

Case No.

1272

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
NEW MEXICO OIL CONSERVATION EXAMINER
FARMINGTON, NEW MEXICO
JUNE 25, 1957

CASE NO. 1272

T R A N S C R I P T O F P R O C E E D I N G S

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
FARMINGTON, NEW MEXICO
JUNE 25, 1957

IN THE MATTER OF:

CASE NO. 1272: Application of El Paso Natural Gas Company for the transfer and/or non-cancellation and reinstatement of allowables for wells previously involved in maximum pressure build-up tests in certain gas pools in San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing the non-cancellation of allowables which accrued to 19 wells as a result of being shut-in for maximum pressure build-up tests during 1956 in the Blanco-Mesaverde, South Blanco-Pictured Cliffs, Ballard-Pictured Cliffs, and Fulcher Kutz-Pictured Cliffs Gas Pools, and further, authorizing the transfer of said allowables to other wells on the same basic lease, and for the reinstatement of underage for six of said wells which was cancelled February 1, 1957.

BEFORE:

Warren W. Mankin, Examiner

T R A N S C R I P T O F P R O C E E D I N G S

MR. MANKIN: The hearing will come to order. The next and last case on the docket is Case 1272.

MR. COOLEY: 1272. Application of El Paso Natural Gas Company for the transfer and/or non-cancellation and reinstatement of allowables for wells previously involved in maximum pressure build-up tests in certain gas pools in San Juan and Rio Arriba Counties, New Mexico.

MR. DANIEL: L. R. Daniel, representing El Paso Natural Gas Company. My witness in this case is Mr. David H. Rainey.

(Witness sworn.)

D A V I D H . R A I N E Y

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

DIRECT EXAMINATION

BY MR. DANIEL:

MR. DANIEL: Are the qualifications of this witness still acceptable to the Commission?

MR. MANKIN: Yes, sir, they are.

Q You may state your name and address and occupation to the Commission.

A David H. Rainey, Staff Assistant, Proration Department, El Paso Natural Gas Company, El Paso, Texas.

Q Are you the same Mr. Rainey who testified in the previous cases, 1270 and 1271? A Yes, sir, I am.

Q Are you familiar with the application filed in this case? A Yes.

Q Will you please tell, in your own words, what it seeks to do?

A This applicant, El Paso Natural Gas Company, seeks reinstatement of cancelled allowables on five wells that we shut-in for maximum pressure build-up test, which lost allowables on February 1, 1957; further, for non-cancellation and/or transfer of allowables which may be lost on August 1, 1957, on those wells, and twelve--excuse me, and fourteen other wells.

Q I hand you this paper marked Exhibit "A", and ask you if it lists the wells, their locations, the acreage to which they are dedicated, and the fields in which they are located, covered by the application in this case?

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A It does. As in the previous cases, this is merely a copy of that Exhibit "A" which was attached to the application furnished in this case.

Q Is El Paso the operator of these wells and the oil and gas leases on which they are located? A It is.

Q Does the Exhibit cover wells previously shut-in for maximum pressure build-up tests which, as a result of such tests, had certain of their unproduced allowables cancelled?

A It does.

Q Which wells were they?

A These wells, the Fields No. 1, Jacquez Pool Unit No. 1, Mansfield No. 4, the Mudge No. 5, the Pierce No. 1, in the Blanco-Mesaverde Gas Pool, and the Hargraves No. 2, in the Fulcher Kutz-Pictured Cliffs Gas Pool.

Q During which period did these unproduced allowables accrue?

A The allowables to these six wells that was cancelled was accrued during the periods from February 1, 1956 to August 1, 1956, and was cancelled on February 1, 1957.

Q Why weren't such allowables produced by El Paso?

A These wells were shut-in for maximum pressure build-up, and due to the unforeseen length of time necessary to obtain that maximum pressure build-up, those wells were not able to produce the allowables we had accrued to them during that period of time.

Q Were these tests successfully completed?

A Yes, sir.

Q In your opinion was the acreage dedicated to these wells drained by adjoining wells during the periods in which they

were shut-in for tests?

A Quite possibly.

Q In your opinion, were the operator, royalty and other interest owners in these wells deprived of their correlative rights by the cancellation on February 1, 1957, of unproduced allowables previously accruing to these wells?

A Yes, sir, in the event there was drainage waste, as I said, it was quite possible.

Q What action does El Paso desire the Commission take with respect to such cancelled allowables?

A El Paso requests reinstatement of this cancelled allowable, and a period of time in which to produce that allowable that has been cancelled.

MR. DANIEL: Could I have marked Exhibit "1" through "38" for identification?

MR. COOLEY: They will be so marked for identification purposes.

(El Paso Natural Gas Exhibits "1" through "38" were marked for identification.)

Q (By Mr. Daniel) Mr. Rainey, I refer you to the papers in your folder, marked Exhibit "1" through "38", and ask what those are?

A As in the previous cases, these are Exhibits prepared, showing a plat, indicating the shut-in well, marked with a red square, and the off-set well on the same basic lease, circled in red. Plat further shows the ownership and the wells in approximately a nine section area, surrounding this test well. Second Exhibit, in regard to each well, is a data sheet showing completion data on the test well itself, the date of the shut-in of that test well, and further shows the wells on the same basic lease to which

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allowable may be transferred; at this point, I might make a correction in Exhibits "1", "2", which is a data sheet for Fields No. 1 Well. In the middle of the page, it shows that the well was put on test, 5-17-'57, that should be 5-17-'56.

Q Mr. Rainey, can you tell us which of these exhibits apply to the six wells that you mentioned here originally?

A The first twelve exhibits will apply to the first six wells.

Q Once again, for the record-- A Yes.

Q What action does El Paso desire the Commission take with respect to such cancelled allowables?

A El Paso requests reinstatement of that cancelled underage which accrued to those shut-in wells, or which may accrue to the shut-in wells, and might be cancelled as of August 1, 1957; requests they be allowed to transfer that allowable to other well or wells on the same basic lease.

Q We are speaking of wells' allowables which have been cancelled? A Yes, sir.

Q We are not speaking of wells which will be cancelled, possibly? A Yes.

Q Those that can be cancelled, what does--

A Request reinstatement of those wells to be cancelled; request these be allowed to be transferred, those allowables, to other wells on the same basic lease; or in the alternative, that they should be allowed to produce those allowables during the proration period from August 1, 1957 to February, 1958.

Q In other words, you would like to have those allowables produced by what date? A February 1, 1958.

Q In what manner would you request the Commission transfer these allowables, Mr. Rainey, if they decided to do that?

A It was requested that these allowables be transferred by application of El Paso Natural Gas Company to the Oil Conservation Commission for an order, if this application be granted, issued in the form of a supplemental order to transfer well or wells.

Q Does each of the exhibits, covering the first of these six wells here, set out possible transfer wells which the Commission might use to transfer and reinstate allowables?

A Yes, sir, it does.

Q Does Exhibit "A" cover wells previously shut-in for maximum pressure build-up tests which, as a result of such tests, may have certain of their unproduced allowables cancelled in the future?

A Yes, sir.

Q Which wells are they?

A All of the wells shown on the Exhibit "A", which is attached to the application, stand possibly to lose allowables which had accrued to them during the time of shut-in, and may be lost at the August 1, 1957 balancing period.

Q Over what period of time would those have been accrued?

A These allowables would have been accrued during the periods, August 1, 1956, to February 1, 1957.

Q And when possibly might those be cancelled?

A August 1, 1957, effective August 1, 1957.

Q Will you tell us why these allowables weren't produced by El Paso?

A As previously stated, these wells were shut-in for

maximum pressure build-up and due to the unforeseen length of time necessary to obtain that maximum pressure build-up of these wells, certain underages accrued that they have not had the opportunity, at this time, to make up.

Q Were the tests, all tests as to these wells conducted in good faith and successfully completed? A Yes, sir.

Q In your opinion was the acreage dedicated to these wells drained by adjoining wells during the periods in which they were shut-in for testing?

A Yes, sir, it's quite possible.

Q In your opinion would a cancellation of these unproduced allowables deprive the operator, royalty and other interest owners in these wells of their correlative rights?

A Yes, sir.

Q What action does El Paso desire that the Commission take with respect to such unproduced allowables which might possibly be cancelled on August 1st of this year?

A El Paso requests that the appropriate rules in the fields in question, which are the Blanco-Mesaverde Gas Pool, Fulcher Kutz-Pictured Cliffs Gas Pool, and the South Blanco-Pictured Cliffs Gas Pool, and the Ballard-Pictured Cliffs Gas Pool, be suspended with regard to the overages and underages provision in the appropriate rules, and that the underages be allowed to be produced until February 1, 1958, or in the alternative, that the accrued underages be allowed to transfer to off-set wells on the same basic lease.

Q It is possible that you have two things applying to each well, haven't you? It read, "and/or transfer", and--

A (Interrupting) That is correct, these wells, to the

best of my knowledge, are capable of making up an underproduction; it would be our experience that to make up underproduction is possible from the well itself. Further, we would request authorization to transfer allowables to other wells on the same basic lease.

Q Are you asking that the Commission not cancel the under-produced allowables--

A That is correct.

Q --on August 1?

A Yes, sir, that is correct. In that request for suspension of the appropriate rules, of the field rules governing these particular fields.

Q And how would you ask the Commission transfer these allowables?

A Request that these allowables be transferred by application to the Commission, designating the off-set wells on the same basic lease, and by issuance of an appropriate supplementary order for additional allowables from these wells.

Q Mr. Rainey, were all the tests conducted with respect to these wells listed in Exhibit "A" conducted by El Paso in good faith?

A Yes, sir.

Q In your opinion were such tests conducted without violation of correlative rights?

A Yes, sir, in the event that this application is granted in regard to the non-cancellation, and then the transfer of allowables.

Q In your opinion, will the production of reinstated and uncanceled, unproduced allowables constitute waste?

A No, sir.

Q In your opinion, will the production of reinstated and uncanceled unproduced allowables violate correlative rights?

A Would you repeat that please?

Q In your opinion, will the production of reinstated and uncanceled, unproduced allowables violate correlative rights?

A No, sir.

MR. DANIEL: I have no further questions of this witness.

BY MR. MANKIN:

Q Mr. Rainey, you started to testify, you indicated that there were five wells that would have their allowables, that had some allowables cancelled, and you later corrected that to six, would you care to have--

A (Interrupting) That is correct, it should be six. I inadvertently overlooked the line of the Fulcher Kutz-Pictured Cliffs; in the Blanco-Mesaverde there are five, and one in the Fulcher Kutz-Pictured Cliffs formations.

Q Alright, in checking over these six wells, which have had allowables cancelled in the past, I noticed that those tests have been going on anywhere from a year to one and a half years, is that correct?

A These tests are completed at the present time.

Q They have been completed?

A Yes, sir, these tests were completed the latter part of 1956, or the early part of 1957.

Q Which would mean that they were accomplished within anywhere from a year to a year and a half?

A That is correct.

Q In regard to the nineteen additional wells that are likely to have allowables cancelled unless their requests are granted,

I notice that those times stated for pressure build-up tests vary anywhere from six months to one and a half year, is that correct?

A Yes, sir, as in the case of those first six; these other thirteen wells have been, the tests have been completed on those wells also.

Q What wells are the thirteen wells that the tests have been completed upon?

A All the wells shown on this Exhibit "A", attached to the application, in Case 1272, have had the tests completed.

Q There are a total of nineteen wells?

A There are a total of nineteen wells; six actually had allowables cancelled on February 1, 1957; there are thirteen that have not had any allowable cancelled.

Q I want to ask you on your Exhibit "36", which is in relation to the Gordon No. 1 in Fulcher Kutz--

A (Interrupting) Yes, sir.

Q I notice there is no test date shown on that, is that an oversight, does it have a date--

A (Interrupting) Yes, sir.

Q --when the maximum pressure build-up test was started?

A It was an oversight, and I don't have the information available, I don't know what that date was.

Q It has been at least six months, you think?

A I would think so. We will be glad to furnish the date to the Commission, but apparently, I don't have that date right here.

Q Could you furnish that to the Commission?

A We certainly will, that was merely an oversight, and I don't have that data right here.

MR. MANKIN: Mr. Cooley.

BY

MR. COOLEY:

Q When you furnish that date that the one well was put on test, would you also furnish the dates that each of the wells were taken off test?

A Yes, sir; I have that information on some of them, right here, but I don't have it on all of them.

Q Just to make it complete, instead of the one, you just list the wells that are listed in Exhibit "A", attached to the application and outside, put the dates they were put on test.

A Alright, sir.

Q As to the allowables that were cancelled, with regard to the six wells just mentioned--

A Yes.

Q --would it be reinstated as of the effective date of the order and remain as allowables, they are capable of being produced until what date?

A February 1, 1958.

Q '58?

A Yes, sir, the end of the next balancing, after the August 1st balance period.

Q That would give you the six months balancing period or the six month proration unit, from August 1, 1957 to February 1, 1958?

A Yes, sir.

Q And the suspension of uncanceled allowables as to all nineteen wells, how long would that suspension remain in effect?

A The same date, February 1, 1958.

Q To remain unproduced as of February 1, 1958, they would be cancelled under the appropriate provisions?

A Yes, sir, we are asking for an extension of the appropriate rules, until February 1, 1958.

Q Would you please state what purpose would be served by permitting the transfer of allowables in this case since all wells are now under production, are they not?

A Yes, sir, the reason we request that, to be allowed to transfer allowables, as well as suspend the rules in regard to the uncanceled underproduction was in an effort to make this underage up in a more rapid fashion rather than try to run the thing over an extended period of time.

Q Would it not be more realistic to accrue capabilities of the wells, if they were not required to make up their underage on the well that had accrued, since they are under production at the present time?

A I think possibly that the wells could make up allowables if assigned to the individual well, but as I stated previously, it was our intention to try to make particularly the wells under production up as rapidly as possible, in an effort to not have the books of the New Mexico Oil Conservation Commission cluttered up, as it were, with this additional allowable.

Q You have testified in this case, and previously in Case 1271, that due to the unforeseen length of time it took--

A (Interrupting) Yes, sir.

Q (Continuing) --to conduct these tests, you find it necessary to make these applications. Would you--

A (Interrupting) Yes, sir.

Q Would you elaborate on that?

A Well, in most areas which I am familiar with, it takes

a relatively short period of time, I mean a week or a maximum of possibly thirty days to obtain maximum pressure build-up on the wells. Due to the nature of the reservoir in this area, it has been shown with these tests that it takes as much as a year, in some instances, to obtain maximum pressure build-up tests. When we started these tests, we had no knowledge that it would be more than a year.

Q And with the expectation that after the tests would be completed, what would be the maximum period of time?

A Thirty to six--

Q (Interrupting) El Paso then felt that they could absorb the loss of allowables rather than come to the Commission and apply for the non-cancellation of it?

A That is correct.

Q But now that it runs twelve times that amount or more, you request a transfer?

A Yes, sir.

Q You have testified that drainage occurred as a result of these wells having been shut-in?

A Yes, sir.

Q If any drainage did occur as the result of any activity of the Commission, did El Paso Natural Gas Company have an opportunity to produce their fair share of allowables for that period?

A Except for the fact that these wells were shut-in for pressure build-up. Had the wells been on production, the opportunity would have been given to El Paso, but we were not.

Q Does El Paso desire, and El Paso alone, to take the wells off production?

A Yes, sir.

MR. COOLEY: That is all for the present time.

BY

MR. MANKIN:

Q Mr. Rainey,--

A Yes, sir.

Q Did I understand you to say that on all nineteen wells maximum pressure tests have now been completed?

A Yes, sir.

Q Do you have knowledge of the maximum time that was utilized on these nineteen wells to determine this build-up, was it a year, or a year and a half? In other words, how long has it been since the last of these nineteen wells was completed?

A I would say it would run approximately a year; in some instances it ran less time. In some instances, I think it ran as little as thirty and eighty, and to thirty and ninety days.

Q Approximately one year?

A Approximately one year, yes, sir.

Q In this time, some of these wells have been off-set for at least six months, is that correct?

A Some of them have, yes, sir.

Q And others have just now recently been completed?

A Yes, sir.

Q Some of these, of course, were just put on some six months ago. Have they been completed in that six months' period?

A Yes, sir, all of these wells in this application have been completed.

Q So, it has varied from anywhere from six months to a year for the time to get this maximum build-up?

A Yes, sir, the maximum time has been approximately a year.

Q You stated the Pictured-Cliffs or the Mesaverde took another time, or can you generalize them?

A I would hesitate to generalize them, we could make

some studies and determine that, but I don't think off-hand that you could make a generalization in that regard.

Q What I meant by that question was, for instance, the Pictured Cliffs can be accomplished in this six months, where it takes, I think, a year for the Mesaverde. I wonder if you had any such generalization as to that?

A We have a well shut-in at the present time, under Order R-939, in the Pictured Cliffs Pool, I believe it's in these South Blanco Pictured Cliffs that has been shut-in for four hundred and twenty-six days, and has not reached stabilization. It's been shut-in for four hundred and twenty-three days, as of yesterday. It has not reached stabilization.

Q It would be rather difficult to generalize in the formation as to the time of pressure on the various pools, I presume?

A It varies as to progress and probably varies as to areas within a given pool, depending upon the permeability and porosity of the given pool.

Q They are controlling factors? A Yes, sir.

MR. MANKIN: Are there any further questions of this witness? Mr. Utz.

BY MR. UTZ:

Q Mr. Rainey, first referring to the six wells on which you want the reinstatement of allowables--

A Yes, sir.

Q --for underage, and you have knowledge as to the producing capabilities of those wells, are they non-marginal and capable of producing their allowable during the period they were shut-in?

A Yes, sir, all these wells are non-marginal; in every instance, when we picked a well for a maximum pressure build-up, we tried, to the best of our ability to pick a well that was of average producing ability, and was a non-marginal well.

Q So, that statement would also hold true for your additional fourteen wells on which you want now, non-cancellation or transfer?

A Yes, sir.

Q Do you know about how much underage we are talking about on those six wells?

A There was approximately fifty-one million cubic feet cancelled in February, 1957. I don't have the exact figures on a well by well basis, I'll just rough them in my head, it's about fifty-one million cubic feet.

Q And that was cancelled February 1, 1957?

A Yes, sir.

Q Since February 1, 1957, there has been quite a number of new connections in the pools in question, has there not?

A Yes, sir.

Q Do you know, if we reinstated this fifty-one million underage, how would that affect the allowable for the newly connected wells?

A No, sir, I don't think that there would be any great effect on these newly connect wells, due to the number of wells in the pool already.

Q There may be a slight decrease in allowables?

A There would be, yes, sir, there would be.

Q During the period in which this underage was accrued?

A Yes, sir, there would be a slight decrease.

Q In fact, there would be an increase in the status of the pools?

A Yes, sir, but, as stated previously, I think it's probable that there are so many wells in the pool, that the net effect on a personal well basis would be very small.

Q I believe you specifically stated that all of these nineteen wells, and the wells on which you want to transfer allowables, are on the same basic lease as the shut-in well lease?

A Yes, sir. I may call your attention to Exhibit "3", on the Jaquez Pool Unit. There again, it's my understanding, from our Lease Department that those leases involved on the off-set wells stated on this plat were also communitized leases, and in fact, all the holes are on the same basic lease. If the Commission so desires, we will furnish proof of that communitization, or the same ownership.

MR. MANKIN: Yes, please.

MR. COOLEY: Proof of royalty and ownership throughout the area, on all sections, wells, shown on Exhibit "3".

