

CASE 1853: Application of STANDARD
OF TEXAS for an exception to the "no-
flare" provision of Order 2-1427.

Case No.

1853

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 13, 1960

IN THE MATTER OF:)

Application of Standard Oil Company)
of Texas for an exception to the)
"no-flare" provision of Order R-1427.)
Applicant, in the above-styled cause,)
seeks a 60-day exception to the "no-)
flare" provision of Order R-1427 for)
18 wells in the Bisti-Lower Gallup)
Oil Pool, San Juan County, New Mexico.)

Case 1853

BEFORE:

Honorable John Burroughs
Mr. A. L. Porter
Mr. Murray Morgan

TRANSCRIPT OF HEARING

MR. PORTER: Case 1853.

MR. PAYNE: Application of Standard Oil Company of
Texas for an exception to the "no-flare" provision of Order R-1427.

MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, Santa
Fe, appearing for the applicant. I would prefer not to do the
testifying, so we'll call one witness. I would like to call as a
witness Mr. Langrip.

(Witness sworn.)

MR. KELLAHIN: Before we proceed, if the Commission
please, we have a similar situation as that just presented by
Southern Union in connection with two of the wells; we have learned
just this week, and subsequent to filing this application, that two

of these leases will not be connected because of the economic feasibility. Would the Commission prefer that we submit a letter and request for administrative approval or put on testimony at this time for those two wells?

MR. PORTER: That's two of the total of 18?

MR. KELLAHIN: Yes, sir.

MR. PORTER: The Commission attorney writes these administrative orders. He would prefer that you write the letter.

MR. PAYNE: Submit it tomorrow, your application for administrative approval for these two wells.

CHARLES W. LANGRIP

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Charles W. Langrip.

Q By whom are you employed and in what position, Mr. Langrip?

A Standard Oil Company of Texas, Field Foreman in the Farmington area.

Q Have you had any training as a professional engineer?

A I graduated from University of Texas in 1950 and have been doing, with a B. S. in petroleum engineering, and have been

doing engineering work for Standard of Texas for the past eight years.

Q How long have you been in your present capacity as foreman at Farmington?

A Two and a half years.

Q In connection with your duties as foreman in Farmington, do you have jurisdiction over the area involved in this application?

A Yes.

Q Are you familiar with the facts involved in this application?

A Yes.

MR. KELLAHIN: Are the witness' qualifications acceptable to the Commission?

MR. PORTER: Yes, sir, they are.

Q Now, Mr. Langrip, are you familiar with the application in this case?

A Yes, sir.

Q Would you state briefly what is sought by Standard of Texas?

A We seek to get exception to this no-flare order for three batteries out of five which will be connected in the southeast end of the Bisti Field, located in Ranges 9 and 10, Township 24 North. These, El Paso informed us that two of these batteries

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will be connected by the 21st of January and the other battery
will be connected by the 15th of February, and this is only a one-
well lease. The total gas --

Q Which lease is the latter?

A This is the Federal 11 Lease.

Q Was that described as an exhibit attached to the ap-
plication in this case?

A Yes.

(Marked Standard of Texas'
Exhibits Nos. 1 and 2, for
identification.)

Q Now, referring to what has been marked as Exhibit 1,
will you briefly state what that shows?

A This is a map of our portion of the field in Township
24 North, Ranges 9 and 10 West. It shows the location of our
18 wells.

Q Now, there is an area that is cross-hatched in yellow.
What does that indicate?

A That is acreage owned by Standard of Texas and Pan
American.

Q Now, Mr. Langrip, has Standard of Texas signed a con-
tract for the sale of the gas from this area?

A Yes, they have.

Q With whom was that signed?

A With El Paso Natural Gas.

Q And do you know when it was signed?

A It was signed by Standard November the 9th and signed by El Paso, November 11.

Q Do you know whether Standard had notified El Paso prior to that date that they would sign the contract?

A I'm not sure of that because the contract negotiations are handled out of our Houston office.

Q Now, do you know whether Standard of Texas has received approval from the Federal Power Commission for the sale of this gas?

A Yes, they have.

Q Referring to what has been marked as Exhibit No. 2, would you state what that is?

A It's approval from the Federal Power Commission on this gas sale.

