

AGE	Formation	Pool	POOL TOTAL				CUMULATIVE FORMATION	
			GAS		OIL		GAS FORMATION Totals	OIL 1-1-54
			1953	Cumulative 1-1-54	1953	Cumulative 1-1-54		
Upper Cretaceous	Dakota	Hogback	-0-	-0-	74597	2979080		
"	"	Huerfano	71601	71601	* 2116	* 2116		
"	"	Lindrieth	1887	9586	2222	10172		
"	"	Rattlesnake	8749	8749	19633	5025590		
"	"	Table Mesa	-0-	-0-	****2435	****254040		
"	"	Ute Dome	139112	13626165	19070	993772		
"	"	West Kutz	13687	13687	-0-	**8065		
"	"	Undesignated Lilly-Riddle #1		486503	168	168		
"	"	M-7-27-12	17453	17453	-0-	-0-	27428522	9296567
Jurassic	Entrada	Medio	-0-	-0-	700	700	-0-	700
Pennsylvanian	Hermosa Paradox	Barker	10014486	58330541	***10278	***29950		
"	"	Rattlesnake	-0-	-0-	-0-	489534		
"	"	Ute Dome	-0-	-0-	-0-	-0-	58330541	519484
Mississippian	Leadville	Undesignated Table Mesa Area				22033		
	Totals		97079459	297516835	835296	14141183	297516835	14141183
	Daily Average		265971		2288			

* Distillate
** Sweet condensate
***Sour Condensate
****Butane propane mix.

Note: The undesignated Dakota production is for S. Blanco, Huerfano and Angels Peak prior to 1953 and Oil Conservation Commission Dakota Pool designation. Gas volumes in MCF at 15.025 psia. Oil in 42 U. S. gallon barrels.

ELVIS A. UTZ, Gas Engineer
New Mexico Oil Conservation Commission
3/5/54

NEW MEXICO
OIL CONSERVATION COMMISSION
San Juan Basin Production Data
January 1, 1954

AGE	Formation	Pool	POOL TOTAL				CUMULATIVE FORMATION	
			GAS		OIL		GAS Totals	OIL
			1953	Cumulative 1-1-54	1953	Cumulative 1-1-54		
Upper Cretaceous	Farmington	Bloomfield	-0-	-0-	-0-	49512	-0-	89792
"	"	Oswell	-0-	-0-	-0-	33428		
"	"	Wyper	-0-	-0-	-0-	6852		
"	Fruitland	Undesignated						
"	"	Phillips 32-7 #6	39382	39382	-0-	-0-		
"	"	17-31-7						
"	"	Phillips 32-7 #3	4998	4998	-0-	-0-		
"	"	18-32-7						
"	"	Phillips 31-6 #3	2433	2433	-0-	-0-		
"	"	6-30-6						
"	"	Phillips 32-7 #4	2707	2707	-0-	-0-		
"	"	4-30-6						
"	"	EPNG-Abraham #1	41850	41850	-0-	-0-		
"	"	B-13-30-6						
"	"	EPNG-Manning #1						
"	"	M-11-29-11	1016	1016	-0-	-0-	92386	-0-
"	Pictured Cliffs	Aztec	1418077	1783507	-0-	-0-		
"	"	Blanco	62853	111338	-0-	-0-		
"	"	E. Blanco	9535	9535	-0-	-0-		
"	"	S. Blanco	5438676	7435101	**593	**761		
"	"	Fulcher-Kutz	7893983	79611787	1283	1283		
"	"	W. Kutz	9658555	16688768	**456	**456	105640036	2500
"	Mesaverde	Blanco	61400595	106025350	**114759	**128960		
"	"	Hospah	-0-	-0-	115676	3231671		
"	"	Red Mountain	-0-	-0-	1151	18554		
"	"	Stoney Butte	-0-	-0-	-0-	6822		
"	"	Torreón	-0-	-0-	244	244	106025350	3386251
"	Mancos (Tocito)	S. Blanco	-0-	423526		823856		823856
"	Dakota	Angels Peak	171679	664692	*3725	*17335		
"	"	Barker	360043	12223984	-0-	-0-		
"	"	Blanco	121708	121708	-0-	-0-		
"	"	S. Blanco	168577	168577	*2664	*2664		
"	"	Companero	15817	15817	-0-	-0-		

Rule 312, Subsection (c) of the Rules and Regulations of the Oil Conservation Commission be amended as follows:

None of the provisions of Paragraph (a) and (b) of this Rule are applicable to the recovery of wash-in oil, creek oil, pit oil, or scrubber oil where such oil is picked up and returned to the lease on which produced or where such oil is disposed of by the owner to an authorized purchaser or transporter and accounted for on Commission Form C-110. Provided, however, before any person other than the owner shall pick up, reclaim, salvage or transport wash-in oil, creek oil, pit oil, or scrubber oil, a permit to do so shall be obtained from the owner or operator of the lease, pipe line, or refinery and a permit from the duly authorized agent of the Commission. A purchaser or transporter desiring to obtain a permit to perform the services under Subsection (c) of this Rule shall:

1. File with the Commission a surety bond of performance satisfactory to the Commission, payable to the Commission of the State of New Mexico in the penal amount of \$25,000.00.

2. A written application for a permit to transport shall be filed and a public hearing had thereon. All applications to show:

- (a) The name and location of the lease, trap or pit;
- (b) The number of well or wells from which the oil or drip was produced or the source of such oil or drip;
- (c) The name of the owner, operator or manager of the lease, pipe line or refinery;
- (d) Contracts of purchase, if any.

3. All permittees will be required to establish permanent storage facilities in the area called for in the permit and give the location thereof, such facilities to serve the area covered by the permit.

4. All permittees will be required to furnish the following evidence, to-wit:

- (a) Run Tickets showing acquisition;
- (b) Accumulation reports showing storage;
- (c) C-110;
- (d) Monthly reports.*

After the granting of a permit in the event the permittee is found guilty of violation of any of the Rules and Regulations of the Oil Conservation Commission or any of the laws of the State of New Mexico in regard to the production, sale and transportation of oil or drip gasoline, said permit shall be subject to cancellation without hearing. The Commission may suspend any permittee upon presentation of evidence of violation of the Rules and Regulations of the Commission; provided, however, that such suspension shall be temporary until the charges against the permittee are made known to the permittee and the hearing before the Commission must be granted the permittee within twenty days after the notification of the charges made, and should the Commission determine that the charges are well founded, the Commission may then enter its order cancelling the permit.

*Suggested forms of the four reports attached.

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

(19) ..

MAIN OFFICE OCC

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

USA DEC 15 AM 9:13

File
1954 DEC 15 AM 8 43

D=MDA036 PD=MIDLAND TEX 15 915AMC=

THE NEW MEXICO OIL CONSERVATION COMMISSION=

SANTA FE NMEX=

IN REGARD TO CASE 779, THE ATLANTIC REFINING COMPANY

URGES THE COMMISSION TO ADOPT THE FAMARISS OIL

AND REFINING COMPANY'S PROPOSED AMENDMENT TO RULE 312,

SUBSECTION (C) OF THE RULES AND REGULATIONS OF THE OIL CONSERVATION COMMISSION=

=THE ATLANTIC REFINING COMPANY R E HOWARD=

=779 312 (C) =

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Railroad Commission of Texas

OIL AND GAS DIVISION

COMMISSIONERS
ERNEST O. THOMPSON
Chairman
WILLIAM J. MURRAY, JR.
OLIN CULBERSON
O. D. HYNDMAN, *Secretary*

MAIN OFFICE 330



AUSTIN, TEXAS

HARRY M. BATIS
Chief Supervisor
ARTHUR H. BARBECK
Chief Engineer
ROSS BELL
Auditor

December 15, 1954

Mr. W. B. Macey, Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Bill:

First, let me congratulate you and possibly offer commiserations on your new job. In my opinion, your State is very fortunate in being able to replace a very good man with another very good man.

I am belatedly replying to your letter of November 26, 1954 in which you ask for an outline of procedure which the Commission follows with regard to movement of drip gasoline.

I am enclosing a copy of our Form GP-1, which is a gas processing plant monthly report and tender operations statement and I have shown by type of plant that this is "drip". Then down in Section VI I have checked the items which are usually filled in and in nearly all cases the liquid is crude oil or condensate; however, should it be another product, you will note other columns for gasoline, kerosene, etc. After this report is filed, the drip pay then be tendered to the refinery on either a Commission Form SW-3, which is a crude oil tender, or on Commission Form SW-4, which is a production tender, depending on the nature of the liquid. Copies of these forms are also attached.

We find that without adopting a new form for the small amount of drip collected over the State, that it was easier and so far has served our purpose by proceeding in the manner stated above.

Norman Woodruff with El Paso Natural Gas called me about this matter while he was in Santa Fe and I attempted to explain this over the phone and asked that he convey this information to you. If there is anything further you would like to know, please advise and if I can help you in any way, don't fail to call.

The best possible luck to you in your work.

