

Case Number

4752

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
June 28, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Claude C. Kennedy
for permission to flare casinghead
gas, McKinley County, New Mexico.

CASE 4752

BEFORE: Elvis A. Utz
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-0891, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

dearnley, meier & mc cormick

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1 MR. UTZ: Case 4752.

2 MR. HATCH: Application of Claude C. Kennedy for
3 permission to flare casinghead gas, McKinley County, New
4 Mexico.

5 MR. KENNEDY: I am Claude C. Kennedy, appearing on
6 behalf of myself in Case 4752.

7 MR. HATCH: Mr. Kennedy, do you have any Exhibits
8 you are going to enter?

9 MR. KENNEDY: No -- I do have a map here that you
10 might want to refer to because it might be easier to follow
11 my testimony that way.

12 MR. UTZ: Do you want to offer it as an Exhibit?

13 MR. KENNEDY: I can, yes.

14 (Marked Applicant's Exhibit Number 1
15 for identification.)

16 * * * * *

17 CLAUDE C. KENNEDY,

18 appeared as a witness and, after being duly sworn, testified
19 as follows:

20 MR. KENNEDY: In this Application I seek an
21 exception to Order Number R-4070, to flare casinghead gas
22 produced by my BSK Edna Well Number 1 located in Unit F,
23 Section 8, Township 17, North, Range 8 West, Lone Pine Dakota
24 "D" Pool, McKinley County, New Mexico.

25 At this time, I would desire to amend this request

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1 to a 60 day extension of this no flare order due to possible
2 mechanical difficulties that may be experienced with the
3 installation of the gas line to deliver gas to Tenneco within
4 the Lone Pine unit.

5 I would like to offer in chronological order what
6 I have done to show a diligent effort to dispose of this gas
7 since the completion of the subject well.

8 On January 9, 1972, the BSK Edna Well Number 1 was
9 completed flowing 335 barrels of oil per day.

10 On February 3rd, I applied for a no flare order
11 exception which was subsequently approved by the Oil
12 Conservation Commission to June 5, 1972.

13 On February 24th, in a letter to Tenneco I requested
14 possible pipeline connection for casinghead gas.

15 On March 24th, I worked out an agreement with the
16 Northwest Offset operator to deliver this gas free to them
17 for lease purposes.

18 On May 1st I requested an additional extension on
19 my no flare order from the Oil Conservation Commission.

20 On May 5th, which was some 70 days after requesting
21 the pipeline connection from Tenneco, they advised that it
22 would take two more weeks before they could answer my request.

23 Then, on May 16th, Tesaro drilled a commercial
24 oil well offsetting the subject well. It was a due-west
25 offset located in Section 8 and they advised that since they

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1 had a commercial oil well that was making equal gas to the
2 Edna Number 1, that they wanted to cancel our agreement to
3 take casinghead gas from the Edna well.

4 MR. UTZ: What date was that?

5 MR. KENNEDY: May 16th.

6 Then on May 19th, Tenneco visited with me in
7 Farmington and made me a proposal to take the Edna tract into
8 the Lone Pine unit, but, at that time, they were able to
9 make an offer only on phase I, which is the primary recovery
10 period of the unit and they were not able to make an offer
11 during phase II of the unit's operations because of the lack
12 of information. They also, at that time offered to purchase
13 the casinghead gas from the Edna Number 1 at a price of
14 eight cents provided I would build the pipeline at the delivery
15 point, approximately 2500 feet to the southwest of the Number
16 7 unit well which, I believe, is located in Unit A of Section
17 17; isn't that right?

18 MR. UTZ: That is Section 7.

19 MR. KENNEDY: Section 7, right.

20 MR. UTZ: Unit P

21 MR. KENNEDY: Right, Unit P.

22 Then on June 2nd, I was granted an additional
23 exception to the existing no flare order until July 5th by
24 the Oil Conservation Commission.

25 Then on June 12th, I was asked by Tenneco if I would

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1 accept their offer of eight cents and deliver gas to the
2 Number 7 unit well.

3 On June 14th, I signed a gas purchase contract with
4 Tenneco and then, in the meantime, they completed their Hanson
5 Number 22 as a flowing well and I believe the date that well
6 was completed on was May 19th, or thereabouts.