Q Now, as I understand your previous testimony, a part of these batteries will be connected, according to your understanding, by January the 21st, is that correct?

A Yes, that is correct. The two largest leases, the Federal 7 Lease which contains 7 wells and the Federal 9 Lease which has 8 wells.

Q Now, will that connection take care of substantially all of the gas production involved in this application?

A Yes, sir, it will. The remaining lease, which is

scheduled for tiein by February 15, the Federal 11 Lease on the last gas-oil ratio filed with the Commission on 12-22-1959 shows it to be 42 MCF per day.

MR. KELLAHIN: If the Commission please, at this time we would ask that the Commission take notice of the gas-oil ratio report which is in the Commission's files. We did not have time to prepare an exhibit covering that.

MR. PORTER: The Commission will take due notice of the form C-116, Mr. Kellahin.

Q Now, as to the lease which will be connected February 15, what's the status of that as to the gas-oil ratio and gas production?

A On this last test the oil production was 53 barrels, the gas production 42 MCF, with a gas-oil ratio of 795.

Q Have you been advised that two of your wells will not be connected?

A Yes, sir.

Q What wells are those?

A Those are the Federal 8 Lease and the Federal 10 Lease, each containing one well.

Q What is the gas production on those two?

A The gas production on the 8 lease is 34 MCF per day. The gas production on the Federal 10 Lease is 16 MCF per day.

Q Do you know what the delay has been in getting this

connection made to Standard's wells?

A I couldn't say, because most of the negotiations, all of the negotiations are handled in Houston and --

Q Do you know of your own knowledge what the status of the pipeline is in that area at the present time?

A Yes, sir, I believe it goes to Section 2, which is located right here approximately (indicating), a mile and a half from our first battery that would be tied in.

Q Now, in your opinion, and based on your experience in the field, do you think that El Paso can make the connection as they have indicated they would?

A There are a number of factors that enter into this which make it rather difficult to say. One of the major factors, I would think, would be the weather, which we've been having pretty rough.

Q For that reason, although a date has been given you, would you still ask the Commission to grant the 60-day extension which has been requested in this hearing?

A Yes.

Q Or such time as the connection is actually made?

A Yes.

Q Is all the gas being produced in this area being flared?

A Yes, sir.

Q All of it?

A ~~With the exception of that used for pumping engines.~~

Q There is some gas being used for lease purposes then?

A Yes.

MR. KELLAHIN: At this time we would like to offer in evidence Exhibits 1 and 2.

MR. PORTER: Without objection these exhibits will be admitted.

MR. KELLAHIN: That's all the questions I have.

MR. PORTER: Mr. Langrip, do I understand you to say that your wells on Federal 8 Lease and Federal 10 Lease will not be connected?

A Yes, sir. El Paso informed us this week that they felt they were uneconomical.

MR. KELLAHIN: If the Commission please, we would be willing to call Mr. Holik back to the stand to testify on that if it is desired.

MR. PAYNE: Those are the two wells that you are going to ask the administrative exception on?

A Yes.

MR. PORTER: Then in that case, Mr. Kellahin, you may follow the same procedure as outlined to Mr. Verity.

MR. KELLAHIN: Yes, sir.

MR. PORTER: Anyone have any questions? Mr. Nutter.

CROSS EXAMINATION

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BY MR. NUTTER:

Q Mr. Langrip, did El Paso give you any idea as to what length of time would be required to pay out the lines to connect those two leases?

A No, sir. He didn't give me any economics at all.

Q How far would you have to go to get your gas then?

A One would be almost a mile and another looks like it will be around three-quarters of a mile.

Q Are there any undrilled locations on either of those leases?

A There are undrilled locations. However, it don't appear that they will be drilled because of the poor sand bar development in those areas.

Q At least you have no present plans for drilling them?

A That's true.

Q Has there been any marked change in the GOR insofar as those wells are concerned?

A Insofar as those wells are concerned there has been some change, not too much, the total volume of gas has not increased appreciably, but the production has declined slightly.

Q So you haven't had any material change in the amount of gas that's been produced?

A No, sir. They are fairly old wells and only produce a small quantity. They seem to have leveled off pretty well.

Q Do you anticipate any change there of any consequence?

A I don't think so.

MR. NUTTER: Thank you.