BY

MR. UTZ:

Q Mr. Rainey, generally speaking, do you approve of reinstatement of underages which have already been cancelled for any other reason that you have not stated?

A As a general rule, no, sir. I think, as we have pointed out in the testimony in this case, this is somewhat of a special case.

Q So, without excellent reason, you wouldn't favor reinstatement of underages?

A Not as a general rule, no, sir.

Q In other words, it's water under the bridge, the allowables which have been distributed along all wells and pools, which

would affect when your reinstatement is again turned around, and taken away, all the old wells, and also the new wells?

A That is correct, as I previously stated, the effect on any individual well would be more or less negligible in this case, since there are some fifteen hundred wells in this pool, there are five years--

MR. UTZ: That is all I have.

BY

MR. COOLEY:

Q Mr. Rainey, I noticed going through the Exhibits, there are numerous cases of divergence on new wells, that would indicate that they are also communitized?

A I think that in several instances--

Q (Interrupting) Exhibit "8" for instance--

A (Interrupting) "8". Those are all Pierce Wells, if I am looking at the correct Exhibit. What were you referring to?

MR. MANKIN: The four Mudge Wells, and the Lawson Well, and the Smyers Well, and the test well would be another well.

A Oh, as I have stated previously, all these wells and the data thereon was submitted by our Lease Department, and I was given to understand that these wells were on the same basic lease. I think, if you will notice on the Smyers Well, for instance, in the southwest quarter of Section 2, there are, can you--you can see by the dotted line in the west half of Section 2, there are several leases involved in that particular well, and a portion of the same basic lease on which the Mudge Wells lies dedicated to that well, and by virtue of the fact that portions of that lease are dedicated to that Smyers Well, it must be communitized with the other acreage on that well.

Q Would you repeat that? You say it has been--

A By virtue of the fact that there are some, or acreage on the Mudge Lease, if you will notice, the north half of the northwest quarter, and the southeast of the northwest quarter, it appears to me there are no leases hooked on it, but it appears to me that that one hundred and twenty acres is in the portion of the same basic lease as the acreage in Section 3, adjoining, by virtue of the fact that a hundred and twenty acres are dedicated to the Smyers Well, it must be designated, or be communitized with the remaining acreage on that well, half of Section 2, and consequently, that in effect, the Smyers Well is on the same basic lease as the Mudge Wells.

Q Say, for instance, that you transfer allowables, certain portions of allowables from the Aztec Well, from the southwest quarter of 3--

A Yes, sir.

Q --appearing on the Mudge lease--

A (Interrupting) Yes, sir.

Q --Mudge being the whole owner--

A (Interrupting) No, sir, that is a Federal Lease, to the best of my knowledge, all the leases are Federal Leases.

Q If you transfer allowables from that well to the Smyers Well in the southwest quarter of 2, would there not be an additional portion in royalty?

A No, sir, to the best of my knowledge, those wells are all Federal Leases.

Q But they are not the same basic lease are they?

A As I said, a portion of the basic lease that is attributable to the Mudge Wells, is also attributable to a portion of the acreage dedicated to the Smyers Well, by virtue of communitization,

since the west half of that Section 2 is dedicated to the Smyers Well. If they are in portions of the Mudge Lease, in the west half of Section 2, it must of necessity be communitized with the remaining leases in the west half of Section 2 to be dedicated to that Smyers Well; consequently, effectively, the Smyers Well is on the same basic lease as the Mudge Wells.

Q I can't follow that, sir. There would definitely have to be an apportionment of the royalty, I mean, if you've got apparently three different leases attributable to the Smyers Well, is that correct?

A Yes, sir.

Q And one of those tracts would be eighty acres, and the other two would be forty each?

A Yes sir--no, sir, that is a Pictured Cliff Well. If we have got a hundred and twenty acres dedicated to that well, I mean it's a Mesaverde, I beg your pardon, the whole west half of that section.

Q The whole west half of that section is Mesaverde?

A Yes, sir.

Q Alright, we have got three different leases in the southwest quarter?

A Yes, sir.

Q And two different leases in the northwest quarter?

A Yes, sir.

Q Five different leases?

A Yes, sir.

Q And each of those wells in this tract would share in a production of the Smyers Well in proportion to the acreage each individual unit bears to the total of three hundred and twenty?

A Yes, sir.

Q Which would be substantially different, the ownership

of this would be substantially different then, say, from the ownership under the west half of Section 3, would it not?

A Mr. Cooley, as I am not a lawyer, I am not qualified to testify as to the legal technicalities of the agreements, and the bearing it would have on making it the same basic lease. I can't say for certain, but it's my understanding that if the well is communitized, and it's a Federal Lease, the royalty interest is common, it is communitized with a portion of the same basic lease, as the Mudge Lease.

Q How does the Mudge Lease come into it?

A The Mudge Lease is the lease in Section 3 that you have questioned me about.

Q Was this Mudge Lease in Section 2?

A Yes, sir, that was the point I was making, I don't know whether it's the west half of the southwest quarter by looking at this plat, I don't know whether it's the west half of the southwest quarter, or whether it's a portion of that acreage in the northwest quarter, but, there is a portion of the basic Mudge Lease within the west half of Section 2.

Q Well, I think this is the basic lease, but I am going to question, I think, under the communitization agreement, if there be one, I am sure there is, on the west half of Section 2--

A Yes, sir.

Q Would it, in no way affect any ownership in Section 3?

A Mr. Cooley, I am not qualified to testify, as I stated before, I was given to understand by the legal staff in our Lease Department that these wells were on the same basic lease. The reasoning they used in determining that, I do not know.

MR. COOLEY: In view of the complications, Mr. Daniel, before anything in this case can be approved, concerning transfer to other acreages in the common basic lease, we must have some sort of a brief, in as much detail as possible. Do you care to submit that in brief form or what?

MR. DANIEL: We can.

MR. COOLEY: Because it appears to me, the ownerships in this case, for example, of transferring some allowable from the shut-in well, the west half of Section 5, to the Smyers Well in the west half of Section 2 would be a substantially different apportionment.

MR. DANIEL: You are assuming that, aren't you, Mr. Cooley, the ownership of transfer wells would be a different ownership than the shut-in well?

MR. COOLEY: I believe it's evidenced that it is, according to the plat in Exhibit "5", or Exhibit "7" rather.

MR. DANIEL: Well, Mr. Rainey testified here to the best of his ability, and knowledge, the plat reflects the records accurately, the records of the company, and--

MR. COOLEY: (Interrupting) I am assuming that it does, and if that is the case, then, the portion of the royalty would not be the same, the same people would not get the royalty that would get it if the gas was produced from the well in the half of Section 3, as it appears upon this plat. It may be, that is the requirement. Let me put it to you as to what must happen for allowables to be transferred. The same people, the same royalty, the same owners, the same overriding rights, and the same working owners must benefit, because if we deprive them of the benefit of the production, and if

that result is not obtained, then transfer is completely out of the question.

A Mr. Cooley, may I state, that was exactly the way it was put to us from our Lease Department, when they examined these records, and they advised me that the ownership, royalty interest was common, that the fact that it has a different name does not necessarily mean it goes to a different royalty, or different ownership.

Q There must be a legal arrangement whereby these results would be obtained, and we would have to be apprised of that arrangement.

A We'd be delighted to furnish it to you.

MR. DANIEL: Mr. Cooley, would you be satisfied as to all wells, with the exception of that Smyers Well, it's right on the Exhibit you are looking at now; in other words--

MR. COOLEY: (Interrupting) Take the, in the northwest quarter of Section, northeast quarter of Section 3, on Exhibit "7", there appears to be a division of royalty on the basic lease, or something is shown there by the dotted line.

MR. DANIEL: I think the dotted line in that particular case, I am sure it does reflect acreage to which the well is dedicated, doesn't it?

MR. COOLEY: No, sir, the whole west half is dedicated to the--

MR. DANIEL: (Interrupting) I see, wait a minute, what must we submit to the Commission?

MR. COOLEY: The results must be obtained that the production from the shut-in well, if it were produced before the shut-in well, for instance, Mr. A. and Mr. B. would not be deprived of their

benefits. Mr. A. is the interest owner, and Mr. B. would be the royalty owner, and that is the similar arrangement that you would have to have if you are going to transfer that to another well. Mr. A. and Mr. B. must own that well in such a respect that they get exactly the same, whether they would have the production taken from the well that is presently shut-in. If you have any arrangement that would achieve that result, then, it's satisfactory with the Commission.

MR. DANIEL: Will the Commission enter a postponement or the continuance of the case?

MR. COOLEY: Just submit a brief.

MR. MANKIN: There are several wells in this connection, where the test well and the wells to be transferred to are different names.

A Yes, sir.

MR. MANKIN: We want to be apprised in each situation as to what is the situation in regard to ownership.

MR. DANIEL: I will furnish that.

MR. COOLEY: That is just an example, each one has a divergence of ownership, which would require the same ownership. I am sorry to pose such a burden, but you couldn't possibly transfer unless you have such a rule--

MR. MANKIN: (Interrupting) In nineteen wells, it appears there are anywhere from ten to fifteen that need such clarification.

MR. DANIEL: We will furnish that information.

BY

MR. MANKIN:

Q Mr. Rainey,--

A Yes, sir.

Q I notice from the Howell No. 2 E, which is a Blanco-Mesaverde Well, I don't have the particular Exhibit here shown, but

I noticed that there are no, there is no transfer well. Is it the anticipation that that well is back on production, and the well will produce it's own allowable?

A Yes, sir, it is anticipated that well should be back in line by the end of July.

Q It would produce it's own allowable, there would be no transfer?

A Yes, sir.

Q Alright, there are at least two others, I noticed where the transfer well has not been tied in as yet, particularly the Zachary Pool Unit No. 1 and the Wallace No. 1 for transfer well, and also for the Lindsay No. 1 A to be transferred to the Archuleta No. 1, indicating there are no tie-ins. Is it your anticipation there are no tie-ins, it could be produced now, from the day that was previously shut-in?

A Yes, sir; the Zachary Pool Unit, what was the other unit well?

Q The Lindsay 1 A with the transferred well, the Archuleta No. 1, but there has been no tie-in by Southern Union as yet, it's on an estimated deliverability, on the transfer well.

A According to the statement we have here, the Lindsay 1 A would lose some allowable in August--

MR. MANKIN: Are there further questions of this witness?
Mr. Buell.

BY MR. BUELL:

Q Mr. Rainey, my name is Guy Buell, of Pan American Petroleum Corporation. I believe you mentioned in your direct, that you were aware of the fact that your company has advised Pan American that the Pierce Unit No. 1, is one of the wells that was

used for testing purposes, is that substantially correct?

A I don't recall testifying to that, but I presume that we did, if you have got an interest in the well--

Q (Interrupting) Alright, sir, are you also aware of the fact that during that shut-in period that Pan American made numerous requests to your company to put the Pierce Unit No. 1 back in production?

A No, sir.

Q You are not aware of that? A No, sir.

Q I believe you testified that, Mr. Rainey, that you anticipated complete build-up, maximum build-up within thirty days, did I understand you correctly on that?

A No, sir, I stated that in areas in which we had previous experience in the obtaining of maximum build-up, that thirty days would be more than sufficient time to obtain it. We have no knowledge as to what it would take; the maximum build-up, we presume, on knowledge from other areas, that probably it shouldn't take more than that period of that time.

Q Alright, sir,--

A We have no definite knowledge as to what period of time--

Q (Interrupting) Would you say, then, or presume it would take thirty days?

A Yes, sir.

Q Alright, sir, the fact is, was that not a basic reason why you didn't come in and ask for a hearing for this special treatment, by exception at that time?

A Yes, sir.

Q Because you thought this build-up test would be completed in a short time?

A In a relatively short period of time.

Q Alright, sir, in view of that, then, could you tell me why in such cases, you waited from six months to over a year before

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3-6691 2-1869

you came in to ask for an exception, weren't your suspicions aroused?

A It would seem to be so, but there again, we would probably have liked to get in sooner, but, as I stated previously, we did not foresee that it would take such a period of time. When it did become apparent that that period of time was necessary, that it was going to approach the length of time that it did, we were trying to wait until we got all these wells completed and pumping all at the same time, instead of having to have a half dozen small applications.

Q And that is the only reason you waited so you could have them all at one time?

A To my knowledge, that is about the only reason, yes.

MR. BUELL: That is all.

A I don't make the decisions as to when we make applications, there may be reasons present that I am not aware of.

BY

MR. MANKIN:

Q Mr. Rainey, as we have brought up previously, these tests that were started anywhere from six months to a year and a half ago, and some of these would be completed as much as six months to a year, has any of this information on all nineteen tests been submitted to the Commission previously any of the test information?

A No, sir, not to my knowledge.

Q Well, do you have any knowledge or any opinions as to when such information might become available?

A No, sir, as we stated in our previous case, our Reservoir Section in Houston is making evaluations on that, so far as I know, and the length of time necessary to complete those evaluations, I do not know; as it has been presented, or stated

in other cases, I personally would see no objection to furnishing the information on a confidential basis; but, again, the question has not been taken up with management. I do not know what their impression would be.

Q We would like to make this request. since all these tests have been completed anywhere from six months to a year, that such information on this be submitted to the Commission, in a confidential manner, and would be treated as such.

A Okay.

MR. MANKIN: Are there any further questions of this witness? Mr. Utz.

BY MR. UTZ:

Q Mr. Rainey, referring to your Exhibit "A" in this case,--

A Yes, sir.

Q I happen to notice that Mudge No. 2 does not have a deliverability test, with an indication, "Well caved in, no results from test," do you know whether or not that situation has been remedied or not?

A The Mudge No. 2, you mean the Mudge No. 5?

Q No, it's a transfer well.

A Oh,--

Q The third well listed at the bottom of your Exhibit No. "8".

A No, sir, I do not know.

MR. COOLEY: What exhibit?

MR. UTZ: Exhibit No. "8", Mudge No. 5.

A It is my advice, that that condition has not been corrected, but, I don't know of my own knowledge.

Q It has not been corrected. Well, was the well not capable of producing any substantial amount of gas?

A That is correct.

Q And there would be no percentage to transferring allowable to that?

A As I pointed out, or I intended to point out, the exhibits merely list the same basic leases, which might be transfer wells, we are not trying to indicate that El Paso wants the well to be transferred.

Q But, you may or may not request transfer of this well?

A Yes, sir, and as I pointed out, if the well caved in, it is incapable of producing.

MR. UTZ: That is all.

MR. MANKIN: Are there any further questions of the witness? Mr. Daniel, would you like to introduce those exhibits, I don't remember--

MR. DANIEL: "1" through "38" be accepted in evidence.

MR. MANKIN: Are there objections to entering Exhibits "1" through "38" in this case? If not, they are so entered. If there are no further questions of the witness, the witness may be excused. Are there any statements to be made in this case?

(Exhibits "1" through "38" were received in evidence.)

MR. BUELL: May it please the Commission, my name is Guy Buell, and I represent Pan American Corporation. Usually, Pan American is in complete favor, in accord with the collection of useful and beneficial and necessary reservoir data; however, certainly, Pan American strongly feels that where the gathering of such data through tests will result in the necessity for requests of special

treatment through non-cancellation of underproduction, reinstatement of underproduction or transfer of allowables, certainly, those tests should not be initiated or started until after due notice of hearing before this Commission so that the Commission, in its order approving it, can set up a procedure for receiving periodic reports on the gathering of data. In this case before the Commission here today, it is completely retroactive, the tests were completed upon all the wells in question. The applicant here is asking for complete retroactive special treatment through the facilities just mentioned. Now, completely aside from the question of diversity of ownership which has been brought up, Pan American opposes the granting of their request on the basis of undesirable precedence, the retroactive relief it would set up, and certainly it doesn't take a greater imagination than mine to see the possible abuse that it would be subjected to in the future, and when I say this, I am certainly not casting any reflection on the sincerity of the applicant here today, but, it is a question that if the Commission would allow this, it would allow abuse in the future.

MR. MANKIN: Any further statements to be made in this case?

MR. DANIEL: I think the Commission will go along with us in saying that the rules of the Commission allows the protections of correlative rights of the ownership on gas and oil leases, certainly, with respect to the wells involved here, and I take up in particular the request for reinstatement of allowables. The interest ownership of the owners, the royalty and entire ownership in these wells had certain rights to the gas in place, the right to produce it, to capture it and produce it. The rules, as written by the Commission

anticipate that gas can be produced in a period subsequent to the time in which the allowable be granted. Now, in this case, El Paso, sincerely feels it ran into unforeseen difficulties in the taking of maximum pressure-build up tests with regard to these wells; that it did so in good faith, and it is asking that we have the allowables reinstated which had been cancelled. And we make this proposition that such a reinstatement would not be depriving third parties-- when I mention third parties, I mean parties other than the operator in the entire well leases, would not be deprived of their correlative rights if the gas has not been taken from the ground, and on top of that we would state that the granting of such a reinstatement, on the contrary, would protect and secure the correlative rights of the parties interested, the parties owning the royalty, and the operators, that allow them under the rules, as set up by the Commission, to take their fair share of gas in the pools, and we feel we could do it without waste. We feel that by the Commission granting this order, it would merely be to an extent interpreting and carrying out the intentions of the original order in these cases. We submit to the Commission that beneficial information has been obtained, that the fact we didn't come in just right on the dot and ask for an extension of time in which to conduct these maximum pressure build-up tests is somewhat incidental to these things, but as far as we are concerned, it is a question of the six months, to twelve months time that it took to gather our information. We feel by allowing us to do this, no waste would be created, and the correlative rights of the parties would not be violated; on the contrary, the correlative rights of the parties in these wells would be protected, as it was the intention of the rules and regulations of the Commission to do. Thank you.

MR. MANKIN: Are there any further statements to be made in this case? If there is nothing further, we will take it under advisement, and the hearing is adjourned.

MR. COOLEY: Just one moment, it is understood that this case cannot be considered until the briefs mentioned are submitted.

MR. MANKIN: This case is adjourned.

* * *

REPORTER'S CERTIFICATE

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ROBERT V. MAES, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission Examiner was reported by me in stenotype and reduced to typewritten transcript, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS My Hand and Seal, this, the 31 day of July, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Robert V. Maes
Notary Public

My Commission Expires:
February 7, 1961

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 1272
heard by me on June 25, 1957.
Walter H. Hentz, Examiner
New Mexico Oil Conservation Commission

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

September 24, 1957

C
O
P
Y

Mr. Lee Daniels
El Paso Natural Gas Company
P.O. Box 1492
El Paso, Texas

Dear Sir:

We enclose a copy of Order R-1055 and Order R-1056 issued September 16, 1957, by the Oil Conservation Commission in Cases 1272 and 1271, respectively, which were heard before an Examiner at Farmington on June 25th.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

bp
Encls.

*Copy of Order R-1055
sent to Guy Buell,
Ran American, Ft. Worth
9-24-57
BP*

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 8/26/57

CASE 1272

Hearing Date 10 am @ Farmington
on 6/25/57 before WWH

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

agree with E.A.H. for denial in
its entirety and all tests
are completed.

Waverly Mankin
Staff Member
Examiner

Case 1272

El Paso Natural Gas Company

El Paso, Texas

June 27, 1957

Mr. Warren Mankin
New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Dear Warren:

Attached is a schedule showing date of commencement and date of completion of the maximum pressure build-up tests conducted on the wells shown on Exhibit "A" of the application of Case No. 1272.

The information in regard to basic leases and well data on these wells will be forthcoming very shortly.