7 Then, approximately 30 days later, the Edna well
8 ceased to flow, which is a normal situation in the Lone Pine
9 Dakota "D" unit. Through experience down there we have found
10 that they can swab these wells back to flowing and then within
11 a week you are usually faced with the same situation again.
12 Therefore, I decided to go ahead and put a pump on the well
13 and this operation was completed on June 24th. So I have
14 only about a seven to ten day production history on the well
15 at this time.

16 On June 18th, the well was flowing 200 barrels per
17 day and during just last week, it was pumping only an average
18 of about 100 barrels a day, with a maximum pumping rate of
19 129 barrels per day.

20 Then, on June 27th, which was yesterday, I was
21 advised, and this strictly hearsay, I can't confirm it, but
22 I was advised that Tenneco completed the Lily Number 1 which
23 is offset to the subject well and that it made water and
24 had been plugged yesterday. I was also advised that Tenneco
25 was having a meter run in and would set a meter and I was also

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1 advised that my pipeline was 50 percent complete. I have
2 been advised by my field personnel that I could probably
3 enter the line, however, if difficulties are encountered.

4 there is a possibility that I would need a low pressure
5 compressor which would cost about \$12,000. In the event
6 the low pressure compressor did not work, just stepping the
7 compressor up to 25 to 50 pounds, would require additional
8 expenditures of approximately \$12,000.

9 Tenneco has recently inaugurated a three phase
10 gathering system within the Lone Pine Dakota unit and I am
11 attempting to enter this system which isn't working at the
12 present time.

13 I have also been advised that they are considering
14 changing this gathering system also to the west offset,
15 however, their position is not clear to me at this time
16 because there is a possibility that they might enter the
17 unit with this well and possibly still take my gas at a
18 future date.

19 I also need to be able to evaluate the final
20 proposal from Tenneco for taking the Edna tract into their
21 unit. Also, the Lily Number 1 well which was plugged
22 yesterday or the day before, I am advised that the productive
23 porosity was plus 4221 and the base of my perforation in the
24 Edna well is at plus 4221, or within three feet of the water
25 of the Tenneco Number 1 Lily.

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1 The perforation in the Edna well is plus 4224,
2 I must correct that. That concludes my testimony.

3 MR. UTZ: What you want then, is a 60 day extension
4 to your no flare order so you can get your gas into the line?

5 MR. KENNEDY: In my original -- in the first part
6 of my testimony, I amended that to 30 days.

7 MR. UTZ: And it appears that you will have no
8 problem selling your gas to Tenneco, it is just a matter of
9 getting their facilities?

10 MR. KENNEDY: I don't believe there will be any
11 problem, however, I am not satisfied with my gas purchase
12 contract which calls for eight cents. I believe the area
13 price down there has been established at sixteen, however,
14 I will have no problem there because it is a loosely written
15 contract and provides for cancellation by either party by
16 30 days written notice.

17 MR. UTZ: Any further questions?

18 (No response)

19 MR. UTZ: The witness may be excused.

20 (Witness excused.)

21 MR. UTZ: Any statements in this Case?

22 MR. McGRATH: We would recommend that the
23 Commission grant a 30 day extension period.

24 MR. UTZ: Any other statements?

25 (No response.)

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MR. UTZ: The Case will be taken under advisement.

This hearing is adjourned.

dearnley, meier & mc cormick

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1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF BERNALILLO)

4 I, RICHARD E. McCORMICK, a Certified Shorthand Reporter,
5 in and for the County of Bernalillo, State of New Mexico,
6 do hereby certify that the foregoing and attached Transcript
7 of Hearing before the New Mexico Oil Conservation Commission
8 was reported by me; and that the same is a true and correct
9 record of the said proceedings to the best of my knowledge,
10 skill and ability.

