

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 30, 1959

*Worked
filed - Jan 4 1960*

Mr. Thomas Hogan
British American Oil Producing Company
P. O. Box 180
Denver 1, Colorado

Dear Mr. Hogan:

Reference is made to your request for administrative approval of an exception to the no-flare provision of Order No. R-1427 for 34 oil wells in the Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico.

After studying your application, the Commission has determined that administrative approval cannot be granted. Accordingly, the case has been set for hearing before the Commission on January 13, 1960. It would be helpful if your witness in this case is prepared to testify concerning the present casinghead gas production from these wells and the disposition thereof.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/OEP/ir

cc: Burns Errebo
Albuquerque, New Mexico

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Y

THE BRITISH-AMERICAN OIL PRODUCING COMPANY

DENVER CLUB BUILDING

DENVER 1, COLORADO

PRODUCTION & ENGINEERING DEPT.

ADDRESS ALL CORRESPONDENCE TO
POST OFFICE BOX 180

December 23, 1959

New Mexico Oil Conservation Commission
Mr. A. L. Porter, Jr., Secretary-Director
P. O. Box 871
Santa Fe, New Mexico

Re: Summary of British-American's
Use of Casinghead Gas in the
Bisti Lower-Gallup Oil Pool

Gentlemen:

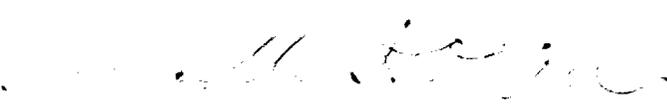
Attached is a summary of British-American's gas utilization for November, and the proposed gas utilization for January, 1959.

Thank you for granting exceptions to no flare Order No. R-1427 for our Salge #2, Salge B-5, and Navajo #2, #3, and #4. Our exception request letter of December 8, 1959 for Salge #2 incorrectly listed the location as NE, SW, Section 33-26N-13W. Location should have been C SW, NW, Section 3-25N-13W.

Please correct your copy of Administrative Order NFO-454 to read Salge Well No. 2 located in the SW/4 NW/4 of Section 3, Township 25 North, Range 13 West.

Very truly yours,

THE BRITISH-AMERICAN OIL PRODUCING CO.


District Superintendent

WR/pr

cc: Mr. E. C. Arnold
Dallas Production & Engineering Department
Mr. N. R. Stone

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 15, 1960

**Mr. Burns Errebo
P. O. Box 466
Simms Building
Albuquerque, New Mexico**

Dear Mr. Errebo:

On behalf of your clients, Socony-Mobil Oil Company and The British-American Oil Producing Company, we enclose two copies of Order R-1565 in Case 1862 and two copies of Order No. R-1569 in Case No. 1858 issued by the Oil Conservation Commission this date.

Very truly yours,

**A. L. PORTER, Jr.
Secretary-Director**

ir/

Enclosures

BISTI LOWER-GALLUP OIL POOL - GAS UTILIZATION

MCF Produced
November

Used on Lease
November

Flared
Nov.

Inj. into
Douthit B-5
November

To be Sold to
El Paso 1960

Flared
1960

Douthit B-2
Douthit B-3
Douthit B-4
Douthit B-5
Douthit B-6
Douthit B-7
Douthit B-8
Douthit B-9
Douthit B-10
Douthit B-11
Douthit B-12
Douthit B-13
Douthit B-14
Douthit B-15
Douthit B-16
Douthit B-18
Douthit B-19