Yours very truly,



D. H. Rainey
Proration Department

DHR:pm
attachment

<u>Well Name</u>	<u>Date of Commencement</u>	<u>Date of Completion</u>
Fields No. 1	5-17-56	10-9-56 ↗
Jacquez Pool Unit No. 1	4-30-56	11-7-56
Mansfield #4	7-16-56	2-8-57
Mudge No. 5	5-17-56	10-9-56
Pierce Federal No. 1	11-8-55	6-6-56 ↓
Hargraves No. 2	2-23-56	6-25-56
Fields No. 5	5-17-56	11-6-56 ↗
Grambling No. 3	8-17-56	2-6-57
Howell D No. 2	7-17-56	11-6-56
Howell E No. 2	9-9-56	12-28-56
Prichard No. 2-1	7-16-56	12-28-56
San Juan 30-6 Unit Wilson No. 6	12-19-55	4-3-56
Zachary Pool Unit No. 1	12-30-55	3-6-56
Lindsey No. 1-A	7-6-56	5-22-57
(Stabilization of pressure was not obtained on this well)		
Day No. 4-A	7-24-56	4-17-57 ↓
Luthy No. 1-A	11-8-56	
(This well was returned to production in approximately two weeks due to inability to obtain pressure build-up)		
Hamilton State No. 3	11-11-56	
(Same situation prevails on this well as on the Luthy No. 1-A)		
Gordon No. 4		
(This well was never actually tested)		
The previous three wells should be dropped from the application due to the fact that the length of test was of such duration as not to necessitate any special consideration.		
Ballard No. 2-14	10-26-56	5-13-57

Proration Department
June 27, 1957

Case # 1272

EXHIBIT "A"

of

Application filed with

The Oil Conservation Commission of the State of New Mexico

BLANCO MESA VERDE GAS POOL

Wells previously tested which lost allowables in February 1, 1957, and which may or may not lose allowable in August 1, 1957

	Location of Wells			
	Section,	Township,	Range,	N.M.P.M.
Fields # 1	N. 2 25	32 North	11 West	
Jacquez Pool Unit # 1	S/2 28	31 North	9 West	
Mansfield # 4	E/2 29	30 North	9 West	
Mudge # 5	W/2 3	31 North	11 West	
Pierce # 1	W/2 17	30 North	9 West	

FULCHER KUTE PICTURED CLIFFS GAS POOL

Hargraves # 2 SE/4 2 27 North 10 West

11/25/56 12/4/57 12

BLANCO-MESA VERDE GAS POOL

Wells previously tested which did not lose allowables in February 1, 1957, but which may lose allowables in August 1, 1957.

	Location of Wells			
	Section,	Township,	Range,	N.M.P.M.
Fields # 5	2 20	32 North	11 West	
Grambling # 3	W/2 22	29 North	9 West	
Howell "D" # 2	W/2 29	31 North	8 West	
Howell "E" # 2	E/2 14	30 North	8 West	
Prichard # 2-1	E/2 34	31 North	9 West	
San Juan 30-6 Wilson # 1	W/2 35	30 North	7 West	
Zachery # 1	S/2 25	31 North	11 West	
Lindsay "A" # 1	E/2 19	30 North	8 West	
Day "A" # 4	W/2 8	29 North	8 West	

1 1/2

SOUTH-BLANCO-PICTURED CLIFFS GAS POOL

Luthy # 1-A NE/4 1 20 North 8 West
Hamilton State # 3 SE/4 10 20 North 7 West

11/1/56 Drop
11/10/56 Dry

FULCHER KUTE-PICTURED CLIFFS GAS POOL

Gordon # 4 NE/4 22 27 North 10 West

Drop

BALLARD-PICTURED CLIFFS GAS POOL

Ballard 2-14 NW/4 1 21 North 9 West

5-22-57

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION |
OF EL PASO NATURAL GAS COMPANY |
FOR AN ORDER AUTHORIZING THE RE- |
INSTATEMENT AND TRANSFER TO |
OTHER WELLS ON THE SAME BASIC |
LEASE OF ALLOWABLES PREVIOUSLY |
CANCELED AND NONCANCELLATION OF |
FUTURE ALLOWABLES WITH RESPECT |
TO CERTAIN WELLS PREVIOUSLY IN- |
VOLVED IN MAXIMUM PRESSURE |
BUILD-UP TESTS CONDUCTED IN THE |
BLANCO-MESA VERDE, SOUTH BLANCO- |
PICTURED CLIFFS, BALLARD-PIC- |
TURED CLIFFS AND FULCHER KUTZ- |
PICTURED CLIFFS GAS POOLS, SAN |
JUAN AND RIO ARriba COUNTIES, |
NEW MEXICO. |

Case No. 1272

APPLICATION

TO THE HONORABLE COMMISSION:

COMES NOW El Paso Natural Gas Company, hereinafter referred to as "Applicant", and alleges and states that it is a Delaware corporation with a permit to do business in the State of New Mexico;

I

That, Applicant is the operator of oil and gas leases in the Blanco-Mesa Verde, South Blanco-Pictured Cliffs, Ballard-Pictured Cliffs and Fulcher Kutz-Pictured Cliffs Gas Pools, as delineated by orders of this Commission, upon which said leases there are presently located certain gas wells as described in Exhibit "A" attached hereto and made a part hereof;

II

That, as a result of the need for reservoir information concerning said gas pools, the wells described in Exhibit "A" hereto were shut-in by Applicant at various times during the year 1956 and maximum pressure build-up tests conducted with respect thereto;

III

That, such tests were successfully completed and beneficial information obtained, but that as a result of the unforeseen length of time consumed in the performance of same, Applicant was prevented from producing its said wells over a sufficient period of time to

allow it to recover certain underages of production accruing to such wells during the February 1, 1956, to August 1, 1956, proration period, and that as a result of its inability to so produce its said wells certain volumes of production allocated to same were canceled by the Commission on February 1, 1957; and further, that some of such wells may be subject to additional cancellation of allowable on August 1, 1957, due to the fact that they have only been returned to a producing status for a short period of time;

IV

That, such tests were conducted in good faith;

V

That, such tests were conducted without waste or violation of correlative rights;

VI

That such wells shut-in for the purpose of conducting such tests should have been excepted from the requirements of Order R-333-C and D during the time that the maximum pressure build-up tests were being conducted with respect to same;

VII

That, in exception to the underage and overage balancing provisions of Rule 6 and 7 of Order R-128-D, as amended by Order R-967, with respect to the Blanco-Mesa Verde Gas Pool, Rules 11 and 12 of Order R-846, as amended by Order R-967, with respect to the Ballard-Pictured Cliffs Gas Pool, and Rules 11 and 12 of Order R-565-C, as amended by Order 967, with respect to the South Blanco-Pictured Cliffs and Fulcher Kutz-Pictured Cliffs Gas Pool, all underages of production which accrued to said wells during the February 1, 1956, to August 1, 1956, proration period which were canceled by the Commission on February 1, 1957, should be reinstated and Applicant allowed to produce such underages by February 1, 1958;

VIII

That, underages accruing to these wells on August 1, 1957, as a result of these tests, should not be canceled, and that Applicant be allowed to produce such underages by February 1, 1958;

IX

That, Applicant should be permitted to transfer the reinstated underage which has accrued to any such previously shut-in well, as well as underages which may accrue thereto on August 1, 1957, to any other well or wells on the same basic lease; and that the transfer of such allowable to any specific well or wells should be upon request of Applicant and authorization of the Commission issued in the form of a supplemental allowable to such transfer well;

X

That, the production of such underages would not constitute waste or violate correlative rights;

WHEREFORE, Applicant respectfully requests that this matter be set for hearing as prescribed by law, and that upon notice and hearing the Commission issue its Order authorizing the reinstatement of all canceled underages of production which accrued to Company's test wells during the February 1, 1956, to August 1, 1956, proration period as a result of its conducting maximum pressure build-up tests with respect to same; providing for the noncancellation of future underages of production accruing to such wells as a result of such tests; providing for the transfer of such underages of production to any other well or wells on the same basic lease; and authorizing Applicant to produce the reinstated and noncanceled underages of production accruing to each such well over a period of time which shall terminate with the August 1, 1957, to February 1, 1958, proration period.

W. R. Daniel
Attorney for Applicant

EXHIBIT "A"

of

Application filed with

The Oil Conservation Commission of the State of New Mexico

BLANCO-MESA VERDE GAS POOL

Wells previously tested which
lost allowables in February 1,
1957, and which may or may not
lose allowable in August 1,
1957

	Location of Wells			
	Section,	Township,	Range,	N.M.P.M.
Fields # 1	N/2 25	32 North	11 West	
Jacquez Pool Unit # 1	S/2 26	31 North	9 West	
Mansfield # 4	E/2 29	30 North	9 West	
Mudge # 5	W/2 3	31 North	11 West	
Pierce # 1	W/2 17	30 North	9 West	

FULCHER KUTZ-PICTURED CLIFFS GAS POOL

Hargraves # 2	SE/4 9	27 North	10 West
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BLANCO-MESA VERDE GAS POOL

Wells previously tested which
did not lose allowables in
February 1, 1957, but which
may lose allowables in August 1,
1957.

	Location of Wells			
	Section,	Township,	Range,	N.M.P.M.
Fields # 5	W/2 28	32 North	11 West	
Grambling # 3	W/2 22	29 North	9 West	
Howell "D" # 2	W/2 29	31 North	8 West	
Howell "E" # 2	E/2 14	30 North	8 West	
Prichard # 2-1	E/2 34	31 North	9 West	
San Juan 30-6 Wilson # 6	W/2 35	30 North	7 West	
Zachery # 1	S/2 25	31 North	11 West	
Lindsay "A" # 1	E/2 19	30 North	8 West	
Day "A" # 4	W/2 8	29 North	8 West	

SOUTH-BLANCO-PICTURED CLIFFS GAS POOL

Luth # 1-A	NE/4 1	26 North	8 West
Hamilton State # 3	SE/4 16	28 North	7 West

FULCHER KUTZ-PICTURED CLIFFS GAS POOL

Gordon # 4	NE/4 22	27 North	10 West
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BALLARD-PICTURED CLIFFS GAS POOL

Ballard 2-14	NW/4 14	28 North	9 West
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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. 1272
Order No. R-1055

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR THE TRANSFER
AND/OR NON-CANCELLATION AND
REINSTATEMENT OF ALLOWABLES FOR
WELLS PREVIOUSLY INVOLVED IN
MAXIMUM PRESSURE BUILD-UP TESTS
IN THE BLANCO MESAVERDE AND BALLARD-
PICTURED CLIFFS GAS POOLS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on June 25, 1957, at Farmington, 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 16th day of September, 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, El Paso Natural Gas Company, commenced maximum pressure build-up tests on the following named wells in the years 1955 and 1956:

WELL NAME	LOCATION OF WELLS			
Fields No. 1 Well	N/2	25	- 32 North	11 West
Jacques Pool Unit No. 1 Well	S/2	26	- 31 North	9 West
Manfield No. 4 Well	E/2	29	- 30 North	9 West
Hodge No. 5 Well	W/2	3	- 31 North	11 West
Pierce Federal No. 1 Well	W/2	17	- 30 North	9 West
Hargraves No. 2 Well	SE/4	9	- 27 North	10 West
Fields No. 5 Well	W/2	28	- 32 North	11 West
Granbling No. 3 Well	W/2	22	- 29 North	9 West
Howell "D" No. 2 Well	W/2	29	- 31 North	8 West
Howell "E" No. 2 Well	E/2	14	- 30 North	8 West
Prichard No. 2-1 Well	E/2	34	- 31 North	9 West
San Juan 30-6 Wilson No. 6 Well	W/2	35	- 30 North	7 West
Zachary No. 1 Well	S/2	25	- 31 North	11 West
Lindsay "A" No. 1 Well	E/2	19	- 30 North	8 West
Day "A" No. 4 Well	W/2	8	- 29 North	8 West
Ballard No. 2-14	NW/4	14	- 26 North	9 West

Case No. 1272
Order No. R-1055

(3) That all the above-described tests have been completed.

(4) That El Paso Natural Gas Company by this application seeks an order of the Commission reinstating certain underage which was cancelled on six of the aforementioned wells on February 1, 1957 and further, authorizing the non-cancellation of underage accrued to all of the aforementioned wells until February 1, 1958, and further, authorizing the transfer of the allowables accrued to said wells to other wells on the same basic lease.

(5) That the reinstatement of underage which has been cancelled and redistributed in accordance with the applicable pool rules would be unfair to the other operators in the pool in that it would reduce the amount of gas which each of said operators would be permitted to produce from a common source of supply.

(6) That it is not necessary to specifically authorize the non-cancellation of underage presently accrued to the aforementioned wells since the Commission has by Order No. R-1044 suspended the cancellation of underage in all the pools affected by this application until February 1, 1958.

(7) That the transfer of the allowables accrued to the aforementioned wells should not be authorized since all of the tests have already been completed and all of said wells are back on production.

IT IS THEREFORE ORDERED:

(1) That the application of El Paso Natural Gas Company for the reinstatement of cancelled underage and for the transfer and/or non-cancellation of allowables for the following named wells which have been previously involved in maximum pressure build-up tests in the Blanco Mesaverte and Ballard-Pictured Cliffs Gas Pools, be and the same is hereby denied:

WELL NAME	LOCATION OF WELLS			
Fields No. 1 Well	N/2	25 - 32 North	11 West	
Jacques Pool Unit No. 1 Well	S/2	26 - 31 North	9 West	
Mansfield No. 4 Well	E/2	29 - 30 North	9 West	
Mudge No. 5 Well	W/2	3 - 31 North	11 West	
Pierce Federal No. 1 Well	W/2	17 - 30 North	9 West	
Hargraves No. 2 Well	SE/4	9 - 27 North	10 West	
Fields No. 5 Well	W/2	28 - 32 North	11 West	
Grambling No. 3 Well	W/2	22 - 29 North	9 West	
Howell "D" No. 2 Well	W/2	29 - 31 North	8 West	
Howell "E" No. 2 Well	E/2	14 - 30 North	8 West	
Prichard No. 2-1 Well	E/2	34 - 31 North	9 West	
San Juan 30-6 Wilson No. 6 Well	W/2	35 - 30 North	7 West	
Zachary No. 1 Well	S/2	25 - 31 North	11 West	
Lindsay "A" No. 1 Well	E/2	19 - 30 North	8 West	
Day "A" No. 4 Well	W/2	8 - 29 North	8 West	
Ballard No. 2-14	NW/4	14 - 26 North	9 West	

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Macken, Chairman

Murray E. Morgan, Member

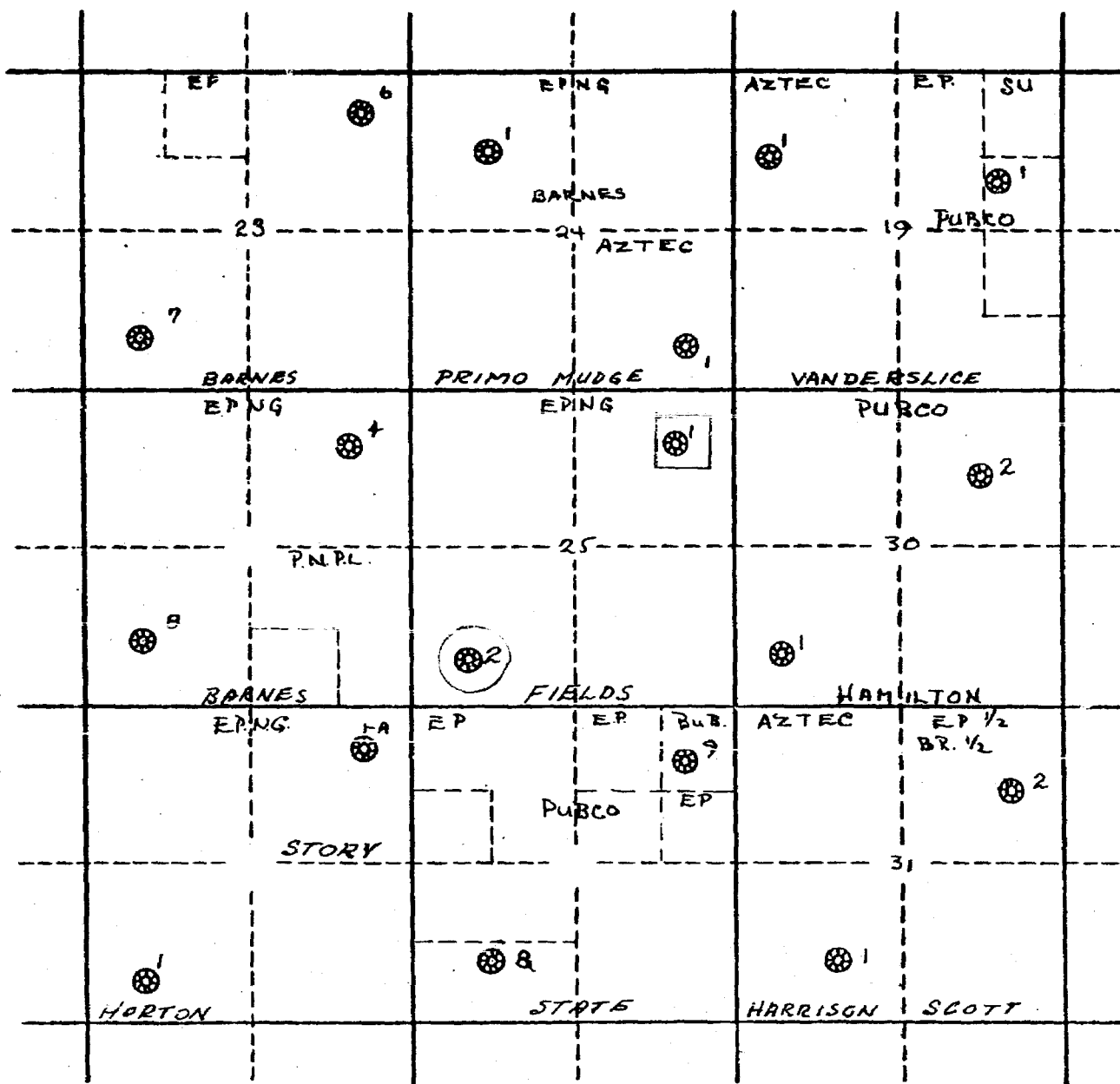
A. L. Porter, Jr., Member & Secretary



SAN JUAN COUNTY NEW MEXICO

BLANCO M.V.

