

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
Hobbs, New Mexico
October 20, 1954

IN THE MATTER OF:

Regular Hearing

CASE NOS. 765 thru 778
Consolidated

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Hobbs, New Mexico
October 20, 1954

IN THE MATTER OF:

The application of Amerada Petroleum Corporation for exception to the Commission's 'No-flare' Rule.

Cases 765 thru
778 -
Consolidated.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from nine of its wells in the Eunice-Monument Oil Pool, and from one well in the Penrose-Skelly Oil Pool, Lea County, New Mexico; these being exceptions to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case 765

The application of Charm Oil Company for exception to the Commission's "No-flare" Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from two of its wells in the Eunice-Monument Oil Pool, Lea County, New Mexico; these being exceptions to those provisions of Order R-520 prohibiting the flare or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case 766

The application of Continental Oil Company for exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from 28 of its wells in Lea County, New Mexico, located as follows: 16 wells in the Cooper-Jal Oil Pool; five wells in the Eaves Oil Pool; one well in the Penrose-Skelly Oil Pool; and six wells in the South Eunice Oil Pool; all of the requested being exceptions to those pro-

Case 767

visions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

The application of Gulf Oil Corporation for exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from a total of 16 of its wells in Lea County, New Mexico, located as follows: four wells in the Arrowhead Oil Pool, two wells in the Cooper-Jal Oil Pool, two wells in the South Eunice Oil Pool, four wells in the Langlie-Mattix Oil Pool, and one well in the Penrose-Skelly Oil Pool; all of the requested being exceptions to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case No. 768

The application of Ralph Lowe for exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from nine of his wells in the Cooper-Jal Oil Pool, Lea County, New Mexico; all of the requested being exceptions to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case No. 769

The application of the Ohio Oil Company for exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from one well in the Penrose-Skelly Oil Pool, two wells in the Rhodes Oil Pool, and one well in the South Eunice Oil Pool; and dry gas produced from one well one well in the Eumont Gas Pool; all of the requested being exceptions to those provisions of Order R-520 prohibiting the flaring

Case No. 770

or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

The application of Pech Oil Company for exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced from its Shell-State No. 1 Well, SW/4 SW/4 Section 32, Township 21 South, Range 36 East, Lea County, New Mexico, in the South Eunice Oil Pool; this being an exception to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case No. 771

The application of Radford-Zachry Oil Company for exception to the Commission's 'No-flare' Rule.

Applicant in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from its Christmas No. 1 Well, NE/4 SE/4 Section 17, Township 22 South, Range 37 East, Lea County, New Mexico, in the Penrose-Skelly Oil Pool; this being an exception to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case No. 772

The application of Sinclair Oil and Gas Company for exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from a total of eight wells in Lea County, New Mexico, located as follows: four wells in the Cooper-Jal Oil Pool; three wells in the South Eunice Oil Pool; and one well in the Penrose-Skelly Oil Pool; these being exceptions to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case No. 773

The application of Skelly Oil Company for an exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from three of its wells in the Langlie-Mattix Oil Pool, three wells in the Cooper-Jal Oil Pool, and 13 wells in the Penrose-Skelly Oil Pool, Lea County, New Mexico; all of the requested being exceptions to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case No. 774

The application of Stanolind Oil and Gas Company for exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from three of its wells in the Eaves Oil Pool and two of its wells in the Langlie-Mattix Oil Pool; these being exceptions to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case No. 775

The application of The Texas Company for exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced with oil from seven of its wells in the Cooper-Jal Oil Pool, six of its wells in the Langlie-Mattix Oil Pool, one well in the Penrose-Skelly Oil Pool, and three wells in the Rhodes Oil Pool; all of the requested being exceptions to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case No. 776

The application of the Texas Pacific Coal and Oil Company for exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from its Well No. 17, Acct. No. 1, SE/4 SE/4 Section 24, Township 23 South, Range 36 East, in the Langlie-Mattix Oil Pool; this being in exception to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico, subsequent to November 1, 1954.

Case No. 777

The application of Western Natural Gas Company for exception to the Commission's 'No-flare' Rule.