Yours very truly,

Arthur H. Barbeck

Arthur H. Barbeck
Chief Engineer

AHB:cbr
encl.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form GP-1
Rev. 8-1-52

GAS PROCESSING PLANT MONTHLY REPORT AND TENDER OPERATIONS STATEMENT

RRCT District No. _____ Month of _____, 19 _____
Operator _____ Address _____
Plant Name _____ Field _____ County _____
Type of Plant DRIP Daily Average Intake Capacity of Plant _____
Avg. Intake Pressure _____ P.S.I.A. Avg. Tested GPM _____ Recovered GPM _____

REPORT ALL GAS VOLUMES IN MCF AT 14.65 PSIA PRESSURE AND 60° FAHRENHEIT IN ACCORDANCE WITH GAS MEASUREMENT LAW

SECTION I: INTAKE VOLUMES (MCF Monthly)

	SWEET	SOUR	CASINGHEAD	TOTAL
1. No. of Wells Produced				
2. Gas into Gathering System				
3. Deliveries from Gathering System				
4. Gathering System to Plant for Processing				
5. Plant Intake - From Plant Meters				
6. Loss or Gain - Diff. between Lines 4 & 5				
7. Refinery and Storage Vapors				
8. Gas from Other Sources				
9. Net Gas to Plant for Processing				

SECTION II: DISPOSITION OF UNPROCESSED GAS FROM GATHERING SYSTEM (MCF Monthly)

	SWEET	SOUR	CASINGHEAD	TOTAL
1. Fuel System and Lease Use				
2. Gas Lift				
3. Repressuring & Pressure Maintenance				
4. Other Processing Plants				
5. Carbon Black Plants				
6. Transmission Line				
7. Vented				
8. TOTAL				

SECTION III: DISPOSITION OF RESIDUE GAS (MCF Monthly)

1. Extraction Loss	5. Gas Lift	9. Other Process. Plants
2. Acid Gas	6. Repress. & Press. Maint.	10. Transmission Line
3. Plant Fuel	7. Cycled	11. Vented
4. Fuel & Lease	8. Carbon Black Plants	12. TOTAL

SECTION IV: PLANT PRODUCTION (Barrels Monthly)

1. Condensate	5. Butane	9.
2. Crude Oil	6. Propane	10.
3. Gasoline	7. Iso-Butane	11.
4. Kerosene	8. Iso-Pentane	12. TOTAL

SECTION V: TENDER OPERATIONS STATEMENT (List Tenders in Numerical Order)

ACTUAL RECEIPTS			ACTUAL DELIVERIES			
COMMODITY	TENDER NO.	BBLs. RECEIVED	COMMODITY	TENDER NO.	AMT. OF TENDER	BBLs. DELIVERED
TOTALS						

SECTION VI: BARRELS		CRUDE OIL CONDENSATE	GASOLINE	KEROSENE	BUTANE	PROPANE	OTHER	TOTAL
1. Opening Tender Balance		✓						
2. Frozen Stock								
3. Total Opening Stock		✓						
4. Received								
5. Produced		✓						
6. Delivered		✓						
7. Loss		✓						
8. Total Closing Stock		✓						
9. Frozen Stock								
10. Closing Tenderable Bal.		✓						

Railroad Commission Serial Number _____ Approved this _____ day of _____, 19 _____
RAILROAD COMMISSION OF TEXAS

Void after 7:00 A. M. _____, 19 _____ By _____

(OVER)

SECTION VII: REPORT OF GAS INJECTED - REPRESSURING, PRESSURE MAINTENANCE AND CYCLING

[illegible]

SECTION VIII: DETAIL OF SALE OF GAS - EXCEPT FUEL SYSTEM AND LEASE USE (MCF Monthly)

NAME OF PURCHASER	USE SOLD FOR	UNPROCESSED GAS	RESIDUE GAS

SECTION IX: REMARKS

1. Reason for Venting Unprocessed Gas _____
2. Reason for Venting Residue Gas _____
3. _____

SIGNED..... By..... Title.....

THE STATE OF TEXAS)

COUNTY OF _____)

BEFORE ME, The undersigned authority, on this day personally appeared _____, known to be the person whose name is subscribed to the above instrument, who, being by me duly sworn, on oath states that he is duly authorized to make the above report and that he has knowledge of the facts stated therein and that said report is true and correct; and that such Hydrocarbon Liquids were received and tendered for shipment in accordance with the conservation Laws of the State of Texas and the rules and regulations of the Railroad Commission of Texas and he further states that they are entitled to tender for shipment the amount of stock as shown on this report, and that no Crude Oil nor Hydrocarbon Liquids in addition to that shown in this report was received, delivered, handled or processed during the reporting period.

SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of _____, 19____.

Notary Public in and for _____ County, Texas

INSTRUCTIONS

1. This report shall be filed in four (4) duplicate originals with the Deputy Supervisor of the Railroad Commission of Texas for the District in which the Plant is located as soon after the first of the Month as possible for the preceding Month, and never later than the Twenty-Fifth of the month.
2. This report is required of all Plants extracting Hydrocarbon Liquids from Natural Gas. All Gas Volumes must be reported at a Base Pressure of 14.65 pounds per square inch absolute and a Base Temperature of 60 degrees fahrenheit. All liquid quantities shown on this report shall be in barrels of 42 U. S. Gallons based on actual physical guages computed from 100% U. S. Tank Tables or other method of measurement approved by the Commission and corrected from the temperature at the time of measurement to a standard temperature of 60 degrees fahrenheit. Do not use fractions of thousands of cubic feet of gas, or fractions of barrels of liquid on this report.
3. The Address as required on this report shall be clear and definite as to Street Number, City and State.
4. In Section I show total volume of gas into Gathering System; Deliveries from Gathering System (including Venting); the remaining volume to plant for processing; the actual plant Intake; the Loss or Gain in volume which is the difference between Lines 4 and 5; Net Gas to plant for processing is Total of Lines 5, 7 and 8.
5. In Section II show the disposition of deliveries from the Gathering System.
6. In Section III "Disposition of Residue" show as follows: **Fuel & Lease** - Gas used by yourself, sold, or given to others for use in Field Operations, or for use in Lease Dwellings and other Domestic uses; **Gas Lift** - Gas used, sold, or given for injection into Oil Wells to Lift Oil; **Repressuring and Pressure Maintenance** - Gas used, sold, or given to maintain or build up Reservoir Pressure through an Injection Well; **Cycling** - Gas returned to original nonassociated Gas Reservoirs after extraction of Liquid Hydrocarbons; **Carbon Black** - Gas used, sold, or given for the manufacture of Carbon Black; **Transmission Line** - Gas Lines, operated by Natural Gas Companies (Public Utilities).
7. In Section VII report the Volumes of Gas which are returned to Reservoirs in Pressure Maintenance, Repressuring, or Cycling operations. Show the Volume for each Well. If more space is needed use Form GP-3.

SW-6 Serial No.....

OIL PRODUCTS TENDER**RAILROAD COMMISSION OF TEXAS****OIL AND GAS DIVISION**FROM.....
(Name of Shipper)

HEREBY TENDERS TO

TO:..... At.....
(Name of Person) (Receiving Point)..... Barrels of.....
(State Name of Product)..... Barrels of.....
(State Name of Product)..... Barrels of.....
(State Name of Product)

..... Total Barrels of Products.

The above mentioned product is now or will be in tanks at.....
(Give Exact Location of Tanks)

Town..... County....., Texas, owned by

Said product was or will be produced from.....

received by authority of approved or registered tenders, as follows:.....

said tender or tenders being on record with the Railroad Commission.

STATE OF TEXAS

COUNTY OF.....

known to me to be the person whose name is subscribed to the above instrument, who, being by me duly sworn, on oath states that he is duly authorized to make the above report and that he has knowledge of the facts therein and that said report is true and correct; that such products were manufactured and are tendered for shipment in accordance with the Conservation Laws of the State of Texas and the rules and regulations of the Railroad Commission of Texas adopted pursuant thereto; and he further states that the product tendered hereunder has not been tendered by the affiant into the custody or control of any other pipe line company, railway or other transporter or handler of refined products.

Subscribed and sworn to before me this the..... day of..... 194.....

Railroad Commission
Serial Number SW4—.....APPROVED
REJECTED

Notary Public in and for..... County, Texas

This..... day of....., 194.....

RAILROAD COMMISSION OF TEXAS

Void after 7:00 A. M....., 194..... By..... (Agent)

(SEE INSTRUCTIONS ON REVERSE SIDE HEREOF)

FORM SW-4

INSTRUCTIONS

No person shall ship or cause to be shipped any product from any oil field or from any refinery, topping plant, blending plant, gasoline plant, or other plant at which a product is manufactured or processed situated within the State of Texas unless and until such person has obtained a permit covering such shipment issued in conformity with the provisions of this order.

No person shall receive any product for transportation or transport any product from any oil field or from any refinery, topping plant, blending plant, gasoline plant, or other plant at which a product is manufactured or processed situated within the State of Texas unless and until such person has been furnished a permit covering such shipment issued in conformity with the provisions of this order.

