

CASE 1378: El Paso Natural Gas Co. application to amend Order R-333-C & D to extend testing period & revise test scheduling procedure for gas wells.

Case No.

1378

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Application, Transcript,  
Small Exhibits, Etc.

REPORT THE  
CIVIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
February 13, 1958

IN THE MATTER OF: Case No. 1378

TRANSCRIPT OF PROCEEDINGS

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
3-6691 5-9546

IN THE  
CITY OF ALBUQUERQUE  
Santa Fe, New Mexico  
February 13, 1938

-----  
IN THE MATTER OF:

Application of El Paso Natural Gas Company )  
for an order amending Order No. R-333-C & D. )  
Applicant, in the above-styled cause, seeks ) Case 1378  
an order revising, amending or deleting cer- )  
tain portions of Order No. R-333-C & D to )  
extend the testing period and revise the )  
test scheduling procedure applicable to gas )  
wells in San Juan, Rio Arriba, Sandoval and )  
McKinley Counties, New Mexico. )  
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BEFORE:

Mr. A. L. Porter, Jr.  
Mr. Murray Morgan  
Governor Edwin L. Mechem

TRANSCRIPT OF PROCEEDINGS

MR. PORTER: We'll take up next Case 1378.

MR. COOLEY: Case 1378: Application of El Paso Natural  
Gas Company for an order amending Order No. R-333-C & D.

MR. WHITWORTH: Jack Whitworth, representing El Paso  
Natural Gas Company. I understand this case is uncontested, so  
we plan to be brief. We have one witness, Mr. David Rainey.

(Witness sworn.)

DAVID H. RAINEY

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

DIRECT EXAMINATION

By MR. WHITWORTH:

Q Please state your full name.

A David H. Rainey.

Q By whom and in what capacity are you employed?

A Employed by El Paso Natural Gas Company as administrative assistant with the proration department.

Q Have you had occasion to be qualified as an expert witness before this Commission?

A Yes, sir.

MR. WHITWORTH: We ask the qualifications be accepted.

MR. PORTER: His qualifications are acceptable.

Q Have you had occasion to read and study the application in this case?

A Yes, sir.

Q Are you familiar with the situation outlined in that application?

A Yes, sir.

Q Would you state that situation to the Commission?

A At the present time the deliverability test period as provided for in Order R-333-C and D provides for testing period from April 1st to October 31st. At the present time there are between 3500 and 4000 wells in the San Juan Basin, all of which must be tested each year, and that period of time does not appear to be sufficient to test the wells; and El Paso is here making

application to extend that test period to a total of ten and a half months, or from February 1st to December 15th.

Q El Paso operates and tests a substantial number of wells in the San Juan Basin area, is that right?

A Yes, sir.

Q What period of time is prescribed -- first of all, are you familiar with the Order R-333-C and D?

A Yes, sir.

Q What period of time is prescribed in that order for performing annual deliverability pressure shut-in?

A The test period is from April 1st to October 31st, as I previously stated.

Q In your opinion, is this length of time adequate to perform those tests?

A No, sir, it is not.

Q You previously gave a reason to the Commission. Do you care to elaborate on that?

A No, sir, I don't think so. We think that the Commission received copies of a letter which El Paso sent to all operators. if you would like to have copies of that letter now. We proposed in that letter that the period be extended from February 1st to November 30th. After more serious deliberation on the matter, we are requesting that it be extended to December 15th, in that if a well is connected to a pipe line facility as late as October 31st it cannot be tested in the prescribed manner by the end of November.

Consequently, we are lengthening that time period to December 15th.

Q Now are you familiar with sub-section 111 of Section A of that order, relative to scheduling of tests?

A Yes, sir.

Q Have you prepared suggested changes to this order with respect to annual deliverability shut-in pressure tests and scheduling of tests?

A Yes, sir. I think everybody has a copy of these proposed changes. I have underlined the places that there are actual changes in the present rule.