Applicant, in the above-styled cause, seeks permission to flare casinghead gas produced in conjunction with oil from two of its wells in the Langlie-Mattix Oil Pool, and from one well in the South Eunice Oil Pool, Lea County, New Mexico; these being exceptions to those provisions of Order R-520 prohibiting the flaring or venting of dry gas or casinghead gas in certain designated pools in Lea County, New Mexico subsequent to November 1, 1954.

Case No. 778

BEFORE: Honorable Edwin L. Mechem
Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: Gentlemen, in connection with the next 14 'No-flare' cases -- Off the record.

(Discussion off the record.)

MR. WOODWARD: I would like to get on the record long enough to withdraw the Case 765, in view of the fact that the matter has not been advertised. I might suggest that we have a month before the January deadline in which a hearing could be afforded for suggestion as to how this administrative procedure might be worked out, if the Commission feels that is necessary.

In any event, we should be very happy to submit our suggestions by mail to the Commission on such a proposed rule or a subject for hearing.

MR. MACEY: We really didn't consider that we were going to have a hearing. I think the main thought was that we were not going to have a hearing, we would amend.

MR. WOODWARD: This is the one hearing to justify the amendment to the existing rules. Not a hearing on each case, but just, if you felt that was necessary, then the proposal we would make would serve as an application for that kind of amendment, if not it can be regarded as a suggested rule.

MR. MACEY: We could advertise the case for November hearing and it would give us sufficient time to act on all the existing applications. Most of these applications that we have, they are good enough in themselves. We could act, administratively, right on the face of what we have got on most of the cases. Some few cases we don't have any information in the record. I feel that we could very definitely advertise the case for an amendment of Order R-520 for November, get the suggested rules in the record, write an order immediately and then have a month to grant the relief. If relief is not going to be given we will advise the operator immediately and he can apply for a hearing. He still will have the right of hearing. I don't think we can deny him the right of hearing.

Does anyone have anything else?

MR. SELINGER: With respect to Case 774, which is one of the applications on the part of Skelly for gas flaring, in view of the Commission's remarks about the enforcement date going beyond November 1st, and it will be advertised for November 17th hearing,

we would like to ask that Case 774 be postponed to the November 17th hearing, at which time, at the conclusion of the corrected Rule 520, we will dismiss our case.

MR. MACEY: For the purpose of the record, I believe it would be advisable if we would consolidate all these cases, Case 765 through 778. That also includes the amended application of Continental in 767. Did someone stand up and want to make a statement?

MR. MALONE: I would like to inquire, on behalf of Gulf, in connection with that consolidation, whether then, if there is no objection, all of those cases will be continued until the November hearing?

MR. MACEY: That is correct. If it should happen that we could not devise some rules, then the cases could be heard in November. I fully expect that we can come up with some rules that will work out equitably, a lot better than sitting here and listening to the same thing for three and four hours.

MR. MALONE: It is an excellent solution to the problem.

MR. SELINGER: Rather than consolidating, I would suggest that all the cases be continued.

MR. MACEY: I wanted to make sure that the record, as applied to one, would apply to all. Does anyone have anything further?

MR. SELINGER: Do I take it then that everyone will have to be at the next hearing?

MR. MACEY: I don't think that is necessary. I don't think that is going to be necessary at all. I realize that one of the very reasons that we are here in Hobbs today was to provide you with

a little closer spot to come to for these very cases. I frankly think that if it is necessary for us to have hearings in any of these matters, that the hearing would probably not be until December or January, if the Commission deems it advisable not to give you the administrative relief, but being familiar with your case, I think you -- off-hand, you are going to get your administrative relief. I think Mr. Woodward outlined the very basis of the whole thing. If it is economically not feasible and if the gasoline plant obviously can't go out and lay a pipeline, why then there is no basis for, or reason for a no-flare order.

MR. SHELDON: We think the Commission's attitude is entirely correct. 766 we will reset.

MR. MACEY: Anyone else? In order to be absolutely sure about that matter, the cases which I outlined previously, Cases 765 through 778 will be continued to the regular hearing in November. Is there objection to the continuation of any of these cases, including the Continental case re-advertisement, 767? In that event, all the cases will be continued until November.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) SS.

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Hobbs, 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 6th day of November, 1954.



Court Reporter, Notary Public

My Commission Expires:
June 19, 1955

ADA DEARNLEY & ASSOCIATES
STENOTYPE REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691