A permit may be issued where the destination or consignee of products covered by the permit is unknown at the time of application, but no permit may be issued which names more than one initial transporting agency. A permit may be issued to cover more than one delivery, or to cover deliveries on a forecast to meet requirements of the shipper. In the event a permit is issued to cover future deliveries on a forecast of a shipper the Commission shall indicate on such permit the date same shall expire, (such date of expiration shall be not later than the end of the calendar month during which the shipments are authorized), and it shall not be necessary for an approved copy of the permit to accompany each shipment, provided, however, that the transporter carrying by railroad or pipe line the product described in the permit has received an approved copy of the permit before accepting any of such product for transportation, and provided a transporter by boat or barge carrying the products described in a tender must receive an approved copy of a tender or a shipping paper bearing the date and serial number of the tender before accepting such product for transportation. A transporter by truck or motor vehicle shall comply with the provisions of Section five (V) of this order. A forecast tender to cover shipments to be made during all or part of a calendar month may be obtained not earlier than the 20th day of the next preceeding month. If loading a vessel is begun during a calendar month and completed during the next calendar month, the shipper may treat the entire cargo as having been shipped during the calendar month in which loading commenced.

The shipper of products shall file in the office of the Commission located in the district from which such products are to be shipped four (4) duplicate original copies executed by the shipper or his duly authorized agent of his application on report Form SW-4. Each application for permit must be on file with the Commission twelve (12) hours before the same shall be considered except in cases of emergency. Two copies of the report filed by the shipper, if approved, shall be retained by the Commission and two copies returned to the maker of the report, such shipper retaining one copy and delivering one copy to the transporting agency authorized to transport such product. Before such permit shall be issued by the Commission, the shipper is required to show in his application on Form SW-4 the information required to be reported on said form.

If the product tendered is casinghead or natural gas gasoline, the applicant must state the name and location of the plant where such gasoline was produced, the names and location of the leases from which the casinghead gas supplying said plant was obtained and the names of the operators of said leases.

RAILROAD COMMISSION OF TEXAS
OIL AND GAS DIVISION

Form SW-3
Crude Oil Tender

FROM.....
(Name of Shipper)

HEREBY TENDERS

FIELD..... Operations Month of....., 19..... COUNTY.....

TO:..... At.....
(Name of Person) (Show Point of Receipt Here)

..... Barrels of Crude Oil.

The above mentioned oil has been or will be received under authority of tender No..... Approved

or registered by the Railroad Commission of Texas on the..... day of....., 19.....,
or other shipping papers as follows:

.....
.....
.....
.....

If any part of the oil tendered hereunder was produced outside of Texas, state the amount of such oil here..... bbls.

Executed this..... day of....., 19.....

STATE OF TEXAS

COUNTY OF.....

(Affiant)

Before me, the undersigned authority, on this day personally appeared..... known to me to be
the person whose name is subscribed to the above instrument, who, being by me duly sworn, on oath, states that he is duly authorized to make the above
report, and that he has knowledge of the facts stated therein and that said report is true and correct; that such oil is tendered for shipment in accordance
with the Conservation laws of the STATE OF TEXAS and the Rules and Regulations of the Railroad Commission of Texas adopted pursuant thereto; and
he further states that the oil tendered hereunder has not been tendered by affiant into the custody or control of any other pipe line, railway or other trans-
porter or handler of oil.

Subscribed and sworn to before me this the..... day of....., 19.....

Notary Public in and for..... County, Texas.

APPROVED

REJECTED

This..... day of....., 19.....

RAILROAD COMMISSION OF TEXAS

COMMISSION'S SERIAL NUMBER SW-3.

By.....
Agent

VOID AFTER 7:00 A. M....., 19.....

INSTRUCTIONS: Form SW-3 is to be used for any transfer of possession or control within or from the State of Texas of oil imported and/or law-
fully produced in said State. The consignor shall be required to execute under oath four duplicate originals of the report on Form SW-3 and to file the
same in the office of the Railroad Commission of Texas designated to receive such reports. The Commission's Agent, in such office, shall examine the
same and place on each copy of said report on Form SW-3, the Commission's serial number and date of such registration and place thereon signature of
approval or disapproval. The Commission shall retain two copies of report on Form SW-3 and return two copies thereof to the shipper, one of which
copies the shipper shall deliver to the transporter. In the event a Tender on Form SW-3 is registered with the Commission to cover future deliveries on a
forecast the Commission through its duly authorized agent shall indicate on such Tender the time when same shall expire and it shall not be necessary for
a registered copy of the Tender to accompany each shipment; provided the transporter carrying the oil described in the Tender has received a registered
copy of the Tender before accepting such oil for transportation. The first person receiving oil for transportation shall, if it is not a pipe line, stamp on

the shipper papers the following: "This shipment is covered by Tender No....., registered with the Railroad Commission of Texas on the..... day
of....., 19....." (number and date shall be filled in by such transporter to identify the Commission's tender.) No person trans-
porting oil shall receive any more than is covered by the tender nor any different commodity than is specified in the Tender. Each connecting carrier
may rely on the stamp describing the tender, except when the crude oil is received from a pipe line, in which case the delivering pipe line will be required
to procure an additional tender before making delivery of the shipment, but shall not receive any more crude oil than is covered by the shipping papers
or tender and shall not receive any different commodity than crude oil. Where oil transported was received by the shipper or transporter from without
the state, the person making the report on Form SW-3 shall show that such oil was produced outside of the State of Texas.

DELIVERED FOR THE ACCOUNT OF									
To Receiving Tank No.				Tank Number					
First Measurement		PRODUCER		LEASE		First Measurement		Calculations	
Feet	Inches	Overflow Seal No.		Gravity Indicated by		Feet	Inches		
		Bleeder Seal No.		Hydro-Meter @ Temp.					
Second Measurement		Pipe Line Seal Numbers		Gravity Corrected		Second Measurement			
Feet	Inches	Off		to 60° F		Feet	Inches		
		On		Time		Temp Oil in Tank			
REMARKS				First Measurement					
				Second Measurement		Tank Sample B S & W %			
				Shut Off Date		Net Barrels Oil			
First Gauge	GAUSER		Last Gauge	GAUSER					
	OWNER'S WITNESS			OWNER'S WITNESS					

Case
No 779

OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

For the period from _____ to _____

Operator _____ Address _____
Lease _____ Sec. _____ T.S. _____ Rge. _____

Stock on hand - Beginning of Period _____
Acquisitions - Gross _____
Deduct, Losses on acquisitions _____
Acquisitions - Net _____
Total _____
Pipeline runs - Net _____
Add, Losses on pipeline runs _____
Pipeline runs - Gross _____
Total product available (Stock on hand - End of period) _____
Deduct, Stock below pipeline connection _____

GROSS ALLOWABLE REQUIRED _____
Deduct, Balance not run of Gross Allowable authorized
by C-110 dated _____

NET ALLOWABLE REQUIRED _____

Schedule of Acquisitions and Pipeline Runs
(Tickets Attached)

Date	Ticket	Company	Acquisitions	Pipeline Runs
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
(If further space is required, attach schedule)			TOTALS	_____

Signed: _____

By: _____

STATE OF NEW MEXICO
COUNTY OF _____

Before me, the undersigned authority, personally appeared _____ known to me to be the _____ of the plant filing the above report who upon his oath says that the above and foregoing report including attached papers is complete and each statement therein contained is true and correct, and that no oil or the products thereof was received, delivered, processed, reclaimed, blended, treated or on hand at the beginning or end of the reported period, in addition to that shown during the above reported period; and that said reporting firm is entitled to C-110 for shipment of the tenderable stock at the end of the period covered and as shown by this report.

SUBSCRIBED AND SWORN TO BEFORE ME, THIS _____ day of _____, 19____

Approved Date _____

BY: _____
FOR: OIL CONSERVATION COMMISSION

Notary Public in and for _____
County, New Mexico
My Commission Expires: _____

OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Monthly Report of Operations for _____, 19__

Operator _____ Address _____
Lease _____ Sec. _____ T.S. _____ Rge. _____

Stock on hand - Beginning of period _____
Acquisitions - Gross _____
Deduct, Losses on acquisitions _____
Acquisitions - Net _____
Pipeline runs _____
Add, Losses on pipeline runs _____
Pipeline runs - Gross _____
Stock on hand - End of period _____

Represented by:
Stock below pipeline connection _____
Gross Allowable requested by C-110 dated _____
Total _____

Signed: _____

By: _____

STATE OF NEW MEXICO)
COUNTY OF _____)

Before me, the undersigned authority, personally appeared _____ Known to me to be the _____ of the plant filing the above report who upon his oath says that the above and foregoing report including attached papers is complete and each statement therein contained is true and correct, and that no oil or the products thereof was received, delivered, processed, reclaimed, blended, treated or on hand at the beginning or end of the reported period, in addition to that shown during the above reported period.