We have changed wording, or arrangement, in the interest of clarity or simplification in some cases, but the basic changes are merely those that are underlined. I have already outlined the reasons for extending the period from February 1st to December 15th. Paragraph 4 of the proposed changes is an entirely new paragraph, which reads: "All Annual Deliverability and Shut-in Pressure Tests taken in compliance with Section B of this Order shall be filed with the New Mexico Oil Conservation Commission and with the gas transportation facility to which the well is connected within 30 days after the end of the month in which the test is completed but no test shall be filed later than December 31, provided however, that administrative approval may be granted by the Secretary-Director of the Commission for extensions of this period in special cases."

As a little further explanation of that, there are places

in the rule currently providing that the test shall be filed within the month following the month in which the test is completed. El Paso is urging that that provision be enforced to prevent a large number of tests being filed toward the end of the year, thereby imposing an abnormal work-load on the Commission and the operators right at the end of the year. The El Paso is proposing that a company making the test furnish a copy of the test to the gas transportation facility at the same time the test is filed with the Commission. This, in effect, will assure the pipe line company making up the schedules that the wells have been tested in compliance with the schedule, and no reason to reschedule the wells at a later date.

This paragraph further provides that no test shall be filed later than December 31, provided however that in cases of extreme need the Secretary-Director can grant administrative approval. It would have to be left to discretion of the Commission staff and the Director of the Commission what reasons would be valid for extensions of that. Something like freeze of the line, possibly, in the test in the latter part of the year, something could happen to the test, no fault of the operator, a valid extension could be granted.

In Section III in regard to scheduling of tests, the current order provides that one schedule shall be furnished to the Commission on February 15, scheduling for the entire year. It has proven with a large number of wells in the San Juan Basin that so many wells



have to be rescheduled that it would appear to be more feasible to schedule the wells in two-month increments rather than trying to schedule the entire year at one time, and that way if some test is a non-valid test or the well is not tested at all, it can immediately be rescheduled in the next two months and not have a big backlog of tests right at the end of the year that have to be caught up on.

Q In your opinion would these changes if adopted provide a more reasonable time period for making these tests than the rules or orders as they now exist?

A Yes, I think so. If I may, I have one other suggested change in the rules. In Section B, Sub-section I, sub-paragraph 6, present rule provides that orifice meter charts shall be changed and so arranged as to reflect upon a single chart the flow data for the gas from each well for the full seven-day deliverability test period. El Paso proposes to add a phrase there providing, "except that no tests shall be voided if reasonable explanation is made as to the necessity for using test volumes through two chart periods." In some instances we have lost tests because we failed to get good volume readings or something of that nature on one chart period. If we could have used the three days on one chart period and four days on another, with a reasonable explanation as to why that was necessary, we wouldn't have to reschedule the well and go through the whole process again. We are also requesting that change be made.

Q Do you have any suggestion of how testing may be accomplished for the year 1958?

A Since we are already past the February 1st date as proposed in these new rules, El Paso is requesting at this time that an emergency order be issued relieving the pipe line companies of the obligation of filing the full year's deliverability test schedule on February 15th, and permitting them to file by February 20th a test schedule for the months of March and April for this year only, so that we can get into the testing immediately, if at all possible. El Paso has already prepared for their part schedules for tests for the months of March and April, and if the Commission so desires, we'll be glad to submit them at this time.

In the first area, it's broken down in seven areas, in the first area only El Paso wells are scheduled, so that it will be no undue burden on other operators in trying to receive notification in time to get the test started.

Q In your opinion, if this application is granted, will it result in waste and will correlative rights be protected?

A It will not result in waste and I think very definitely that correlative rights would be protected. I say there would be no violation under any stretch of the imagination.

Q Also in your opinion if this application is granted, will it prevent undue hardship?

A Right.

Q To your knowledge, has there been concurrence of other companies in this application?

