

# ROCANVILLE CORPORATION

1126 MERCANTILE SECURITIES BUILDING  
DALLAS 1, TEXAS

October 19, 1961

*File  
Case 2215*

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

Gentlemen:

Thank you for your letter of October 2, 1961 pertaining to the flaring of casinghead gas in the Totah and Cha Cha areas, San Juan County, New Mexico.

We greatly appreciate your continued action in this matter and are hopeful that some results were obtained in the hearing held on October 18, 1961.

Very truly yours,

ROCANVILLE CORPORATION

*Billie Fuller*

Billie Fuller

JBA:cyd  
cc: Tenneco Oil Co.  
P. O. Box 1714  
Durango, Colorado

Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico

GRANTHAM, SPANN AND SANCHEZ  
ATTORNEYS AT LAW  
914 BANK OF NEW MEXICO BUILDING  
POST OFFICE BOX 1031  
ALBUQUERQUE, NEW MEXICO

EVERETT M. GRANTHAM  
CHARLES C. SPANN  
MAURICE SANCHEZ

TELEPHONE  
243-3525

August 11, 1961

Mr. A. L. Porter, Jr., Director  
New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Re: Case No. 2215

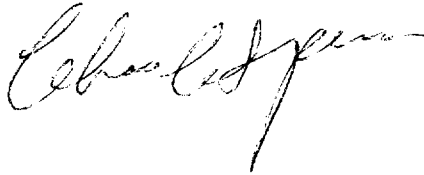
Dear Mr. Porter:

Please enter our appearance as local attorneys of record for El Paso Natural Gas Products Company in the above numbered cause which has been set for hearing at 9:30 a.m. on Wednesday, August 16, 1961. Mr. John Mason or some othe representative of the Company will be present to make a statement.

Very truly yours,

GRANTHAM, SPANN AND SANCHEZ

By:



CCS:rr

*Received  
2/10/61  
4/1/61  
4/1/61*

GRANTHAM, SPANN AND SANCHEZ  
ATTORNEYS AT LAW  
914 BANK OF NEW MEXICO BUILDING  
POST OFFICE BOX 1031  
ALBUQUERQUE, NEW MEXICO

EVERETT M. GRANTHAM  
CHARLES C. SPANN  
MAURICE SANCHEZ

TELEPHONE  
243-3525

May 15, 1961

Mr. A. L. Porter  
Oil Conservation Commission  
P. O. Box 871  
Santa Fe, N. M.

Re: Hearing on Commission's motion to consider  
order preventing flaring of gas in Cha Cha-  
Gallup, Totah-Gallup Oil Pool, San Juan  
County, New Mexico - Case No. 2215

Dear Mr. Porter:

Please enter my appearance as local attorney for El Paso Natural Gas Products Company in the above entitled and numbered cause which will come on for hearing before the Commission on May 17, 1961. Mr. John Mason, attorney, El Paso, Texas, will be present personally to represent the Company.

Very truly yours,

GRANTHAM, SPANN AND SANCHEZ

By:



CCS:MI

cc: Mr. John Mason



TENNECO OIL COMPANY • P. O. BOX 1714 • 835 SECOND AVENUE • DURANGO, COLORADO

October 16, 1961

*John - the ...  
F...  
of ...*

C

Rocanville Corporation  
1126 Mercantile Securities Building  
Dallas 1, Texas

Attention: Mr. Billie Fuller

O

Gentlemen:

Re: Your telegram of September 29, 1961, to the NMOCC

The casinghead gas being produced from Sections 27, 28, 31 and 33, T. 29 N., R. 13 W., is presently connected to a gathering system being operated by Knight Manufacturing and Supply Company. Because Knight has not yet completed his installation some casinghead gas is still being flared. It is anticipated that Knight's system will be completed by mid-November, 1961, and that after that date it will be unnecessary to flare any additional gas.

P

Yours very truly,

TENNECO OIL COMPANY

*L. E. Plumb*

L. E. Plumb

District Production Superintendent

Y

IBP:bjo

cc - New Mexico Oil Conservation Commission  
W. T. Walls, Jr.