SUBSCRIBED AND SWORN TO BEFORE ME, THIS _____ day of _____, 19__

Seal

Notary Public in and for _____
County, New Mexico

My Commission Expires: _____

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

MAIN OFFICE

J. P. MARSHALL, PRESIDENT

FX-1201

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line of Telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

1954 DEC 13 PM 1:41
LA08 SSM125

L-HBA106 PD-HOBBS NMEX 13 120PMM

BILL MACEY

OIL CONSERVATION COMMISSION SANTA FE NMEX

IF CONVENIENT TO YOU AND COMMISSION WILL APPRECIATE
CONSIDERATION OF DRIP GASOLINE ORDER EARLY ON THURSDAY
SO I MAY RETURN TO HOBBS ON AFTERNOON PLANE REQUEST
DUE TO PRESSING BUSINESS

WALTER FAMARISS

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent at the full rate telegram	
FULL RATE TELEGRAM	
DAY LETTER	
NIGHT LETTER	

\$
S
E

WESTERN UNION

1206 10-51

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHIP RADIOGRAM	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
			OIL CONSERVATION COMMISSION	

Send the following message, subject to the terms on back hereof, which are hereby agreed to

MR WALTER FAMARISS
FAMARISS REFINING COMPANY
HOEBBS N M

DEC 13 1954

REQUEST WILL BE HONORED PROVIDED NO VALID OBJECTION RECEIVED
FROM OTHER INTERESTED PARTIES.

W B MACEY

(Note: Telephoned to WU 4:45 pm 12-13-54 - nr)

DATE 12-14-54
TIME RELEASED _____
DICTATED BY RJA
CHARGE _____

TELEGRAM

CONFIRMATION

SEND AS Straight Wire

SEND TO
The New Mexico Oil Conservation Commission
Santa Fe, New Mexico

In regard to Case 779, The Atlantic Refining Company urges the Commission to adopt the Famariss Oil and Refining Company's proposed amendment to Rule 312, Subsection (c) of the Rules and Regulations of the Oil Conservation Commission.

THE ATLANTIC REFINING COMPANY

R. E. Howard

Core
779

PERMIT AGREEMENT

THIS PERMIT AGREEMENT, made and entered into as of the 24th day of June, 1954, by and between PERMIAN BASIN PIPELINE COMPANY, a Delaware corporation, hereinafter called "Permian" and JOSEPH S. NEWMAN of 1308 Yucca Drive, Hobbs, New Mexico, hereinafter called "Newman,"

WITNESSETH:

WHEREAS, Permian is the owner of natural gas gathering pipelines situated and operated, in part, in Lea County, New Mexico, and

WHEREAS, in the operation of said pipelines it becomes necessary to connect drips thereto for the purpose of accumulating condensate which separates in liquid form from the natural gas transmitted through said lines, which condensate must be discharged from said drips at frequent intervals, and

WHEREAS, a variable proportion of said condensate is what is commonly known as "drip gasoline," and

WHEREAS, Newman desires to collect said condensate from said drips and to dispose of same as his own property;

NOW THEREFORE, Permian and Newman agree as follows:

1. That subject to the terms, provisions and conditions hereinafter set forth Newman is hereby permitted to and shall collect said condensate from said drips as often as shall be necessary in order to prevent the overflow of such drips and the consequent restriction of gas flow in the pipelines and shall dispose of such condensate as his own property, and for that purpose Permian hereby consents to access and ingress to said drips and egress from the same by Newman.
2. That attached hereto, and by this reference made a part hereof, is Exhibit "A" which exhibit indicates those drips from which Newman is to collect condensate.
3. That Permian shall not in any manner be liable or responsible to Newman in the event the collection of said condensate, or access, ingress or egress of Newman to or from said drips is in any manner interrupted, delayed, interfered with or prevented by persons other than employees of Permian.
4. That Newman shall have the full responsibility for gathering, storing, using, selling or dealing in any manner whatsoever with said condensate, and Permian shall be relieved of all liability of whatsoever nature resulting from the using, handling, storing, selling and gathering of said condensate, and Newman shall be solely responsible for the same and shall indemnify, save and hold harmless Permian from and against any and all claims for damages to persons or property, including all such claims of the owners, tenants or occupants of the land upon which said drips are located which may arise out of the operations of Newman, his employees and agents hereunder.
5. That in collecting said condensate neither Newman nor his agents or employees shall become an agent, employee or representative of Permian nor shall they perform any services for or under the direction or control of Permian, but, with respect to this permit and agreement, shall be as an independent contractor with a permit to collect said condensate from Permian's drips and dispose thereof.
6. Newman shall maintain accurate records and shall be obligated to furnish the amounts and types of residue which he collects and the various types of residue concerned, and he shall submit to Permian for its review figures of the amount of a weekly report showing the kind and amount of residue collected from each of said drips. Permian shall have the right at any time to have access to the records which Newman keeps under the terms hereof and shall also have the right to send a representative to accompany Newman or his employees at any time when said residue is being collected.
7. Newman shall secure such permits, approvals or certificates as may be required by any state or federal regulatory authorities in connection with the collection, use and ownership of said drip gasoline by Newman, and Newman hereby relieves Permian from the payment of any fees, taxes or costs as are or may be imposed or ascertained by any of such authorities on the collection, use or ownership of said condensate.

ILLEGIBLE

8. That the parties hereto understand that the ownership of said condensate as is taken from the drips specified in Exhibit "A" shall be vested in Newman, and Permian shall have no right, title or claim thereto excepting such right of disposal as is given Permian in paragraph 12. hereof.

9. This Permit Agreement shall be in force and effect for a period ending one (1) year from the date of the execution of same; provided, however, that either party hereto may terminate this agreement before such expiration date by giving the other party six (6) months' written notice of such intention to terminate.

10. In the event that the United States Government or the State of New Mexico or any political subdivision of either shall pass legislation or promulgate regulations prohibiting the taking of said condensate as set out in this Permit Agreement, then, and in that event, this Permit Agreement shall be null and void and not be binding on either party.

11. Newman shall maintain such insurance as will afford protection from any claims that may arise under any workmen's compensation law for injuries to employees of Newman, and Newman shall maintain such other insurance as will protect the parties hereto from any claims for damages for personal injury or damage to property which may arise from the operations of Newman or any of his employees or agents under the terms of this Permit Agreement. Evidence of such insurance in such form as Permian may require shall be delivered to Permian and such insurance shall be subject to the approval of Permian for adequacy of protection and shall afford the following minimum coverage:

A. Workmen's Compensation	Statutory
B. General Public Bodily Injury Liability	\$50,000 each person \$100,000 each accident
C. General Public Property Damage	\$25,000 each accident
D. Automobiles and Trucks:	
Public Bodily Injury Liability	\$50,000 each person \$100,000 each accident
Public Property Damage	\$50,000 each accident

Irrespective of the insurance to be carried by Newman, the insolvency, bankruptcy or failure of any insurance company carrying insurance of Newman, or the failure of any insurance company to pay any claim accruing shall not be held to waive any of the provisions of this Permit Agreement.

12. Permian reserves the right to empty said drips and dispose of the contents thereof without notice, responsibility or liability to Newman when and if it is found that Newman has not collected said condensate and if, in the sole judgment of Permian, such is necessary or desirable for the proper operation of its pipelines.

13. This Permit Agreement shall not be assignable by either party without the written consent of the other.

14. Newman acknowledges that he enters upon the operation of this Permit Agreement with the full knowledge and understanding of the dangers involved in the draining of said drips and the collection of condensate therefrom, and Newman assumes all responsibility for himself, his employees and agents and their safety when collecting said condensate under the terms of this Permit Agreement.

Executed as of the day and year first above written.


JOSEPH S. NEWMAN

PERMIAN BASIN PIPELINE COMPANY

"Newman"

"Permian"


Joseph S. Newman

By 
Vice President

WITNESS:

ATTEST:




Assistant Secretary

Nº 102

Date

Remarks

```
Driver .....

```

W. D. GIRARD
LAWYER
231 LEA COUNTY STATE BANK BUILDING
HOBBS, NEW MEXICO

TELEPHONE:
EXPRESS 9-9116
POST OFFICE BOX 1445

1957 MAY 11 AM 11:24
May 11, 1957.

Mr. Randall Montgomery,
Oil Conservation Commission,
Hobbs, New Mexico.

Dear Sir:

It is my suggestion that in addition to the proposed findings in Case No. 779, the Commission make the following additional findings:

"That the gas transporter file with the Commission map or maps showing all gathering and main trunk pipe line systems identifying all drips located upon said lines."

"That the gas transporter file within one hundred twenty days (120) from the effective date of this Order a Report showing the disposition of all condensate trapped in all drips."

"That the gas transporter furnish to the Commission for its approval all contracts covering the servicing and disposal of accumulations from the drips."

"That all purchasers of drips be required to report volumes acquired by drip."

I further suggest that the order part of the proposed Order be revised as follows: that sub (c) be changed to include sub (f)(g)(h). That sub-paragraph (f) be added:

(f) That the gas transporter shall file within one hundred twenty (120) days after the effective date of this Order a plat showing all gathering lines and main transmission lines and locating thereon all drips used in connection therewith.