11 *Richard E. McCormick*
12 CERTIFIED SHORTHAND REPORTER
13
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21

22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Bernalillo hearing of Case No. 19-26
25 heard by me on *January 19, 1976*
26 *Richard E. McCormick*, Reporter
New Mexico Oil Conservation Commission

I N D E XWITNESS:PAGECLAUDE C. KENNEDY

Direct Testimony

3

E X H I B I T SAPPLICANT'SOFFEREDADMITTED

Claude C. Kennedy

Exhibit Number 1

3

3

dearnley, meier & mc cormick

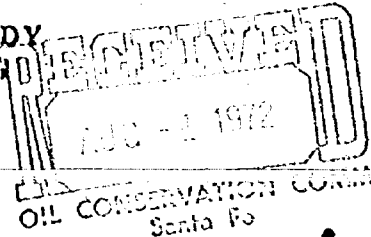
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1249 CHACO AVENUE
FARMINGTON, NEW MEXICO 87401

PHONE: 825-6689

CLAUDE C. KENNEDY
INDEPENDENT OIL AND GAS OPERATOR

July 11, 1972



U. S. G. S.
P. O. Drawer 1857
Roswell, New Mexico 88201

Attn: Mr. Carl Traywick

Re: C. C. Kennedy #1 BSK Edna well
SENW, Sec. 8, T17N, R8W
McKinley County, New Mexico
Navajo Contract N00-C-14-20-4305

*from
file
cover
4752*

Dear Mr. Traywick:

This letter is to inform you that the subject well made delivery of natural gas to Tenneco starting on July 6, 1972. No problems were experienced during first two days of delivery.

Very truly yours,

Claude C. Kennedy
Claude C. Kennedy

cc:
USGS-Farmington
NMOCC-Aztec

*Both -
please note
connection*





OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

July 17, 1972

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Re: Case No. 4752

Order No. R-4340

Applicant:

CLAUDE C. KENNEDY

Mr. Claude C. Kennedy
1249 Chaco Avenue
Farmington, New Mexico 87401

Dear Sir:

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC x

Other Mr. William J. Cooley

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. 4752
Order No. R-4340

APPLICATION OF CLAUDE C.
KENNEDY FOR PERMISSION TO
FLARE CASINGHEAD GAS,
MCKINLEY 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, Claude C. Kennedy, seeks an
exception to Commission Order No. R-4070, to permit the flaring
of casinghead gas produced by his BSK Edna Well No. 1, located
in Unit F of Section 8, Township 17 North, Range 8 West, NMPM,
Lone Pine Dakota "D" Oil Pool, McKinley County, New Mexico,
for approximately 30 days from July 5, 1972.

(3) That the applicant is constructing a line whereby
the casinghead gas from the subject well can be put to beneficial
use.

(4) That the applicant should be allowed to flare casinghead
gas from the subject well as necessary for approximately 30 days
from July 5, 1972, in order to complete construction and testing
of a line to put the gas to beneficial use.

(5) That approval of the application will afford the
applicant the opportunity to produce his just and equitable
share of the oil in the Lone Pine-Dakota "D" oil Pool, and will
not cause unnecessary waste and will protect correlative rights.

-2-

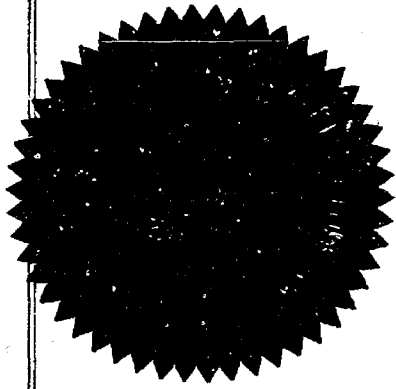
CASE NO. 4752
Order No. R-4340

IT IS THEREFORE ORDERED:

(1) That the applicant, Claude C. Kennedy, is hereby granted an exception to Commission 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, NMPM, Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico, until August 5, 1972.

(2) 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

Bruce King
BRUCE KING, Chairman

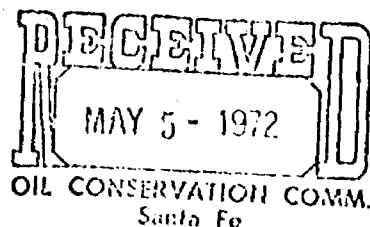
Alex J. Armijo
ALEX J. ARMILLO, Member

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

S E A L

dx/

George - Dan - Jim - Elvis



Thought you might be
interested to see this
Drawer 1857
Roswell, New Mexico 88201

May 3, 1972

COPY

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Claude C. Kennedy
1249 Chaco Avenue
Farmington, New Mexico 87401

