

CASE 1887: Application of MONSANTO
CHEMICAL CO. for exception to the
"NO-FLARE" PROVISION OF ORDER R-1427

Case No.

1887

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. 1887
Order No. R-1588

APPLICATION OF MONSANTO CHEMICAL
COMPANY FOR AN EXCEPTION TO THE
"NO-FLARE" PROVISION OF ORDER
NO. R-1427, FOR FIVE WELLS IN
THE BISTI-LOWER GALLUP OIL POOL,
SAM 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 27, 1960, at Santa Fe, New Mexico, before Elvis A. Uts,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accord-
ance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 27th day of January, 1960, the Commission, a
quorum being present, having considered the application and the
recommendations of the Examiner, Elvis A. Uts, and being fully
advised in the premises,

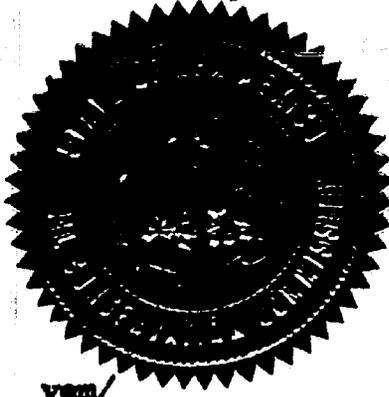
FINDS:

- (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, Monsanto Chemical Company, requested
that Case No. 1887 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 1887 be and the same is hereby dismissed.

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



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STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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

DOCKET: EXAMINER HEARING JANUARY 27, 1960OIL CONSERVATION COMMISSION - 9 a.m., MABRY HALL, STATE CAPITOL, SANTA FE

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director:

- CASE 1866: Application of British-American Oil Producing Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its West Bisti-Lower Gallup Sand Unit Agreement, which Unit is to comprise 14,331 acres, more or less, in Townships 25 and 26 North, Ranges 13 and 14 West, San Juan County, New Mexico.
- CASE 1867: Application of British-American Oil Producing Company for a pressure maintenance project in the Bisti-Lower Gallup Oil Pool and promulgation of special rules in connection therewith. Applicant, in the above-styled cause, seeks an order authorizing a pressure maintenance project in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, by the injection of water into the Lower Gallup formation through 17 wells. Applicant further proposes that special rules be adopted governing said project including the transfer of allowables from injection and shut-in wells to producing wells in the project and for establishment of an administrative procedure to convert additional wells to injection.
- CASE 1868: Application of Hamilton Dome Oil Company, Ltd. for permission to commingle the production from three separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Justis-Drinkard Pool, the Justis-Fusselman Pool and an undesignated Tubb pool from wells on a lease consisting of the S/2 SE/4 of Section 25, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 1869: Application of Newmont Oil Company for approval to convert five additional wells in the Loco Hills Pool to water injection. Applicant, in the above-styled cause, seeks an order authorizing it to convert to water injection five additional wells in its water flood project in the Loco Hills Pool, Eddy County, New Mexico. Said wells are the Brigham Well No. 1-A, Yates Well No. 4, Yates A Well No. 10, Yates A Well No. 12, and Coppedge Well No. 2, located respectively in the SE/4 SE/4 of Section 31, Township 17 South, Range 30 East, NE/4 SW/4 of Section 6, SW/4 SW/4 of Section 6, NE/4 NE/4 of Section 6, and NW/4 NW/4 of Section 5, all in Township 18 South, Range 30 East.

CASE 1870: Application of Newmont Oil Company for permission to install four separate automatic custody transfer systems. Applicant, in the above-styled cause, seeks an order authorizing it to install a separate automatic custody transfer system on each of four leases in applicant's water flood project in the Loco Hills Pool, Eddy County, New Mexico.

CASE 1871: Application of Union Oil Company of California for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its North Anderson Ranch Unit Agreement, which Unit is to comprise 360 acres, more or less, consisting of portions of Sections 32 and 33, Township 15 South, Range 32 East, Lea County, New Mexico.

