

Case No.

1201

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1124
Order No. R-901

APPLICATION OF PACIFIC NORTHWEST
PIPELINE CORPORATION FOR AN ORDER
EXTENDING THE TIME LIMITS SET FOR
MAKING DELIVERABILITY TESTS FOR
APPROXIMATELY 125 GAS WELLS IN THE
BLANCO-MESAVERDE GAS POOL LOCATED
IN SAN JUAN AND RIO ARriba COUNTIES,
NEW MEXICO AS REQUIRED BY ORDER R-333-C
AND D, AND FOR THE ASSIGNMENT OF
ALLOWABLES TO SAID WELLS IN EXCEPTION
TO ORDER R-128-D.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on August 8, 1956, at Aztec, New Mexico, before Warren W. Mankin, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on the 26th day of October, 1956, the Commission, a quorum being present, having considered the application, the evidence adduced, the recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That the applicant, by the evidence adduced, has shown the need and justification for granting exceptions to Section B, Sub-Section I, Paragraph A, and Section B, Sub-Section I, Paragraph B of Order R-333-C and D, as well as Rules 5 and 9 of Order R-128-D insofar as these rules apply to the period of time in which deliverability tests shall be accomplished and the sequence in the testing procedure where the 7-day shut-in pressure shall be measured when accomplishing annual deliverability tests.

IT IS THEREFORE ORDERED:

1. That the applicant shall be exempt from provisions of Section B, Sub-Section I, Paragraph A, Part 1, of Order R-333-C and D and may accomplish deliverability tests on newly connected wells required thereby at any time during the year 1956.

-2-

Case No. 1124
Order No. R-901

2. That the applicant shall be exempt from the provisions of Section B, Sub-Section I, Paragraph B, fourth subparagraph of Order R-333-C and D, to allow the applicant to use the 7-day shut-in pressure taken in the process of completing the wells for calculating the deliverability of the wells. This exception shall be applicable for all wells connected to the applicant's transportation facility during the year 1956.

3. That the deliverability tests accomplished by using the exceptions provided for in paragraphs 1 and 2 above will be accepted by the Commission as annual 1956 deliverability tests.

4. That the deliverability tests required in Rule 5 of Order 128-D may be accomplished as provided for in paragraphs 1 and 2 above.

5. That all wells connected to the applicant's transportation facilities during the year 1956 to be excepted from the provisions of Paragraph (c) of Rule 9, Order R-128-D.

6. That the allowable for all wells connected to the applicant's transportation facilities prior to 7:00 o'clock a.m. November 1, 1956 shall commence as of that time, or at such time as the requirements of Paragraph (b) of Rule 9, Order R-128-D have been met; whichever date is later.

7. That the allowable for all wells connected to the applicant's transportation facilities after 7:00 o'clock a.m. November 1, 1956 and before January 1, 1957 shall commence as provided in Paragraph (a) and (b) of Rule 9, Order R-128-D.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

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

S E A L

ir/

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

February 28, 1957

Mr. Thomas A. Dugan
Pacific Northwest Pipeline Corp.
405½ W. Broadway
Farmington, New Mexico

Dear Sir:

We enclose a copy of Order R-954 issued by the Oil Conservation Commission in Case 1201, which was heard on January 24th at Astec.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

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Encl.

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 1201
Order No. R-954

APPLICATION OF PACIFIC NORTHWEST
PIPELINE CORPORATION FOR AN ORDER
EXCEPTING CERTAIN WELLS IN THE
BLANCO-MESAVERNE GAS POOL, SAN JUAN
AND RIO ARriba COUNTIES, NEW MEXICO
FROM THE REQUIREMENT OF ANNUAL
DELIVERABILITY TESTS FOR 1956 IN
EXCEPTION TO ORDER R-333-C & D; OR
IN THE ALTERNATIVE TO EXTEND THE
PROVISIONS OF ORDER 901 TO MARCH 1,
1957.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m. on January 24, 1957, at Antec, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26th day of February, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Warren W. Mankin, 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 case and the subject matter thereof.

(2) That the applicant has shown, by the evidence submitted, the need and justification for exceptions to Section A, Sub-section II, and Section A, Sub-section III, Part (A) Paragraph 3 of Order R-333 C and D insofar as these rules apply to the requirements for annual deliverability tests for the year 1956.

(3) That the exception should be applicable to all wells connected to Pacific Northwest Pipeline Corporation's gas transmission system during 1956.

