

CASE 1863: Application of PHILLIPS
for an exception to the "no-flare"
provision of Order No. B-1427.

Case No.

1863

Application, Transcript,
Small Exhibits, Etc.

**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. 1863
Order No. R-1570**

**APPLICATION OF PHILLIPS PETRO-
LEUM COMPANY FOR A TEMPORARY
EXCEPTION TO THE "NO-FLARE"
PROVISION OF ORDER NO. R-1427
FOR 5 WELLS IN THE DISTI-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 temporary exception to the "no-flare" provision of Order No. R-1427 for 5 wells in the Disti-Lower Gallup Oil Pool, San Juan County, New Mexico.

(3) That the applicant requested that Case No. 1863 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 1863 be and the same is hereby dismissed.

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Case No. 1863

Order No. R-1570

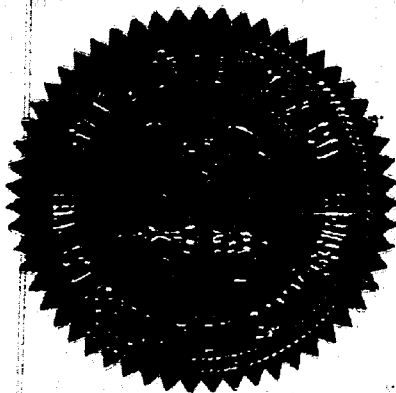
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

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



van/

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 15, 1960

C
O
P
Y

Mr. Charles C. Spann
Box 1031
Simms Building
Albuquerque, New Mexico

Dear Mr. Spann:

On behalf of your client, Phillips Petroleum Company,
we enclose two copies of Order No. R-1570 in Case No.
1863, issued by the Oil Conservation Commission this
date.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Enclosures



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

IN THE MATTER OF:)

Application of Phillips Petroleum Com-)
pany 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 1863

BEFORE:

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

TRANSCRIPT OF HEARING

MR. PORTER: The meeting will come to order, please.
Before we get into this series of cases involving no-flare provisions on Order R-1427, I would like at this time to give anyone an opportunity who would like to do so to move for a dismissal, in his case, Mr. Spann.

MR. SPANN: I'm happy to oblige, Mr. Porter. Charles C. Spann, appearing for Phillips Petroleum in Case 1863. I am happy to report that the five wells involved are now connected and are not flaring any gas and that the occasion for that application no longer exists. I would like to move that that case be dismissed.

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

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MR. PORTER: Any objection to counsel's motion? Did you want to comment on his motion?

MR. SELINGER: It appears that all of these cases are more or less companion cases with respect to El Paso being the purchaser of gas in both fields, and they have a representative here and they have a map of the area plus a tabulation which goes into all of the connections with respect to those two fields and an explanation as to those wells that are not connected, and obviously those wells that are connected, it would be unnecessary to ask for any exception.

Similar to Case 1863 we have Case 1864, which all of our wells in the Bisti Field are connected, and therefore should be dismissed. I think if we would be permitted to put on El Paso's testimony with respect to the map and the tabulation and the explanation of wells not connected, I think it would be a little better order rather than going into innumerable cases throughout both fields for specific explanations. I think their testimony will be more or less of a general nature and make it unnecessary to go through case by case.

I was going to suggest that you permit us to go ahead with Case 1851, which was the next case in which I was going to indicate to the Commission that Cases 1851 and 1865, which is Pan American's case, are two applications applicable to the Gallegos Field, and Cases 1853 through 1859 and Cases 1862 through 1864 are eleven

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applications applicable to the Bisti Field. We are going to suggest that you permit me to put the El Paso man on and his exhibits, and I think we can clear this whole matter up in very short time, all thirteen cases.

MR. ERREBO: If it please the Commission, I do have one dismissal I would like to offer, if you would care to receive it at this time.

MR. PORTER: Mr. Errebo, the Commission hasn't acted yet on Mr. Spann's motion. I feel it would be in order to act on his motion before we have another one.

The Commission has ruled that Case 1863 will be dismissed, and we're going to entertain motions for any other cases wherein the counsel wants to move for dismissal, and after we've acted on those we will call the El Paso witness in to give us whatever information he can of general interest in this nature concerning the whole problem.

Anyone else desire to move dismissal of a case? Mr. Errebo.

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 6th day of February, 1960.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

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

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.

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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

December 30, 1959

C
O
P
Y

Mr. Charles C. Spann
Box 1031
Albuquerque, New Mexico

Re: Phillips Petroleum Company
Wells in Bisti-Lower Gallup
Oil Pool

Dear Mr. Spann:

Reference is made to your request for administrative approval of an exception to the no-flare provision of Order No. R-1427 for 5 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 these wells and the disposition thereof.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/OEP/1r

GRANTHAM, SPANN AND SANCHEZ
ATTORNEYS AT LAW
904 SIMMS BUILDING
POST OFFICE BOX 1031
ALBUQUERQUE, NEW MEXICO

EVERETT M. GRANTHAM
CHARLES C. SPANN
MAURICE SANCHEZ
FRED M. STANDLEY

TELEPHONE
CHAPEL 3-3525

December 29, 1959

*see file
Phillips*

A. L. Porter, Secretary-Director
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to Order No. R-1427 entered in case No. 1569
on June 25, 1959.

For and in behalf of Phillips Petroleum Company we hereby request
the Secretary-Director to grant an exception to said Order insofar
as it applies to five wells located in Sec. 36, T. 26N, R. 13 W.,
N.M.P.M., and which are operated by Phillips. These Wells are
in the so-called Phillips-Hospah Unit in the Bisti-Lower Gallup Oil
Pool.

This request for an exception is reasonably necessary to prevent
waste and to prevent undue hardship on the applicant. El Paso
Natural Gas Company advises that it is unable to handle the volumes
of gas produced from these Wells until approximately January 15,
1960. The failure of El Paso to handle the gas results from their
inability to obtain certain equipment and facilities necessary to
complete the installation of the gathering system to the Unit.

In support of the allegations herein contained we refer specifically
to the statement of El Paso Natural Gas Company to the Oil Conserva-
tion Commission at the December 16, 1959, hearing, and to letter
dated December 21, 1959, from F. Norman Woodruff, Manager, Gas-
Proration Operations, El Paso Natural Gas Company, to A. L. Porter,
Oil Conservation Commission, Santa Fe, New Mexico.

We request that the exception be made effective to the date of completion
of the gathering system by El Paso and their acceptance of gas produced
from these Wells. If the Secretary-Director declines to grant approval
of the exception herein requested then we would ask that the matter be
set down for hearing before the Commission in accordance with the
Rules applicable thereto.

*Docket
mailed
1-4-60
JH*

December 29, 1959

A. L. Porter, Secretary-Director
Oil Conservation Commission

In the alternative to the request for exception herein contained, Phillips applies for an Emergency Order of the Commission amending Finding No. 7 of Order R-1427 so as to make the order prohibiting flaring or venting of gas in the Bisti-Lower Gallup Oil Pool effective on January 15, 1960, rather than December 31, 1959. This request for emergency Order is made pursuant to Rule 1202 of the Commission's Rules, and in support thereof the applicant re-states and re-alleges the facts and circumstances which were alleged in support of its request for an exception hereinbefore contained.

Respectfully,

GRANTHAM, SPANN AND SANCHEZ

CCS:RW

By: 