

BEFORE THE OIL CONSERVATION COMMISSION OF  
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF )  
TEXAS PACIFIC COAL AND OIL COMPANY )  
THAT IT BE GRANTED AN EXCEPTION FROM )  
RULE 404 "NATURAL GAS UTILIZATION" )  
IN ITS OPERATION OF SAID COMPANY'S )  
NOS. 9, 10 AND 11 OIL WELLS LOCATED )  
ON ITS STATE "A" ACCOUNT NO. 1 LEASE )  
IN THE SW/4 OF SECTION 9, TOWNSHIP )  
23 SOUTH, RANGE 36 EAST, LEA COUNTY, )  
NEW MEXICO. )

CASE NO. \_\_\_\_\_

ORDER NO. \_\_\_\_\_

APPLICATION

NOW COMES Texas Pacific Coal and Oil Company, a corporation, of Fort Worth, Tarrant County, Texas, and respectfully shows the Commission as follows:

1. Applicant has drilled, owned and presently operates three oil wells known as Texas Pacific Coal and Oil Company's State "A" Account No. 1, Wells Nos. 9, 10 and 11, located in the SW/4 of Section 9, Township 23 South, Range 36 East, Lea County, New Mexico, which wells are currently producing a daily average of 65 barrels of oil and 3349 barrels of water by means of gas lift operations which have been in continuous operation for approximately the past four years.

2. Natural gas used for such gas lift operations is produced from natural gas wells owned and operated by Texas Pacific Coal and Oil Company upon the same lease.

3. Neither mechanical pumping equipment nor any other form of artificial lift other than gas lift can handle the excessively large quantities of water necessary to be produced with the oil.

4. There being no pipe line facilities, gasoline plants, or carbon black plants within ten miles of said three wells equipped to handle and process the returned gas lift gas, such returned gas lift gas is vented and burned into the air. No other beneficial, feasible or economical use can be made of such gas.

5. That the aforesaid gas lift operations were in all respects legal and authorized under the provisions of the Statewide rules as they existed prior to January 1, 1950.

6. Such gas lift gas which is returned to the surface is performing a useful and economical function in that it is producing oil that could not and cannot otherwise be produced. Enforcement of Rule 404 would require the immediate plugging and abandoning of the above three wells, with the consequent irrecoverable loss of this oil, and the consequent irreparable loss of Texas Pacific Coal and Oil Company as operator, and to the State of New Mexico as royalty owner.

7. This application is made under the provisions of Paragraph 3 of Case No. 189, Order No. 850, of the Oil Conservation Commission of the State of New Mexico, adopted December 9, 1949.

8. Wherefore, applicant respectfully requests that the Commission set this application for public hearing at the time and place to be fixed by the Commission; that due and proper notice be given as required by law and the rules of the Commission; and that at the conclusion of said hearing the Commission make and enter an order granting to Texas Pacific Coal and Oil Company an exception from the terms and provisions of Rule 404, and permitting Texas Pacific Coal and Oil Company to continue its gas lift operations in producing the above described wells even though the gas lift gas returned to the surface is not utilized in accordance with the requirements of Rule 404 as presently constituted.

Dated this 24th day of March, 1950.

Jack M. Campbell  
Eugene T. Adair

By   
Attorneys for Texas Pacific  
Coal and Oil Company