western area.
	1092 1 1 0 9 2	Q Have you previously testified before the New Mexico
	- X - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2	Oil Conservation Commission?
		A Yes, sir.
	2 0 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1	Q And had your qualifications as a geologist made a matter
	209 SIV	of record?
		A Yes, sir.

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			PAGE A
		1	Q Your qualifications are a matter of record with this
	•	2	Commission?
· ·		3	A Yes, sir.
	<u> </u>	. 4 (Q Have you made a study of the area which is the subject
		5	of the Application in this case?
		6 7	λ Yes, sir.
	ů.	7 (Q Are you familiar with the Application of Sun Oil Company
	100 100	8	in this Case?
	dearnley, meier & mc cormick	9 1	A Yes, sir.
	ler &	10 (Q What is Sun Oil Company seeking to accomplish by their
	mei	11	Application in this Case?
с.	lley,		A We are seeking to include Sections 15 and 16 of Township
		13	19 South, Range 32 East into the present confines of
	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	14	the Lusk-Morrow gas field.
		15 🤇	Q Have you prepared or has there been prepared under
		16	your direction, certain Exhibits for introduction in
		17	this case?
	43-6691 57 € A L	18	Q Are they numbered Exhibits 1, 2, and 3?
	А 100 К 00 К	19	A Yes, sir.
		20	Q Referring you to Exhibit Number 1, would you explain
		21	what it is and what it shows?
	• C C C C C C C C C C C C C C C C C C C		A Exhibit 1 is an ownership map of this portion of Lea
است میداند و به مسیند ۲۰۰۰ مورد می میبود و بروی و از این هم در مرابع می محمد از مربعه اور از مورد و از می می از این از مرابع مرابع از مرابع از مسیند مرابع میترد و از مورد و میتواند و میتواند و میتواند و از میتواند و از می و از این		23	County, New Mexico. The scale of the map is 1 to 4000
	SIMMS 1210 F	44	and the yellow coloring designates the acreage that
	209	24	Sun <u>Gil</u> Company has under control now. You will notice
		25 [
	e Bartan an a	919 - 1919 1919 - 1919 1919 - 1919 1919 - 1919	

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	9. (1) 1. (1)		PAGE 5
	х н ж. н ж. н С	1 2 3	that the green hasher lines do represent the present limits of the west Lusk-Morrow field and the purple
 	fini 11 - Line and Anna Anna Anna Anna 1		and blue hash lines represent the affected Section.
		4	Q Those are the horizontal limits that you seek to extend through your application?
		6	A Yes, sir.
	mc cormick	7	Q I refer you to Exhibit Number 2, would you explain what
	20	8	that shows instead of the Lusk-Morrow it should show
ч. И станование и стано И станование и стано	۲ ۵	9	the west Lusk-Morrow?
	eier	10	A Yes, sir, the west Lusk-Morrow.
ана Самарана — 1997 г. с.	dearnley, meiel	11	MR. HINKLE: We called it the Lusk-Morrow in our
	rnle "	12	Application.
	dea 	13	MR. UTZ: You sure did. We will call it whatever
	E E X A E	14	it is.
	Z∑ .≯ ₩₩ DZ.	15	MR. HINKLE: According to the Application, it is
		16	the Lusk-Morrow.
	C D C D L +	17	MR. HATCH: This says (indicating) Lusk, east Lusk
	243-060 AST • AI	18	and south Lusk.
	ш И И И И И И И И И И И И И И И И И И И	19	MR. UTZ: Let the record show that there is some
	0 1 7 2 2 4 7 2 2 4	20	confusion as to whether it is the Lusk or the west Lusk and
	D V V V V V V V V V V V V V V V V V V V	21	the Commission records will speak for themselves and we will
	Q.⊢ • < ; Z ; D.⊢	22	call it the proper name.
n da sina ing pina sina panganan ang sina sina pina pina sina pina pina pina pina pina pina pina p	SIMMS ILL	23	MR. HATCH: It is the area that is shaded in green
	209 SIN	24	that you are seeking to extend?
		25	THE WITNESS: Yes.