MR. PORTER: Mr. Payne.

BY MR. PAYNE:

Q Are you aware of the testimony of El Paso in Case 1569, which was a no-flare case, wherein they testified that as a rule of thumb they figured it took 120 days to connect a well after the casinghead gas contract was signed?

A Yes, sir.

Q Now, inasmuch as your contract was signed on November the 11th, both parties had signed by then, do you feel that Standard of Texas exercised due diligence and gave El Paso time enough to have these connected by the deadline?

A Well, I couldn't say again because the contract negotiations were handled in Houston, and I couldn't answer that question.

MR. KELLAHIN: If the Commission please, we have a witness here who could testify on that, if desired.

Q When did you file for Federal Power Commission approval?

A December 4, 1959.

Q When was it granted? A December 24, 1959.

Q Which indicates that in some instances, at least, the Federal Power Commission acts pretty rapidly, is that right?

A They did in this one.

MR. PAYNE: Thank you. Oh, one more question.

Q Did Standard consider the economic feasibility of re-injecting this casinghead gas?

A Yes, sir. We looked into that.

Q You felt it wasn't economically feasible to do so?

A That is correct. It was in the infant stage formation of a unit for this portion of the field at the present time, and due to the reservoir in that area, we didn't feel it would be worthwhile to the reservoir to reinject any gas.

MR. PAYNE: Thank you.

MR. PORTER: Anyone else have a question? The witness may be excused.

(Witness excused.)

MR. KELLAHIN: If the Commission please, we have Mr. R. E. Caraway of the Houston office here who can testify as to the contract, if desired.

MR. PAYNE: Well, the time element was the only thing I was interested in, Mr. Kellahin.

MR. KELLAHIN: I will call Mr. R. E. Caraway. Mr. Caraway has not been sworn.

DIRECT EXAMINATION
of R. E. CARAWAY

BY MR. KELLAHIN:

Q Would you state your name, please?

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

A R. E. Caraway.

Q By whom are you employed and in what position, Mr. Caraway?

A I am employed by the Standard Oil Company of Texas in a position of Manager of Crude Oil Purchase and Sales. In that work I also handle the contracting of gas.

Q Now, in connection with your duties, did you have anything to do with the contract or sale of gas in the Bisti Pool?

A Yes, sir.

Q And in the area involved in this application?

A Yes, sir.

Q Would you describe briefly to the Commission what occurred in connection with that contract?

A Well, I think it's been touched on by the previous witness in that the Producing Department of our company had examined the possibility of reinjecting the gas into the reservoir, and upon the determination that that wasn't feasible, then we sought gas markets and we were talking to two potential purchasers, Southern Union and El Paso Natural. We were discussing the possibility of contracting the gas to El Paso Natural with Mr. Vick Plummer in Houston and Mr. D. H. Tucker and his other assistants down there.

On or about October 1 of this past year it was decided by our company that we would like to contract our gas with El Paso

Natural and we verbally advised Mr. Plummer that we would proceed and through the administrative procedures within our company and with the Federal Power Commission to flank the contract up. So we feel like that El Paso Natural had verbal advice from our company that we were going to sign their contract.

Now, the contract was actually signed on November the 9th and delivered to El Paso. We had the impression from El Paso Natural that they could proceed ahead with some of the preliminary work with that advice from us, and we feel that they have proceeded with diligence.

Q Do you feel that Standard has acted with due diligence once it was determined that the reinjection of gas was not feasible?

A I do, sir.

Q Does it normally take a period of time to negotiate one of these contracts?

A Yes, sir.

Q About what period in this area has been your experience?

A Well, it's difficult to say in this particular contract with El Paso Natural, since the same contract in substance had been signed by their operators, there was very little room under this contract for negotiation. So it was either a matter of accepting the contract or rejecting it. Most of the time that was consumed was through the administrative process within our

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own company which involves your own attorneys going through it,
your Accounting Department and all other departments involved,
your engineering people, and it just took in this case in the
order of 30 days.

MR. KELLAHIN: That's all the questions I have.

CROSS EXAMINATION

BY MR. PAYNE:

Q Mr. Caraway, are you familiar with the testimony of El
Paso in Case 1569 wherein they testified that it generally took
120 days from the date the contract was signed to connect a well?