TOWNSHIP 32 N RANGE 10-11 W



CASE 1272
EX. 1

FIELDS #1

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 1
CASE 1272

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO MV POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Fields #1

Location: 990' fr. N, 990' fr. E lines, A Sec. 25 T. 32 N., R. 11 W

TD: 5,458 Casing: 7" @ 4,705' Tubing: 2" @ 5,315'

Completed: 5/20/53 First Delivery: 10/26/53

Pay Zone: Open Hole interval: 4,760' to 5,414' or Perforations: _____

Stimulation: : Shot W/1440 qts. SNG from 4,798' to 5,458'

SIPC: 1018 SIPT: 1016 DAYS SI: 7

I. P. Test: 3,780 MCF, 3 Hrs. _____ Choke: _____ MCF AOF thru tubing or casing

Current Deliverability: 315 MCF, Date Tested: 1956

Well Put On Test: 5/17/56 *at* 11/1/56

WELLS ON SAME BASIC LEASE

<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Fields #2	25-32-11	333	1957

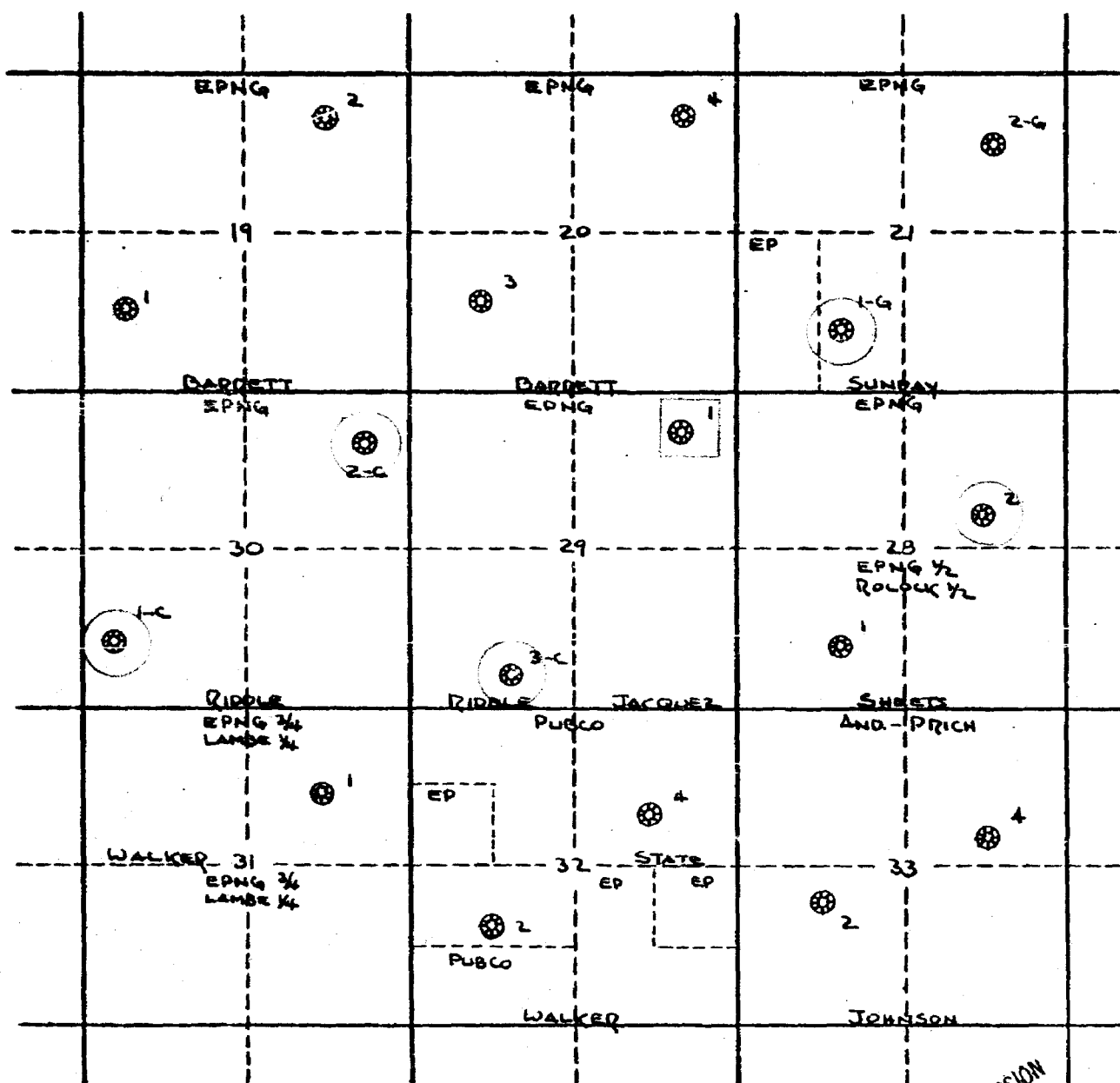
OIL CONS. IN N.M. - 1957
SANTA FE, NEW MEXICO
EXHIBIT No. 2
9/15/57

Proration Department
June 11, 1957

SAN JUAN COUNTY NEW MEXICO

BLANCO M.V.

TOWNSHIP 31 RANGE 9



JACQUEZ POOL UNIT #1

CASE 1272
EX. 3

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 3

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO MV POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Jaquez Pool Unit #1

Location: 990 fr. N, 990 fr. E lines, A Sec. 29 T. 31 N., R. 9 W

TD: 5,459 Casing: 7" @ 4,780' Tubing: 2" @ 5,330'

Completed: 12/19/52 First Delivery: 8/10/53

Pay Zone: Open Hole Interval: 4,796' to 5,459' or Perforations: _____

Stimulation : Shot W/1500 qts. S.N.G. from 4,819' to 5,459'

SIPC: 1,076 SIPT: - - DAYS SI: 8

L. P. Test: 8,980 MCF, 3 Hrs. _____ Choke: _____ MCF AOF thru tubing or casing

Current Deliverability: 1,574 MCF, Date Tested: 1956

Well Put On Test 4/30/56

011 11/7/56

WELLS ON SAME BASIC LEASE

<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Riddle #1-C	30-31-9	395	1956
Riddle #2-C	30-31-9	1,061	1956
Riddle #3-C	29-31-9	739	1956
Sunray #1-G	21-31-9	961	1956
Sheets #1	28-31-9	1,292	1956

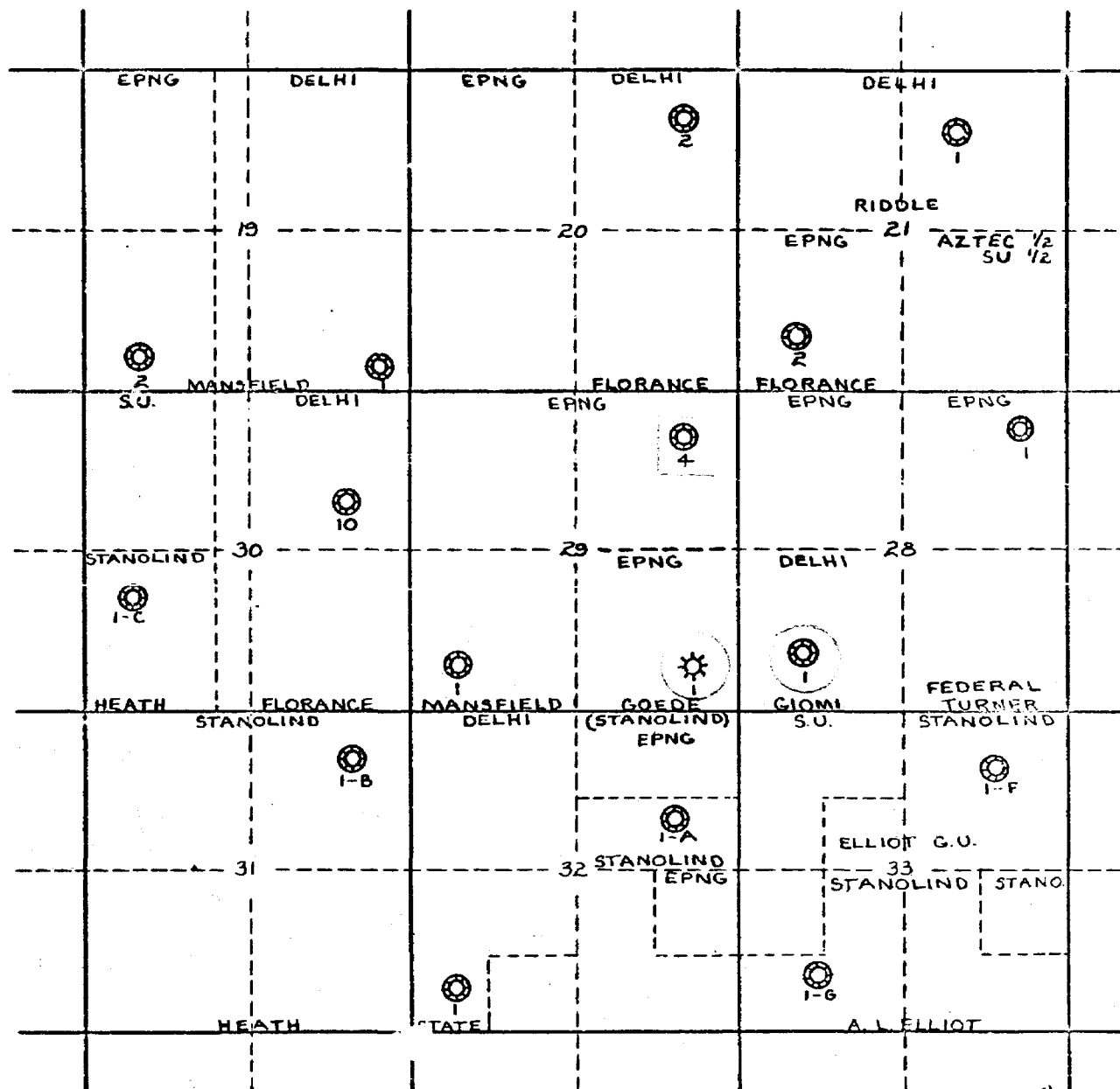
BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 4

Proration Department
June 11, 1957

CASE 1272
EX. 4

SAN JUAN COUNTY NEW MEXICO

TOWNSHIP 30N RANGE 9W



CASE 1272
EX. 5

BEFORE THE
OIL COM. N.M. & N.M. M.I.S.S.I.O.N.
SANTA FE, NEW MEXICO
EXHIBIT No. 5
CASE 1272

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO MV POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Mansfield #4
 Location: 977 fr. N, 330 fr. E lines, A Sec. 29 T. 30 N., R. 09 W
 TD: 5,002 Casing: 5-1/2" @ 5,002' Tubing: 2-1/2" @ 4,912'
 Completed: 1/27/51 First Delivery: 12/1/51
 Pay Zone: Open Hole Interval: 4,218 to 4,940 or Perforations: _____
 Stimulation: Casing perforated in Point Lookout, Menefee and Cliff House.
 SIPC: 1,082 SIPT: 1,069 DAYS SI: 8
 I. P. Test: 4,070 MCF, 3 Hrs. _____ Choke: _____ MCF AOF thru tubing or casing
 Current Deliverability: 1,796 MCF, Date Tested: 1956
 Well Put On Test: 7/16/56 *90 2/8/56*

WELLS ON SAME BASIC LEASE

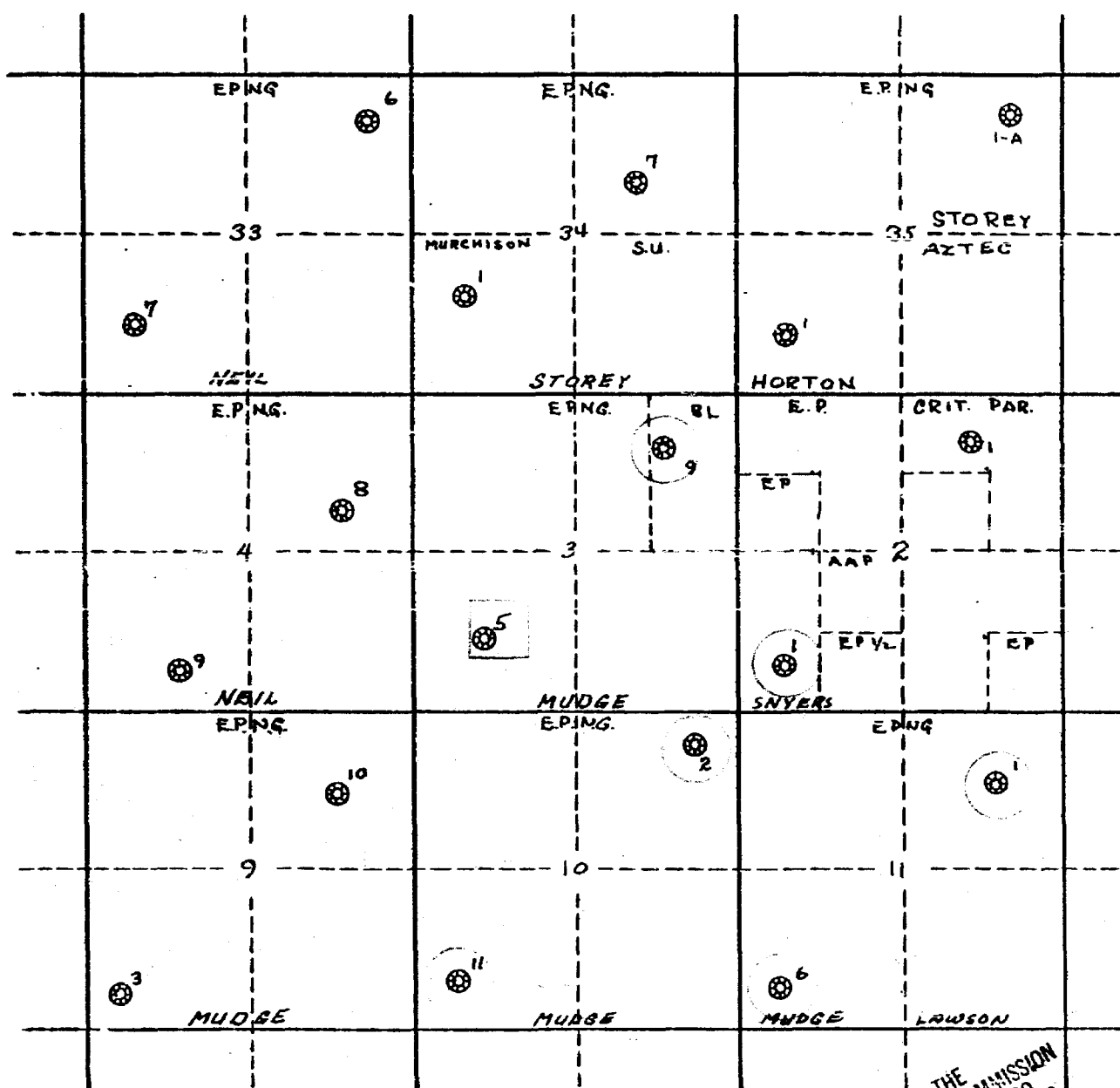
<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Goede #1	29-30-9	196	1956

BEFORE THE
 OIL CONS. COM. NEW MEXICO
 SANTA FE, NEW MEXICO
 EXHIBIT No. 6
App 1272
 CASE

Proration Department
 June 11, 1957

CASE 1272
 Ex. 6

BLANCO M.V.

TOWNSHIP 31 N RANGE 11 W

BEFORE THE
OIL CONS. COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 1272

MUDGE #5
CASE 1272
EX. 7

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO M.V. POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Mudge #5

Location: 1,450 fr. S, 1650 fr. W lines, K Sec. 3 T. 31 N., R. 11 W

TD: 5,072 Casing: 7" @ 4,311 Tubing: 2" @ 4,998

Completed: 11/25/53 First Delivery: 1/19/54

Pay Zone: Open Hole Interval: 4,330 to 5,072 or Perforations: _____

Stimulation: Shot w/ 1972 qts. of S.N.G. from 4,354 to 5,072'

SIPC: 1,080 SIPT: 1,085 DAYS SI: 12

I. P. Test: 5,306 MCF, 3 Hrs. _____ Choke: _____ MCF AOF thru tubing or casing

Current Deliverability: 890 MCF, Date Tested: 1956

Well Put On Test: 5/17/56 *off 14/1/56*

WELLS ON SAME BASIC LEASE

<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Mudge #9	3-31-11	1,318	1956
Mudge #11	10-31-11	188	1957
Mudge #2	10-31-11	- 0 - *	1956
Mudge #6	11-31-11	615	1957
Lawson #1	11-31-11	241	1957
Smyers #1	2-31-11	1,354	1957

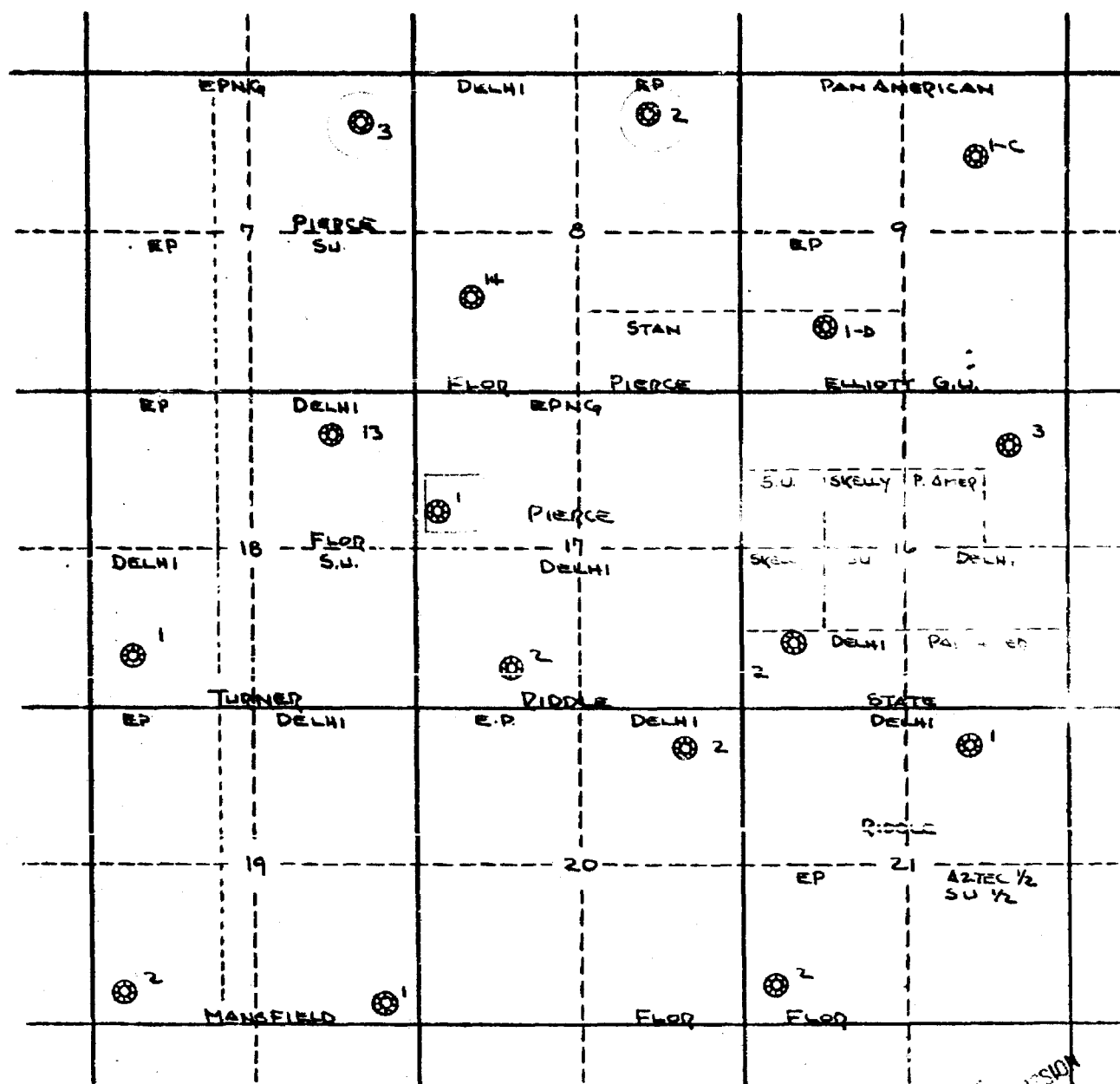
* Well caved in - no results from test

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 8

Proration Department
June 11, 1957

CASE 1272
Ex. 8

TOWNSHIP 30 RANGE 10



PIERCE #1

CASE 1272
EX. 9

BEFORE THE
OIL CONS. & ENRM. DIVISION
SANTA Fe, New Mexico
EXHIBIT No. 1272
CASE OPP

TEST WELL DATA	BLANCO MV	POOL
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TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Pierce Federal #1