A Yes, we have a number of letters. Some of the letters have been furnished to the Commission. Quite a number have not been furnished to the Commission. In the interest of time, with the Commission's permission, I will not read the letters. They are all in general concurrence with the application. I have photo-stats or duplicate copies of all the letters that were sent to El Paso that the Commission did not receive copies of. They are from the Ohio, Tennessee Gas Transmission Company, Beaver Lodge Oil Corporation, R. E. Baanon, General American Oil Company, Bayview Oil Corporation, D. H. Boling, George J. Darnell, Argo Oil Corporation, Texas Natural Petroleum Company, Southern Petroleum Exploration Incorporated, William G. Webb, Western Development Company of Delaware, Pubco Petroleum, Western Natural Gas Company, Sunray-Midcontinent Oil Company. I would like to submit these for the record.

Q Now El Paso's Exhibit No. 1 is the proposed changes to this order?

A Yes, sir.

Q That was prepared by you?

A Yes, sir.

MR. WHITWORTH: We ask that El Paso's Exhibit No. 1 be accepted.

MR. PORTER: Without objection it will be admitted. Mr.

Dooley, were you able to follow Mr. Rainey on this list of letters? Do you have any in our files that he didn't mention?

MR. COOLEY: All of them.

A There are quite a number and copies were sent to the Commission.

MR. COOLEY: All these are in addition to the ones that he mentioned. We have letters concurring in the application from Magnolia Petroleum, San Jacinto Petroleum and Empire States Drilling Corporation, Horace F. McKay, Jr., The Frontier Refining Company, Three States Natural Gas, Delhi-Taylor Oil Corporation, J. Glenn Taylor, Squire Production Company, El Dorado Refining Company, and PetroAtlas Corporation.

MR. PORTER: Does anyone have a question of Mr. Rainey at this time? Mr. Utz.

CROSS EXAMINATION

By MR. UTZ:

Q Mr. Rainey, I note that your changes do not include anything in the way of scheduling except for a sixty-day period to be submitted thirty days before the beginning of the sixty-day period, is that right?

A Yes, sir.

Q Would you have any objection to the change in rule requiring a complete list of all purchasers connections be filed with the Commission before the annual testing season?

A I can see no objection to that, no, sir.

Q In this matter of granting administrative approval for an extension of the annual testing period beyond December 15th, I believe that's what you had in mind?

A That is not exactly what I had in mind, Mr. Utz. I may not have clearly set it out. What I wanted was the extension of time to file the test after December 31st. It's conceivable that it should be provided that an extension for later tests could be added in there, that was not the intention of this particular paragraph.

Q Then you are not recommending administrative approval for an extension of the annual test period?

A No, sir. I have no objection to it, however.

Q Then it is your intention, in order to clarify the matter once and for all, that all wells be delinquent as of January 1st?

A Yes, sir, except as provided.

Q All wells connected by October 31st?

A That's right, except as provided for, whatever extension might be granted.

Q The present rules provide that when an initial deliverability test is taken in conformance with the annual test procedure, that the Commission be notified in writing at any time during the fourteen-day conditioning period?

A Yes, sir.

Q That would constitute scheduling the well, would it not?

A Yes, sir.

Q In this change that you are submitting here, where it states, "In the event changes for substantial reasons are necessary in any," and the word changed is "any", "test schedule, the Commission shall be notified ten days before tests are scheduled to commence."

A The reason for that underlining "any", the current rules provide "in the annual test schedule".

Q The one that I have just stated here would be an annual test, he doesn't have to notify the Commission ten days before beginning the test if he rescheduled that; the way I understand that, you would have to notify the Commission ten days before the test?

A That's a point. This says "changes" in the schedule.

Q That would be a change in the schedule. In one case you notify them during the conditioning period, and if you have to reschedule the well, you would have to notify them ten days before?

A These two paragraphs are copied almost word for word from the present rule. I don't know how you have been operating under that in regard to that respect, but these two paragraphs are copied directly from the present rule. I changed the wording, I changed the wording in that paragraph that "The Commission shall be notified in writing during the fourteen-day test period", but it states the same thing that is in the present rule.

Q I just want to be sure that is what you want. Regarding the flow period being on one test chart, which we have required heretofore, do you know of any adjustments in the meter or any

meter corrections to be made before a test changes, or at the time of chart changes?