A I wasn't familiar with that back in September and
October, no, sir.

Q I note that there's only about 52 days from the time
your contract was executed until December 31 when gas flaring was
discussed. Had it been your experience that you can generally get
a well connected in some 50 days after the execution of the contract?

A A casinghead gas contract, sir?

Q Yes.

A Yes, sir, if it doesn't mean extending a main line or
lateral line.

Q Which was the situation in this pool, however, wasn't
it? They were installing all new facilities?

A There's no question about it, we were on the tail end
of the system.

MR. PAYNE: Thank you. That's all.

MR. PORTER: Any further questions? The witness may be excused.

(Witness excused.)

MR. KELLAHIN: That's all we have, Mr. Porter.

MR. PORTER: Anyone else have anything further to offer in this case? We will take the case under advisement and proceed to Case 1854.

STATE OF NEW MEXICO)
: SS
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 25th day of January, 1960.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

**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. 1833
Order No. R-1561**

**APPLICATION OF STANDARD OIL
COMPANY OF TEXAS FOR A 60-DAY
EXCEPTION TO THE "NO-FLARE"
PROVISION OF ORDER NO. R-1427
FOR 16 WELLS IN THE BISTI-
LOWER GALLUP OIL POOL, SAN
JUAN COUNTY, NEW MEXICO**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 13, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 15th day of January, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 seeks a 60-day exception to the "no-flare" provision of Order No. R-1427 for 16 wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.
- (3) That the Commission, in the proper exercise of its legal obligation to prevent the physical waste of oil and gas resources, should deny the requested exception to the "no-flare" provision of Order No. R-1427.

IT IS THEREFORE ORDERED:

That the application of Standard Oil Company of Texas for a 60-day exception to the "no-flare" provision of Order No. R-1427 for 16 wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, be and the same is hereby denied.

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Case No. 1283
Order No. R-1261

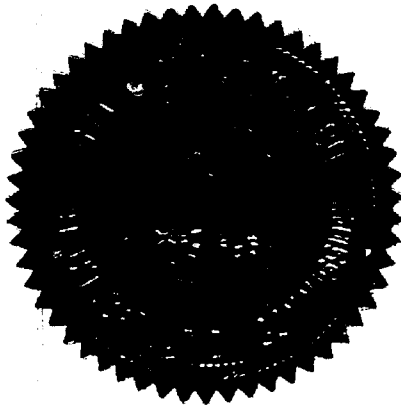
DOEN at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL COMMERCE COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

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



ven/

FEDERAL POWER COMMISSION

WASHINGTON 25

Docket No. J-

Standard Oil Company of Texas
 1201 North Main Street
 Houston, Texas

Reference is made to your letter of 11/11/59.

CONTINUATION

Your statement, filed pursuant to Section 157.28(c)(2) of the Commission's Regulations, of your intention to invoke said Section and initiate the service proposed in the certificate application, Docket No. G-20321 is hereby accepted.

You are also advised that the related rate schedule, identified by your statement pursuant to Section 157.28(c)(2) of the Regulations and listed at the bottom of this letter, has been accepted for filing to be effective on the date of initial delivery. Please advise this Commission of the date of initial delivery of gas thereunder. This acceptance of the rate schedule for temporary service is no assurance that it will be accepted by the Commission for permanent service.

In the event that any of the documents comprising the listed rate schedule contains provisions for future automatic adjustments in rates and charges based upon new or increased taxes, prices paid for gas by or to others, price redetermination provisions, or any similar provision, your attention is directed to the fact that such provisions, when invoked to change the effective rates and charges, will constitute a change in such rates and charges within the meaning of Section 4(d) of the Natural Gas Act and Section 154.94 of the Commission's Regulations under such Act. The Act and the Commission's Regulations require that such changes be filed with the Commission not more than 90 days nor less than 30 days prior to the proposed effective date thereof.

This acceptance for filing shall not be construed as constituting approval of any rate, charge, classification, or any rule, regulation or practice affecting such rate or service contained in the rate filing; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which may be made in the final disposition of this proceeding or any other findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against your company.

In future correspondence with the Commission concerning the rate schedule listed below, please refer to the FPC Gas Rate Schedule designation furnished you herewith, including the name of the independent producer and the rate schedule and supplement numbers.