(g) That all contracts for the sale of drip fluids or for the gathering thereof be furnished to the Commission for approval.

Mr. Randall Montgomery,
Page -2-,
May 11, 1957.

- (h) That the purchaser of all drip fluids file a monthly report reporting the amount of fluids recovered by drip. Provided that should the drips not be serviced, the gas transporter report to the Commission the disposition of all drip products by drip.

Very truly yours,



W. D. GIRAND.

G/bc

you probably ought to include a finding that these rules should be promulgated in order to prevent the waste of "drip."

It boils down to the reason for the order. as I see it the order is

necessary ⁽¹⁾ to prevent waste,
(2) to facilitate the accounting procedure +

(3) to facilitate the movement & handling of it to market

~~(4)~~ with respect to finding 3
it is detrimental to efficient operation more than a board.

Memo

From
MAIN OFFICE OCC

To Bill, This is simple enough. Return it with whatever comments you have, please.

The reason for reviving the case is that some of the ~~the~~ purchasers are insisting on specific rules on the movement of drip.

Thanks

Pete

Looks OK
To me. I'd put "drip" in quotes thru the order
(over)

GP-1 **Specify** **Nekoosa** BOND
MADE IN U.S.A.

Type plant - drif - EB

see 6 Bble crude condensate

item 1 - open to bal

2 frozen ^{on crude}

3 total load SW3

4 rec'd Prod SW4

5 produced

6 del

7 lost

8 tot down

9 ~~open~~ ^{to} tank bal

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

November 26, 1954

Mr. Arthur Barbeck
Railroad Commission of Texas
Oil and Gas Division
Tribune Building
AUSTIN, TEXAS

Dear Sir:

This Commission has recently been confronted with the problem of prescribing rules and regulations pertaining to the movement of drip gasoline. This case, which has been continued twice, is important to us because it involves considerable volume of "drip."

We do not want to impose regulations which are impossible or difficult to enforce, but at the same time feel that some effective control should be maintained over this product.

I would appreciate it very much if you would furnish me with an outline of the procedure which your Commission follows in authorizing the movement of drip gasoline from the time it is collected in "drips" until it is moved ultimately to the refiner. Copies of any forms which you require in connections with this matter will also be very helpful.

With best personal regards,

Sincerely,

W. B. Macey
Secretary-Director

WBM:nr

SAN JUAN
(TRANSPORTERS)
REPORT

OIL CONSERVATION COMMISSION
State of New Mexico

TRANSPORTER'S AND STORER'S MONTHLY REPORT

Report of SAN JUAN PETROLEUM CO., Month of SEPTEMBER, 1954

Address _____ AZTEC, NEW MEXICO _____
 (Street) (City) (State)

Total Stock Beginning of Month.....none.....Barrels

Receipts by Fields, by Leases—Total Each Field

County	Field or Pool	Name of Producer	Name of Lease	Barrels
			RECEIPT OF DRIP GATHERED BY EL PASO NATURAL GAS COMPANY AND STORED IN: BATTERY 16 19	2300 4000

TOTAL	6300
--------------	------

Receipts From Other Sources

Received From	Place of Receipt	Barrels
NONE		

TOTAL	
TOTAL RECEIPTS	6300
STOCK FIRST OF PERIOD PLUS RECEIPTS	6300

Deliveries

To Whom	Place of Delivery	Barrels
TOPOCK REFINING CO.	TOPOCK, NEW MEXICO	6300

TOTAL DELIVERIES	6300
TOTAL STOCK END OF MONTH	0
SHORTAGE	—
OVERAGE	—
TOTAL DELIVERIES AND STOCKS PLUS SHORTAGE OR MINUS OVERAGE	6300

I hereby certify that this report is true and complete to the best of my knowledge.

Name of Transporter or Storer_____

(Signature)

(Title)

(Follow Instructions in Reverse Side)

TRANSPORTER'S AND STORER'S MONTHLY REPORT

Report of EL PASO NATURAL GAS CO. Month of SEPT, 19 54Address EL PASO TEXAS
(Street) (City) (State)Total Stock Beginning of Month 4,125 Barrels

Receipts by Fields, by Leases—Total Each Field

County	Field or Pool	Name of Producer	Name of Lease	Barrels
SAN JUAN	RECEIPTS FROM DRIPS ON GAS GATHERING AND TRANSMISSION LINES STORED IN:		BATTERY 16	2,000
			19	3,600
			etc	

TOTAL 5600

Receipts From Other Sources

Received From	Place of Receipt	Barrels
none		

TOTAL

TOTAL RECEIPTS

5600

STOCK FIRST OF PERIOD PLUS RECEIPTS

6725

Deliveries

To Whom	Place of Delivery	Barrels
SAN JUAN PETROLEUM CO. (TRUCK)	BATTERY 16	2300
	19	4000

TOTAL DELIVERIES

6300

TOTAL STOCK END OF MONTH

420

SHORTAGE

5

OVERAGE

TOTAL DELIVERIES AND STOCKS PLUS SHORTAGE OR MINUS OVERAGE

6725

I hereby certify that this report is true and complete to the best of my knowledge.

Name of Transporter or Storer

EL PASO NATURAL GAS CO.

(Signature)

(Title)

(Follow Instructions in Reverse Side)

(Form C-110)
(Revised 7/1/52)

Santa Fe, New Mexico

It is necessary that Form C-104 be approved before this form can be approved and an initial allowable be assigned to any completed Oil or Gas well. Submit this form in QUADRUPLICATE.

Company or Operator. EL PASO NATURAL GAS CO. Lease

Address FARMINGTON, NEW MEXICO EL PASO, TEXAS
(Local or Field Office) (Principal Place of Business)

Unit , Well(s) No. , Sec. , T. , R. , Pool

County SAN JUAN AND RIO ARriba Kind of Lease: _____

If Oil well Location of Tanks. _____

Authorized Transporter. SAN JUAN PETROLEUM Co Address of Transporter

AZTEC, NEW MEXICO AZTEC, NEW MEXICO
(Local or Field Office) (Principal Place of Business)

Per cent of Oil or Natural Gas to be Transported 100 Other Transporters authorized to transport Oil or Natural Gas from this unit are NONE

REASON FOR FILING: (Please check proper box)

NEW WELL.....☐ CHANGE IN OWNERSHIP.....☐

CHANGE IN TRANSPORTER..... ☐ **OTHER** (Explain under Remarks)..... ☒

REMARKS: THIS IS TO AUTHORIZE SAN JUAN PETROLEUM CO.
TO TRANSPORT THE DRIP GATHERED BY ELPASO NATURAL GAS
COMPANY FROM ITS GAS GATHERING AND TRANSMISSION
SYSTEM IN SAN JUAN AND RIO ARriba COUNTIES NEW
MEXICO AND STORED IN THE FOLLOWING TANK BATTERIES:

BATTERY 16	LOCATED	NWNW	SECA	T30N	R9W
19	"	SWNE	9	31	11

(SEE ATTACHED SHEET FOR ADDITIONAL BATTERIES)
The undersigned certifies that the Rules and Regulations of the Oil Conservation Commission have been complied with.

Executed this the 11 day of JUNE 19 57

Approved....., 19.....

OIL CONSERVATION COMMISSION

By

Title

El Paso Natural Gas Co

By Jack Stricklen

Title..... *Diversicon Sept.*

(See Instructions on Reverse Side)

TRANSPORTER'S AND STORER'S MONTHLY REPORT

Report of JOHN DOE Month of SEPTEMBER, 1954
Address JAL NEW MEXICO
(Street) (City) (State)

Total Stock Beginning of Month 2734 Barrels

Receipts by Fields, by Leases—Total Each Field

County	Field or Pool	Name of Producer	Name of Lease	Barrels
LEA	RECEIPTS FROM DRIPS ON TRUNKS A, B, C, D OF EL PASO NATURAL GAS COMPANY'S HIGH PRESSURE GATHERING SYSTEM			8726

TOTAL 8726

Receipts From Other Sources

Received From	Place of Receipt	Barrels
NONE		

TOTAL
TOTAL RECEIPTS 8726
STOCK FIRST OF PERIOD PLUS RECEIPTS 11460

Deliveries

To Whom	Place of Delivery	Barrels
SINBAD REFINING CO.	HOBBS NEW MEXICO	9835

TOTAL DELIVERIES 9835
TOTAL STOCK END OF MONTH 1680
SHORTAGE
OVERAGE 35
TOTAL DELIVERIES AND STOCKS PLUS SHORTAGE OR MINUS OVERAGE 11460

I hereby certify that this report is true and complete to the best of my knowledge.

Name of Transporter or Storer JOHN DOE
Jim Brown Supt.
(Signature) (Title)

(Follow Instructions in Reverse Side)

It is necessary that Form C-104 be approved before this form can be approved and an initial allowable be assigned to any completed Oil or Gas well. Submit this form in QUADRUPLICATE.