Dear Mr. Kennedy:

Our records show that on January 9, 1972, you completed well No. 1 BSK Edna in the SE1/4 sec. 8, T. 17 N., R. 8 W., McKinley County, New Mexico, Navajo allotted lease No. NCO-C-14-20-4305, for an initial potential of 177 barrels of oil and 3 barrels of water per day from the Dakota "D" sand at a depth of 2,819 to 2,823 feet. Reports subsequently submitted to our Farmington District Engineer show that the gas-oil ratio on the No. 1 BSK Edna has increased from 444 SCF per barrel on February 2 to 1,351 SCF per barrel on March 22 and that such gas is being vented and not beneficially used.

Title 30 CFR 221.35 states in part, "The lessee is obligated to prevent the waste of oil or gas and to avoid physical waste of gas the lessee shall consume it beneficially or market it or return it to the productive formation." Please provide this office with your plans to prevent waste of gas from the No. 1 BSK Edna by May 19, 1972.

Sincerely yours,

(ORIG. SGD.) N. O. FREDERICK

N. O. FREDERICK
Regional Oil and Gas Supervisor

cc:
Washington
Farmington
NMOCC, Aztec
NMOCC, Santa Fe ✓

JWillock:GDaniel:lh

4752

444ud 6-28-72

Kec. 7-7-72

Lieut Claude C. Kennedy an
attention to his current WFO.
to end July 5, 1972.

This will give him ample
time to make arrangements
to sell the gas.

Th. D. [Signature]

CLAUDE C. KENNEDY

INDEPENDENT OIL AND GAS OPERATOR

June 19, 1972

Tenneco Oil Co.
1200 Lincoln Tower Bldg.
Denver, Colorado 80203

CASE 4752
JUNE 28, 1972

Attn: Mr. R. A. Williford, District Production Mgr.

Dear Mr. Williford:

I am returning herewith (4) four fully executed copies of a so called gas purchase contract. I have retained (1) one copy for my file.

Please be advised, that by the time you receive this letter, that I will be in a position and ready to deliver gas as per the enclosed contract.

Also be advised that I have a hearing pending before the New Mexico Oil Conservation Commission on the 28th of this month to hear testimony in support of exception to a no flare order. Provided Tenneco is in a position to take delivery of the subject gas by June 28th, then it will not be necessary for me to appear at said hearing and I can request a dismissal.

Therefore, it would be greatly appreciated by me, the New Mexico Oil Conservation Commission and the United States Geological Survey if you could advise all parties concerned when said facilities would be available to take delivery of the subject casinghead gas.

Very truly yours,

Claude C. Kennedy
Claude C. Kennedy

cc:
NMCC Aztec and Santa Fe
USGS Farmington and Roswell

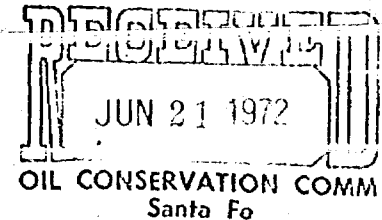
RECEIVED
JUN 21 1972
OIL CONSERVATION COMM.
Santa Fe



TENNECO OIL COMPANY • P. O. BOX 2410 • CAPITOL LIFE BLDG. • DENVER, COLORADO 80201

June 14, 1972

Mr. Claude C. Kennedy
1249 Chaco Avenue
Farmington, New Mexico 87401



Re: Casinghead Gas Purchase
BSK Edna #1 Well
McKinley County, New Mexico

Dear Mr. Kennedy:

This letter shall confirm our agreement for the purchase by the Lone Pine Dakota "D" Unit of casinghead gas from your Edna #1 Well to avoid shut-in of such well by the NMOCC. Reference is made to our prior letters of May 19 and June 6, 1972 and your letters of May 26 and June 12, 1972.