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	PAGE 6
	MR. UTZ: It is the area between the green outline
	in Sections 18, 19, 20, and 29. Between the green outlines
	in the four Sections just mentioned and it is the blue
	outline that you seek to have extended?
	THE WITNESS: We also want to extend Section 15
i	which would be outside the effective acreage.
	Ω (By Mr. Hinkle) Where is your discovery well?
& mc cormick	A Our Sun Number 1 Federal located 1980 feet from the
	south and 660 feet from the west of Section 15,
dearnley, meier	Township 19 South, Range 32 East.
	And that is the area which you want to be included in
	this pool?
	A Yes.
	Q Now, referring you to Exhibit 2, will you explain what
ພື້ນ 2∑ ພື້ນ	that shows?
	A Exhibit 2 is a structural interpretation of the Morrow
С С С С С С С С С С С С С С С С С С С С	sand. The map is on a scale of one inch to 2000 feet.
· · · · · · · · · · · · · · · · · · ·	
μ μ μ μ μ μ μ μ μ μ μ μ μ μ	9 Sherman Federal which was drilled to a total depth of
2 XX 2 X	14,330 feet and this particular depth puts it into the
De Po Noi DE PO	Devonian formation, recorded no show of either oil or
Å F	gas. So the well was plugged back and seven and 5/8ths
12 3 X W X	inch casing set at 13,342 feet. The Morrow formation
12 200 21	was perforated at 12,241 feet and on May 2nd, a
	calculation showed 2,331 MCF of gas per day.

		PAGE /
	1 Now, the structural interpreta	tion shows the
	2 area dipping to the west with the S	un Well being down
	3 on the eastern flank of the indicat	ed_atruaturaYou
······································	4 will note the Lusk-Morrow field to	the west.
	5 Q Is this production from the Morrow	in the area dependent
·····································	6 upon structure?	
mc cormick	7 A No, it is stratigraphic in nature.	
	8 Q So your structure didn't really mea	in anything as far
S S S S S S S S S S S S S S S S S S S	9 as production is concerned?	
eier	10 A No, sir.	
dearnley, meier	11 Q Now, you have indicated on Exhibit	2 a cross-section,
	12 A to A', is that your next Exhibit:	2
deal deal	13 A Yes, it is.	
I W M R	14 Q Refer to Exhibit 3 and tell us what	t that is.
2 2	15 A Exhibit 3 starts at A' in the center	er portion of the
	16 field, and this is in Section 19, a	and it moves across
	17 and ties into our Sun Number 1 Fede	eral. The top of the
	18 Strawn line is indicated with a red	l line and all of the
ONE 24	19 zones were drill stem tested.	
E E H B B B B B B B B B B B B B B B B B B B	20 This will show that this part:	icular well (indicating
BOX	21 is producing from two different in	tervals.
	22 Q It is not a uniform zone?	
	A The overall interval is around 900	feet but the actual
10 Stitute	24 porosity and permeability developm	ent varies from well
N N	to well.	

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	PAGE 8
1 2 3	Q In your opinion, would the extension of this pool to include Sections 15 and 16 be in the interest of
4	protect correlative rights?
5 S	A Yes, sir.
6 X) T T T	Q Is there anything else which you might want to call to the attention of the Commission?
පි ි පි ි පි ි	A No, sir.
9	MR. HINKLE: I would like to offer Exhibits 1, 2 and 3.
dearnick 10 11 12 13 13 14 15 13	MR. UTZ: Exhibits 1, 2, and 3 will be entered into
	the record of this Case without objection. (Whereupon, Applicant's Exhibits 1 through 3
	were entered in evidence.)
2 5 .3 15 .2 7	MR. HINKLE: That is all the Direct Examination
α α α α α α α α α α 16 α α α α α α α α α α α α α	we have.
	MR. UTZ: Any questions?
47-54 18 18	(No response.)
NO 5 19	MR. UTZ: The witness may be excused.
	(Witness excused.)
	MR. UTZ: Any statements in this Case?
	(No response.)
su stur ur roura ditur interio pa ™ su stur ur roura ditur interio pa ™ su su seria 23 ™	MR. UTZ: The case will be taken under
8 24	advisement.
25 [