This constitutes all requisite temporary authorization to commence the sale of gas, but such authorization and acceptance of the rate schedule are without prejudice to such final disposition of the certificate application as the record may require and, furthermore, once service is commenced under this authorization it may not be discontinued without permission of the Commission issued pursuant to the provisions of the Natural Gas Act.

Very truly yours,

Michael J. Furell
 Acting Secretary

Rate Schedule Designation

Standard Oil Company of Texas

<u>Description of Document</u>	<u>Date of Letter of Transmittal</u>	<u>FPC Gas Rate Schedule No.</u>	<u>Supplement No.</u>
Contract	11-11-59	12-4-59	37

DOCKET: REGULAR HEARING JANUARY 13, 1960

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

- ALLOWABLE: (1) Consideration of the oil allowable for February, 1960
- (2) Consideration of the allowable production of gas for February 1960 from six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from seven prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico for February, 1960.

NEW CASES

- CASE 1850: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider amending Rule 303 of the Commission Rules and Regulations to provide an administrative procedure whereby the production from two or more separate common sources of supply may be commingled under certain conditions, particularly after separately metering or measuring the production from each of the said common sources of supply.
- CASE 1851: Application of Skelly Oil Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks a 30-day exception to the "no-flare" provision of Order R-1427 for 24 wells in the Gallegos-Gallup Oil Pool, San Juan County, New Mexico.
- CASE 1852: Application of Southern Union Gas Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks a 120-day exception to the "no-flare" provision of Order R-1427 for its Whitley Well No. 1, located in the NW/4 of Section 17, Township 24 North, Range 9 West, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.
- CASE 1853: Application of Standard Oil Company of Texas for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks a 60-day exception to the "no-flare" provision of Order R-1427 for 18 wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.
- CASE 1854: Application of Texaco Inc. for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks a 60-day exception to the "no-flare" provision of Order R-1427 for three wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

- CASE 1855: Application of Humble Oil & Refining Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks a temporary exception to the "no-flare" provision of Order R-1427 for five wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.
- CASE 1856: Application of Sun Oil Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks a 30-day exception to the "no-flare" provision of Order R-1427 for seven wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.
- CASE 1857: Application of Kenneth Murchison for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks a temporary exception to the "no-flare" provision of Order R-1427 for two wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.
- CASE 1858: Application of The British-American Oil Producing Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks a temporary exception to the "no-flare" provision of Order R-1427 for certain wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.
- CASE 1859: Application of Sunray Mid-Continent Oil Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks an exception to the "no-flare" provision of Order R-1427 for one well in the Gallegos-Gallup Oil Pool and twelve wells in the Bisti-Lower Gallup Oil Pool, both in San Juan County, New Mexico.
- CASE 1862: Application of Socony-Mobil Oil Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks a temporary exception to the "no-flare" provision of Order R-1427 for seven wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.
- CASE 1860: Northwestern New Mexico nomenclature case calling for an order for the extension of existing pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico:
- (a) Abolish the Huerfano-Dakota Pool for the purpose of joining pools producing from a common source of supply, to be known as the Angels Peak-Dakota Pool.

(b) Abolish the West Kutz-Dakota Pool for the purpose of joining pools producing from a common source of supply, to be known as the Angels Peak-Dakota Pool.

(c) Extend the Aztec-Fruitland Pool to include:

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM,
Section 20: S/2

(d) Extend the Aztec-Pictured Cliffs Pool to include:

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM,
Section 36: SE/4

(e) Extend the Ballard-Pictured Cliffs Pool to include:

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM,
Section 6: W/2

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM,
Section 1: SE/4

(f) Extend the Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM,
Section 6: NE/4

(g) Extend the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM,
Section 2: W/2

(h) Extend the Blanco-Mesaverde Pool to include:

TOWNSHIP 31 NORTH, RANGE 13 WEST, NMPM,
Section 3: E/2

(i) Extend the Angels Peak-Gallup Oil Pool to include:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM,
Section 7: E/2
Section 17: W/2
Section 18: NE/4
Section 20: NW/4

(j) Extend the Horseshoe-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 16 WEST, NMPM,

