

Case 1402

NEVILLE G. PENROSE, INC.
FAIR BUILDING
FORT WORTH 2, TEXAS

June 19, 1958

*Wicket mailed
6-21-58
BP*

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

Attn: Mr. Daniel S. Nutter

Re: Case No. 1402 - Neville G. Penrose, Inc. McCallister Well
No. 1, NW/4 NW/4 Section 7-22S-38E, Lea County, New Mexico

Gentlemen:

Confirming our telephone conversation of this afternoon, we ask that this letter be considered as the application of Neville G. Penrose, Inc. to reopen Case No. 1402 in connection with the request of Neville G. Penrose, Inc. to flare gas produced from its McCallister No. 1 well in the Tubb Gas Pool, Lea County, New Mexico, and to set this matter down for public hearing before the Commission or its designated examiner, on the next hearing date, July 2, 1958.

Under provisions of Order R-1151 the Oil Conservation Commission ordered that Neville G. Penrose, Inc. be authorized to flare gas from its McCallister Well No. 1 for a period not to exceed 90 days from the date of such order, ie. April 3, 1958. In support of Neville G. Penrose, Inc.'s application to reopen Case No. 1402 we submit the following information:

1. Under date of May 26, 1958 Skelly Oil Company declined in writing to extend their gas gathering system in this area so as to connect to the McCallister No. 1 well for the reason that the volume of gas presently available from such well would not justify the economic expenditure required to connect the well to Skelly's gas gathering system.

2. Warren Petroleum Corporation, now Gulf Oil Corporation, has also tested the gas content from the No. 1 McCallister and have orally declined to extend their gas gathering system so as to connect to the well for the same reason.

We have asked that Gulf furnish us with a letter setting out their refusal to extend their gas gathering system. Copies of each of these letters will be introduced as evidence before the Commission at the re-hearing of this application.

3. The volume of gas presently being flared from this well has not increased from the approximately 16 MCF per day existing at the time of the entering of Order R-1151, and if anything, has decreased. Because of the small volume of gas being produced it is not economically feasible for Neville G. Penrose, Inc. to attempt to lay its own gathering line to the nearest gas gathering system, which is approximately 3200 feet distant.

Neville G. Penrose, Inc. respectfully requests that the Commission reopen Case No. 1402, that a public hearing be held and that Neville G. Penrose, Inc. be granted an extension, either permanent or temporary, of its authorization to flare gas from the McCallister Well No. 1, located in the NW/4 NW/4 of Section 7-22S-38E, N.M.P.M., Tubb Gas Pool, Lea County, New Mexico.

Cordially,

NEVILLE G. PENROSE, INC.

By *R. T. Churchill*

R. T. Churchill
Attorney

RTC/ta

Before me, this 19th day of June, 1958, appeared R. T. Churchill, Attorney for Neville G. Penrose, Inc., and upon oath did state that the above and foregoing facts and statements are true and correct.

TRELLIS ADAMS, Notary Public
in and for Tarrant County, Texas
My Commission Expires June 1, 1959

Trellis Adams
Notary Public in and for
Tarrant County, Texas