

# TEXACO INC.

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT  
MIDLAND DIVISION



J. H. MARKLEY, DIVISION MANAGER

P. O. BOX 3109  
MIDLAND, TEXAS

December 31, 1963

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7/10  
CASE NO. 2305, ORDER NO. R-2008  
LITTLE LUCKY LAKE (DEVONIAN) POOL  
CHAVES COUNTY, NEW MEXICO

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

Attn: Mr. A. L. Porter, Jr.

Gentlemen:


Reference is made to Order No. R-2008 dated June 22, 1961. This order was issued as a result of Case No. 2305 which was heard at the regular Statewide hearing on June 14, 1961. The subject order approved the application of Texaco Inc. for permission to market in excess of the allowable limits in the Little Lucky Lake (Devonian) Pool, Chaves County, New Mexico.

It is stated in the order that the provisions of this order do not become effective until the first day of the month following the completion and placing into service the extraction and stabilization plant and the casinghead gas gathering and sales facilities. At the time that Texaco initiated action for this hearing we had a firm contract with Transwestern Pipeline Company, the only available residue purchaser in the area, for the purchase of the residue gas from the proposed plant. Due to the favorable economics, it was certainly Texaco's intention to complete the plant and utilize the provisions of Order No. R-2008. We entered into a contract with Maloney-Crawford Tank Company to construct the plant and construction was actually commenced. We were later advised by Transwestern that they would not be able to fulfill the residue gas contract, and at considerable expense Texaco canceled the construction contract with Maloney-Crawford. The economics of the plant were such that it was not feasible to construct and operate the plant without a residue gas sale. We then began negotiation for a casinghead gas sales and in April, 1963, Skelly Oil Company began purchasing the casinghead gas from the wells in the Little Lucky Lake (Devonian) Pool and processing it in their Maljamar plant.

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It can be seen that the special allowable as provided for in the provisions of Order No. R-2008 will not become effective. We, therefore, wish to take this opportunity to inform you that there will be no need for this order in the future and to further state that Texaco's action in soliciting your approval of this application was in good faith and that it was our sincere intention to complete the Little Lucky Lake plant. We are sorry that the circumstances which have arisen have forced the cancellation of our plans to construct this plant; however, we certainly want to thank you for your favorable consideration of our application.

Yours very truly,

  
J. H. Markley  
Division Manager

CRB-MM