CASE 1872: Application of Gulf Oil Corporation for authority to commingle the production from four separate leases and for approval of an automatic custody transfer system to handle said commingled production. Applicant, in the above-styled cause, seeks permission to commingle the production from the following four separate leases and to install an automatic custody transfer system to handle the Pearl-Queen Pool production from all wells located thereon:

Lea-State "AP" lease, E/2 of Section 30;
Lea-State "AQ" lease, N/2 of Section 32;
Lea-State "BG" lease, N/2 of Section 33;
Lea-State "IH" lease, W/2 SW/4 and W/2 SE/4
of Section 29,

all in Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 1873: Application of The Atlantic Refining Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Langlie Federal "A" Well No. 1, located in Unit H, Section 14, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Justis-Blinebry Pool and the production of oil from an undesignated Tubb pool through parallel strings of tubing.

CASE 1874: Application of Val R. Reese & Associates, Inc., for a dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lybrook Well No. 1-19, located in Unit C, Section 19, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, in such a manner

as to permit the production of gas from an undesignated Gallup pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing.

CASE 1875:

Application of Continental Oil Company for a non-standard gas proration unit and for an order force-pooling the interests therein. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of lots 6, 10, 11, and 12 of Section 3, Township 21 South, Range 37 East, Lea County, New Mexico, to be dedicated to Shell Oil Company's Taylor-Glenn Well No. 1, located 3226 feet from the North line and 1980 feet from the West line of said Section 3. Applicant further seeks an order force-pooling the interests of those in said non-standard gas proration unit who have gas rights within the vertical limits of the Blinebry Gas Pool, including M. F. Taylor, P. O. Box 574, Amarillo, Texas, and R. B. Glenn, P. O. Box 461, Amarillo, Texas.

CASE 1876:

Application of Continental Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Weir (Drinkard) Oil Pool and Weir-Tubb Gas Pool from all wells on its Britt B-15 lease consisting of the W/2 and the W/2 E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1877:

Application of Continental Oil Company for permission to install an automatic custody transfer system and for permission to produce more than 16 wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from all Skaggs Pool oil wells on its Southeast Monument Unit comprising lands located in Township 20 South, Ranges 37 and 38 East, Lea County, New Mexico.

CASE 1878:

Application of Continental Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing it to commingle the production from the Weir (Drinkard) Oil Pool and the Weir-Tubb Gas Pool from all wells on that portion of the Southeast Monument Unit consisting of the W/2 W/2 of Section 14 and the E/2 E/2 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 1879:

Application of Amerada Petroleum Corporation for a gas-oil dual completion and for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State EM "A" Well No. 2, located 660 feet from the South and West lines of Section 22, Township 19 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Eumont Gas Pool and the production of oil from the Eumont Gas Pool through the casing-tubing annulus and the tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the SW/4 of said Section 22 to be dedicated to the said State EM "A" Well No. 2.

CASE 1880:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Blinebry Oil Pool and the Drinkard Pool from all wells on its V. M. Henderson lease consisting of the N/2 of Section 30, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1881:

Application of Texaco Inc. for approval of an automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the installation of automatic custody transfer facilities to handle the Crossroads-Devonian Pool production from the U. D. Sawyer lease comprising the E/2 of Section 34, Township 9 South, Range 36 East, Lea County, New Mexico.

CASE 1882:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Tubb Pool and the Blinebry Oil Pool from all wells located on its Mittie Weatherly lease comprising the NW/4 of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1883:

Application of Texaco Inc. for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Culwin (Queen) Pool and the Culwin-Yates Pool from all wells located on its Federal Lease comprising the NE/4, E/2 NW/4, N/2 SE/4 and the NE/4 SW/4 of Section 6, Township 19 South, Range 31 East, Eddy County, New Mexico.

CASE 1842:

(Continued)

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on its Baker "A" lease comprising the NW/4 of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1884:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Langlie-Mattix Pool and the Drinkard Pool from all wells on that portion of the J. V. Baker lease comprising the SE/4 SW/4 of Section 22, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 1885:

Application of Skelly Oil Company for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle the production from the Drinkard Pool and the Tubb Gas Pool from all wells on its State "K" lease comprising the N/2 NW/4 of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 1886:

Application of E. P. Campbell for an exception to Rule 107 (e) of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) in order to recomplete his No. 1 Cleveland Well, located in NW/4 NE/4 of Section 33, Township 18 South, Range 26 East, Eddy County, New Mexico, as a "slim-hole" completion in the Pennsylvanian formation at a depth greater than 5000 feet.