IT IS THEREFORE ORDERED:

1. That the application of Pacific Northwest Pipeline Corporation to exempt the sixty-seven (67) wells which were connected to its transportation facilities prior to November 1, 1956, from

the requirement of an annual deliverability test for 1956 as provided for in Section A, Sub-section II and Section A, Sub-section III Part (A), paragraph 3 of Order R-323 C and D, be and the same is hereby granted.

2. That initial deliverability tests must be filed in accordance with Section A, Sub-section I, Part (A) of Order R-323-C and D for all wells which did not have an annual deliverability test in 1956.

3. That initial deliverability tests filed in accordance with Paragraph (2) above shall be accepted by the Commission for proration purposes in lieu of the annual tests, provided such tests were made before January 1, 1957.

4. That all wells tested in accordance with paragraph (2) above shall be assigned allowables in accordance with New Mexico Oil Conservation Commission Order R-901.

5. That the 67 wells which the applicant states were connected prior to November 1, 1956 shall have their 1957 annual tests become effective for assigning allowables on the first day of the month following the reporting of such test.

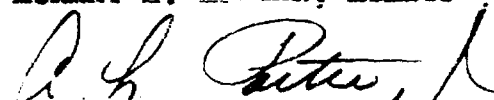
6. That the applicant shall furnish to the Commission's Santa Fe and Astec Offices within 30 days after date of this order, a list of the 67 wells which were connected before November 1, 1956.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


L. L. PORTTER, Jr., Member & Secretary



OK to Write
approval
1/30/57
WMM

(1)

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 1-30-57

CASE 1201

Hearing Date 1-24-57 @ 12:00

before WMM

My recommendations for an order in the above numbered cases are as follows:

I recommend that Pacific's application be granted as requested.

Findings:

(1) Due notice & etc.

(2) That the applicant has shown, by the evidence submitted, the need and justification for exceptions to Section A, subsections (II), and Section A, Subsection III; Part (A), Paragraph 3 of order R-333C & D insofar as these rules apply to the requirement for Annual deliverability tests for the year 1956.

(3) That the exception should be applicable to all wells connected to Pacific's transportation system during 1956.

Order:

(1) That the applicant shall be exempt from the requirements of Section A, subsection II and Section A, subsection III, Part (A), paragraph 3 insofar as these rules apply to the requirements of taking annual deliverability tests for the year 1956.

Staff Member

(2)

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date _____

CASE _____

Hearing Date _____

My recommendations for an order in the above numbered cases are as follows:

(2) That all wells connected to Pacific NW's transportation facility during the year 1956 shall ~~file~~ initial deliverability tests filed in accordance with Section A, subsection I and Section B, subsection I, Part (A) of Order R333C & D, provided the Annual Deliverability tests ~~are~~ not ~~file~~ filed.

(3) That initial deliverability tests filed in accordance with paragraph (2) above shall be accepted by the Commission for production purposes in lieu of the Annual tests provided such tests were ~~made~~ made before January 1, 1957.

(4) That ~~all~~ wells tested in accordance with paragraph (2) above shall be assigned allowables in accordance with N.M.C.C. Order R-901.

(5) That the 67 wells which the applicant states were connected prior to November 1, 1956 shall have their 1957 annual tests become effective for ~~production~~ assigning allowables on the first day of the month following the reporting such test.

Staff Member

(31)

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date _____

CASE _____

Hearing Date _____

My recommendations for an order in the above numbered cases are as follows:

- (6) That the applicants shall furnish to the Commission's Santa Fe and after ^{within 30 days of this order} ~~the~~ ^{first} a list of the 67 wells which were connected before November 1, 1956.

Done at etc.

Frederick W. [Signature]
Staff Member

WJC

No. 3-57

DOCKET: EXAMINER HEARING JANUARY 24, 1957

New Mexico Oil Conservation Commission 10:00 a.m., Aztec, New Mexico

Oil Conservation Commission Office, 120 East Chaco, Aztec, New Mexico

The following cases will be heard before Warren W. Mankin, Examiner:

CASE 1200:

EW

Application of Pacific Northwest Pipeline Corporation for an order authorizing several unorthodox locations and non-standard gas proration units in the Blanco-Mesaverde Gas Pool. Applicant, in the above-styled cause, seeks authorization for a number of non-standard gas proration units in the Rosa Unit along the West side of Township 31 North, Range 5 West, and along the East side of Township 31 North, Range 6 West, Rio Arriba County, New Mexico. Said non-standard units are necessitated by the variations of legal sub-divisions in that area. Applicant further seeks authorization for several unorthodox locations on the said units should the same be approved.