TD: 5,262 Casing: 5-1/2" @ 5,026 Tubing: 2-1/2" @ 5,142

Completed: 1/26/51 First Delivery: 2/1/51

Pay Zone: Open Hole Interval: 4,470 to 5,262 or Perforations:

Stimulation: _____

SIPC: 1,087 SIPT: 1,082 DAYS SI: 10

I. P. Test: 3,690 **MCF, 3 Hrs.** **Choke:** **MCF AOF thru tubing or casing**

Current Deliverability: 1,826 MCF, Date Tested: 1956

Well Put On Test: 11/8/55

<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Pierce #3	7-30-9	4,234	1956
Pierce #2	8-30-9	5,113	1956

CASE 1272
EX. 10

**BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO**

EXHIBIT No. 16

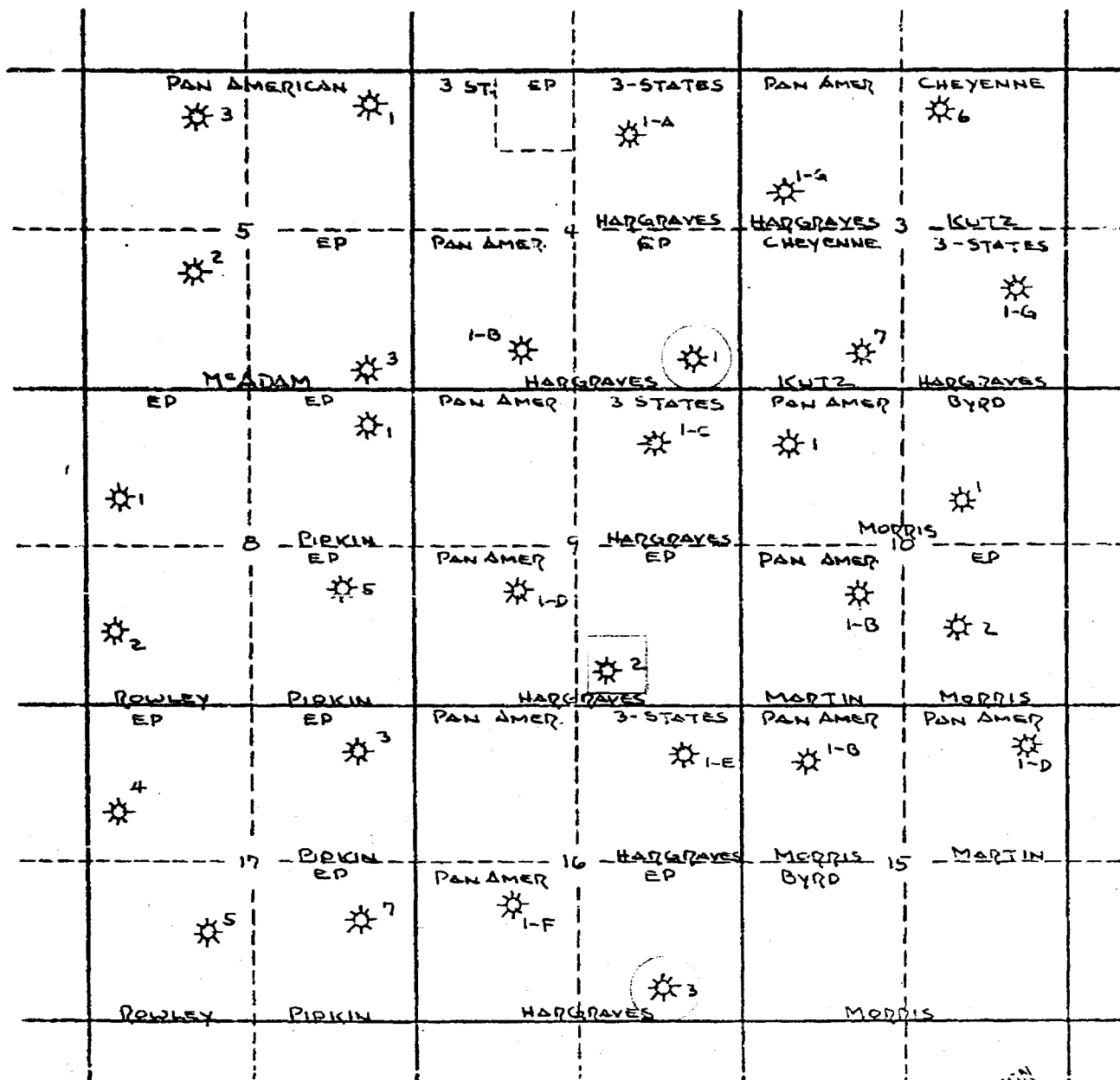
CASE 1272

**Proration Department
June 11, 1957**

SAN JUAN COUNTY NEW MEXICO

FUICHER KUTZ - P.C.

TOWNSHIP 27 RANGE 10



HARGRAVES #2

CASE 1272
EX. 11

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 11
CASE 1272

~~EPNG PRESSURE BUILD-UP TEST~~
PICTURED
TEST WELL DATA FULCHER KUTZ CLIFFS POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Hargrave No. 2
Location: 1,800 fr. E, 990 fr. S lines, O Sec. 9 T. 27 N., R. 10 W
TD: 2,290 Casing: 5-1/2" @ 2,197 Tubing: 1" @ 2,268
Completed: November 21, 1951 First Delivery: December 10, 1951
Pay Zone: Open Hole Interval: 2,197 to 2,278 or Perforations: _____
Stimulation : Shot W/ 200 qts. S.N.G. from 2,206' to 2,286'
SIPC: 557 SIPT: 557 DAYS SL: 6
I. P. Test: 520 MCF, 3 Hrs. Choke: _____ MCF AOF thru tubing or casing
Current Deliverability: 73 MCF, Date Tested: 1956
Well Put On Test: 2/23/56 *7/3 6/11/56*

WELLS ON SAME BASIC LEASE

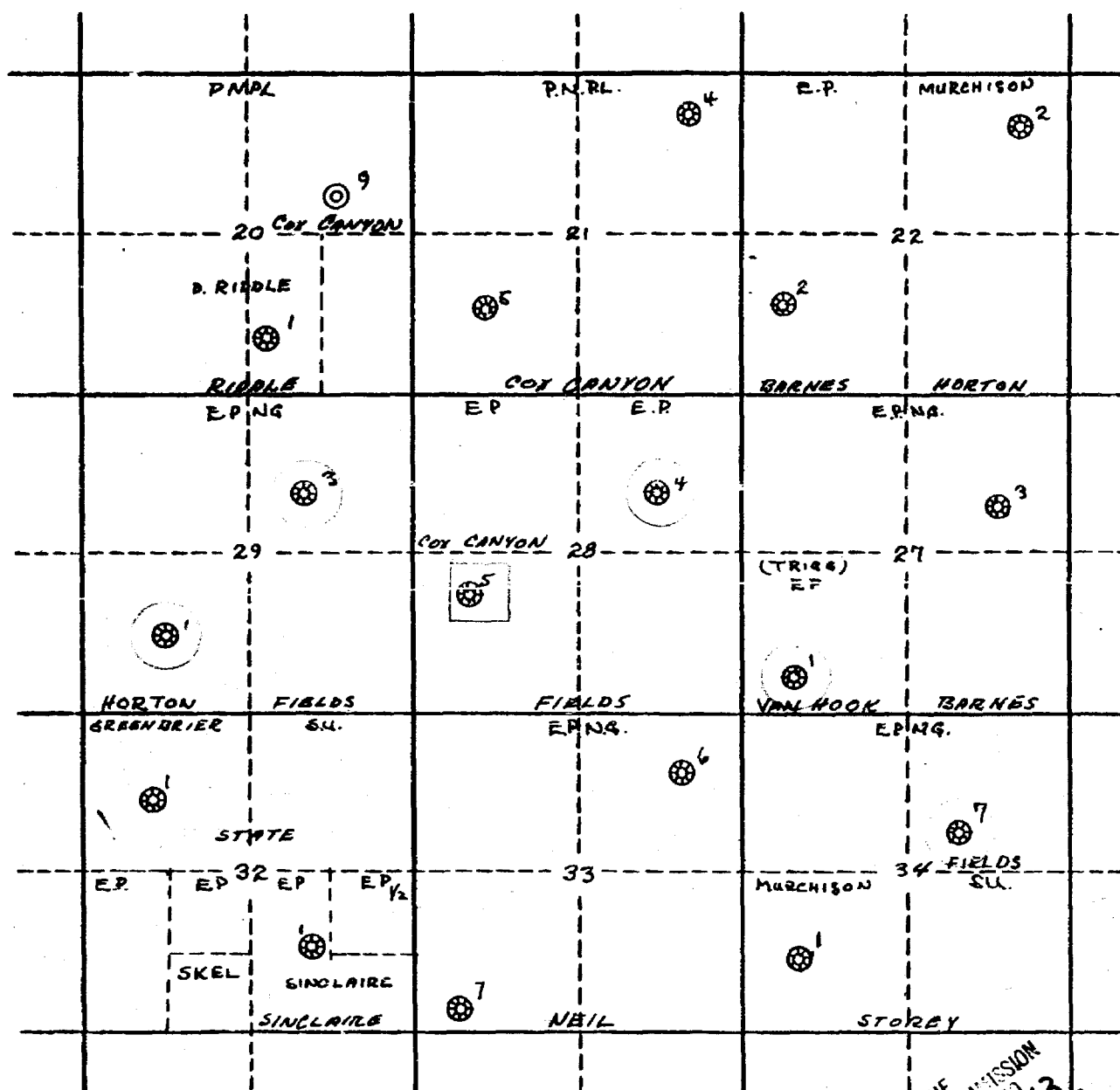
<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Hargraves #1	4-27-10	65	1957
Hargraves #3	16-27-10	32	1957

BEFORE THE
OIL CONS. & PROD. COM. N.M.
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 12
Proration Department
June 11, 1957

SAN JUAN COUNTY NEW MEXICO

BLANCO M.U.

TOWNSHIP 32 N RANGE 11 W



BEFORE THE
OIL CONS. ADJ. COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 13

CASE 1272
EX. 13
FIELDS 5

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO MV POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Fields #5

Location: 1,847 fr. S, 790 fr. W lines, L Sec. 28 T. 32 N., R. 11 W

TD: 5,610 Casing: 5-1/2" @ 5,610 Tubing: 2"@ 5,571

Completed: 3/8/56 First Delivery: 3/27/56

Pay Zone: Open Hole Interval: 4,830 - 5,590 or Perforations:

Stimulation: Sand Water Frac.

SIPC: 1,053 SIPT: 1,042 DAYS SI: 93

I. P. Test: 24,390 MCF, 3 Hrs. 3/4 Choke: 5,920 MCF AOF thru tubing or casing

Current Deliverability: 1,661 MCF, Date Tested: 1956

Well Put On Test: 5/17/56 *off 11/6/56*

WELLS ON SAME BASIC LEASE

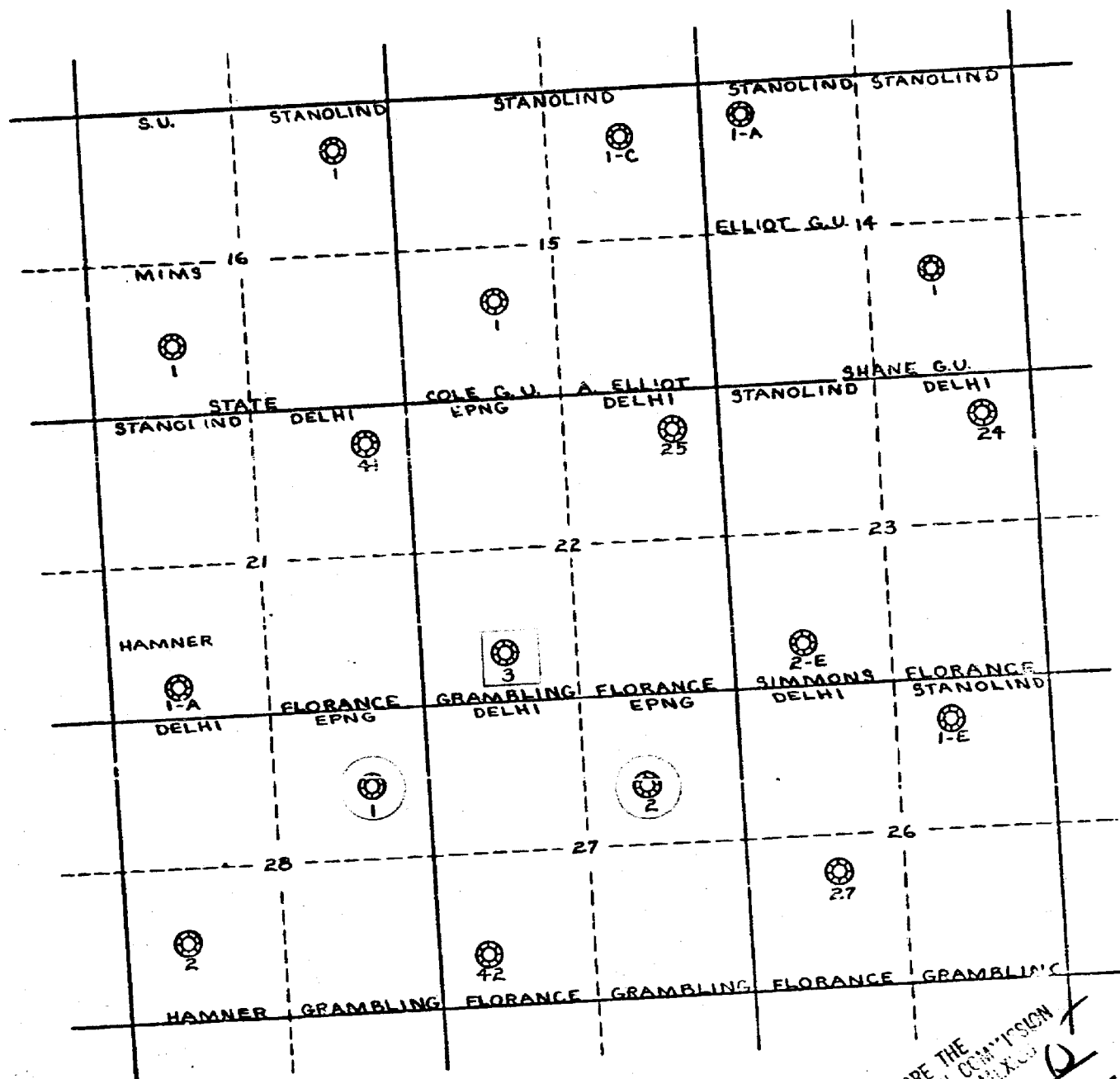
<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Fields #4	28-32-11	1,250	1957
Fields #3	29-32-11	234	1957
Horton #1	29-32-11	475	1957
Van Hook #1	27-32-11	1,655	1957
Fields #7	34-32-11	1,200	1957

CASE 1272
Ex. 14

BEFORE THE
OIL CONS. & MIN. COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 14
Proration Department
June 11, 1957

SAN JUAN COUNTY NEW MEXICO

TOWNSHIP 29 N RANGE 9W



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 15

CASE 1272
Ex. 15

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO MV POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Grambling #3

Location: 990 fr. S, 1,650 fr. W lines, M Sec. 22 T. 29 N., R. 09 W

TD: 4,368 Casing: 7" @ 3,725 Tubing: 2" @ 4,329

Completed: 8/1/53 First Delivery: 8/20/51

Pay Zone: Open Hole Interval: 3,778 to 4,390 or Perforations:

Stimulation : Shot W/ 770 qts. of S.N.G. from 4,220 to 4,390'

SIPC: 1,031 SIPT: 1,019 DAYS SL: 13

I. P. Test: 2,830 MCF, 3 Hrs. Choke: MCF AOF thru tubing or casing

Current Deliverability: 811 MCF, Date Tested: 1956

Well Put On Test: 8/17/56

WELLS ON SAME BASIC LEASE

<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Grambling #1	28-29-9	629	1956
Grambling #2	27-29-9	875	1957

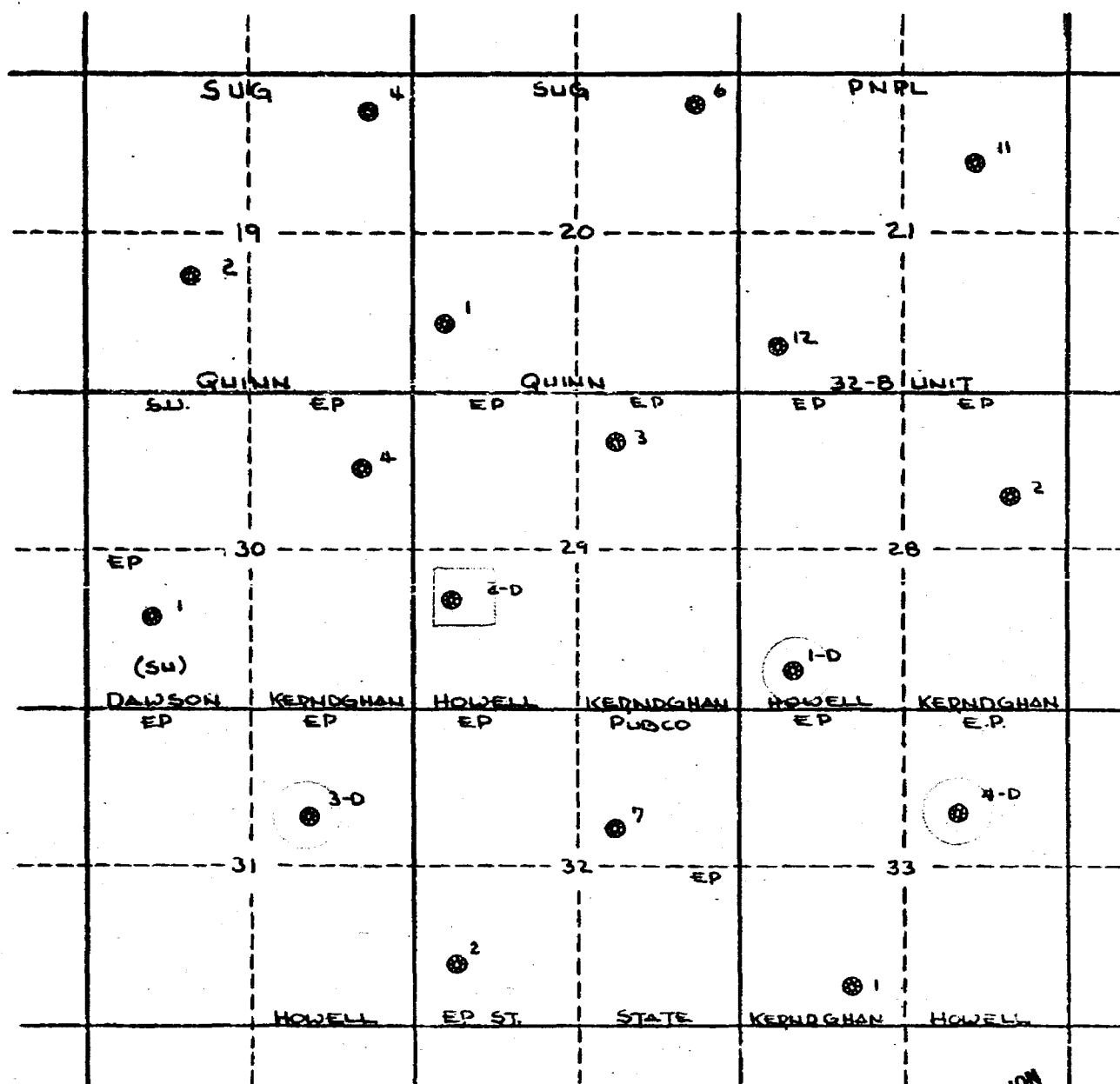
CASE 1272
EX. 16

BEFORE THE
OIL CONS. & DIV. COM. PRORATION
SANTA FE, NEW MEXICO
EXHIBIT NO. 16
CASE 1272
Proration Department
June 11, 1957

