

NOV 3 1962

BEFORE THE OIL CONSERVATION COMMISSION
OF NEW MEXICO

APPLICATION EL PASO NATURAL GAS COMPANY FOR
AN ORDER OF THE OIL CONSERVATION COMMISSION
REVISING RULE 314 OF THE COMMISSION RULES
AND REGULATIONS TO PROVIDE FOR THE
REGULATION OF GATHERING, TRANSPORTING AND
SALE OF DRIP AS REDEFINED IN SAID PROPOSED
REVISED RULE, AND TO REQUIRE EVERY VEHICLE
TRANSPORTING DRIP TO HAVE IN ITS POSSESSION
FORMS EVIDENCING AUTHORITY.

*Case
2618*

APPLICATION

Comes now EL PASO NATURAL GAS COMPANY, a Delaware corporation authorized to do business in New Mexico, and applies to the OIL CONSERVATION COMMISSION OF NEW MEXICO for an order revising Rule 314 of the Commission rules and regulations pertaining to the gathering, transporting and sale of drip. In support of this application, applicant states:

1. That by Section 65-3-11, New Mexico Statutes, Annotated, 1953 Compilation, the Commission is authorized "to require either generally or in particular areas certificates of clearance or tenders in connection with the transportation of crude petroleum oil or natural gas or any products thereof, or both such oil and products, or both such natural gas and products," and is authorized to make rules, regulations and orders "to identify the ownership of oil or gas producing leases . . . and all transportation equipment and facilities."

2. That EL PASO NATURAL GAS COMPANY is the owner and operator of producing oil and gas wells and gas gathering facilities in the State of New Mexico, and together with other

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such owners and operators has experienced substantial loss of products ordinarily referred to as drip and condensate by reason of theft or other unauthorized taking and transportation of such products.

3. That Rule 314 of the Commission's rules and regulations as presently constituted, attempts to regulate the gathering, transporting and sale of drip, but provides no adequate means for the detection of violations of its provisions.

4. That in order to provide an adequate means for enforcing rules concerning the gathering, transporting and sale of drip, Rule 314 should be revised to provide for the redefinition of drip to include condensate; to further regulate the transportation of drip, as redefined; and to require the reporting of such transportation on forms C-110-A and C-110-B. Applicant will furnish to the Commission forthwith its proposed revision of Rule 314 and proposed forms C-110-A and C-110-B.

WHEREFORE, applicant prays that this application be set for hearing before the full Commission on August 15, 1962, and that Rule 314 be revised in accordance with the rule to be proposed by applicant. Applicant further prays that forms C-110-A and C-110-B, as proposed by applicant, be adopted, and further prays for such further relief as the Commission may deem proper.

SETH, MONTGOMERY, FEDERICK & ANDREWS

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Paso Natural Gas Company