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9 PAGE STATE OF NEW MEXICO) SS) 2 COUNTY OF BERNALILLO) 3 PHARD R. MoGORMTCK, a Cortified Shorthand Reportur, 4 in and for the County of Bernalillo, State of New Mexico, 5 do hereby certify that the foregoing and attached Transcript dearnley, meier & mc cormick 🚋 б of Hearing before the New Mexico Oil Conservation Commission 7 was reported by me; and that the same is a true and correct 8 record of the said proceedings to the best of my knowledge, 9 skill and ability. 10 11 CERTIFIED SHORTHAND REPORTER 12 209 SIMMS BLDG.0 P.O. BOX 10920PHONE 243-61910ALBUQUERQUE. "NEW MEXICO 57103 1216 F RST NATIONAL BANK BLDG. EAST 0ALBUQUERQUE, NEW MEXICO 57105 13 14 15 16 17 18 19 20 31 muchy partify that the foregoing is 22 the agethoorests and to brown and the-74 vs COBS 10. CF / 5/ Traisian has 23 he was by me 622 19.22 2 24 New Monico Ofl Convervation Commission - Baseiner 35

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2068 - SANTA FE 87501

GOVERNOR BRUCE KING CHAIRMAN

LAND COMMISSIONER ALEX J. ARMIJO MEMBER

STATE GEOLOGIST A. L. PORTER, JR. SECRETARY - DIRECTOR

July 17, 1972

Re:

Mr. Clarence Hinkle Hinkle, Bondurant, Cox & Eaton Attorneys at Law Post Office Box 10 Roswell, New Mexico 88201

Case No	4751
Order No.	R-4339
Applicant:	
SUN OIL C	OMPANY

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours, Fallen A.

A. L. PORTER, Jr. Secretary-Director

ALP/ir

Copy of order also sent to:

х Hobbs OCC Artesia OCC

Aztec OCC

Other_

BEFORE THE OIL CONSERVATION COMMISSION

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

> CASE NO. 4751 Order No. R-4339

NOMENCLATURE

APPLICATION OF SUN OIL COMPANY FOR POOL EXTENSION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 28, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of July, 1972, 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 applicant, Sun Oil Company, seeks the extension of the horizontal limits of the Lusk-Morrow Gas Pool, Lea County, New Mexico, to include all of Sections 15 and 16, Township 19 South, Range 32 East, NMPM.

(3) That the applicant's Shearn Federal Well No. 1, located 1980 feet from the South line and 660 feet from the West line of the above-described Section 15 has been completed in the common source of supply that is designated as the Lusk-Morrow Gas Pool.

(4) That the subject well was drilled at a standard location for an undesignated Morrow gas pool.

(5) That Sections 16 and 21 are situated between the present horizontal limits of the Lusk-Morrow Gas Pool and the location of the above-described Shearn Federal Well No. 1; that said Sections 16 and 21 can reasonably be presumed productive of gas from the Lusk-Morrow Gas Pool. -2-CASE NO. 4751 Order No. R-4339

(6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and to otherwise prevent waste and protect correlative rights, the horizontal limits of the Lusk-Morrow Gas Pool should be extended to include all of Sections 15, 16, and 21 of Township 19 South, Range 32 East, Lea County, New Mexico, and an unorthodox location in said pool should be approved for the subject well.

IT IS THEREFORE ORDERED:

(1) That the Lusk-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19		RANGE	32	EAST,	NMPM
Section 15:	All				
Section 16:	A11				
Section 21:	A11				

(2) That an unorthodox location is hereby approved for the Sun Oil Company Shearn Federal Well No. 1, located 1980 feet from the South line and 660 feet from the West line of Section 15, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, Lea County, New Mexico.

(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

ling BRUCE KING, Chairman

ALEX J. ARMAJO, Member

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

SEAL

dr/

Case#751 Leuid. 6-28-12 Grant Sur an extention for the Leck Monow Law pool. ces ollows; 195 326. Sec. 15,16,21 /moth Lush Porrules Soll Noare hopbeable of case.