CASE 1887:

Application of Monsanto Chemical Company for an exception to the "no-flare" provision of Order R-1427. Applicant, in the above-styled cause, seeks an exception to February 15, 1960, 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 1888:

Application of C. W. Trainer for off-lease storage of oil production. Applicant, in the above-styled cause, seeks permission to store the Pearl-Queen Oil Pool production from his Rushing lease, consisting of the W/2 NE/4 of Section 22, Township 19 South, Range 35 East, Lea County, New Mexico, in a tank battery located on his Signal State lease, consisting of the E/2 NW/4 of said Section 22.

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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 27, 1960
EXAMINER HEARING

IN THE MATTER OF:)

Application of Monsanto Chemical)
Company for an exception to the)
"no-flare" provision of Order)
R-1427.)

Case 1887
Dismissed

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 27, 1960
EXAMINER HEARING

IN THE MATTER OF:)

Application of Monsanto Chemical Company)
for an exception to the "no-flare" pro-)
vision of Order R-1427. Applicant, in)
the above-styled cause, seeks an excep-)
tion to February 15, 1960, 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 1887
Dismissed

BEFORE: Mr. Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

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

MR. BRATTON: Howard Bratton, Roswell, New Mexico,
appearing on behalf of Monsanto Chemical, moving dismissal of
Case 1887 on the grounds it's a little bit moot at this point.

MR. UTZ: Any objection to counsel's motion? Case 1887
will be dismissed. Anyone else would like to dismiss three or
four cases? Do we have any continuances?

IN THE MATTER OF THE APPLICATION
OF MONSANTO CHEMICAL COMPANY
REQUESTING THAT THE COMMISSION
GRANT AN EXCEPTION TO THE PROVISIONS
OF ORDER NO. R-1427 WITH RESPECT TO
APPLICANT'S WELLS LOCATED IN SECTIONS
34 and 35, TOWNSHIP 25 NORTH, RANGE 10
WEST, SAN JUAN COUNTY, NEW MEXICO.

1887
CASE NO. 1569-

APPLICATION

TO THE SECRETARY-DIRECTOR AND TO THE COMMISSION:

Monsanto Chemical Company, a Delaware corporation
herein called applicant, states:

1. Applicant is a Delaware corporation authorized to do business in New Mexico.
2. Applicant is an interested party in that it owns and holds oil and gas leasehold interests on which are located five (5) producing wells as follows:

<u>Lease</u>	<u>Well No.</u>	<u>Unit</u>	<u>S.T.R.</u>
Atlas	1	J	34-25-10
Atlas	2	E	34-25-10
Atlas	3	N	35-25-10
Blanche	1	O	34-25-10
Frank	1	L	34-25-10

*Docketed
mailed
1-18-60
JHC*

3. By Order No. R-1427 dated June 25, 1959, the Commission prohibited the flaring or venting of gas from the wells in the Bisti-Lower Gallup Oil Pool after December 31, 1959 except when authorized as in said Order provided. Said Order further authorized the Secretary-Director to grant an exception to the provisions of said Order upon application to him for such exception if he determines that the granting of the exception is reasonably necessary to prevent waste or to prevent undue hardship on the applicant.

4. On December 31, 1959 the Commission entered an emergency Order extending the effective date of Order No. R-1427 to 12:01 A.M. January 16, 1960.

5. Pursuant to the provisions of said Order No. R-1427 the applicant submits this application to the Secretary-Director, and if the requested exception is denied, to the Commission.

6. Applicant seeks herein an exception to the provisions of said Order No. R-1427 with respect to its five (5) wells referred to above for a period of thirty (30) days. Applicant wishes said thirty days' period to commence on January 16, 1960 if the Secretary-Director sees fit to grant the exception requested herein. In the event the Secretary-Director declines to grant and approve such exception, applicant wishes said thirty days' period to commence immediately after approval of this application by the Commission at its next hearing.

7. In support of its application for exception to the prohibitions of said Order No. R-1427 applicant states that the granting of said exception is reasonably necessary to prevent waste and prevent undue hardship on the part of the applicant:

- (a) There have been unexpected and repeated delays over which applicant has had no control in the connection of natural gas pipeline facilities to applicant's said wells.
- (b) Applicant is informed and believes and upon such information and belief states that a substantial number of wells in said pool are presently connected to natural gas pipeline facilities and consequently said wells can produce the oil and gas therefrom, and are producing oil and gas without flaring or venting gas.
- (c) In the event that applicant should be restricted from continuing to produce oil and gas from its said wells because said natural gas pipeline facilities are not yet connected thereto while other wells in said pool continue to produce, draining of applicant's fair share of oil and gas under its leases will occur and applicant's correlative rights to such products will be impaired or denied.