SAN JUAN COUNTY NEW MEXICO

BLANCO MV

TOWNSHIP 31 N RANGE 8 W



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No 17

CASE 1272
EX. 17
HOWELL D-2

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO MV POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Well Name & No. Howell D-2

Location: 1,650 fr. S, 990 fr. W lines, L Sec. 29 T. 31 N., R. 8 W

TD: 5,755 Casing: 7" @ 5,150 Tubing: 2" @ 5,684

Completed: 8/13/51 First Delivery: 8/27/51

Pay Zone: Open Hole Interval: 5,194 to 5,755 or Perforations:

Stimulation: Shot W/ 1,200 qts S.N.G. from 5,205 to 5,755

SIPC: 1,094 SIPT: 1,094 DAYS SI: 15

I. P. Test: 6,000 MCF, 3 Hrs. Choke: MCF AOF thru tubing or casing

Current Deliverability: 2,569 MCF, Date Tested: 1956

Well Put On Test: 7/17/56

Handwritten: 8/11/56

WELLS ON SAME BASIC LEASE

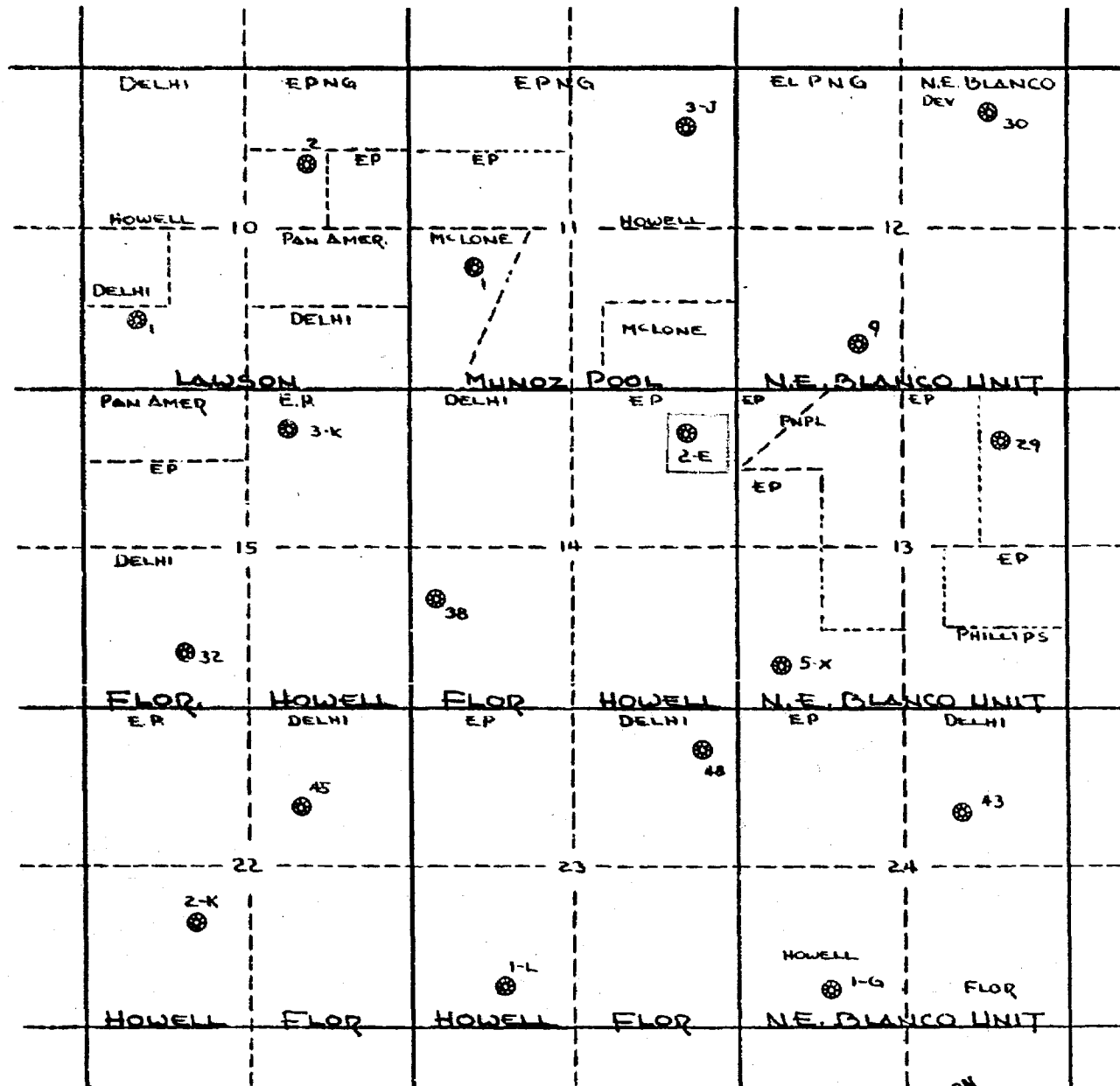
<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Howell #3-D	31-31-8	3,909	1956
Howell #1-D	28-31-8	425	1956
Howell #4-D	33-31-8	606	1956

BEFORE THE
OIL CONS. COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 18
Proration Department
June 11, 1957

SAN JUAN COUNTY NEW MEXICO

BLANCO M V

TOWNSHIP 30N RANGE 8W



BEFORE THE
OIL COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 19

CASE 1272
EX. 19
HOWELL E-2

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO MV POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Howell E-2

Location: 900 fr. N, 990 fr. E lines, A Sec. 14 T. 30 N., R. 8 W

TD: 5,056 Casing: 7" @ 3,704 Tubing: 2" @ 4,972

Completed: 10-12-51 First Delivery: 10-12-51

Pay Zone: Open Hole Interval: 4,720 to 5,056 or Perforations: _____

Stimulation: Shot W/ 1,335 qts of S.N.G. from 4,469 to 5,059

SIPC: 1,107 SIPT: 1,107 DAYS SI: _____

I. P. Test: 8,060 MCF, 3 Hrs. _____ Choke: _____ MCF AOF thru tubing or casing

Current Deliverability: 3,714 MCF, Date Tested: 1956

Well Put On Test: 9/9/56

077 12/24/56

WELLS ON SAME BASIC LEASE

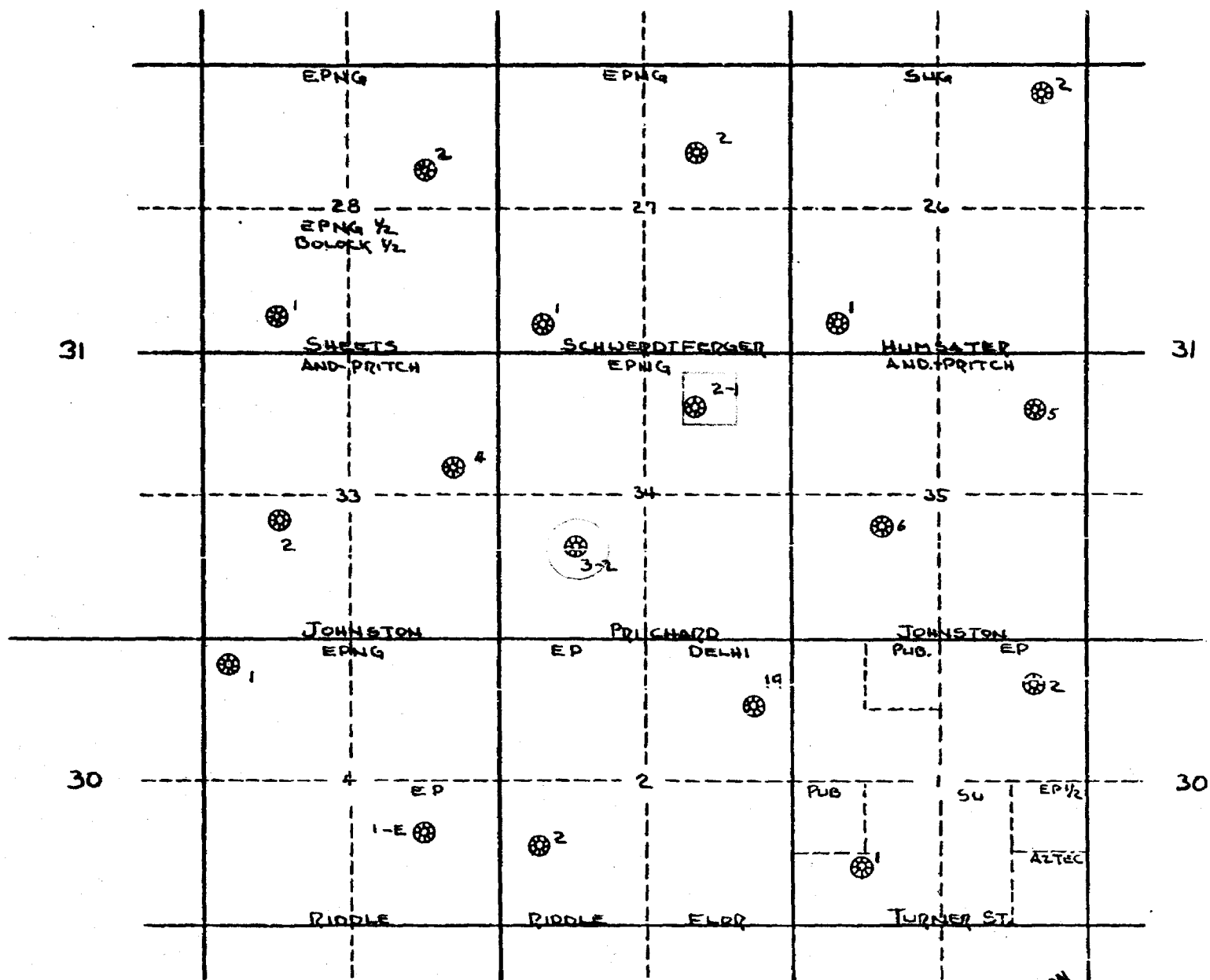
<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 20
Operation Department
June 11, 1957
CAS. 1272

SAN JUAN COUNTY NEW MEXICO

BLANCO M.V.

TOWNSHIP 30-31N RANGE 9W



PRICHARD 2-1

CASE 1272
Ex. 21

BEFORE THE
OIL COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 21
CASE 1272

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO M V POOL

Date: June 12, 1957

TEST WELL: Operator: E. P. N. G. Well Name & No. Prichard #1-2

Location: 1180 fr. N, 1850 fr. E lines, B Sec. 34 T. 31 N., R. 9 W

TD: 5,272 Casing: 7" @ 4,507 Tubing: 2" @ 5,222

Completed: 7/24/52 First Delivery: 8/4/52

Pay Zone: Open Hole Interval: 4,600 to 5,272 or Perforations: _____

Stimulation : Shot w/1,470 qts. S.N.G. from 4,604 to 5,272

SIPC: 1,101 SIPT: --- DAYS SI: _____

I. P. Test: 5,122 MCF, 3 Hrs. _____ Choke: _____ MCF AOF thru tubing or casing

Current Deliverability: 1,117 MCF, Date Tested: 1956

Well Put On Test: 7/16/56

7/12/57

WELLS ON SAME BASIC LEASE

<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Prichard #3-2	34-31-9	1,395	1956

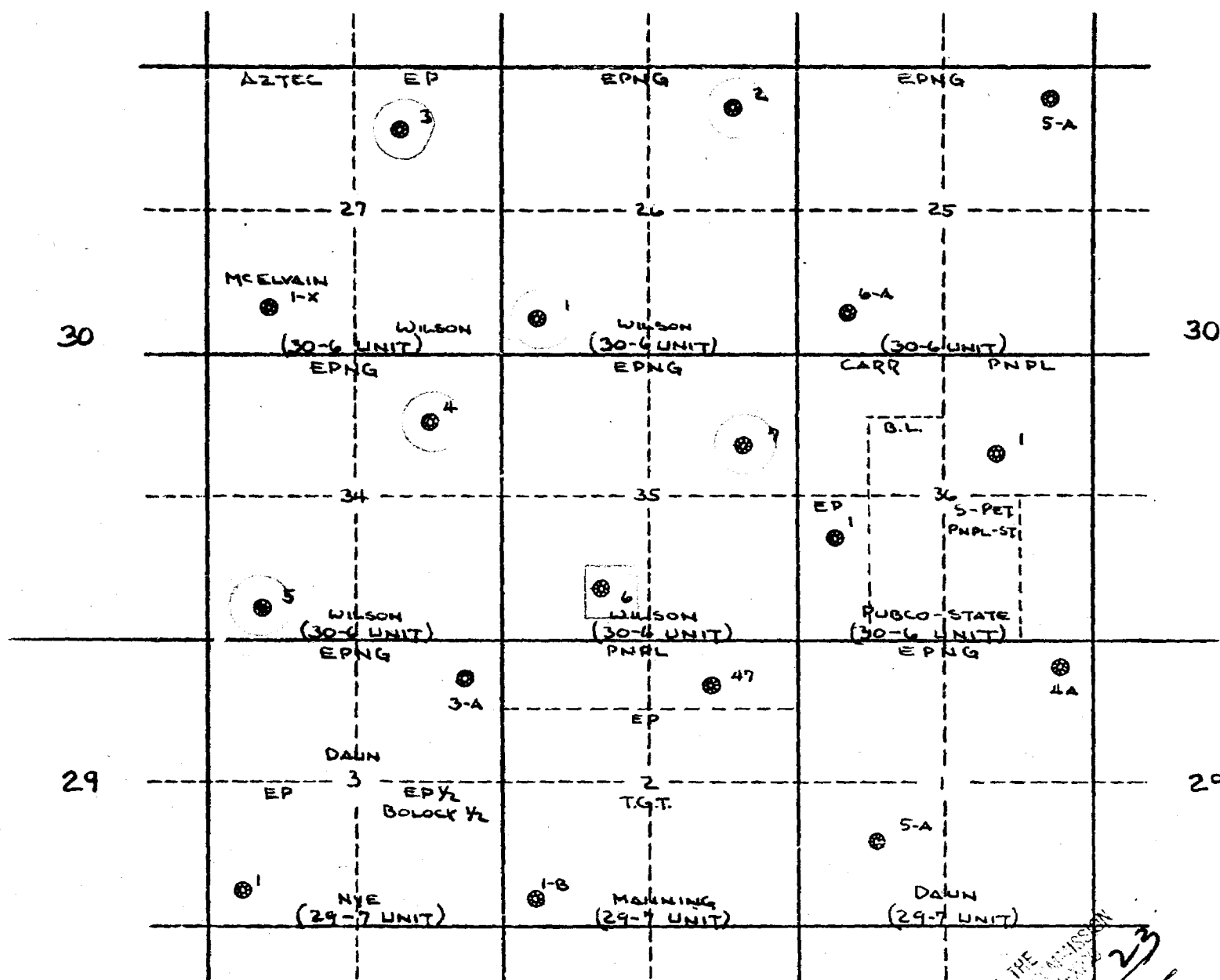
BEFORE THE
OIL COMMISSION
STATE OF TEXAS
CASE 1272
No. 22

Proration Department
June 11, 1957

RIO ARriba COUNTY NEW MEXICO

BLANCO M.V.

TOWNSHIP 29-30N RANGE 7W



S-1 UNIT 30-6 WILSON '6
CASE 1272
EX. 23

BEFORE THE
OIL COMMISSION
SANTA FE, NEW MEXICO
CASE 1272
EXHIBIT No. 23

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO M V POOL

Date: June 12, 1957

TEST WELL: Operator: E. P. N. G. Well Name & No. 30-6 Wilson #6
 Location: 890 fr. S, 1750 fr W lines, _____ Sec. 35 T. 30 N., R. 7 W
 TD: 6,033 Casing: 5-1/2" @ 6,033 Tubing: 2" @ 5,980
 Completed: March 18, 1956 First Delivery: April 6, 1956
 Pay Zone: Open Hole Interval: 5532 to 6,004 or Perforations: _____
 Stimulation: Sand Water Frac.
 SIPC: 1076 SIPT: 1,067 DAYS SI: 17
 L. P. Test: 5,190 MCF, 3 Hrs. _____ Choke: _____ MCF AOF thru tubing or casing
 Current Deliverability: 1,785 MCF, Date Tested: 1956
 Well Put On Test: 12/19/55

78 4/3/56

WELLS ON SAME BASIC LEASE

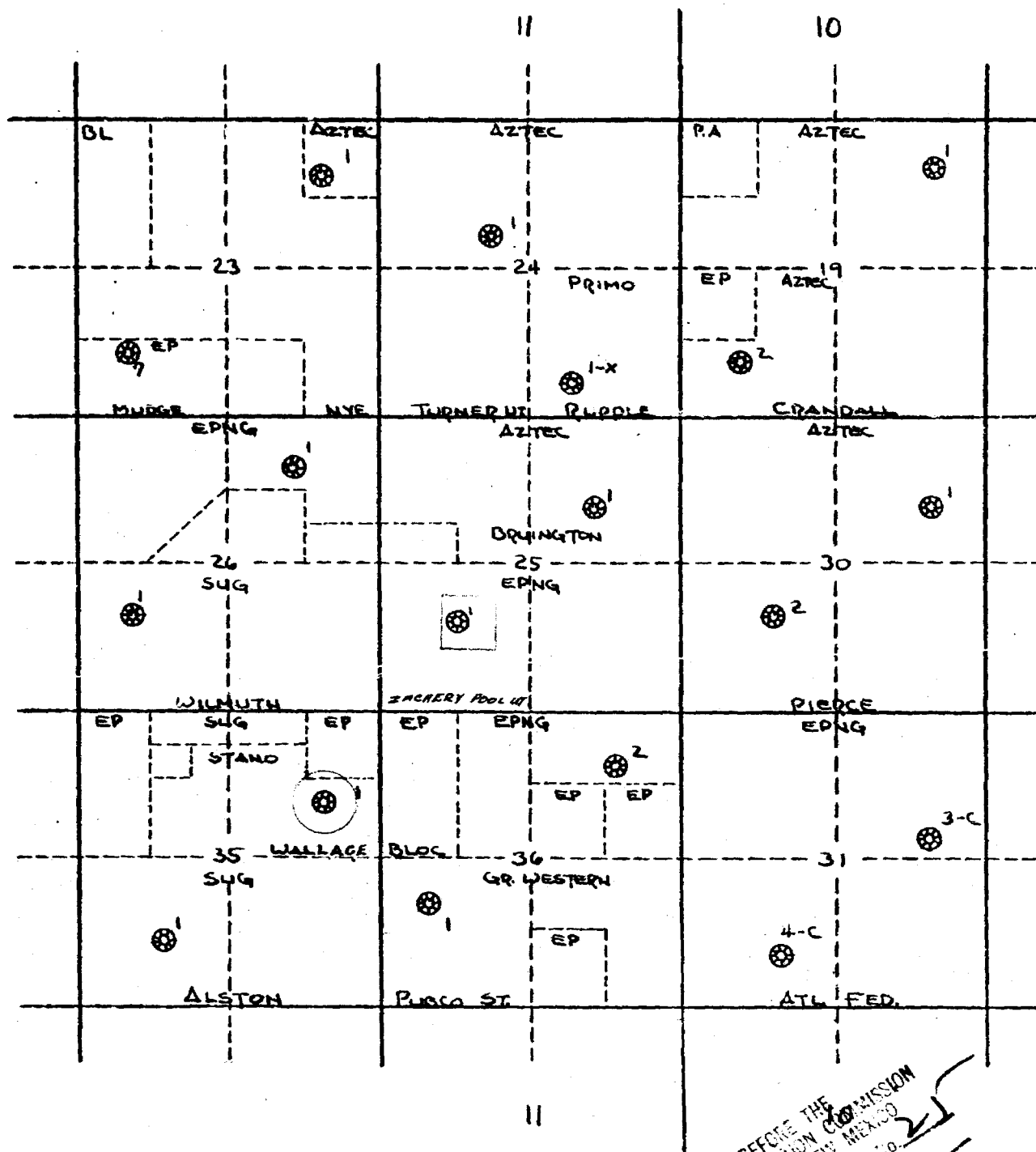
<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
30-6 Unit Wilson #1	26-30-7	131	1956
30-6 Unit Wilson #2	26-30-7	355	1956
30-6 Unit Wilson #4	34-30-7	708	1956
30-6 Unit Wilson #5	34-30-7	247	1956
30-6 Unit Wilson #7	35-30-7	961	1956

BEFORE THE
 OIL COMMISSION
 SANTA FE, NEW MEXICO
 EXHIBIT No. 24
EXP 1222
 Peroration Department
 June 11, 1957

SAN JUAN COUNTY NEW MEXICO

BLANCO M.V.