Section 27: SE/4 SW/4

Section 28: SW/4 NE/4 & S/2 NW/4

(k) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM,

Section 21: SE/4 SE/4

Section 22: SW/4 SW/4

Section 30: NE/4 SE/4

(l) Extend the Angels Peak-Dakota Pool to include:

TOWNSHIP 26 NORTH, RANGE 9 WEST, NMPM,

Section 7: All

Section 18: All

Section 19: N/2

Section 20: N/2

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM,

Section 1: All

Section 2: E/2 & SW/4

Section 3: S/2

Section 23: E/2

Section 24: All

TOWNSHIP 26 NORTH, RANGE 11 WEST, NMPM,

All of sections 1 thru 4 inclusive

All of sections 9 thru 16 inclusive

All of sections 21, 22, & 23

Section 26: N/2

Section 27: N/2

Section 28: All

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM,

Section 18: All

Section 19: All

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM,

Section 6: W/2

All of sections 7, 8, 11, 13, 14, 17, 18, 19, 20, & 21,

Section 23: E/2

Section 24: All

Section 26: E/2
Section 29: W/2
Section 30: All
Section 31: All
Section 32: All
Section 33: W/2
Section 35: E/2

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM,

All of sections 1 thru 28 inclusive

Section 29: N/2

Section 30: N/2

All of sections 33 thru 36 inclusive

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM,

All of sections 1 thru 18 inclusive and sections 23 & 24

Section 25: N/2

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM,

Section 1: All

Section 2: E/2 & NW/4

Section 3: N/2

Section 4: N/2

Section 5: E/2

TOWNSHIP 28 NORTH, RANGE 10 WEST, NMPM,

All of sections 18, 19, & 30

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM,

Section 12: All (partial)

All of sections 13 thru 16, 21 thru 28, and 31 thru 36

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM,

All of sections 19 thru 22, and 26 thru 36

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM,

Section 9: All (partial)

Section 10: All (partial)

All of sections 15 and 16

Section 17: E/2

Section 20: E/2

All of sections 21 thru 27

Section 28: E/2

Section 33: E/2

All of sections 34, 35, & 36

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM,
All of sections 27, 28, 33, & 34

- (m) Extend the South Los Pinos-Dakota Pool to include:

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM,
Section 13: All
Section 14: S/2
Section 23: N/2

CASE 1861:

Southeastern New Mexico nomenclature case calling for an order for the creation of new pools and the extension of existing pools in Lea and Eddy Counties, New Mexico.

- (a) Create a new oil pool designated as the Fowler-Upper Silurian Pool and described as:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM,
Section 22: E/2

- (b) Create a new oil pool designated as the West Crossroads-Devonian Pool, and described as:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM,
Section 31: SE/4

- (c) Create a new gas pool designated as the East Hightower-Devonian Gas Pool, and described as:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM,
Section 30: NW/4 NE/4

- (d) Create a new gas pool designated as the Teague-Abo gas Pool, described as:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM,
Section 21: SE/4

- (e) Abolish the Baish-Abo Pool in Lea County, New Mexico, classified as an oil pool, described as:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM,
Section 21: SE/4

- (f) Extend the Allison-Pennsylvanian Pool to include:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM,
Section 1: NE/4

(g) Extend the Atoka-Pennsylvanian Gas Pool to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM,
Section 22: NE/4 & S/2

(h) Extend the Four Lakes-Pennsylvanian Pool to include:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM,
Section 35: SE/4

(i) Extend the West Henshaw-Grayburg Pool to include:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM,
Section 2: SW/4

(j) Extend the East Millman-Queen-Grayburg Pool to include:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM,
Section 18: NW/4

(k) Extend the Shugart Pool to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM,
Section 4: NE/4

CASE 1863:

Application of Phillips Petroleum Company for an exception to the no-flare provision of Order R-1427. Applicant, in the above-styled cause, seeks an exception to the no-flare provision of Order R-1427 for five wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

CASE 1864:

Application of Skelly Oil Company for an exception to the no-flare provision of Order R-1427. Applicant, in the above-styled cause, seeks a 30-day exception to the no-flare provision of Order R-1427 for 21 wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

(over)

CONTINUED FROM EXAMINERS HEARING

CASE 1841:

Application of Sinclair Oil & Gas Company for the creation of a new pool in the Potash-Oil Area and for the promulgation of special rules and regulations pertaining thereto. Applicant, in the above-styled cause, seeks an order creating a new pool for Yates production in the Potash-Oil Area as defined by Order R-111-A, said pool to comprise the SE/4 NW/4 of Section 16, Township 20 South, Range 33 East, Lea County, New Mexico, and such other acreage as may reasonably be proven productive from the same common source of supply. Applicant further seeks the promulgation of special rules and regulations for said pool as follows:

A. Cable Tool Casing Program.

Same as Order R-1078 for Teas Pool.

