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# LION OIL COMPANY

A DIVISION OF MONSANTO CHEMICAL COMPANY



PRODUCTION & EXPLORATION  
ROCKY MOUNTAIN REGION  
DENVER DISTRICT

January 18, 1960

1310 DENVER CLUB BLDG.  
DENVER 2, COLORADO  
PHONE ACOMA 2-5641

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

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

Monsanto's Application for exception to  
No-Flare provision of Order R-1427, Bisti-  
Gallup Pool, San Juan County, New Mexico

Gentlemen:

On January 9, 1960, the Lion Oil Company, a Division of Monsanto Chemical Company, filed an application asking relief from the no-flare provision of Order R-1427. This application is docketed for hearing on January 27, 1960.

This is to advise you that we now withdraw the application of January 9, 1960. We anticipate final connection to El Paso's sales line about January 21, 1960.

Very truly yours,

LION OIL COMPANY

*J. Murphy, Jr.*  
J. Murphy, Jr.  
District Production Supt.

JM:JTR:wt

cc: Mr. E. C. Arnold  
District III Supervisor

Hervey, Dow and Hinkle  
Attn: Mr. Howard Bratton

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF MONSANTO CHEMICAL COMPANY  
REQUESTING THAT THE COMMISSION  
GRANT AN EXCEPTION TO THE PROVISIONS  
OF ORDER NO. R-1427 WITH RESPECT TO  
APPLICANT'S WELLS LOCATED IN SECTIONS  
34 and 35, TOWNSHIP 25 NORTH, RANGE 10  
WEST, SAN JUAN COUNTY, NEW MEXICO.

1887  
CASE NO. ~~1569~~

APPLICATION

TO THE SECRETARY-DIRECTOR AND TO THE COMMISSION:

Monsanto Chemical Company, a Delaware corporation  
herein called applicant, states:

1. Applicant is a Delaware corporation authorized  
to do business in New Mexico.

2. Applicant is an interested party in that it owns  
and holds oil and gas leasehold interests on which are located  
five (5) producing wells as follows:

<u>Lease</u>	<u>Well No.</u>	<u>Unit</u>	<u>S.T.R.</u>
Atlas	1	J	34-25-10
Atlas	2	E	34-25-10
Atlas	3	N	35-25-10
Blanche	1	O	34-25-10
Frank	1	L	34-25-10

3. By Order No. R-1427 dated June 25, 1959, the Commission prohibited the flaring or venting of gas from the wells in the Bisti-Lower Gallup Oil Pool after December 31, 1959 except when authorized as in said Order provided. Said Order further authorized the Secretary-Director to grant an exception to the provisions of said Order upon application to him for such exception if he determines that the granting of the exception is reasonably necessary to prevent waste or to prevent undue hardship on the applicant.

4. On December 31, 1959 the Commission entered an emergency Order extending the effective date of Order No. R-1427 to 12:01 A.M. January 16, 1960.

5. Pursuant to the provisions of said Order No. R-1427 the applicant submits this application to the Secretary-Director, and if the requested exception is denied, to the Commission.

6. Applicant seeks herein an exception to the provisions of said Order No. R-1427 with respect to its five (5) wells referred to above for a period of thirty (30) days. Applicant wishes said thirty days' period to commence on January 16, 1960 if the Secretary-Director sees fit to grant the exception requested herein. In the event the Secretary-Director declines to grant and approve such exception, applicant wishes said thirty days' period to commence immediately after approval of this application by the Commission at its next hearing.

7. In support of its application for exception to the prohibitions of said Order No. R-1427 applicant states that the granting of said exception is reasonably necessary to prevent waste and prevent undue hardship on the part of the applicant:

- (a) There have been unexpected and repeated delays over which applicant has had no control in the connection of natural gas pipeline facilities to applicant's said wells.
- (b) Applicant is informed and believes and upon such information and belief states that a substantial number of wells in said pool are presently connected to natural gas pipeline facilities and consequently said wells can produce the oil and gas therefrom, and are producing oil and gas without flaring or venting gas.
- (c) In the event that applicant should be restricted from continuing to produce oil and gas from its said wells because said natural gas pipeline facilities are not yet connected thereto while other wells in said pool continue to produce, draining of applicant's fair share of oil and gas under its leases will occur and applicant's correlative rights to such products will be impaired or denied.

- (d) Depending upon the length of time during which such inequity continues, the impairment or denial of applicant's correlative rights will be aggravated, and the ultimate recovery by applicant from its leases will be reduced.
- (e) The foregoing constitutes an undue hardship on this applicant, and since applicant believes that production from its wells can be practicably obtained without waste in any measurable amount, applicant states that it is entitled to the relief herein requested, and that impairment or denial of its correlative rights would constitute a denial of the rights of applicant under the provisions of Chapter 69, Section 213-1/2 of the New Mexico Statutes Annotated, 1941, as amended by the provisions of the Laws of 1953, Chapter 76, page 127.

8. Applicant has been informed that the natural gas pipeline connection to its said wells will be installed on January 21, 1960, and if such is the case, it is clear that no significant waste can occur from the flaring or venting of gas from applicant's said wells during the period between January 16, 1960 and January 21, 1960. On the other hand if there are further delays in making said natural gas pipeline connections the undue



and as to those matters he believes the same to be true..

J. Murphy, Jr.

Subscribed and sworn to before me this 9<sup>th</sup> day of  
January, 1960.

WITNESS my hand and official seal.

My commission expires July 9, 1961

Margaret A. Engle  
Notary Public