CASE 1201:

EW

Application of Pacific Northwest Pipeline Corporation for an order excepting certain wells in the Blanco-Mesaverde Gas Pool, San Juan and Rio Arriba Counties, New Mexico, from the requirement of annual deliverability tests for 1956 in exception to Order R-333-C and D; or in the alternative, to extend the provisions of Order R-901 to March 1, 1957. Applicant, in the above-styled cause, seeks an order excepting approximately 67 gas wells, which were connected to its gathering system in the Blanco-Mesaverde Gas Pool prior to November 1, 1956, from the requirement of an annual deliverability test for 1956 and permitting the assignment of allowables for all wells connected to Pacific's gathering system during 1956 on the basis of their initial deliverability tests; or in the alternative to extend the provisions of Order R-901 to March 1, 1957.

PACIFIC NORTHWEST PIPELINE CORPORATION

405½ West Broadway
FARMINGTON, NEW MEXICO

December 28, 1956

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
125 Mabry Hall, Capitol Building
Santa Fe, New Mexico

Dear Mr. Porter:

Pacific Northwest Pipeline Corporation has connected approximately 67 wells to its gathering system in New Mexico prior to November 1, 1956. Pacific has had considerable difficulty in obtaining satisfactory annual deliverability tests on these wells because of the fluctuation of the load demand, mechanical difficulties and the many problems involved in starting the delivery of gas through a new system.

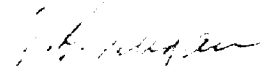
Pacific would like to request that the annual deliverability tests be waived on the 67 wells which were connected to our system prior to November 1, and that the New Mexico Oil Conservation Commission accept initial deliverability tests and grant allowable on all wells connected to Pacific gathering system during 1956.

Pacific Northwest Pipeline Corporation would like to request that the New Mexico Oil Conservation Commission hold an Examiner's Hearing at the earliest possible date so that a request may be made for Pacific to take exception to the following portions of Order R 333 C and D:

- 1: Section (A), Subsection (II).
- 2: Section (A), Subsection (III), Article A, Paragraph 3.

If the above request is denied, Pacific would like to request that the provisions of Order R 901 be extended to March 1, 1957.

Respectfully submitted,


T. A. Dugan
District Engineer

TAD:Ihr
cc: Emory Arnold
L.G.Truby

1. Are the traditional obligations to the community being broken?
2. If so, this is an example of testimony stealing problems getting on team.

BEFORE THE
OIL CONSERVATION COMMISSION
Aztec, New Mexico
January 24, 1957

IN THE MATTER OF:

Case No. 1201

TRANSCRIPT OF PROCEEDINGS

NEW MEXICO OIL CONSERVATION COMMISSION

120 East ChacoAztec, NEW MEXICOREGISTER

HEARING DATE

January 24, 1957

TIME:

10:00 a.m.

NAME:	REPRESENTING:	LOCATION:
Warren W. Rutz	Magnolia Petroleum Co.	Farmington, N. M.
D. H. Laine	El Paso Natural Gas	El Paso
H. M. Rodgers	"	Farmington
W. B. Smith	Phillips Petrol	"
De Lauro Loom	Blockwood & Nichols Co.	Durango, Colo.
W. J. Linton	Blockwood & Nichols Co.	Durango, Colo.
J. E. Matthews	✓	✓
Tom Rugan	Pacific Northwest	Farmington
Richard Gray	"	Salt Lake City, Utah
George Pappas	"	Farmington
Donald L. Anderson	"	Salt Lake City, Utah
Rudy Motte	Southern Union	Farmington
Rodney Heath	"	"
H. L. Kendrick	El Paso	Farmington

BEFORE THE
OIL CONSERVATION COMMISSION
Aztec, New Mexico
January 24, 1957

IN THE MATTER OF:

THE APPLICATION OF PACIFIC NORTHWEST
PIPELINE CORPORATION FOR AN ORDER
EXCEPTING CERTAIN WELLS IN THE BLANCO-
MESAVERDE GAS POOL, SAN JUAN AND RIO
ARRIBA COUNTIES, NEW MEXICO, FROM THE
REQUIREMENT OF ANNUAL DELIVERABILITY
TESTS FOR 1956 IN EXCEPTION TO ORDER
R-333-C AND D; OR IN THE ALTERNATIVE,
TO EXTEND THE PROVISIONS OF ORDER R-901
TO MARCH 1, 1957. APPLICANT, IN THE
ABOVE-STYLED CAUSE, SEEKS AN ORDER
EXCEPTING APPROXIMATELY 67 GAS WELLS,
WHICH WERE CONNECTED TO ITS GATHERING
SYSTEM IN THE BLANCO-MESAVERDE GAS POOL
PRIOR TO NOVEMBER 1, 1956, FROM THE
REQUIREMENT OF AN ANNUAL DELIVERABILITY
TEST FOR 1956 AND PERMITTING THE
ASSIGNMENT OF ALLOWABLES FOR ALL WELLS
CONNECTED TO PACIFIC'S GATHERING SYSTEM
DURING 1956 ON THE BASIS OF THEIR INITIAL
DELIVERABILITY TESTS; OR IN THE ALTERNATIVE
TO EXTEND THE PROVISIONS OF ORDER R-901 TO
MARCH 1, 1957.

CASE NO. 1201

TRANSCRIPT OF EXAMINER HEARING

MR. MANKIN: The next and last case on the Docket is Case No. 1201, application of Pacific Northwest Pipeline Corporation for an order excepting certain wells in the blanco-Mesaverde Gas Pool, San Juan and Rio Arriba Counties, New Mexico, from the requirements of annual deliverability tests for 1956 in exception to Order R-333-C and D; or in the alternative, to extend the provisions of Order R-901 to March 1, 1957. Would you stand and be sworn again Mr. Dugan?

THOMAS A. DUGAN

called as a witness, having been first duly sworn, testified as follows:

By MR. MANKIN

Q Would you state your name for the record, please.

A Thomas A. Dugan, Engineer with Pacific Northwest Pipeline Corporation.

Q Proceed.

A Pacific Northwest Pipeline Corporation has connected approximately 66 wells located in the Blanco - Mesaverde Gas Pool to its gathering system in New Mexico prior to November 1, 1956. 51 of these wells were connected during the last week of October, 1956. Pacific has a considerable difficulty in getting satisfactory annual deliverability tests on these wells, because of the fluctuation of the low demand, mechanical difficulties, and the many inherent problems involved in starting the delivery of gas through a new system. Pacific would like to request that the 1956 annual deliverability tests be waived on the 66 wells, on a portion 66 wells, which were connected to our system prior to November 1 and that portion being on wells which we have not filed annual tests on. We request that that portion be waived and that the New Mexico Oil Conservation Commission accept initial deliverability tests and grant allowable on these wells which were connected to our system during 1956. Therefor, Pacific requests that the New Mexico Oil Conservation Commission grant approval to take exception to Order R-333-C and D, Section A, Sub-section 2, Section A Sub-section 3, Article A, Paragraph 3. If the above request is denied, Pacific would then like an extension to Order R-901 to April 1, 1957, instead of the March 1, which was requested in our original letter for the hearing.

Q You are at this time requesting that your application be amended as pertains Order R-901 for the extension of that order to be instead of March 1, 1957, to be April 1, 1957?

A Yes sir.

Q Is there objection to amendment of that application at this time? If not, it will be so accepted. Did you have anything else Mr. Dugan?

A No, that is all. That is all the statement I have although, we have found that the wells connected to our system, there have been 16 annual tests filed, and we would like for these tests to remain in force. Now, of the remaining, we have as

of this day we have a hundred wells in New Mexico in the Blanco Mesaverde Pool connected to our line, and we would like to file initial deliverability tests on these remaining wells and that the tests be treated as an initial and when the 1957 annual deliverability test is taken that it will supersede the 1956 tests immediately as in ordinary cases in initial deliverability tests.

Q Is there anything further Mr. Dugan?

A To make that a little clearer, 66 wells connected to our line prior to November 1, there are 50 wells, that we have not filed the annual deliverability test on in lieu of, and those are the 50 wells which will be in question at the present time of course there is no question about the wells connected after November 1, as to the initial deliverability tests being applicable for those wells.

Q So you are only requesting for those 50 wells at this - be granted?

A Yes.

Q You did say however, there was approximately 34 additional wells that have been hooked on since November 1, that was not the subject of this extension which you will comply with the rules on deliverability tests?

A Yes, that is correct.

Q Is there further question of the witness?