B. Rotary Tool Casing Program.

Surface casing set at 600 feet and cement circulated. No salt protection string. Production casing to be set through pay from 3146 feet to 3232 feet (approximately) with cement circulated to at least 50 feet into surface casing.

NEW CASE

CASE 1865

Application of Pan American Petroleum Corporation for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks a 30-day exception to the "no-flare" provision of Order R-1427 for 7 wells in the Bisti-Lower Gallup Oil Pool and 4 wells in the Gallegos-Gallup Oil Pool, San Juan County, New Mexico.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Case 1853

December 18, 1959

C
O
P
Y

Mr. J. R. Graham
Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

Dear Mr. Graham:

Reference is made to your request for administrative approval of an exception to the no-flare provision of Order No. R-1427 for eighteen Standard Oil Company of Texas oil wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

After studying your application, the Commission has determined that administrative approval cannot be granted. Accordingly, the case has been set for hearing before the Commission on January 13, 1960. It would be helpful if your witness in this case is prepared to testify concerning the present casinghead gas production from this well and the disposition thereof.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/ir

*Doyle
Miles
1-4-60*



STANDARD OIL COMPANY OF TEXAS

P. O. BOX 1249 • HOUSTON 1 • TEXAS

December 16, 1959

APPLICATION FOR EXCEPTION
TO ORDER NO. R-1427
PROHIBITING THE FLARING OF
CASINGHEAD GAS FROM OIL WELLS
BISTI-LOWER GALLUP POOL
San Juan County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Standard Oil Company of Texas hereby submits application for administrative approval of an exception to Order No. R-1427 prohibiting the flaring of casinghead gas from oil wells after December 31, 1959, in the Bisti-Lower Gallup Pool, San Juan County, New Mexico. In support of our application the following statements are offered:

1. Standard Oil Company of Texas operates 18 oil wells in Bisti-Lower Gallup Pool, T-24-N, R-9-W and T-24-N, R-10-W, San Juan County, New Mexico, as shown on the attached plat.
2. A contract to sell casinghead gas from these wells has been made with El Paso Natural Gas Company.
3. El Paso Natural Gas Company has advised us that they cannot be connected to take gas from our leases before approximately February 1, 1960.
4. The delay in connection is due to the location of the wells at the south end of the present gathering system.
5. Current total production from the wells is approximately 530 BOPD and one MMCFPD of which approximately 115 MCFPD is used for fuel on the leases.

We request this exception to provide relief from economic hardship which would accompany our compliance with the no-flare order. Standard Oil Company of Texas respectfully requests the Oil Conservation

Case 1853

New Mexico Oil Conservation Commission
December 16, 1959
Page 2

Commission to issue an administrative order granting an exception to the no-flare order for a period of 60 days beginning December 31, 1959.

Yours very truly,


J. R. Graham, Supervising Engineer

JRG:ja

Attachment

Affidavit:

I hereby certify that the information given above is true and complete to the best of my knowledge.

STANDARD OIL COMPANY OF TEXAS

By 
J. R. Graham, Supervising Engineer

Injection
would not be
feasible nor
would installation
of pipeline
system -

only top
one top
allowable well -

BEFORE THE OIL CONSERVATION COMMISSION
OF NEW MEXICO

APPLICATION FOR EMERGENCY ORDER
FOR EXCEPTION TO ORDER R-1427
PROHIBITING THE FLARING OF
CASINGHEAD GAS FROM OIL WELLS
IN THE BISTI-LOWER GALLUP POOL,
SAN JUAN COUNTY, NEW MEXICO.

15 wells in face and
of pool

ZPC
approved
on 24/11
Dec.

