

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 871
SANTA FE

June 22, 1961

Mr. Charlie White
Gilbert, White & Gilbert
Box 787
Santa Fe, New Mexico

Re: CASE NO. 2305
ORDER NO. R-2008
APPLICANT:
Texaco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

OTHER Mr. C. A. Samples
Socony Mobil Oil Company Inc.
Box 2406
Hobbs, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2305
Order No. R-2008

APPLICATION OF TEXACO INC.
FOR PERMISSION TO MARKET IN
EXCESS OF ALLOWABLE, LITTLE
LUCKY LAKE-DEVONIAN POOL,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 14, 1961, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 22nd day of June, 1961, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the production from the Little Lucky Lake-Devonian Pool in Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico, is approximately 60.6° gravity and, due to its highly volatile nature, it is impossible to prevent a substantial amount of the production from escaping into the atmosphere under present operating conditions.
- (3) That in order to prevent the waste of these escaping vapors, the applicant, Texaco Inc., proposes to install an extraction and stabilization plant on its Little Lucky Lake Unit in said pool.
- (4) That in order to justify the cost of constructing such a plant, the applicant seeks permission to market stock tank liquids approximately 11.0 percent in excess of top unit allowable plus such other liquids, including propane, which may be recovered.
- (5) That no increase in the present rate of production would be required to market such excess, the increase being the amount of liquid production presently escaping into the atmosphere.

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CASE No. 2305
Order No. R-2008

(6) That unless the applicant is permitted to market such amount in excess of top unit allowable, the installation of its proposed plant would not be economically feasible.

(7) That inasmuch as the applicant, Texaco Inc., as the operator of the Little Lucky Lake Unit Area, is the only operator within the limits of the Little Lucky Lake-Devonian Pool as it is now defined or as it may reasonably be expected to be defined, the approval of the application should result in no violation of correlative rights.

(8) That in order to prevent waste on an economical basis, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized a top unit allowable for wells on its Little Lucky Lake Unit, Little Lucky Lake-Devonian Pool, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico, equal to the Southeast New Mexico normal unit allowable times the pool depth factor of 5.67 times 1.11; provided, however, that propanes and other lighter liquids recovered by the operation of the extraction and stabilization plant and marketed separately or otherwise beneficially utilized shall not be charged to the allowable.

(2) That the provisions of this order shall not become effective until the first day of the month following the completion and placing into service of the aforesaid extraction and stabilization plant and the casinghead gas gathering and sales facilities.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

esr/