ATWOOD & MALONE  
LAWYERS

JEFF D. ATWOOD (1893-1960)  
ROSS L. MALONE  
CHARLES F. MALONE  
E. KIRK NEWMAN  
RUSSELL D. MANN  
PAUL A. COOTER  
BOB F. TURNER

TELEPHONE MAIN 2-6221  
ROSWELL PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

May 11, 1961

Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Re: Case No. 2215 in the matter of the hearing called  
by the Oil Conservation Commission to consider pro-  
hibiting the flaring of casinghead gas from oil wells  
in the Cha Cha-Gallup and Totah-Gallup Oil Pools,  
San Juan County, New Mexico.

Gentlemen:

We are local counsel for Pan American Petroleum Corporation  
and as such wish to enter our appearance in the captioned case.  
Pan American will also be represented by Guy Buell, a member  
of the Texas Bar, and a company employee. The actual presen-  
tation for Pan American will be made by Mr. Buell.


Very truly yours,

ATWOOD & MALONE

By: 

EKN:ps

cc/ Mr. Guy Buell  
Mr. J. K. Smith



ATWOOD & MALONE

LAWYERS

JEFF D. ATWOOD (1883-1960)  
ROSS L. MALONE  
CHARLES F. MALONE  
E. KIRK NEWMAN  
RUSSELL D. MANN  
PAUL A. COOTER  
BOB F. TURNER

TELEPHONE MAIN 2-6221  
ROSWELL PETROLEUM BUILDING  
ROSWELL, NEW MEXICO

March 7, 1961

Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

RE: Case No. 2215 before the Oil Conservation  
Commission of the State of New Mexico

Gentlemen:

We are local counsel for Pan American Petroleum Corporation and as such wish to enter our appearance in the captioned case. Pan American will also be represented by either Guy Buell or C. G. Condra, members of the Texas Bar and company employees. The actual presentation for Pan American will be made by either Mr. Buell or Mr. Condra.

Very truly yours,

ATWOOD & MALONE

BY: 

PC:sam

cc: Pan American Petroleum Corporation

**GEO. L. VERITY**  
**ATTORNEY AT LAW**  
**SUITE 152 PETROLEUM CENTER BUILDING**  
**FARMINGTON, NEW MEXICO**  
**TELEPHONE DAVIS 5-0203**

March 2, 1961

New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

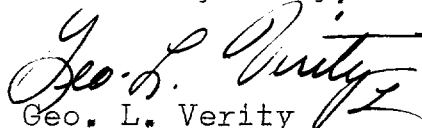
Gentlemen:

Re: Case #2215 before NMOCC  
In the matter of the hearing  
called by the Oil Conservation  
Commission on its own motion to  
consider the promulgation of an  
order prohibiting the flaring of  
casinghead gas from oil wells in  
the Cha Cha-Gallup and Totah-  
Gallup Oil Pools, San Juan County,  
New Mexico.  
(My file #1284-C)

I should like to enter my appearance in the captioned case,  
which is scheduled for hearing on March 15, 1961, in behalf of  
Aztec Oil and Gas Company. Sitting with me in this case will be  
Mr. Quilman B. Davis and Mr. Kenneth Swanson, of the Texas Bar.

I am not sure that I can be present at this hearing but  
request that these gentlemen be accorded all the privileges of  
out-of-state counsel in any event.

Yours very truly,

  
Geo. L. Verity

GLV/m

**SETH, MONTGOMERY, FEDERICI & ANDREWS**

ATTORNEYS AND COUNSELORS AT LAW

301 DON GASPAR AVENUE  
SANTA FE, NEW MEXICO

POST OFFICE BOX 828  
TELEPHONE YU 3-7315

J. O. SETH  
A. K. MONTGOMERY  
OLIVER SETH  
WM. FEDERICI  
FRANK ANDREWS  
FRED C. HANNAHS  
GEORGE A. GRAHAM, JR.

March 22, 1961

New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Re: Case No. 2215

Gentlemen:

This letter will constitute our entry of appearance as local counsel of El Paso Natural Gas Company in the above case no. 2215.

We will be associated in this proceeding with Mr. Ben Howell, Mr. Garrett C. Whitworth and other company attorneys of El Paso Natural Gas Company.