Tenneco Oil Company, as operator of and on behalf of the Lone Pine Dakota "D" Unit, agrees to purchase on a month to month basis the casinghead gas produced from your captioned well located 200' FNL & 1650' FWL of Section 8, T-17-N, R-8-W. You agree to deliver such gas to a point of delivery designated by Tenneco within 150' of the Lone Pine Unit Well #7 located 330' FSL & 660' FEL of Section 7, T-17-N, R-8-W. You shall construct and maintain at your sole cost and risk a pipeline from your well to the point of delivery, to be constructed in accordance with all applicable laws and regulations of the State of New Mexico and of adequate size to deliver the produced casinghead gas. The Lone Pine Unit will install metering facilities at the delivery point and shall pay you 8¢ per MCF (at NMOCC standards of pressure and temperature) for all casinghead gas delivered. Such casinghead gas must be delivered reasonably free of water, solids or other deleterious substances, in the normal condition of gas at the outlet of conventional gas-liquid separation devices. The gas shall be delivered at a sufficient line pressure to meet the operating pressure of our gathering system which we estimate will range between 100 and 200 psig.

Tenneco, as operator of and on behalf of the Lone Pine Dakota "D" Unit, hereby grants you a right of way and easement across the E/2 SE/4 of Section 7 and the SW/4 of Section 8, T-17-N, R-8-W, for construction and operation of your gas pipeline from the Edna #1 Well to the Unit Well #7. At such time as deliveries of gas hereunder may cease, you shall have the right to remove such pipeline provided you restore the surface of the unit lands to the extent that may be reasonably required. It is, of course, recognized that if the Edna #1 Well is later committed to the unit such pipeline may become a unit facility under such terms of tangible equipment adjustment as may be then agreed upon.

Mr. Claude C. Kennedy

-2-

June 14, 1972

This agreement may be terminated by either party hereto upon at least 30 days advance written notice to be effective as of the first day of any calendar month. This agreement shall, of course, automatically terminate at such time as your Edna #1 Well may become committed to the Lona Pine Dakota "D" Unit.

Please indicate your acceptance and agreement to the provisions hereof by executing and returning a copy of this letter.

Yours very truly,

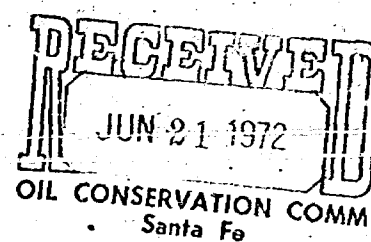
TENNECO OIL COMPANY

By: C. W. Nance
C. W. Nance
Division Production Manager WJR

CWN/MFC:va

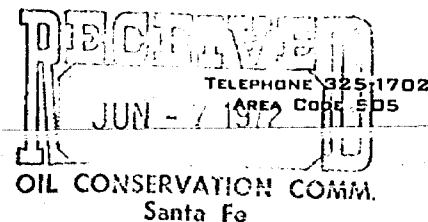
AGREED TO AND ACCEPTED THIS 19th DAY
OF JUNE, 1972.

Claude C. Kennedy
Claude C. Kennedy



BURR & COOLEY
ATTORNEYS AND COUNSELORS AT LAW
SUITE 152 PETROLEUM CENTER BUILDING
FARMINGTON, NEW MEXICO
87401

JOEL B. BURR, JR.
WM. J. COOLEY



June 6, 1972

NEW MEXICO OIL CONSERVATION COMMISSION
P. O. Box 2088
Santa Fe, New Mexico

Case 4752

Gentlemen:

Enclosed herewith is the Application of Claude C. Kennedy
for a extension of No-Flare Exception 3-35.

You are hereby requested to set this matter down for
hearing on June 28, 1972, if at all possible, in order
that this matter may be resolved prior to the expiration
of the present extension.

Very truly yours,

BURR & COOLEY

BY *Wm. J. Cooley*
William J. Cooley *WJC*

WJC:jjh
Encls.

cc w/encls.: Tenneco Oil Company
Beard Oil Company
Tesoro Petroleum
U.S.G.S.

DOCKET MAILED

6-13-72
Docketed

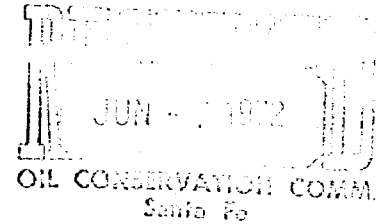
BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION

OF

CLAUDE C. KENNEDY

For an Extension of a No-Flare
Exception in the Lone Pine Dakota
"D" Pool, McKinley County, New
Mexico.