A P P L I C A T I O N

Standard Oil Company of Texas requests an emergency order granting permission to produce its oil wells and permit the flaring of gas for a period of thirteen days in the Bisti-Lower Gallup Pool San Juan County, New Mexico, pending a scheduled hearing on Standard Oil Company's application for an exception to the no-flare provision of Order R-1427.

1. Standard Oil Company of Texas operates eighteen oil wells in the Bisti-Lower Gallup Pool in T. 24 N., R. 9 W., and T. 24 N., R. 10 W., San Juan County, New Mexico.

2. Three of the eighteen oil wells of Standard Oil Company of Texas, Federal 7-7-5, Federal 9-1-2, and Federal 9-12-4, were completed during November, 1959, and will be within the provision allowing ninety days for new wells to make beneficial use of the casinghead gas; therefore, the three subject wells should be exempt during the thirteen-day period requested in this order.

3. The total production from the oil wells is approximately 530 barrels of oil per day. Of this amount approximately 36 barrels per day could be exempt because this production is attributed to the three wells completed in November, 1959. Total gas produced with the oil from Standard's leases is 1,196 MCF per day of which approximately 115 MCF per day is utilized on the leases for pumping wells.

for sale
9 p.m.

4. The no-flare provision of Order R-1427 is effective December 31, 1959. The loss of production suffered by Standard from its leases in the Bisti-Lower Gallup from December 31, 1959 effective date of the order, to January 13, 1960, the hearing date, will be approximately 6,420 barrels of oil.

5. A contract to sell casinghead gas from these wells was executed with El Paso Natural Gas Company, November 11, 1959.

Dec. 4th

6. A request is before the Federal Power Commission for a temporary certificate of public convenience and necessity on the contract with El Paso Natural Gas Company.

7. The casinghead gas gathering system is being installed by El Paso Natural Gas Company. Standard's wells are located in the south end of the system; therefore, they will be last to be connected in the system.

8. El Paso Natural Gas Company representatives in the area estimate that the middle or end of February will be the date for connecting Standard's wells in the Bisti-Lower Gallup Field. El Paso Natural Gas Company stated that they have had difficulty in obtaining rights-of-way in Federal leases. Further difficulty has been occasioned by delay in the delivery of equipment required in the installation.

9. Of the eighteen wells operated by Standard Oil Company of Texas, only one is capable of making the presently assigned allowable. Any shut-in period would thus cause a loss of production which could not be made up by an assignment of back-allowable, if such relief were afforded at a later date.

Attached hereto as Exhibit A is a list of wells operated by Standard Oil Company of Texas, giving production, gas-oil ratios, and gas production in MCF for each of the wells subject to this application.

Standard Oil Company of Texas respectfully requests an emergency order to permit exception to Order R-127 prohibiting the flaring of casinghead gas from oil wells in the Bisti-Lower Gallup Pool for a period of thirteen days, pending the scheduled hearing before the Oil Conservation Commission on January 13, 1960.

Respectfully submitted,

STANDARD OIL COMPANY OF TEXAS

By Jason W. Kellahin
Kellahin & Fox
Attorneys for Applicant
P. O. Box 1713
Santa Fe, New Mexico

WELL NAME	PRODUCTION	GAS-OIL RATIO	BOE
Federal 7-7 No. 1	20 barrels	6100	171
" 7-7 No. 2	27 "	4600	123
" 7-7 No. 3	90 "	1200	115
" 7-7 No. 4	33 "	1030	34
" 7-7 No. 5	6 " 2880	500	3 14
" 7-7 No. 6	22 "	1040	23
" 7-8 No. 2	15 "	2660	43
" 8-8 No. 1	17 "	2000	34
" 9-1 No. 1	57 "	1200	239
" 9-1 No. 2	6 "	600	7
" 9-1 No. 3	32 "	785	25
" 9-1 No. 4	18 "	2600	47
" 9-12 No. 1	14 "	1800	25
" 9-12 No. 2	30 "	735	22
" 9-12 No. 3	107 "	1300	138
" 9-12 No. 4	24 "	1450	35
" 10-13 No. 1	13 "	1230	16
" 11-11 No. 1	53 "	1790	92
TOTAL:	592 barrels		1196

"EXHIBIT A"