(See Instructions on Reverse Side)

RECOMMENDED RULE BY EL PASO NATURAL GAS COMPANY

RULE _____

GATHERING AND TRANSPORTING OF LIQUID HYDROCARBONS RECOVERED IN
DRIPS OR OTHER COLLECTING DEVICES WHICH ARE A PART OF
NATURAL GAS GATHERING AND TRANSMISSION LINES

- A. Before any liquid hydrocarbons may be recovered from drips or other collecting devices on natural gas gathering and transmission lines by a party other than the owner of the pipeline facilities from which it is to be recovered, the following regulations must be complied with:
1. The party desiring to recover such liquid hydrocarbons must obtain from the New Mexico Oil Conservation Commission a permit to gather gas pipeline drip products. Such a permit shall be granted only after said party has proved to the Commission's satisfaction (1) that there is a need for such a permit and (2) that the operation will be conducted satisfactorily.
 2. Application for the permit discussed in 1 above must be accompanied by four copies of Form 110 executed by the owner of the gas pipeline facilities authorizing the gathering and transporting of such drip products and giving a description of the facilities which are authorized to be serviced.
 3. The gatherer and transporter authorized as provided above shall file Form 112 each calendar month in accordance with Rule 1111.
- B. Any liquid hydrocarbons which have been recovered from drips or other collecting devices on natural gas gathering and transmission lines by the owner of said pipeline facilities may be transported by a party other than such owner if the following regulations are complied with:
1. The owner of the gas pipeline facilities shall execute in quadruplicate and file with the Commission Form C-110 authorizing the transportation and describing the facilities to be serviced.
 2. The owner of the gas pipeline facilities shall file with the Commission a monthly report on Form C-112 indicating therein stocks of liquid hydrocarbons on hand and deliveries to each transporter for the month.
 3. The authorized transporter shall file with the Commission a monthly report on Form C-112 indicating therein receipts from each storer and deliveries to storers or refiners for the month.
- C. An owner of natural gas gathering and transmission lines who gathers and transports liquid hydrocarbons recovered from drips or other collecting devices on said lines shall file with the Commission a monthly report on Form C-112 indicating therein stocks of liquid hydrocarbons on hand and deliveries to storers or refiners for the month.

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 2. The owner of the gas pipeline facilities shall file with the Commission a monthly report on Form C-112 indicating therein stocks of liquid hydrocarbons on hand and deliveries to each transporter for the month.
 3. The authorized transporter shall file with the Commission a monthly report on Form C-112 indicating therein receipts from each storer and deliveries to storers or refiners for the month.
- C. An owner of natural gas gathering and transmission lines who gathers and transports liquid hydrocarbons recovered from drips or other collecting devices on said lines shall file with the Commission a monthly report on Form C-112 indicating therein stocks of liquid hydrocarbons on hand and deliveries to storers or refiners for the month.

RECOMMENDED RULE BY EL PASO NATURAL GAS COMPANY

RULE _____

GATHERING AND TRANSPORTING OF LIQUID HYDROCARBONS RECOVERED IN
DRIPS OR OTHER COLLECTING DEVICES WHICH ARE A PART OF
NATURAL GAS GATHERING AND TRANSMISSION LINES

- A. Before any liquid hydrocarbons may be recovered from drips or other collecting devices on natural gas gathering and transmission lines by a party other than the owner of the pipeline facilities from which it is to be recovered, the following regulations must be complied with:
1. The party desiring to recover such liquid hydrocarbons must obtain from the New Mexico Oil Conservation Commission a permit to gather gas pipeline drip products. Such a permit shall be granted only after said party has proved to the Commission's satisfaction (1) that there is a need for such a permit and (2) that the operation will be conducted satisfactorily.
 2. Application for the permit discussed in 1 above must be accompanied by four copies of Form 110 executed by the owner of the gas pipeline facilities authorizing the gathering and transporting of such drip products and giving a description of the facilities which are authorized to be serviced.
 3. The gatherer and transporter authorized as provided above shall file Form 112 each calendar month in accordance with Rule 1111.
- B. Any liquid hydrocarbons which have been recovered from drips or other collecting devices on natural gas gathering and transmission lines by the owner of said pipeline facilities may be transported by a party other than such owner if the following regulations are complied with:
1. The owner of the gas pipeline facilities shall execute in quadruplicate and file with the Commission Form C-110 authorizing the transportation and describing the facilities to be serviced.
 2. The owner of the gas pipeline facilities shall file with the Commission a monthly report on Form C-112 indicating therein stocks of liquid hydrocarbons on hand and deliveries to each transporter for the month.
 3. The authorized transporter shall file with the Commission a monthly report on Form C-112 indicating therein receipts from each storer and deliveries to storers or refiners for the month.
- C. An owner of natural gas gathering and transmission lines who gathers and transports liquid hydrocarbons recovered from drips or other collecting devices on said lines shall file with the Commission a monthly report on Form C-112 indicating therein stocks of liquid hydrocarbons on hand and deliveries to storers or refiners for the month.

RECOMMENDED RULE BY EL PASO NATURAL GAS COMPANY

RULE _____

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1. The party desiring to recover such liquid hydrocarbons must obtain from the New Mexico Oil Conservation Commission a permit to gather gas pipeline drip products. Such a permit shall be granted only after said party has proved to the Commission's satisfaction (1) that there is a need for such a permit and (2) that the operation will be conducted satisfactorily.
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 2. The owner of the gas pipeline facilities shall file with the Commission a monthly report on Form C-112 indicating therein stocks of liquid hydrocarbons on hand and deliveries to each transporter for the month.
 3. The authorized transporter shall file with the Commission a monthly report on Form C-112 indicating therein receipts from each storer and deliveries to storers or refiners for the month.
- C. An owner of natural gas gathering and transmission lines who gathers and transports liquid hydrocarbons recovered from drips or other collecting devices on said lines shall file with the Commission a monthly report on Form C-112 indicating therein stocks of liquid hydrocarbons on hand and deliveries to storers or refiners for the month.

C. MELVIN NEAL
W. D. GIRAND, JR.
KERNIT E. NASH
W. D. GIRAND, SR.
J. W. NEAL

TELEPHONES:
3-5171 3-5172
P. O. BOX 1326

MAIN OFFICE
NEAL & GIRAND
LAWYERS
NEAL BUILDING
HOBBS, NEW MEXICO

RECEIVED
SEP 27 1954
September 25, 1954

Oil Conservation Commission,
Santa Fe, New Mexico.

Attention: Mr. W. B. Macey.

Dear Mr. Macey:

Some time ago I discussed with you the preparation of a notice for the Commission to consider the adoption of rules and regulations covering acquisition, transportation and sale of drip gasoline and trap oil. I am enclosing herewith a suggested notice which I feel will cover all phases of the hearing and between now and the 15th of October I will furnish you with a proposed set of rules and regulations covering this item.

Very truly yours,

NEAL & GIRAND,

BY: 

G/l
Encl.

PROPOSED NOTICE

CASE NO. _____

APPLICATION OF THE COMMISSION UPON ITS OWN MOTION TO
REVISE RULE 312 TO PROMULGATE SUPPLEMENTARY AND ADDITIONAL
RULES AND REGULATIONS GOVERNING THE ACQUISITION, TRANSPORTATION
AND SALE OF DRIP GASOLINE AND TRAP OIL.

PROPOSED RULE REVISIONS IN CASE 791

The following memorandum reflects informally the changes in rules recommended by the Oil Conservation Commission staff in Case 791, as advertised for the November 17, 1954, regular hearing.

502 II

No unit shall produce during any one proration period more than the allowable production of such unit for the proration period plus a tolerance of not to exceed 5 days allowable production. This permissive tolerance of overproduction from a unit shall be adjusted or balanced by subsequent corresponding underproduction from the same unit. Overproduction within the permitted tolerance shall be considered as oil produced against the allowable production assigned to the unit for the proration period during which such overproduction is adjusted or balanced by underproduction.

(The present rule requires that any overproduction must be adjusted during the month following the month in which it occurs. The proposed revision retains the limit of 5 days tolerance but does not prescribe a specific time for adjustment. It provides in effect a running cushion of 5 days tolerance which is more in keeping with practical operating practices.)

503 (a)

The Commission shall meet between the 13th and 20th of each month at open hearing for the purpose of determining the amount of oil to be produced from all oil pools for the following calendar month.

(This would merely change the monthly dates of hearings from the 15th to 20th, to the 13th to 20th, thus allowing for hearing to be held earlier in the month. This would facilitate the publication of the proration schedule, by making known the normal unit allowable at an earlier date. It would also allow more time between the New Mexico and Texas hearings for those who would attend both hearings.

505 (g)

The top unit allowables hereinabove determined shall be assigned to the respective pools in accordance with each pool's depth range. Allowables to marginal wells, other than those affected by gas-oil ratios, will be assigned on the basis of nominations submitted by the operator on form C-127. Such nominations must be based upon the ability of the well to produce without waste; otherwise the allowable will be assigned on the basis of the latest available production figures. The sum of the allocation to all marginal units plus the sum of the allocation to all non-marginal units in each pool shall constitute the allocation for each pool.