TOWNSHIP 31N RANGE 10-11W



ZACHERY POOL UNIT #1

CASE 1272
EX. 25

BEFORE THE COMMISSION
OIL AND GAS, NEW MEXICO
CASE NO. 1272
25

~~EPNG PRESSURE BUILD-UP TEST~~

TEST WELL DATA	BLANCO M V	POOL
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Date: June 12, 1957

TEST WELL: Operator: E. P. N. G. Well Name & No. Zachary Pool Unit #1

Location: 1604 fr. S, 1630 fr. W lines, K Sec. 25 T. 31 N., R. 11 W

TD: 4,890 **Casing:** 5-1/2" @ 4,890 **Tubing:** 2" @ 4,851

Completed: March 6, 1956 **First Delivery:** March 29, 1956

Pay Zone: Open Hole Interval: 4,712' to 4,840 **or Perforations:**

Stimulation : Water Sand Frac.

SIPC: 1,080 **SIPT:** 1,078 **DAYS SI:** 67

I. P. Test: 14, 159 **MCF, 3 Hrs.** 3/4" **Choke:** 6. 164 **MCF AOF thru tubing or casing**

Current Deliverability: 545 **MCF, Date Tested:** 1956

Well Put On Test: 12/30/55

WELLS ON SAME BASIC LEASE

<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
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Wallace #1 35-31-11

* Not tied in. No test as yet.

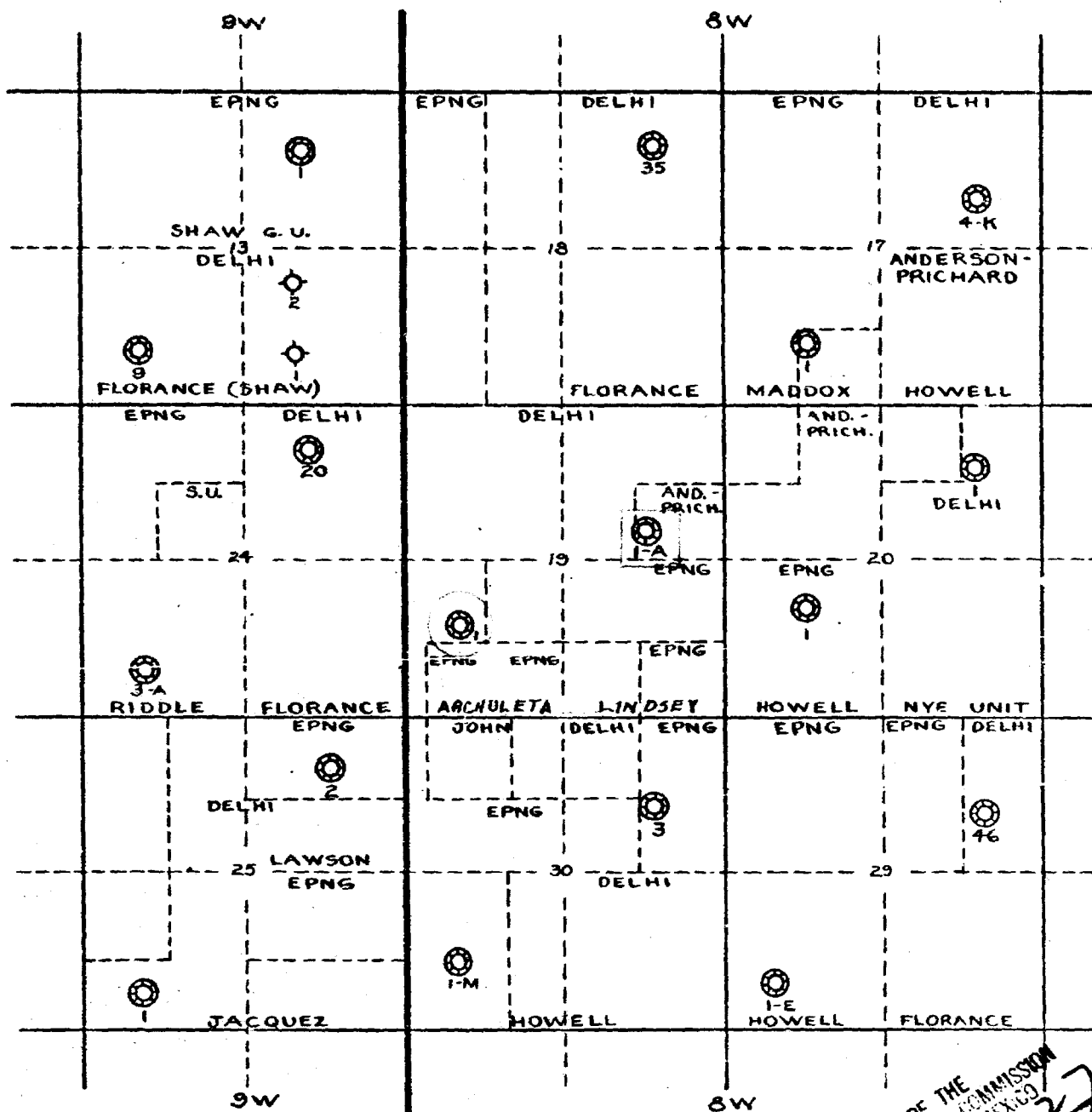
BEFORE THE
FEDERAL COMMISSION
NEW MEXICO
CASE NO. 1272

Proration Department
June 11, 1957

CASE 1272
EX. 26

SAN JUAN COUNTY NEW MEXICO

TOWNSHIP 30N RANGE 8 & 9W



BEFORE THE
OIL CONS. COMMISSION
SANTA FE, NEW MEXICO
CASE 1272
Exhibit No. 27

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO MV POOL

Date: June 12, 1957

TEST WELL: Operator: E. P. N. G. Well Name & No. Lindsey #1-A

Location: 1,795 fr. N, 1080 fr. E lines, H Sec. 19 T. 30 N., R. 8 W

TD: 4,840 Casing: 5-1/2" @ 4,840 Tubing: 2" @ 4,794

Completed: January 21, 1956 First Delivery: April 12, 1956

Pay Zone: Open Hole Interval: 4,186 to 4,734 or Perforations: _____

Stimulation: Sand Water Frac.

SIPC: 1,102 SIPT: 1,086 DAYS SL: 55

L. P. Test: 28,310 MCF, 3 Hrs. 3/4" Choke: 7,051 MCF AOF thru tubing or casing

Current Deliverability: 2,371 MCF, Date Tested: 1956

Well Put On Test: 7/6/56 *7/6 - 12/1/57 Not Stabilized*

WELLS ON SAME BASIC LEASE

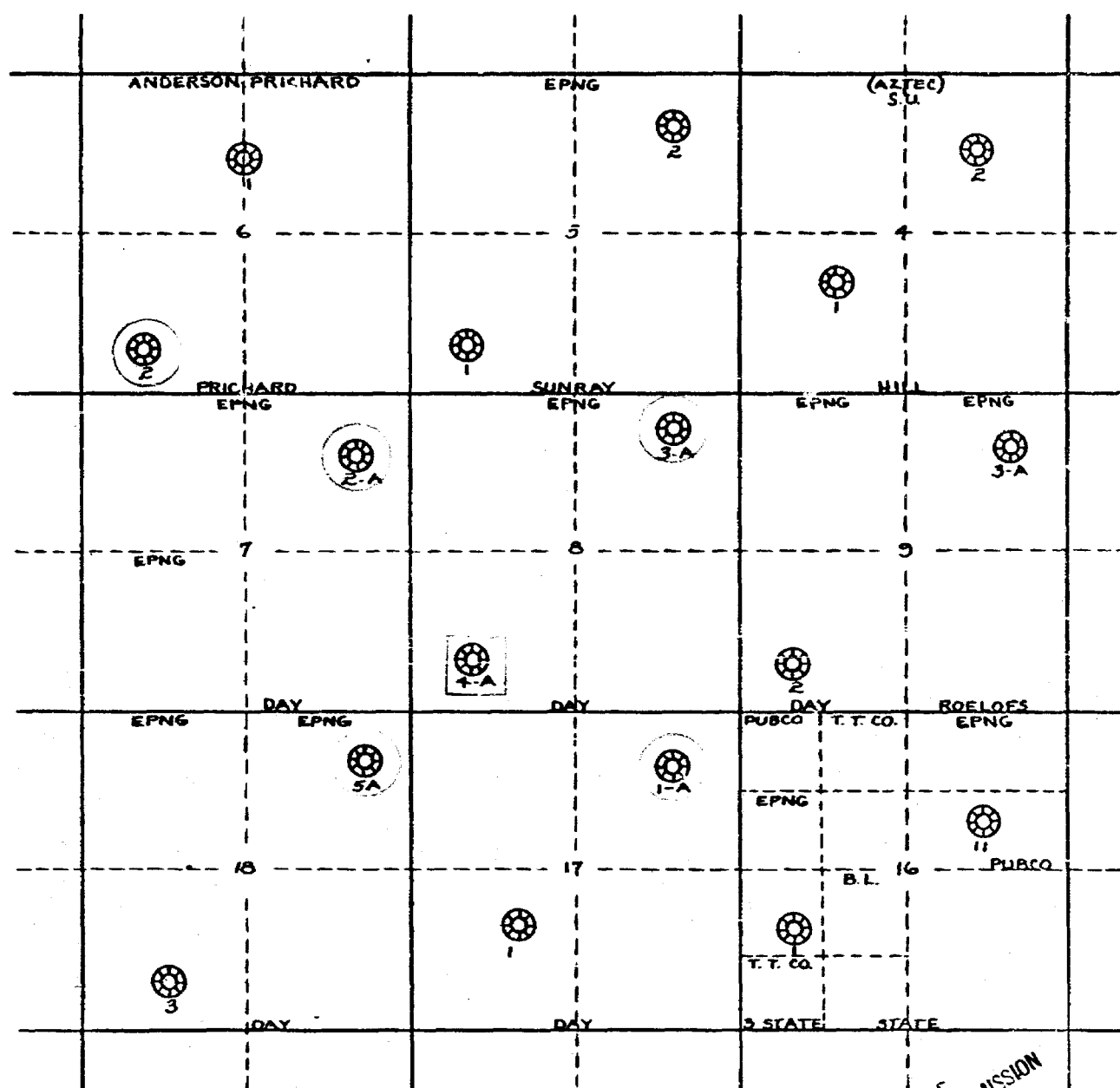
Name	Location	Deliverability	Date of Test
Archuleta #1	19-30-8	* 2,381 (Est.)	*

* Southern Union tie-in.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT NO. 28
1272
Petroleum Department
June 11, 1957

SAN JUAN COUNTY NEW MEXICO

TOWNSHIP 29 N RANGE 8 W



CASE 1272
Ex. 29

BEFORE THE
OIL CONS. COM. NEW MEXICO
SANTA FE, NEW MEXICO
EXHIBIT No. 29
CASE 1272

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BLANCO MV POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Day A-4

Location: 990 fr. S, 990 fr. W lines, M Sec. 08 T. 29 N., R. 08 W

TD: 5,267 Casing: 7" @ 4,389 Tubing: 2" @ 5,137

Completed: January 13, 1953 First Delivery: May 19, 1953

Pay Zone: Open Hole Interval: 4,441 to 5,267 or Perforations:

Stimulation : Shot W/ 1,830 qts. of S.N.G. from 4,447' to 5,267'

SIPC: 1,079 SIPT: 1,069 DAYS SI: 23

I. P. Test: 3,870 MCF, 3 Hrs. Choke: MCF AOF thru tubing or casing

Current Deliverability: 518 MCF, Date Tested: 1956

Well put to Test 7/24/56

WELLS ON SAME BASIC LEASE

Name	Location	Deliverability	Date of Test
Day 2 A	7-29-8	171	1956
Day 3 A	8-29-8	995	1956
Day 1 A	17-29-8	225	1956
Day 5 A	18-29-8	745	1956
Prichard 2	6-29-8	1,234	1956

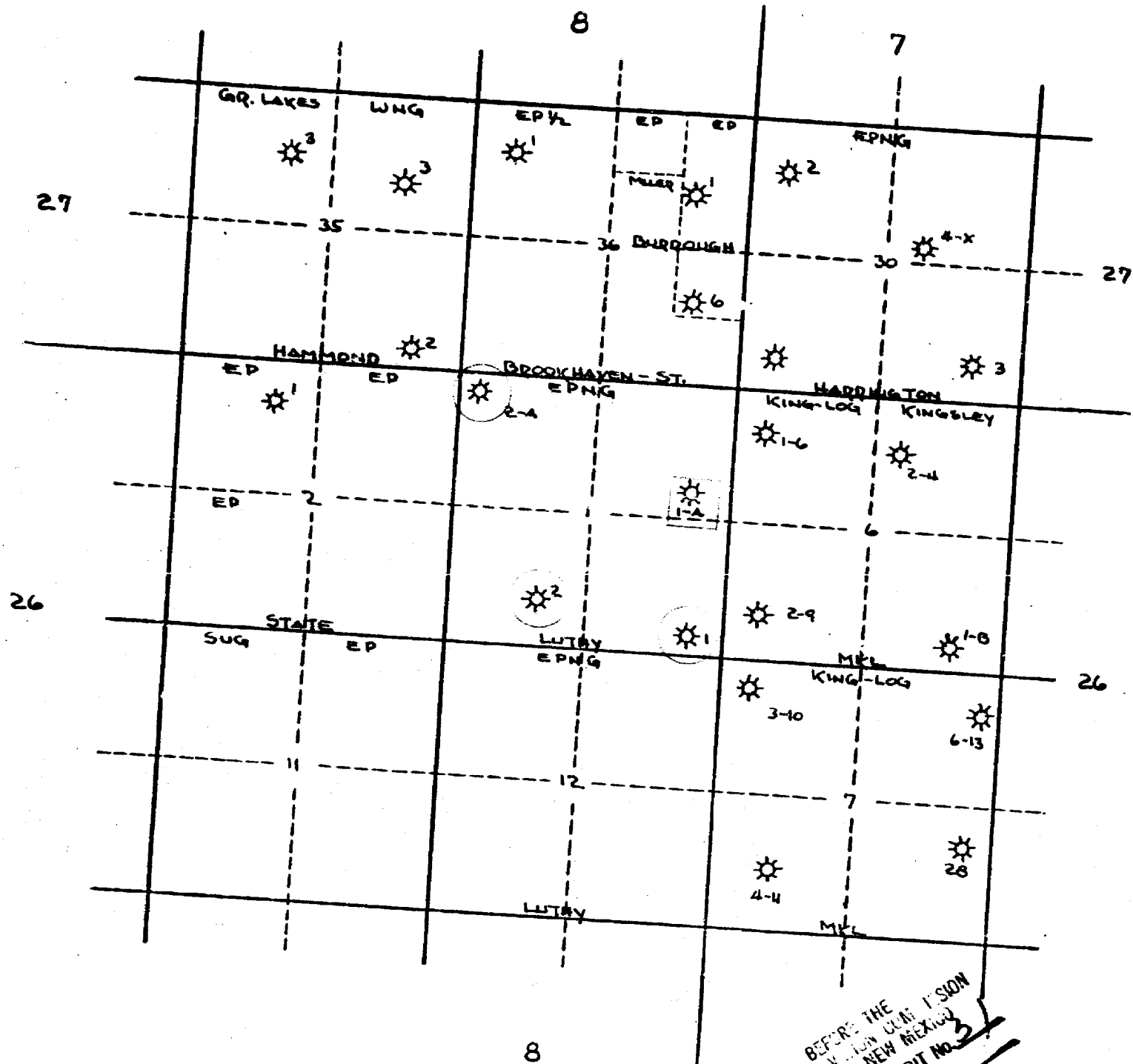
BEFORE THE
OIL CONS. COM. NEW MEXICO
CASE 1272 TRANSIT No. 30

Proration Department
June 11, 1957

SAN JUAN COUNTY NEW MEXICO

SOUTH BLANCO P.C.