Examiner Hearing - June 28, 1972

Docket No. 14-72

CASE 4748:

8: Application of Pubdo Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the numble City-strawn rool, Lea county, New Mexico, including provisions for 160-acre proration units and wells to be located within 150 feet of the center of any guarter-quarter section.

CASE 4749: Application of Harding Oil Company for a discovery all wable and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units and for the assignment of an oil discovery allowable to its E. D. Shipp Well No. 1 located in Unit K of Section 11, Township 17 South, Range 37 East.

CASE 4750:



: Application of Sun Oil Company for pool extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the horizontal limits of the Lusk-Morrow Gas Pcol, Lea County, New Mexico to include all of Sections 15 and 16 of Township 19-South, Range 32 East.

tion and production wells within the project area at unorthodox locations may be approved administratively.

Application of Cities Service Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the abovestyled cause, seeks authority to drill a producing well in its Southeast Maljamar Grayburg-San Andres Unit Waterflood Project Area at an unorthodox location 1155 feet from the South line and 1385 feet from the East line of Section 29, Township 17 South, Range 33 East, Maljamar Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injec-

CASE 4752:

1752: Application of Claude C. Kennedy for permission to flare casinghead gas, McKinley, County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-4070, to flare casinghead gas produced by his BSK Edna Well No. 1 located in Unit F of Section 8, Township 17 North, Range 8 West, Lone Pine Dakota "D" Pool, McKinley County, New Mexico. CLARENCE E.HINKLE W. E.BONDURANT, JR. LEWIS C. COX.JR. PAUL W. EATON, JR CONRAD E.COFFIELD HAROLD L.HENSLEY, JR. STUART D. SHANOR C. D. MARTIN PAUL J. KELLY, JR. J. H. LITTLE

LAW OFFICES

HINKLE, BONDURANT, COX & EATON 600 HINKLE BUILDING POST OFFICE BOX 10 ROSWELL, NEW MEXICO 88201 June 16, 1972

TELEPHONE (808) 622-6510

Jan 4 75

HIDLAND, TEXAS OFFICE 521 MIDLAND TOWER (915) 883-4691

[Cj.15]](W.15) JUN 19 1972 OIL CONSERVATION COMM Santa Fo

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 88201

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Gentlemen:

We enclose herewith in triplicate application of Sun Oil Company to extend the Lusk-Morrow Gas Pool in Lea County to include all of Section 15, Township 19 South, Range 32 East.

We have previously discussed this matter with Dan Nutter and the same has been placed on the examiner's docket for June 28.

Yours very truly,

HINKIE, BONDURANT, COX & EATON

CEH:cs Enc.

cc: F. R. York Ed Stein cc: cc: Jack Andrews Bill W. Johnson cc:

DECKST MANNED Dato 6 - 13 - 72

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF SUN OIL COMPANY FOR POOL EXTENSION, LEA COUNTY, NEW MEXICO. APPLICANT SEEKS THE EXTEN-SION OF THE HORIZONTAL LIMITS OF THE LUSK-MORROW GAS POOL, LEA COUNTY, NEW MEXICO TO INCLUDE ALL OF SECTIONS 15 AND 16, TOWNSHIP 19 SOUTH, RANGE 32 EAST. JUN 19 1972

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Comes Sun Oil Company, acting by and through the undersigned attorneys, and hereby makes application for pool extension, Lea County, New Mexico. Applicant seeks the extension of the horizontal limits of the Lusk-Morrow Gas Pool, Lea County, New Mexico, to include all of Sections 15 and 16, Township 19 South, Range 32 East, and in support thereof respectfully shows:

1. On or about March 28, 1972 applicant completed its Shearn Federal Well No. 1 located 1980 feet from the south line and 660 feet from the west line of Section 15, Township 19 South, Range 32 East, N.M.P.M. Said well was drilled to a total depth of 14,330 feet to test the Devonian formation and was plugged back and completed as a Morrow gas well. Said well has been placed on production and the gas is being purchased by Phillips Petroleum Company.