MR. UTZ: Mr. Dugan, have you filed any initial potential tests or initial deliverability tests on these 50 wells as of today?

A Yes, we have filed 71 tests - initial deliverability tests, along with the 16 annuals, so that would leave us 5 that are in the process of being calculated and 8 that are in the process of the actual tests, which that leaves a total of 13 wells that have not been filed to date.

MR. UTZ: Of the 50 wells, that you are asking for an exception to, how many of these tests have been filed as an initial deliverabilities test?

A There are 3 with the actual tests in process now and I believe that there are four that are being calculated at the present time, which makes a total of 7 of the 13 that have not been filed.

MR. UTZ: And these 7 are in the process of being taken now?

A Yes sir.

MR. UTZ: How soon do you think you can get those in?

A Well, the four that are being calculated, they should be in within a week, and are being mailed today, and of the 3, one of those we can get the tests in within a 10 day period, probably. The other two because of mechanical difficulties is questionable when we will be able to complete the tests.

MR. UTZ: I am just a little hazy as to exactly what you are asking for in regard to these two wells which you are not sure of when you can report a test on. As you know, they are already quite delinquent, would you expect an allowable retroactive to November 1, on these wells, even though they were not filed within the next 30 days?

A No sir, not on these 2 wells.

MR. UTZ: Then you are not applying for an exception on these two wells insofar as retroactive allowables?

A No, there is no accumulative production and we are not seeking to build up any overproduction.

MR. UTZ: If the Commission agrees to accept the initial deliverability tests in lieu of annual tests, as requested in your application here, it is your understanding that all wells so tested and so reported will receive an allowable as of 11/1/57, is that correct? 56?

A That is right.

MR. UTZ: With the exception these two wells, which you say you are not asking for retroactive allowables on, if we grant you the authority to use initial, in lieu of annual tests, will this suffice for any deviation we might have to make as to regular procedure in order to allow you to get on stream? In other words, will this solve your problem insofar as getting these wells on stream?

A It will solve our testing problems, yes.

MR. UTZ: Well, I think that is all we are talking about. Can you tell me, can you give me the names and locations of the two wells?

A Yes, I can. They are Unit 29-6 Well No. 20-8, located in the SW/4 of Section 8, Township 29 North, Range 6 West, Rio Arriba County, New Mexico, the second well in Unit 30-5 Well No. 14-31, located in the NE/4 of Section 31, Township 30 North, Range 5 West, Rio Arriba County, New Mexico

MR. UTZ: That is all I have.

MR. MANKIN: Mr. Rainey.

MR. RAINEY: David Rainey, of El Paso Natural Gas Company. Mr. Dugan, I would like to ask one or two clarifying questions. When do you anticipate you will be able to take these annual tests on the 50 some odd wells?

A You mean the annual tests for 1957?

MR. RAINEY: That is right. Are you going to give those preference over the other wells to get those tests in or are you going to just test them in the normal course of the testing period?

A Well, we have not made out a testing schedule, for 1957, although at the present time we are planning on following the normal course on the deliverability tests.

MR. RAINEY: One other question, it is my understanding that you stated that at such a time as you did get annual tests that if the relief asked for is granted here, that those tests would immediately supersede the initial deliverability tests rather than being used to next February, 1958.

A I believe that would be the case with any initial deliverability test.

MR. ARNOLD: I believe that would be first the month following when we get the tests.

A Yes, that is right.

Q Is there further question of the witness?

MR. ARNOLD: I would like to ask a question about wells that you have connected since, November 1, which you were also granted relief on under Order R-901 insofar as the 45 day period is concerned. To get the test in, are you going to be alright on those - In other words -

A Well, we have filed tests on all wells that were connected after November 1, with the exception of six wells, and those tests are now in progress and four of the wells were connected the last week in December to our line.

MR. ARNOLD: They wouldn't be delinquent would they?

A No.

MR. ARNOLD: So you won't need any further relief on those wells, will you?

A No sir, I do not believe we will.

MR. ARNOLD: I believe that is all I have.

Q Is there further question of the witness? If there is no further question of the witness, the witness may be excused, any statements to be made in this case? If not, we will take the case under advisement and the hearing is adjourned.

STATE OF NEW MEXICO)
) ss
COUNTY OF SANTA FE)

I, GLORIA ALVARADO, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Aztec, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

Gloria Alvarado
Gloria Alvarado

February 25, 1957.

January 24 1957
Walter W. Martin