TOWNSHIP 26-27N RANGE 7-8W



CASE 1272
EX. 31

LUTY 1-A

BEFORE THE
OIL CONS. COM. NEW MEXICO
SANTA FE, NEW MEXICO
EXHIBIT No. 31
CASE 1272

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA SO. BLANCO PICTURED CLIFFS POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Luthy 1-A
 Location: 1,980' fr. N, 510 fr. E lines, M Sec. 1 T. 26 N., R. 8 W
 TD: 2,285 Casing: 5-1/2" @ 2,229' Tubing: 1" @ 2,248'
 Completed: January 12, 1954 First Delivery: July 28, 1954
 Pay Zone: Open Hole Interval: 2,229 to 2,285 or Perforations: _____
 Stimulation: _____
 SIPC: 717 SIPT: 672 DAYS SI: 17
 I. P. Test: 2,953 MCF, 3 Hrs. _____ Choke: _____ MCF AOF thru tubing or casing
 Current Deliverability: 760 MCF, Date Tested: January 2, 1954
 Well Put On Test: 11/8/56 *off in 2 minutes (No Press BU)* *Dry?*

WELLS ON SAME BASIC LEASE

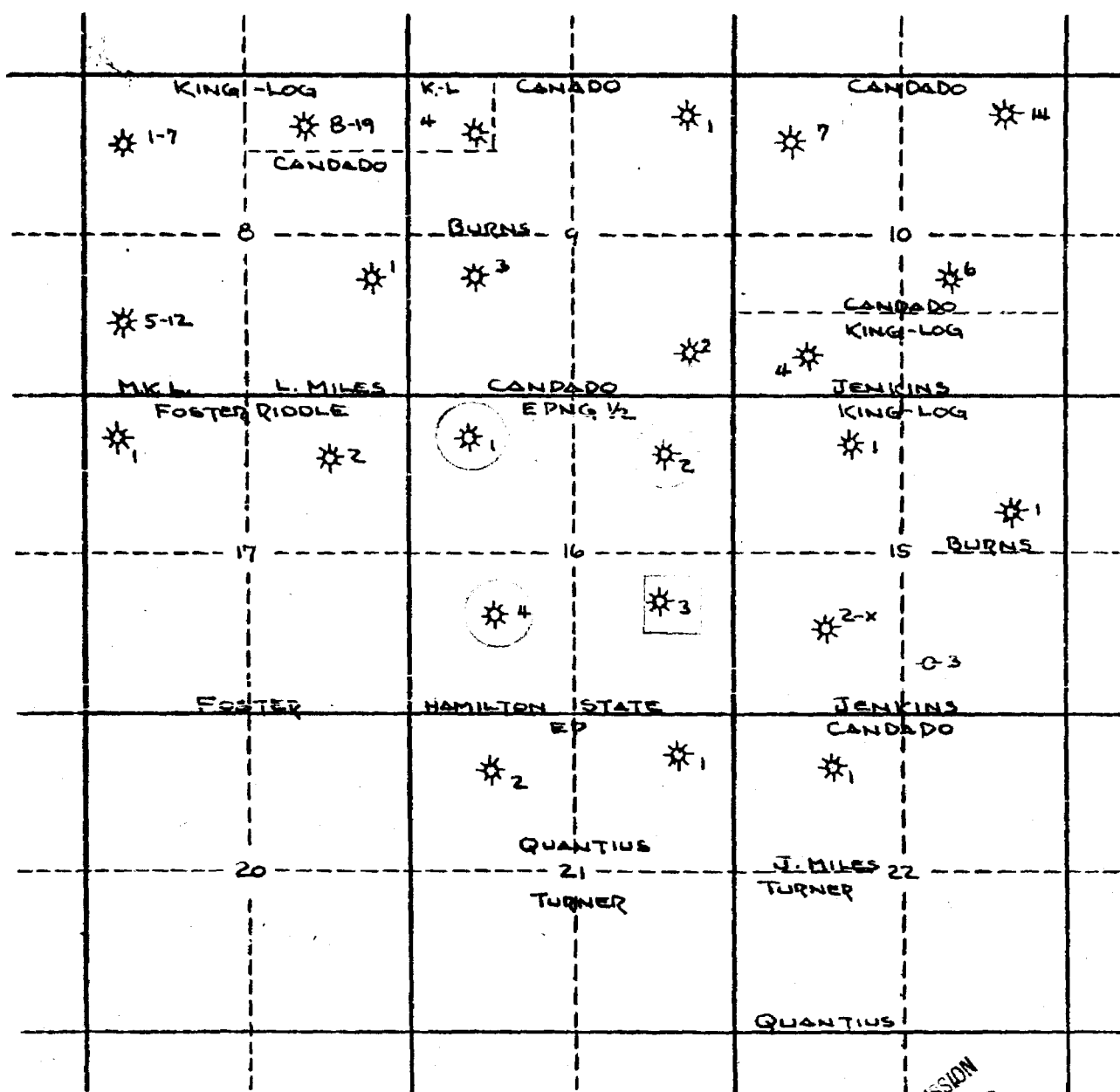
<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Luthy #2-A	1-26-8	717	1956
Luthy #2	1-26-8	12	1956
Luthy #1	1-26-8	70	1956

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 H.E.I.T. No. 32
Proration Department
June 11, 1957

RIO ARRIBA COUNTY NEW MEXICO

SOUTH BLANCO PC

TOWNSHIP 26 N RANGE 7 W



BEFORE THE
OIL CONSERVATION COMMISSION
SOUTH BLANCO PC
CASE 127233

HAMILTON STATE #3
CASE 1272
EX. 33

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA SO BLANCO - PICTURED CLIFFS POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Hamilton State #3
 Location: 1,840 fr. S, 1,500 fr. E lines, J Sec. 16 T. 26 N., R. 7 W
 TD: 2,751 Casing: 5-1/2" @ 2,704 Tubing: 1" @ 2,710
 Completed: November 12, 1953 First Delivery: February 11, 1954
 Pay Zone: Open Hole Interval: 2,713 to 2,751 or Perforations: _____
 Stimulation: Sand Oil Frac.
 SIPC: 858 SIPT: 857 DAYS SI: 8
 I. P. Test: 3,780 MCF, 3 Hrs. _____ Choke: _____ MCF AOF thru tubing or casing
 Current Deliverability: 590 MCF, Date Tested: 1956
 Well Put On Test: 11/11/56

*Oil test in 2 weeks
(No Press. Bu)*
WELLS ON SAME BASIC LEASE

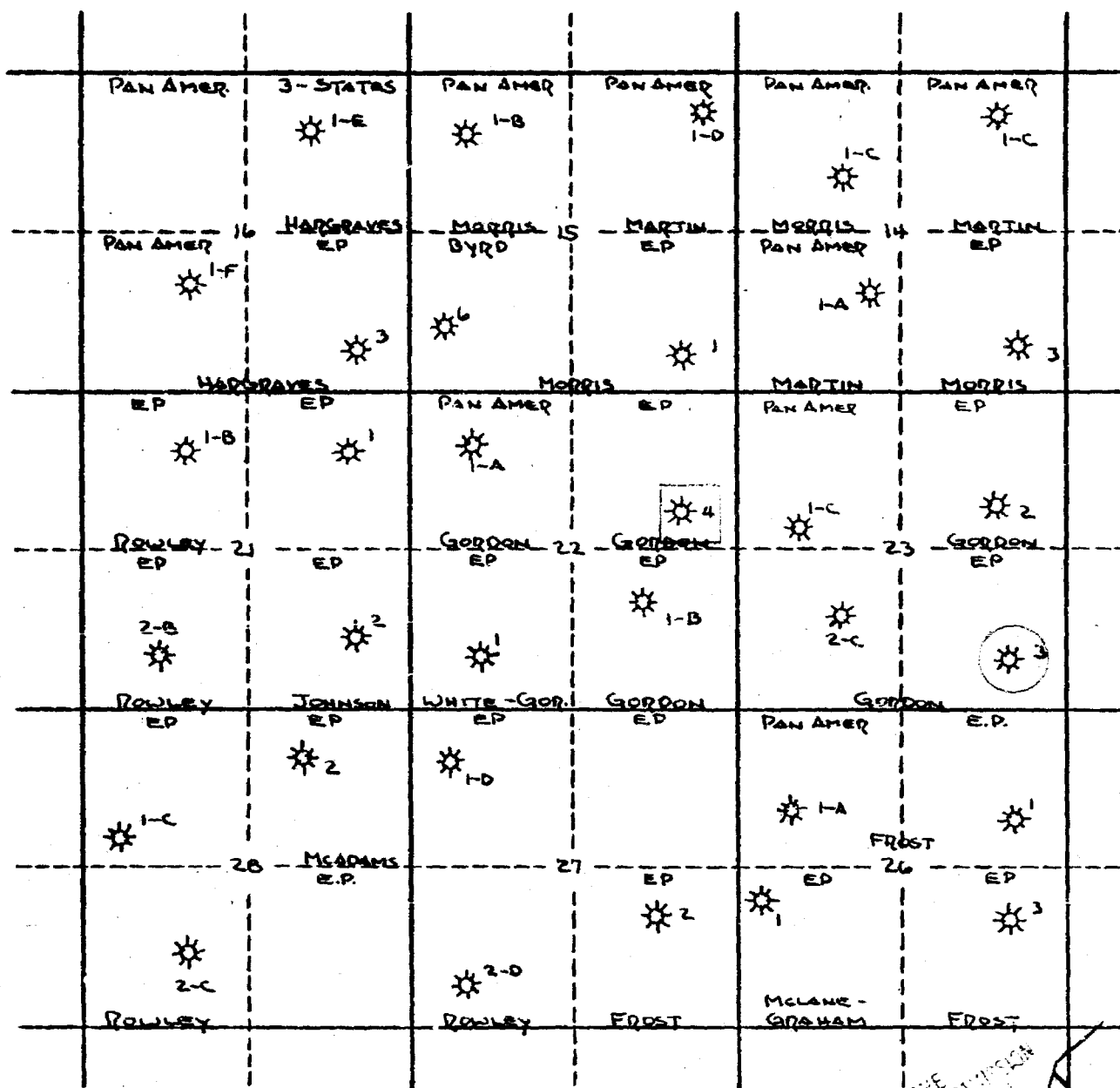
<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Hamilton State #1	16-26-7	284	1956
Hamilton State #2	16-26-7	54	1957
Hamilton State #4	16-26-7	50	1957

BEFORE THE
 OIL CONSERVATION COMMISSION
 Santa Fe, New Mexico
1272
 CASE No. 34
 Proration Department
 June 11, 1957

SAN JUAN COUNTY NEW MEXICO

FULCHER-KUTZ PC

TOWNSHIP 27N RANGE 10W



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 35

GORDON #4
CASE 1272
EX. 35

~~EPNG PRESSURE BUILD-UP TEST~~
PICTURED
TEST WELL DATA FULCHER KUTZ CLIFFS POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Gordon #4
Location: 1,650 fr. N, 990 fr. E lines, H Sec. 22 T. 27 N., R. 10 W
TD: _____ Casing: 5-1/2" @ 2,079 Tubing: 1" @ 2,125
Completed: July 30, 1952 First Delivery: August 29, 1952
Pay Zone: Open Hole Interval: 2,053 to 2,162 or Perforations: _____
Stimulation: Shot w/ 210 qts. S.N.G. 2,078 to 2,162
SIPC: 206 SIPT: 212 DAYS SI: 8
I. P. Test: 456 MCF, 3 Hrs. _____ Choke: _____ MCF AOF thru tubing or casing
Current Deliverability: 61 MCF, Date Tested: 1956
Well Put On Test: Not Tested

WELLS ON SAME BASIC LEASE

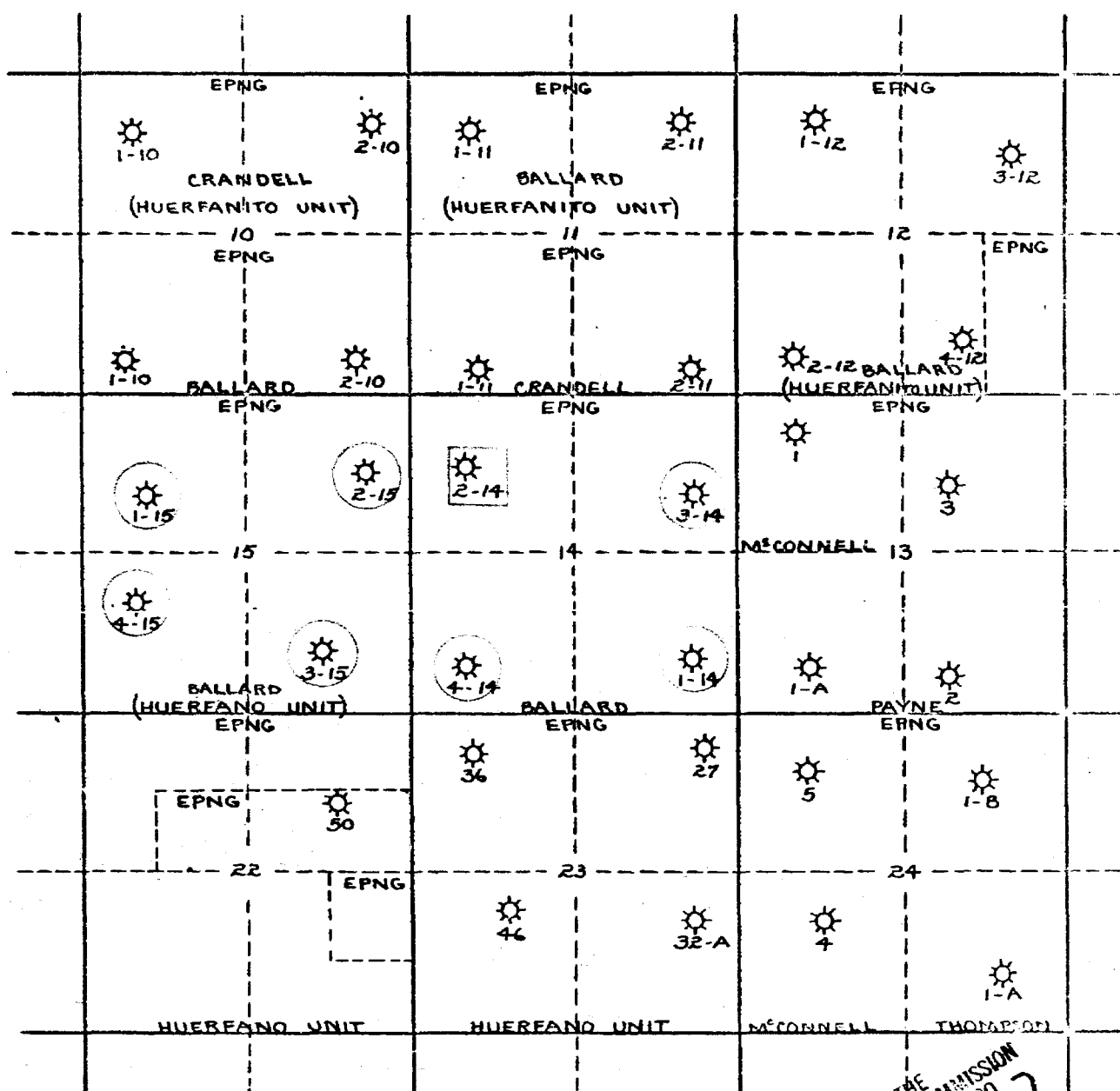
<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Gordon #3	23-27-10	99	1956

CASE 1272
Ex. 36

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 EXHIBIT No. 36
Proration Department
June 11, 1957

SAN JUAN COUNTY NEW MEXICO

TOWNSHIP 26 N RANGE 9 W



BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
EXHIBIT No. 37
CASE 1272

EPNG PRESSURE BUILD-UP TEST

TEST WELL DATA BALLARD - PICTURED CLIFFS POOL

Date: June 12, 1957

TEST WELL: Operator: El Paso Natural Gas Company Well Name & No. Ballard Fed. 14-2

Location: 1,650 fr. N, 990 fr. W lines, E Sec. 14 T. 26 N., R. 09 W

TD: 2,029 Casing: 5-1/2" @ 1,994 Tubing: 1" @ 1,996

Completed: August 15, 1954 First Delivery: October 1, 1954

Pay Zone: Open Hole Interval: 2,000 to 2,029 or Perforations: _____

Stimulation: Sand Oil Frac.

SIPC: 656 SIPT: 657 DAYS SI: 11

I. P. Test: 2.774 MCF, hrs. Choke: _____ MCF AOF thru tubing or casing

Current Deliverability: 384 MC. Date Tested: 1956

Well Put On Test: 11/20/56

WELLS ON SAME BASIC LEASE

<u>Name</u>	<u>Location</u>	<u>Deliverability</u>	<u>Date of Test</u>
Ballard (Huerfano) #1-15	15-26-9	372	1957
Ballard (Huerfano) #2-15	15-26-9	165	1957
Ballard (Huerfano) #4-15	15-26-9	105	1957
Ballard (Huerfano) #3-15	15-26-9	205	1957
Ballard (Huerfano) #3-14	14-26-9	310	1957
Ballard (Huerfano) #4-14	14-26-9	383	1957
Ballard (Huerfano) #1-14	14-26-9	324	1957

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
CASE 1272 38

Proration Department
June 11, 1957

CASE 1272
Ex. 38

ROUGH
DRAFT
WJC/ir
Sept. 4

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. 1272
Order No. R-1055
BF

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR THE TRANSFER
AND/OR NON-CANCELLATION AND
REINSTATEMENT OF ALLOWABLES FOR
WELLS PREVIOUSLY INVOLVED IN
MAXIMUM PRESSURE/BUILD-UP TESTS.
IN THE BLANCO MESAVERDE, SOUTH
~~BLANCO PICTURED CLIFFS, BALLARD-~~
~~PICTURED CLIFFS, AND FULCHER KUTZ~~
~~PICTURED CLIFFS GAS POOLS.~~

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on June 25, 1957, at Farmington, 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 _____ day of September, 1957, the Commission, a quorum being present, having considered the application, the evidence, and the testimony adduced, and being fully advised in the premises,

FINDS:

- (1) Usual
- (2) That the applicant, El Paso Natural Gas Company, commenced X maximum pressure-buildup tests on the following named wells in the years 1955 and 1956:

WELL NAME	LOCATION OF WELLS
Fields No. 1 Well	N/2 25 32 North 11 West
Jacques Pool Unit No. 1 Well	S/2 26 31 North 9 West
Mansfield No. 4 Well	E/2 29 30 North 9 West
Mudge No. 5 Well	W/2 3 31 North 11 West
Pierce Federal No. 1 Well	W/2 17 30 North 9 West
Hargraves No. 2 Well	SE/4 9 27 North 10 West
Fields No. 5 Well	W/2 28 32 North 11 West
Grambling No. 3 Well	W/2 22 29 North 9 West
Howell "D" No. 2 Well	W/2 29 31 North 8 West
Howell "E" No. 2 Well	E/2 14 30 North 8 West
Prichard No. 2-1 Well	E/2 34 31 North 9 West
San Juan 30-6 Wilson No. 6 Well	W/2 35 30 North 7 West
Zachary No. 1 Well	S/2 25 31 North 11 West
Lindsay "A" No. 1 Well	E/2 19 30 North 8 West
Day "A" No. 4 Well	W/2 8 29 North 8 West
Ballard No. 2-14	NW/4 14 26 North 9 West

- (3) That all the above-described tests have been completed.
- (4) That El Paso Natural Gas Company by this application seeks an order of the Commission reinstating certain underage which was cancelled on six of the aforementioned wells on February 1, 1957, and further, authorizing the non-cancellation

of underage accrued to all of the aforementioned wells until February 1, 1958~~g~~ and further, authorizing the transfer of the allowables accrued to said wells to other wells on the same basic lease.

(5) That the reinstatement of underage which has been ^{and} cancelled ~~in~~/redistributed in accordance with the applicable pool rules would be unfair to the other operators in the pool in that it would reduce the amount of gas which each of said operators would be permitted to produce from a common source of supply..

(6) That it is not necessary to ^{specifically} authorize the non-cancellation of underage presently accrued to the aforementioned wells since the Commission has by Order No. R-~~1044~~ suspended the cancellation of underage in all the pools affected by this application until February 1, 1958.

(7) That the transfer of the allowables accrued to the ^{of the} aforementioned wells should not be authorized since all ^{of the} tests have already been completed and all of said wells are back on production.

IT IS THEREFORE ORDERED:

(1) That the application of El Paso Natural Gas Company for the reinstatement of cancelled underage and for the transfer and/or non-cancellation of allowables for the following-named wells which have been previously involved in maximum pressure build-up tests in the Blanco Mesaverde~~x~~ ~~South Blanco~~ ~~Pictured Cliffs~~ ^{and} Ballard-Pictured Cliffs~~x~~ ~~and Fletcher~~ ~~and Pictured Cliffs~~ Gas Pools, be and the same is hereby denied:

IDA- REPEAT NAMES OF WELLS AND LOCATIONS IN FINDING NO. 2

DONE