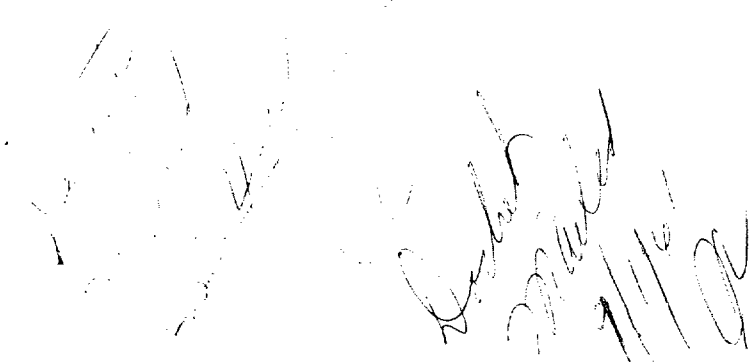
Very truly yours,

SETH, MONTGOMERY, FEDERICI & ANDREWS

By:



OS:dd





OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

*File Case  
2218*

October 2, 1961

Rocanville Corporation  
1126 Mercantile Securities Building  
Dallas 1, Texas

Attention: Billie Fuller

Gentlemen:

Reference is made to your telegram and letter of September 29, 1961, regarding flaring of casinghead gas in Totah and Cha Cha areas, San Juan County, New Mexico.

The Commission first docketed a case to consider issuance of a no-flare order for these pools in March, 1961. In addition, this case has been heard several times, the most recent being at the regular hearing September 13, at which time the operators and the casinghead gas gathering company both assured the Commission that the facilities under construction would be in operation by November 1, 1961.

The Commission then continued the case, and it will be heard again at 9 a.m., October 18, 1961, at the Elks Club Building, Roswell, New Mexico.

All interested parties are welcome to appear at the Commission's hearings and express themselves on matters such as this.

Very truly yours,

DANIEL S. NUTTER  
Chief Engineer

DSN/og

cc: Oil Conservation Commission  
Aztec, N. Mex.

C  
O  
P  
Y

# ROCANVILLE CORPORATION

1126 MERCANTILE SECURITIES BUILDING

DALLAS 1, TEXAS

29 September 1961

Oil Conservation Commission  
State of New Mexico  
Post Office Box 871  
Santa Fe, New Mexico

Gentlemen:

This will confirm telegraph of this date addressed to your Commission, reading as follows:

"ROCANVILLE CORPORATION IS THE OWNER OF ROYALTY INTERESTS UNDER SECTIONS 27, 28, 31 and 33, TOWNSHIP 29 NORTH RANGE 13 WEST WHICH ARE INCLUDED IN THE TOTAH AND CHA CHA GALLUP FIELDS, SAN JUAN COUNTY, NEW MEXICO STOP REQUEST IMMEDIATE ACTION TO PREVENT FURTHER WASTE OF NATURAL GAS AND RESERVOIR ENERGY NOW BEING FLARED TO ATMOSPHERE.

BILLIE FULLER, SECRETARY OF ROCANVILLE CORPORATION"

We will appreciate an early response from you in this regard.

Very truly yours,

ROCANVILLE CORPORATION



Billie Fuller  
Secretary

BF..s

cc Oil Conversation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico

cc Tennessee Gas Transmission Co.  
Post Office Box 2511  
Houston, Texas

cc Benson-Montin-Greer Drilling Corp.  
158 Petroleum Center  
Farmington, New Mexico

**BENSON-MONTIN-GREER DRILLING CORP.**

GENERAL OFFICE:  
2808 FIRST NATIONAL BLDG.  
OKLAHOMA CITY 2, OKLAHOMA  
PHONE CENTRAL 5-0546

158 Petroleum Center Building  
Farmington, New Mexico  
March 13, 1961

FARMINGTON, NEW MEXICO  
PHONE DAVIS 5-8874

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.  
Secretary-Director

Re: CASE NO. 2215:  
New Mexico Oil Conservation  
Commission Hearing,  
Wednesday, March 15th, 1961

Gentlemen:

In the event Benson-Montin-Greer Drilling Corp. is unable to have a representative present at the subject hearing, we are sending you with this letter information concerning operations of Benson-Montin-Greer Drilling Corp., which we request be filed with other statements relating to this case. We understand the information cannot be introduced as evidence, but that it might properly be accepted by the Commission along with other statements.

