



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

New Mexico Oil Conservation Commission
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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

*Casinghead
would not be
feasible nor
would installation
of pipeline
system -*

*only 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 far end
of pool*

*ZPC
annual
on 24th
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.

far end
of pool

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.

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.

Dec. 4th →

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-1427 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	MCF
Federal 7-7 No. 1	26 barrels	6100	171
" 7-7 No. 2	27 "	4600	123
" 7-7 No. 3	90 "	1280	115
" 7-7 No. 4	33 "	1030	34
" 7-7 No. 4 5	6 " 2880	500	3 14
" 7-7 No. 6	22 "	1040	23
" 7-8 No. 2	15 "	2860	43
" 8-8 No. 1	17 "	2000	34
" 9-1 No. 1	57 "	4200	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	139
" 9-12 No. 4	24 "	1450	35
" 10-13 No. 1	13 "	1230	16
" 11-11 No. 1	<u>53</u> "	1790	<u>95</u>
TOTAL:	592 barrels		1196

"EXHIBIT A"

FEDERAL POWER COMMISSION

WASHINGTON 25

Docket No. G-20317
Standard Oil Company of Texas

AIR MAIL

Standard Oil Company of Texas
P. O. Box 1249
Houston 1, Texas

DEC 24 1959
El Paso - Dixie-Lower Gallegos
San Juan Co, N.Mex.

Attention: Mr. H. H. Kuester

Gentlemen:

Your statement, filed pursuant to Section 157.28(c)(1) of the Commission's Regulations, of your intention to invoke said Section and initiate the service proposed in the certificate application, Docket No. G-20317 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. Farrell
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
			-

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
PERMIT No. 2
CASE 1853