(No changes except to substitute form C-127 for form C-115 for use in making nominations.)

1114

Operator's monthly report, Form C-115, shall be filed on each producing lease within the State of New Mexico for each calendar month setting forth complete information and data indicated on said form. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests. Each report for each month shall be filed in time to reach the Commission offices not later than the 24th of the next succeeding month. Failure of the operator to file form C-115 in time to reach the Commission by the 24th of the month shall result in the reduction of the next month's allowable for the affected well or wells by one day for each day the C-115 is late.

It will not be necessary to fill in the daily well nomination column of form C-115, since this information is reported on form C-127.

(This proposed revision extends the deadline date for filing form C-115 from the 18th to the 24th of the month, and a penalty of an allowable reduction of one day for each day the report is late is provided. This proposal would also allow oil production of units producing into common storage to be estimated.)

1126

Request for allowable changes, Form C-127.

(One copy of Form C-127 shall be filed with the Oil Conservation Commission, Box 2045, Hobbs, New Mexico, not later than the 15th of the month preceding the month for which allowable changes are requested.)

This form shall include only the wells for which allowable changes are desired.

(El Paso Natural Gas Company's Proposed Rules)

GATHERING AND TRANSPORTING OF LIQUID HYDROCARBONS RECOVERED
IN DRIPS OR OTHER COLLECTING DEVICES WHICH ARE A PART OF NATURAL
GAS GATHERING AND TRANSMISSION LINES

- A. Before any liquid hydrocarbons may be recovered from drips or other collecting devices on natural gas gathering and transmission lines by a party other than the owner of the pipeline facilities from which it is to be recovered, the following regulations must be complied with:
1. The party desiring to recover such liquid hydrocarbons must obtain from the New Mexico Oil Conservation Commission a permit to gather gas pipeline drip products. Such a permit shall be granted only after said party has proved to the Commission's satisfaction (1) that there is a need for such a permit and (2) that the operation will be conducted satisfactorily.
 2. Application for the permit discussed in 1 above must be accompanied by four copies of Form 110 executed by the owner of the gas pipeline facilities authorizing the gathering and transporting of such drip products and giving a description of the facilities which are authorized to be serviced.
 3. The gatherer and transporter authorized as provided above shall file Form 112 each calendar month in accordance with Rule 1111.
- B. Any liquid hydrocarbons which have been recovered from drips or other collecting devices on natural gas gathering and transmission lines by the owner of said pipeline facilities may be transported by a party other than such owner if the following regulations are complied with:
1. The owner of the gas pipeline facilities shall execute in quadruplicate and file with the Commission Form C-110 authorizing the transportation and describing the facilities to be serviced.
 2. The owner of the gas pipeline facilities shall file with the Commission a monthly report on Form C-112 indicating therein stocks of liquid hydrocarbons on hand and deliveries to each transporter for the month.
 3. The authorized transporter shall file with the Commission a monthly report on Form C-112 indicating therein receipts from each storer and deliveries to storers or refiners for the month.

CASE 779

(Famariss Oil & Refining Company's Proposed Rules)

Rule 312, Subsection (c) of the Rules and Regulations of the Oil Conservation Commission be amended as follows:

None of the provisions of Paragraph (a) and (b) of this Rule are applicable to the recovery of wash-in oil, creek oil, pit oil, or scrubber oil where such oil is picked up and returned to the lease on which produced or where such oil is disposed of by the owner to an authorized purchaser or transporter and accounted for on Commission Form C-110. Provided, however, before any person other than the owner shall pick up, reclaim, salvage or transport wash-in oil, creek oil, pit oil, or scrubber oil, a permit to do so shall be obtained from the owner or operator of the lease, pipeline, or refinery and a permit from the duly authorized agent of the Commission. A purchaser or transporter desiring to obtain a permit to perform the services under Subsection (c) of this Rule shall:

1. File with the Commission a surety bond of performance satisfactory to the Commission, payable to the Commission of the State of New Mexico in the penal amount of \$25,000.00.
2. A written application for a permit to transport shall be filed and a public hearing had thereon. All applications to show:
 - (a) The name and location of the lease, trap or pit;
 - (b) The number of well or wells from which the oil or drip was produced or the source of such oil or drip;
 - (c) The name of the owner, operator or manager of the lease, pipeline or refinery;
 - (d) Contracts of purchase, if any.
3. All permittees will be required to establish permanent storage facilities in the area called for in the permit and give the location thereof, such facilities to serve the area covered by the permit.
4. All permittees will be required to furnish the following evidence, to-wit:
 - (a) Run Tickets showing acquisition;
 - (b) Accumulation reports showing storage;
 - (c) C-110;

After the granting of a permit in the event the permittee is found guilty of violation of any of the Rules and Regulations of the Oil Conservation Commission or any of the laws of the State of New Mexico in regard to the production, sale and transportation of oil or drip gasoline, said permit shall be subject to cancellation without hearing. The Commission may suspend any permittee upon presentation of evidence of violation of the Rules and Regulations of the Commission; provided, however, that such suspension shall be temporary until the charges against the permittee are made known to the permittee and the hearing before the Commission must be granted the permittee within twenty days after the notification of the charges made, and should the Commission determine that the charges are well founded, the Commission may then enter its order cancelling the permit.

CASE 779
(Famariss Oil & Refining Company's Proposed Form)

OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Monthly Report of Operations for _____, 19____

Operator _____	Address _____
Lease _____	Sec. _____ T.S. _____ Rge. _____

Stock on hand - Beginning of period	
Acquisitions - Gross	_____
Deduct, Losses on acquisitions	_____
Acquisitions - Net	_____
Pipeline runs	_____
Add, Losses on pipeline runs	_____
Pipeline runs - Gross	_____
Stock on hand - End of period	_____

Represented by:
- Stock below pipeline connection _____
Gross Allowable requested by C-110
dated _____

Total _____

Signed: _____
By: _____

STATE OF NEW MEXICO)
COUNTY OF _____)

Before me, the undersigned authority, personally appeared _____
Known to me to be the _____ of the plant filing the above report who upon his
oath says that the above and foregoing report including attached papers is complete and
each statement therein contained is true and correct, and that no oil or the products there-
of was received, delivered, processed, reclaimed, blended, treated or on hand at the
beginning or end of the reported period, in addition to that shown during the above reported
period.

SUBSCRIBED AND SWORN TO BEFORE ME, THIS _____ day of _____,
19_____.

S e a l

Notary Public in and for _____
County, New Mexico
My Commission Expires: _____

212 / 16 23

CASE 779
(Famariss Oil & Refining Company's Proposed Form)
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
For the period from _____ to _____

Operator _____	Address _____
Lease _____	Sec. _____ T.S. _____ Rge. _____
Stock on hand - Beginning of Period _____	
Acquisitions - Gross _____	
Deduct, Losses on acquisitions _____	
Acquisitions - Net _____	
Total _____	
Pipeline runs - Net _____	
Add, Losses on pipeline runs _____	
Pipeline runs - Gross _____	
Total product available (stock on hand-End of period) _____	
Deduct, Stock below pipeline connection _____	
GROSS ALLOWABLE REQUIRED _____	
Deduct, balance not run of Gross Allowable authorized by C-110 dated _____	
NET ALLOWABLE REQUIRED _____	

Schedule of Acquisitions and Pipeline Runs
(Tickets Attached)

Date	Ticket	Company	Acquisitions	Pipeline Runs
(If further space is required, attach schedule)				
TOTALS				

Signed: _____
By: _____

STATE OF NEW MEXICO)
COUNTY OF _____)

Before me, the undersigned authority personally appeared _____
known to me to be the _____ of the plant filing the above report who upon
oath says that the above and foregoing report including attached papers is complete and each
statement therein contained is true and correct, and that no oil or the products thereof was
received, delivered, processed, reclaimed, blended, treated or on hand at the beginning or
end of the reported period, in addition to that shown during the above reported period; and that
said reporting firm is entitled to C-110 for shipment of the tenderable stock at the end of the
period covered and as shown by this report.

SUBSCRIBED AND SWORN TO BEFORE ME, THIS _____ day of _____, 19____
Approved Date _____
By: _____
For: Oil Conservation Commission

Notary Public in and for _____
County, New Mexico
My Commission Expires: _____

RULE 312

SUBSECTION (c):

None of the provisions of Paragraph A and B of this rule are applicable to the recovery of wash-in oil, creek oil, pit oil, scrubber oil or drip gasoline or oil where such oil is picked up and returned to the lease on which produced or where such oil is disposed of by the owner to an authorized purchaser and accounted for on Commission Form C-110.