APPLICATION

COMES NOW the Applicant, by and through his attorneys, BURR & COOLEY, 152 Petroleum Center Building, Farmington, New Mexico, and makes application to the Commission for an extension of No-Flare Exception no. 3-35 beyond its present expiration date of July 5, 1972, until September 1, 1972.

In support of the foregoing application, Applicant would show the Commission that:

1. Applicant is engaged in good faith negotiation with Tenneco Oil Company as Operator of the Lone Pine Dakota "D" Unit for expansion of said unit to include the BSK Edna No. 1 well located in Unit F, Section 8, Township 17 North, Range 8 West, N.M.P.M., on an equitable basis. That by reason of the recent drilling of the Tesoro Hanson Well No. 22 well located in the SW/4 of the NW/4 of Section 8, Township 17 North, Range 8 West, N.M.P.M., and the proposed drilling of the Tenneco Lillie No. 1 well in the SW/4 of the NE/4 of Section 8, Township 17 North, Range 8 West, N.M.P.M., it is impossible to consummate any negotiations with respect to expansion of the Lone Pine Dakota "D" Unit prior to July 5, 1972.

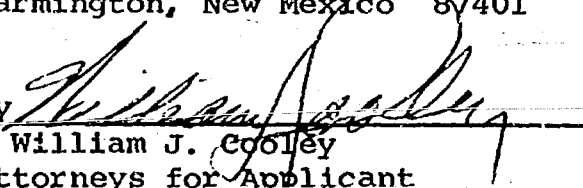
2. That in the event the BSK Edna No. 1 well is for any reason not included in the Lone Pine Dakota "D" Unit, Applicant has proposed to sell the casinghead gas production from said well to Tenneco as Operator of the Lone Pine Dakota "D" Unit for re-injection into the producing formation. Negotiations are currently pending with respect to this proposal, as well as that discussed in paragraph 1 above, and it would likewise be impossible for such negotiations to be completed and the necessary gas gathering facilities installed prior to July 5, 1972.

3. That the Lone Pine Dakota "D" Pool has throughout its history demonstrated excellent communication between wells, and the capability of drainage over large areas of the reservoir. Accordingly, if the BSK Edna No. 1 well is shut-in by order of the Commission while the other wells in the pool are allowed to produce at capacity, substantial drainage of the oil reserves dedicated to the BSK Edna No. 1 well will occur, to the irreparable damage of the correlative rights of both the Applicant, as well as the Navajo Indian Allottee royalty owner.

4. That if the BSK Edna No. 1 well is not allowed to produce at some reasonable rate during the pendency of negotiations for the disposition of the casinghead gas produced therefrom, there is grave danger that extensive and irreparable reservoir damage will occur as a result of shutting the well in for any protracted period of time. If this situation occurs, it would result in extensive underground and economic waste.

WHEREFORE, Applicant prays that the Commission grant the relief requested above for the foregoing reasons.

BURR & COOLEY
152 Petroleum Center Building
Farmington, New Mexico 87401

BY 
William J. Cooley
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DRAFT

GMH/dr

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. 4752

Order No. R-4340

APPLICATION OF CLAUDE C.
KENNEDY FOR PERMISSION TO
FLARE CASINGHEAD GAS,
MCKINLEY 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 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, Claude C. Kennedy, seeks an
exception to Commission Order No. R-4070 to permit the flaring
of casinghead gas produced by his BSK Edna Well No. 1, located
in Unit F of Section 8, Township 17 North, Range 8 West,
NMPM, Lone Pine Dakota "D" Oil Pool, McKinley County, New Mexico,
for approximately 30 days from July 5, 1972.

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(3) That the applicant is constructing a line whereby the casinghead gas from the subject well can be put to beneficial use.

(4) That the applicant should be allowed to flare casinghead gas from the subject well as necessary for approximately 30 days from July 5, 1972, in order to complete construction and testing of a line to put the gas to beneficial use.

(5) That approval of the application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Lone Pine-Dakota "D" Oil Pool, and will not cause unnecessary waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Claude C. Kennedy, is hereby granted an exception to Commission 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, NMPM, Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico, until August 5, 1972.

(2) 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.

CASE 1752 APPLICATION OF ROGER
C. HANKS FOR A NON-STANDARD
PROBATION UNIT, LEA COUNTY.