Benson-Montin-Greer Drilling Corp. operates seven wells in the Cha Cha-Gallup Field producing from the Gallup Formation. Six of these wells are on the Jones Lease, which covers the east half and the northwest quarter of Section 17, Township 28 North, Range 13 West, and one is on the Jones "A" Lease, which covers the southwest quarter of Section 17, Township 28 North, Range 13 West. The Jones "A" No. 1, SE/4 SW/4 Section 17, is a non-commercial well, currently producing about 15 barrels per day. We believe it economically not feasible to attempt to make useful disposition of the gas from this well, and in the event the Commission establishes a ruling whereby exceptions can be made for such wells, we will at a later date request such exception from a no-flare gas order.

The remaining six wells which we operate on the Jones Lease produce in a common tank battery, and the gas produced in connection with the oil is compressed at the tank battery by our own compressors and delivered through our own pipe line approximately one half mile, and is delivered to El Paso Natural Gas Company at its pipe line connection in the SE/4 SE/4 of Section 17. Gas compression and sales commenced February 28, 1961, and at

GAS SALE PRICE  
BENSON-MONTIN-GREER DRILLING CORP. JONES LEASE  
CHA CHA-GALLUP POOL  
SAN JUAN COUNTY

Benson-Montin-Greer Drilling Corp. is currently compressing gas produced from Gallup Formation oil wells under its Jones Lease, Section 17, Twp. 28N, Rge. 13W, pursuant to Casinghead Gas Contract originally entered into with El Paso Natural Gas Company dated June 14, 1960, for a daily quantity of gas of 1 million cubic feet per day, which Contract was supplemented by Agreement dated November 30, 1960, to increase the volume to 2 million cubic feet per day.

The price for gas in this contract is 11¢ per thousand plus a share of the value of the liquids, for gas delivered at 250# per square inch gauge pressure, which is approximately the pressure of El Paso's gathering system in this area at this time. The contract contemplates that gathering pressures will later on be increased to 500#, at which time the price for the gas will be increased 1¢ per thousand for the additional delivery pressure. The contract carries an escalation provision of 1¢ increase for each five year period.

  
Albert R. Greer

3-13-61

ECONOMICS OF GATHERING, COMPRESSING AND SELLING  
CASINGHEAD GAS FROM  
BENSON-MONTIN-GREER DRILLING CORP. JONES LEASE  
E/2 & NW/4 SECTION 17, TWP. 28N, RGE. 13W  
CHA CHA-CALLUP POOL  
SAN JUAN COUNTY  
(AN INDIVIDUAL SIX-WELL LEASE SYSTEM)

In Case No. 2069 before the New Mexico Oil Conservation Commission September 14th, 1960, I testified that in my opinion the casinghead gas produced in connection with the oil from the Gallup Formation under Benson-Montin-Greer Drilling Corp. Jones Lease would have negligible economic value, because the cost of gathering, compressing and marketing would approximate the total value of the gas. Since that date there have been no developments which would tend to change this opinion. I still estimate, on ~~40~~ 40-acre spacing, an average recovery of 60,000 barrels per well primary production, which represents approximately 15% of the oil in place. I also estimate that there will be produced with this 60,000 barrels approximately 200 million cubic feet of gas per well. This represents an income, after royalties and taxes but before operating expense, of about \$18,000 per well.

We do not have all of our costs assembled for our compressor installation and high pressure pipe line system. However, it appears that our investment to date for these items will approximate \$12,000 per well. With this installation we can sell approximately all of the gas we will be allowed to produce with an oil allowable of 175 barrels per day and a gas-oil ratio limit of 2,000 cubic feet per barrel, and a separator pressure of 60# per square inch. We are currently operating with a separator pressure of 50# and compressing approximately 1,600,000 cubic feet of gas per day, with the present oil allowable of 863 barrels per day for the lease. As the wells decline, the investment of another \$6,000 per well, or a total investment cost equal to the anticipated value of the gas, will be required in order to reduce separator pressure to approximately 30#. Further reduction in separator pressure can then only be accomplished by restricting production to lower rates, or by installation of compressor equipment far in excess of the value of gas to be recovered. It is now our plan that when the stage in the producing life of our wells is reached at which they will not produce against separator pressures of 30#, to restrict total production from the lease, in order to accomplish reduction of separator pressure.

3-13-61

  
Albert R. Greer