

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

IN THE MATTER OF:)
Application of Texaco Inc. for an)
exception to the "no-flare" pro-)
vision of Order R-1427.)

Case 1854

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

IN THE MATTER OF:)
)
Application of Texaco Inc. for an)
exception to the "no-flare" pro-)
vision 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 1854

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

TRANSCRIPT OF HEARING

MR. PAYNE: Application of Texaco Inc. for an exception to the "no-flare" provision of Order R-1427.

MR. WHITE: L. C. White of Gilbert, White and Gilbert, Santa Fe, New Mexico, appearing on behalf of the applicant, Texaco Inc. We have one witness to be sworn.

(Witness sworn.)

J. E. ROBINSON

called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. WHITE:

Q Mr. Robinson, will you state your full name for the record and also state by whom you are employed and in what capacity?

A J. E. Robinson, Jr. I'm employed by Texaco Inc., as proration engineer in their Midland Division.

Q Are you familiar with Texaco Inc.'s application 1854 seeking a 60-day exception to Order R-1427?

A Yes, sir, I am.

Q Will you state to the Commission the location of these subject wells?

A Texaco is asking for a 60-day extension of the no-flare for three of its wells. One of these wells is the Navajo Allottees Well No. 1, located in Section 15. The other two wells are located on the Navajo Allottees M. Lease, located in Section 23, all being in Township 25 North, Range 11 West, San Juan County, New Mexico.

Q Will you state what the daily production of these wells are and the GOR?

A The daily production of these wells, the Navajo Allottees Well No. 1 produces 104 barrels of oil per day. The Navajo Allottees M. No. 1 produces 40 barrels of oil per day, and No. 2 is a top allowable well with a capability of producing 131 barrels of oil per day. These three wells combined with the gas-oil ratio as last reported to the Commission shown on the proration schedule, the combined gas approximates approximately 200 MCF

per day.

Q What gathering lines, if any, have been installed on the lease?

A I was advised this morning by a representative of El Paso that these tank battery connections would be made by January the 21st. However, I note on the exhibit here that the tentative target date is February the 15th for the connection of these three wells.

Q Notwithstanding these statements, was it your request that the extension be granted for 60 days?

A Yes, sir, that is correct.

Q Have you concluded your contract with El Paso?

A Yes, sir. The contract with El Paso Natural Gas was concluded on December the 23rd, on December the 24th we sent a telegram to the Federal Power Commission asking for an emergency certificate under Section 157.28, which would relieve us of any economic burden, since the wells were scheduled to be shut in on January the 1st.

That same date we also airmailed a rate schedule to the Federal Power Commission asking for an emergency certificate. On January the 4th we applied by formal application for a Federal Power Commission certificate, making notation that on December 24th we had applied both by telegram and air mail letter for an emergency certificate. Then, on January 6 we sent a tracer out

4
making notation that on December the 24th we had asked by telegram and air mail letter, and then on January the 4th we had applied with formal application.

Q In similar instances do you have any idea how long it takes the Federal Power Commission to grant an emergency temporary certificate?

A I have checked back through some of our records, the shortest interval that the Federal Power Commission has acted upon where we got the certificate back in twelve days, with a great majority of the applications back within twenty to thirty days. Some of them ran as high as two months and some over a year, or one over a year.

Q What financial loss would Texaco sustain if they were required to shut the wells in?

A The commercial value of the production of these three wells is \$750.00 a day. The commercial value of the gas is \$26.00 a day.

Q Is there anything more that you can do as a prudent operator to bring about the installation of the gathering facilities or granting of the certificate?

A No, sir.

MR. WHITE: That's all the questions we have.

CROSS EXAMINATION

BY MR. PORTER:

Q Mr. Robinson, why did you wait until December the 24th to ask for Federal Power Commission approval?

A Mr. Porter, those, the contracts on gas is handled out of our gas and gasoline department out of Houston. I know of no specific answer to your question other than that possibly they were analyzing the contract and evaluating it.

MR. PORTER: Anyone else have a question? Mr. Payne.

BY MR. PAYNE:

Q Mr. Robinson, your company was aware that the no-flare provision in the Bisti and Gallegos was going to go into effect January 1st, 1960, was it not?

A Yes, sir, we were.

Q Has it been your experience that you can get a casing-head gas connection seven days after executing a gas contract?

A We notified El Paso that we were going to sign the contracts, and we asked them to lay the line up to our well and leave the line open where we could flank the well after we got Federal Power Commission certificate.

Q Did they so do? A No, sir.

Q You feel that they would have been justified in laying the line in view of the fact that they didn't have a contract with you?

A That could possibly be so.

MR. PAYNE: That's all, thank you.

MR. PORTER: Mr. Nutter.

BY MR. NUTTER:

Q Mr. Robinson, you were giving the volumes of gas that were being produced and flared here and you said they were based on the GOR's shown in the oil proration schedule. Are those GOR's that are shown there the current GOR's?

A No, sir, our wells are increasing in gas-oil ratios right now. We have one well that we plan to work over in the near future to try to get it back on top allowable and possibly reduce its gas-oil ratio. Our ratios are probably running around 2,000 to 1 right now.

Q What is the ratio on the M No. 1?

A From the proration schedule it is 813 to 1. I do not have an accurate test that these ratios that I'm speaking of were tests taken hurriedly by a manometer just to check out to see what our ratios were running, and they were running approximately 2,000 to 1.

Q On all three of the wells that we're talking about today?

A Yes, sir.

MR. NUTTER: Thank you.

BY MR. PAYNE:

Q Are there any adjacent wells to yours that are connected?

A Yes, sir, I believe Sunray-Mid-Continent and Sun Oil

7
Company both have leases or are connected on both sides of our leases. Sunray has leases on all three sides that are connected.

Q How do you account for the fact that they're connected and you aren't?

A Possibly they might have negotiated and concluded their contracts at an earlier date than did Texaco.

MR. PAYNE: I see. Thank you.

MR. PORTER: Anyone else have a question? The witness may be excused.

(Witness excused.)

MR. VERITY: May it please the Commission, I have a dismissal at this time.

MR. PORTER: Just a moment, let me dispose of this case. Mr. White, did you have anything further to offer?

MR. WHITE: No, sir, we have nothing further.

MR. PORTER: No other witnesses?

MR. WHITE: No.

MR. PORTER: Nothing further to be offered in this case, we will take it under advisement. Mr. Verity.

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 *25th* day of January, 1960.

Ada Dearnley

 Notary Public-Court Reporter

My commission expires:

June 19, 1963.