- (d) Depending upon the length of time during which such inequity continues, the impairment or denial of applicant's correlative rights will be aggravated, and the ultimate recovery by applicant from its leases will be reduced.
- (e) The foregoing constitutes an undue hardship on this applicant, and since applicant believes that production from its wells can be practicably obtained without waste in any measurable amount, applicant states that it is entitled to the relief herein requested, and that impairment or denial of its correlative rights would constitute a denial of the rights of applicant under the provisions of Chapter 69, Section 213-1/2 of the New Mexico Statutes Annotated, 1941, as amended by the provisions of the Laws of 1953, Chapter 76, page 127.

8. Applicant has been informed that the natural gas pipeline connection to its said wells will be installed on January 21, 1960, and if such is the case, it is clear that no significant waste can occur from the flaring or venting of gas from applicant's said wells during the period between January 16, 1960 and January 21, 1960. On the other hand if there are further delays in making said natural gas pipeline connections the undue

hardship on the applicant if it must shut-in its said wells becomes aggravated, and more inequitable and burdensome in proportion to the length or duration of such delays.

WHEREFORE, applicant respectfully requests that the Secretary-Director, or if he should decline to do so, the Commission grant with respect to applicant's said wells the thirty (30) day exception to the provisions of said Order No. R-1427 above set forth.

Respectfully submitted,
MONSANTO CHEMICAL COMPANY

By 
J. Murphy, Jr.
District Production
Superintendent.

1310 Denver Club Building,
Denver 2, Colorado.

STATE OF COLORADO)
CITY AND COUNTY OF DENVER) ss.

J. MURPHY, JR. of lawful age being duly sworn says:
that he is District Production Superintendent of Monsanto Chemical Company, the applicant herein, and that he makes this verification on behalf of said applicant; that he has read said application, knows the contents thereof and that the same are true except to those matters stated on information and belief

and as to those matters he believes the same to be true.

J. Murphy, Jr.
J. Murphy, Jr.

Subscribed and sworn to before me this 27th day of
January, 1960.

WITNESS my hand and official seal.

My commission expires July 9, 1961

Margaret N. Eylee
Notary Public

Copy file

LION OIL COMPANY

A DIVISION OF MONSANTO CHEMICAL COMPANY



PRODUCTION & EXPLORATION
ROCKY MOUNTAIN REGION
DENVER DISTRICT

January 18, 1960

1310 DENVER CLUB BLDG.
DENVER 2, COLORADO
PHONE ACOMA 2-8641

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

Attention: Mr. A. L. Porter, Jr.
Secretary - Director

Monsanto's Application for exception to
No-Flare provision of Order R-1427, Bisti-
Gallup Pool, San Juan County, New Mexico

Gentlemen:

On January 9, 1960, the Lion Oil Company, a Division of Monsanto Chemical Company, filed an application asking relief from the no-flare provision of Order R-1427. This application is docketed for hearing on January 27, 1960.

This is to advise you that we now withdraw the application of January 9, 1960. We anticipate final connection to El Paso's sales line about January 21, 1960.

Very truly yours,

LION OIL COMPANY

J. Murphy, Jr.
J. Murphy, Jr.
District Production Supt.

JM:JTR:wt

cc: Mr. E. C. Arnold
District III Supervisor

Hervey, Dow and Hinkle
Attn: Mr. Howard Bratton

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-28-60

CASE 1887

Hearing Date 1-27-60

My recommendations for an order in the above numbered cases are as follows:

Dismiss at request of applicant.

E. H. [Signature]

Staff Member

Case No. 1887 ✓

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1588

Application of Monsanto
Chemical Company For An
Exception To The "No-Flare"
Provision of Order No. R-1427,
For Five Wells In The Disti-
Lower Gallup Oil Pool, San
Juan County, New Mexico.

9:00 a.m., Jan. 27, Santa Fe, Elvis

Finds:

omit "the evidence adduced,

(1) usual

(2) That the applicant requested that
Case No. 1887 be dismissed.

It is therefore Ordered:

That Case No. ¹⁸⁸⁷ ~~1889~~ be and the same
is hereby dismissed.

DONE at . . .