736
Temp. Aband.
285
Gas Inj. Well
3,338
2,490
3,326
2,656
2,338
2,477
3,201
4,557
5,160
2,317
349
234
593

Total

3,690

13,311

17,056

Gas Currently
being Flared

0

Marye #1
Marye #2
Marye #3
Marye #5
Marye #6
Marye #8

1,275
Inj. Well
4,218
Inj. Well
6,134
1,330

Total

430

4,536

7,991

Gas Currently
being Flared

0

Marye B-1
Marye B-2
Marye B-3
Marye B-4
Marye B-5
Marye B-6

3,423
3,202
3,319
2,955
1,697
2,445

Total

2,120

6,904

8,017

Gas Currently
being Flared

0

BISTI LOWER-Gallup OIL POOL - GAS UTILIZATION

	MCF Produced November	Used on Lease November	Flared Nov.	Inj. into Douthit B-5 November	To be Sold to El Paso 1960	Flared 1960
Navajo #2	100					
Navajo #3	487					
Navajo #4	1,768					
	<u>2,355</u>	260	2,095	0	0	
Total						
Salge B-1	2,502					Produced Gas not being used on Lease NFO-456
Salge B-2	Temp. Aband.					
Salge B-4	1,754					
Salge B-5	138					
Salge B-6	2,234					
	<u>6,628</u>	385	2,516	3,727		NFO-455 Gas From Salge B-5
Total						
Warren C-1	75	0	75	0	75	0
Salge #2	294	100	194	0	0	NFO-454 Produced Gas not used on Lease

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

APPLICATION OF THE BRITISH AMERICAN OIL
PRODUCING COMPANY FOR AN EXCEPTION TO
ORDER NO. R-1427 INsofar AS IT APPLIES
TO ITS SALGE "B" LEASE, DOUTHIT "B" LEASE,
MARYE LEASE, MARYE "B" LEASE, SALGE LEASE
AND NAVAJO LEASE, BISTI - LOWER GALLUP OIL
POOL, SAN JUAN COUNTY, NEW MEXICO

CASE NO. _____

APPLICATION

COMES NOW The British American Oil Producing Company and
respectfully alleges and states as follows:

1. That it is operator of the Salge "B", Douthit "B",
Marye, Marye "B", Salge and Navajo leases which are productive of
oil from the Bisti-Lower Gallup Oil Pool, the production from
which is subject to restriction pursuant to Order No. R-1427,
dated June 25, 1959, which provides among other things, that no
casinghead gas shall be flared or vented from any well in said
pool after December 31, 1959.

2. That applicant, aware of the importance of conserving
produced casinghead gas, installed a gas gathering system at a
cost of \$162,000 upon the aforementioned leases in the western portion
of said oil pool and commenced injection of said produced casinghead
gas on March 13, 1959, before order No. R-1427 was issued, and since
that time has injected and conserved a total of 246,000 mcf of casing-
head gas.

3. That increasing oil-gas ratios have now resulted in pro-
duction of approximately 2,400 mcf of gas per day from said leases, of which
the aforesaid facilities can handle only 1,226 MCFD and 221 MCFD are
consumed in lease operations and that applicant previously arranged with
El Paso Natural Gas Company to take all of said casinghead gas prior
to January 1, 1960.

4. That applicant is now advised by El Paso Natural Gas Company
that the field facilities being constructed by said company for handling

*How many
wells?*

such gas will not be completed before January 15, or February 1, 1960.

5. That applicant, as aforesaid, at substantial cost, installed said gas gathering and injection system as soon as possible after the first hearing held by this Commission on December 17, 1958, although not required to do so, and as a result has conserved great quantities of casinghead gas.

6. That due to no fault of its own, applicant is now faced with a delay of some fifteen to thirty days in disposal of all of its gas in accordance with said order, and consequent restriction of production from its leases, which will cause undue hardship upon applicant, which has heretofore exhibited prudence and diligence in its field operations.

7. That by reason of the foregoing, an emergency exists.

WHEREFORE, applicant prays for administrative approval of an exception to said order, pursuant to provisions thereof, until said field facilities of El Paso Natural Gas Company are completed and in operation; and in the alternative, should this Commission see fit not to grant such administrative exception, applicant prays for issuance of an emergency order pursuant to Rule 1202 of this Commission, granting an exception to said Order No. 1427, as it applies to applicants leases named herein, and setting said matter for hearing before this Commission during the time said emergency order is in force.

THE BRITISH AMERICAN OIL PRODUCING COMPANY

By MODRALL, SEYMOUR, SPERLING, ROEHL & HARRIS
Its Attorneys,

By



Burns H. Errebo
1200 Simms Building, P. O. Box 466
Albuquerque, New Mexico

*Correct
mailed
Jan. 4,
1960*