2. By Order R-2373 the Commission adopted temporary operating rules for the Lusk-Morrow Gas Pool, said order being entered on November 21, 1962. The rules were made permanent under Order R-2373-B on May 19, 1965. The special pool rules established 640 acre gas proration units. The Lusk-Morrow Gas Pool is presently defined as including the following described lands situated in Township 19 South, Range 32 East, N.M.P.M.: All of Sections 18, 19, 20, 27, 28, 29, 30 and 32. Rule 1 of the special pool rules provides that each well completed or recompleted in the Lusk-Morrow Gas Pool or in the "Morrow formation" within one mile of the Lusk-Morrow Gas Pool and not nearer to or within the limits of another designated Morrow pool shall be spaced, drilled, operated and produced in accordance with said special pool rules. 3. Applicant's Shearn Federal No. 1 well referred to above was completed in the NW\sW\s Section 15 and is slightly more than one mile from the lands presently defined as being within the Lusk-Morrow Gas Pool. Applicant believes that the Shearn Federal Well No. 1 in Section 15 is producting from the same reservoir as the wells previously drilled to and producing from the Lusk-Morrow Gas Pool. Applicant also believes that all of Section 15 and the intervening Section 16 are productive of gas from the Morrow formation and that the Lusk-Morrow Gas Pool should be extended to include said lands and the special pool rules made applicable thereto.

4. Applicant requests that this matter be set down for the examiner's hearing on June 28, 1972.

Respectfully submitted,

SUN QI COMPANY Hinkle, Bonduran P.O. Box 10 Eaton

Roswell, New Mexico 88201 Attorneys for Applicant





BEFORE THE OIL CONSERVATION COMMISSION

CASE No. 4751

Order No. R-4339

Nomenclature

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

APPLICATION OF SUN OIL COMPANY FOR POOL EXTENSION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on <u>June 28</u>, 192, at Santa Fe, New Mexico, before Examiner <u>Elvis A. Utz</u>.

NOW, on this ______ day of __July ____, 1972, 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 applicant, Sun Oil Company, seeks the extension of the horizontal limits of the Lusk-Morrow Gas Pool, Lea County, New Mexico, to include all of Sections 15 and 16, Township 19 South, Range 32 East, NMPM. -2-CASE NO. 4751 Order No. R-

(3) That the applicant's Shearn Federal Well No. 1, located 1980 feet from the South line and 660 feet from the West line of the above-described Section 15 has been completed in the common source of supply that is designated as the Lusk-Morrow Gas Pool.

(4) That the subject well was drilled at a standard location for an undesignated Morrow gas pool.

(5) That Sections 16 and 21 are situated between the present horizontal limits of the Lusk-Morrow Gas Pool and the location of the above-described Shearn Federal Well No. 1; that said Sections 16 and 21 can reasonably be presumed productive of gas from the Lusk-Morrow Gas Pool.

(6) That in order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and to otherwise prevent waste and protect correlative rights, the horizontal limits of the Lusk-Morrow Gas Pool should be extended to include all of Sections 15, 16, and 21 of Township 19 South, Range 32 East, Lea County, New Mexico, and an unorthodox location in said pool should be approved for the subject well.

IT IS THEREFORE ORDERED:

(1) That the Lusk-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP	19	SOUTH,	RANGE	32	EAST,	NMPM	
Section	15:	All				سيباد الاريون بمالي	
Section	16:	A11					
Section 2	21:	A11					

(2) That an unorthodox location is hereby approved for the Sun Oil Company Shearn Federal Well No. 1, located 1980 feet from the South line and 660 feet from the West line of Section 15, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, Lea County, New Mexico. -3-CASE NO. 4751 Order No. R-

(3) That jurisdiction of this cause is retained for the ontry of such further orders as the Commission may deem necessary. DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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CASE 4752: Application of CLAUDE C. KENNEDY FOR PERMISSION TO FLARE CASINGHEAD GAS, MCKINLEY COUNTY.