SUBSECTION (d):

The Commission shall issue a permit to any purchaser or transporter (not a common purchaser as defined by the rules of the Commission) upon such purchaser or transporter filing an application for a permit, such application to show the following, to-wit:

1. The name and location of the lease, trap or pit;
2. The source of such oil or drip;
3. The name of the owner or operator;
4. Copies of contracts of purchase;
5. The location of permanent storage to be installed by permittee;
6. Surety bond payable to the Oil Conservation Commission of the State of New Mexico in the penal amount of \$25,000.00 on a form satisfactory to the Commission.

Upon the granting of a permit to a purchaser or transporter, such permittee will be required to furnish the following evidence, to-wit:

1. Run tickets showing acquisition;
2. Accumulation reports showing storage
3. C-110
4. Monthly reports.

After the granting of a permit in the event the permittee is found guilty of violation of any of the Rules and Regulations of the Oil Conservation Commission or any of the laws of the State of New Mexico in regard to the production, sale and transportation of wash-in oil, creek oil, pit oil, scrubber oil, or drip gasoline, said permit shall be subject to cancellation without hearing. The Commission may suspend any permittee upon presentation of evidence of violation of the Rules and Regulations of the Commission; provided, however, that such suspension shall be temporary until the charges against the permittee are made known to the permittee and the hearing before the Commission must be granted the permittee within twenty days after the notification

of the charges made, and should the Commission determine that the charges are well founded, the Commission may then enter its order cancelling the permit.

MAIN OFFICE 000

30 NOV 1944 AM 9:01

Saturday Morning

Bill, in case you have not had time to look very closely at the proposals in case 779, here, briefly, are sum and substance.

The proposals by El Paso very closely follow the procedure under which we have been operating, with the exception that the prospective transporter would be required to obtain a permit after establishing the need for such a permit and furnishing proof that the operations would be conducted in a manner satisfactory to the Commission. They propose the filing of no other forms than the C 110 and C112.

The Famariss proposal would apply Rule 312c to the transportation and sale of drip, although this rule as amended, or, proposed does not specifically refer to drip. The requirements for the drip transporter to meet would be:

- 1, Furnish a \$25,000 surety bond,
- 2, Establish storage facilities,
- 3, Obtain a permit from the Commission and
- 4, File the following forms
C110, ~~C112~~, Run tickets showing acquisition,
accumulation reports showing storage, and monthly
reports.

CASE 779

(Famariss Oil & Refining Company's Proposed Rules)

Rule 312, Subsection (c) of the Rules and Regulations of the Oil Conservation Commission be amended as follows:

None of the provisions of Paragraph (a) and (b) of this Rule are applicable to the recovery of wash-in oil, creek oil, pit oil, or scrubber oil where such oil is picked up and returned to the lease on which produced or where such oil is disposed of by the owner to an authorized purchaser or transporter and accounted for on Commission Form C-110. Provided, however, before any person other than the owner shall pick up, reclaim, salvage or transport wash-in oil, creek oil, pit oil, or scrubber oil, a permit to do so shall be obtained from the owner or operator of the lease, pipeline, or refinery and a permit from the duly authorized agent of the Commission. A purchaser or transporter desiring to obtain a permit to perform the services under Subsection (c) of this Rule shall:

1. File with the Commission a surety bond of performance satisfactory to the Commission, payable to the Commission of the State of New Mexico in the penal amount of \$25,000.00.
2. A written application for a permit to transport shall be filed and a public hearing had thereon. All applications to show:
 - (a) The name and location of the lease, trap or pit;
 - (b) The number of well or wells from which the oil or drip was produced or the source of such oil or drip;
 - (c) The name of the owner, operator or manager of the lease, pipeline or refinery;
 - (d) Contracts of purchase, if any.
3. All permittees will be required to establish permanent storage facilities in the area called for in the permit and give the location thereof, such facilities to serve the area covered by the permit.
4. All permittees will be required to furnish the following evidence, to-wit:
 - (a) Run Tickets showing acquisition;
 - (b) Accumulation reports showing storage;
 - (c) C-110;

After the granting of a permit in the event the permittee is found guilty of violation of any of the Rules and Regulations of the Oil Conservation Commission or any of the laws of the State of New Mexico in regard to the production, sale and transportation of oil or drip gasoline, said permit shall be subject to cancellation without hearing. The Commission may suspend any permittee upon presentation of evidence of violation of the Rules and Regulations of the Commission; provided, however, that such suspension shall be temporary until the charges against the permittee are made known to the permittee and the hearing before the Commission must be granted the permittee within twenty days after the notification of the charges made, and should the Commission determine that the charges are well founded, the Commission may then enter its order cancelling the permit.

CASE 779
(Famariss Oil & Refining Company's Proposed Form)

OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Monthly Report of Operations for _____, 19____

Operator _____ Address _____
Lease _____ Sec. _____ T.S. _____ Rge. _____

Stock on hand - Beginning of period	_____	_____
Acquisitions - Gross	_____	_____
Deduct, Losses on acquisitions	_____	_____
Acquisitions - Net	_____	_____
Pipeline runs	_____	_____
Add, Losses on pipeline runs	_____	_____
Pipeline runs - Gross	_____	_____
Stock on hand - End of period	_____	_____

Represented by:
 Stock below pipeline connection _____
 Gross Allowable requested by C-110 _____
 dated _____

Total _____

Signed: _____
By: _____

STATE OF NEW MEXICO)
COUNTY OF _____)

Before me, the undersigned authority, personally appeared _____
Known to me to be the _____ of the plant filing the above report who upon his
oath says that the above and foregoing report including attached papers is complete and
each statement therein contained is true and correct, and that no oil or the products there-
of was received, delivered, processed, reclaimed, blended, treated or on hand at the
beginning or end of the reported period, in addition to that shown during the above reported
period.

SUBSCRIBED AND SWORN TO BEFORE ME, THIS _____ day of _____,
19_____.

S e a l

Notary Public in and for _____
County, New Mexico
My Commission Expires: _____

CASE 779
(Famariss Oil & Refining Company's Proposed Form)
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
For the period from _____ to _____

Operator _____ Address _____
Lease _____ Sec. _____ T.S. _____ Rge. _____

Stock on hand - Beginning of Period _____
Acquisitions - Gross _____
 Deduct, Losses on acquisitions _____
 Acquisitions - Net _____
Total _____
Pipeline runs - Net _____
 Add, Losses on pipeline runs _____
 Pipeline runs - Gross _____
Total product available (stock on hand-End of period) _____
 Deduct, Stock below pipeline connection _____
GROSS ALLOWABLE REQUIRED _____
 Deduct, balance not run of Gross Allowable authorized
 by C-110 dated _____
NET ALLOWABLE REQUIRED _____

Schedule of Acquisitions and Pipeline Runs
(Tickets Attached)

Date	Ticket	Company	Acquisitions	Pipeline Runs
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
(If further space is required, attach schedule)			TOTALS	_____

STATE OF NEW MEXICO)
COUNTY OF _____)

Signed: _____
By: _____

Before me, the undersigned authority personally appeared _____
known to me to be the _____ of the plant filing the above report who upon
oath says that the above and foregoing report including attached papers is complete and each
statement therein contained is true and correct, and that no oil or the products thereof was
received, delivered, processed, reclaimed, blended, treated or on hand at the beginning or
end of the reported period, in addition to that shown during the above reported period; and that
said reporting firm is entitled to C-110 for shipment of the tenderable stock at the end of the
period covered and as shown by this report.

SUBSCRIBED AND SWORN TO BEFORE ME, THIS _____ day of _____, 19____
Approved Date _____
By: _____
For: Oil Conservation Commission

Notary Public in and for _____
County, New Mexico
My Commission Expires: _____

(El Paso Natural Gas Company's Proposed Rules)

GATHERING AND TRANSPORTING OF LIQUID HYDROCARBONS RECOVERED
IN DRIPS OR OTHER COLLECTING DEVICES WHICH ARE A PART OF NATURAL
GAS GATHERING AND TRANSMISSION LINES

- A. Before any liquid hydrocarbons may be recovered from drips or other collecting devices on natural gas gathering and transmission lines by a party other than the owner of the pipeline facilities from which it is to be recovered, the following regulations must be complied with:
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 2. Application for the permit discussed in 1 above must be accompanied by four copies of Form 110 executed by the owner of the gas pipeline facilities authorizing the gathering and transporting of such drip products and giving a description of the facilities which are authorized to be serviced.
 3. The gatherer and transporter authorized as provided above shall file Form 112 each calendar month in accordance with Rule 1111.
- B. Any liquid hydrocarbons which have been recovered from drips or other collecting devices on natural gas gathering and transmission lines by the owner of said pipeline facilities may be transported by a party other than such owner if the following regulations are complied with:
1. The owner of the gas pipeline facilities shall execute in quadruplicate and file with the Commission Form C-110 authorizing the transportation and describing the facilities to be serviced.
 2. The owner of the gas pipeline facilities shall file with the Commission a monthly report on Form C-112 indicating therein stocks of liquid hydrocarbons on hand and deliveries to each transporter for the month.
 3. The authorized transporter shall file with the Commission a monthly report on Form C-112 indicating therein receipts from each storer and deliveries to storers or refiners for the month.