A Not normally, no, sir.

Q It is never done?

A It is conceivable that something could be done to it; as a normal operating procedure, it is not done. All they do is wind the clock and put a new meter chart on it.

Q It says they take that one reading to determine the meter information, or that would run the average off?

A This provision was not with the intention of giving any blanket permission to run them through two chart periods. It was for extreme cases where you might lose a test entirely without having the provision to carry it over into two chart periods.

Q Do you think that if it were allowed, it might become the rule rather than the exception?

A I intended to leave the reasonable explanation portion of that up to the discretion of the Commission. If they feel like it is being abused, they can state it is not a reasonable explanation and require the operator to re-test the well.

MR. UTZ: That's all I have.

A Let me add one other point right here. If you will note in this suggested change in the current rules, it provides that the Commission shall be notified during the test schedule and it shall be approved by the Commission. We have left that out entirely. The pipe line companies would notify all the operators of the test

schedule. It seems to me that there is no particular approval necessary for the test schedule, and it is merely an unnecessary time consuming provision. I wanted to point that out. I noticed that I had missed bringing that up before.

MR. UTZ: Do you think it would be necessary for the Commission to notify all operators that their wells were going to be tested during the test period?

A No, sir. This rule, I think, is pretty evident on that, that all wells must be tested during the testing period, and if the pipe line company notifies the operators, it seems to me that under the provisions of the rule, that should be sufficient notice.

Q You think they can run their own business?

A It's to be presumed so.

MR. PORTER: Mr. Nutter.

By MR. NUTTER:

Q Mr. Rainey, do I understand correctly that you are proposing five two-month testing periods, being February-March, April-May, June-July, August and September, and October and November?

A Yes, sir, except the last one would be two and a half months.

Q Then you have an extra fifteen-day period?

A That is correct.

Q What happens if you test a well in the latter part of that fifth testing period, being October, November, and the first fifteen days of December, and you get a bad test? Do you have time to take a re-test on that well?



A Not as a general rule, no, sir. That would be a case in line with Mr. Utz's question on the paragraph on the front page, as to the administrative approval for extensions. If the Commission sees fit to grant administrative approval for extension of tests, it could be handled that way. Otherwise it would be necessary to come in for a hearing or lose the allowable because the well was not tested and the form filed in due form.

Q If this thing were to be written to provide for five two-months testing periods and reserve the month of December for re-tests as may be necessary, and not schedule any wells for their original test in the month of December?

A I see no objection to that, if the Commission feels that is the best way to handle it. The reason we cut it off on the 15th of December was to give the operators and the Commission a little time to get the tests in and evaluate them and get the necessary data taken off and put in the proration schedule.

Q If the testing period were cut off at November 30th, the month of December would provide adequate time if any wells had to be re-tested?

A Not entirely. See, most of the charts are eight-day charts, and there is only thirty-one days in a month, that is thirty-two days for four chart periods, and you would lap over into the first of January.

Q That wouldn't be very far.

A Well, I mean the rules are written to provide certain

things, if we are going to abide by them, it seems to me that we ought, you start letting it go two or three days, why the whole thing breaks down, in my opinion.

Q Well, what would be more likely to occur, to have a reserve test period at the end of the year dedicated to re-testing only?

A I see no objection to that.

Q Would there be any objection to that, in order -- the only chance you have of coming up short at the end of the year would be if the re-test failed, would it not?

A Yes, sir. I see no objection to that, if the Commission feels that allowing tests to run to December 31st, if you run the test itself through to December 31st, it takes a couple of weeks to get these charts integrated and the test calculated and filed with the Commission. It would be the middle of January before the test could be filed. That is why we cut it off on December 15th, to give the two-week period there to assure that the test would be in by December 31st. I have no objection to it, if the Commission wants to set the final date for the filing of tests on January 15th, say.

MR. NUTTER: I believe that's all. Thank you.

MR. PORTER: Mr. Arnold.

By Mr. ARNOLD:

Q As a practical matter, if the order was written the way you propose, probably the last month or six weeks of the testing

season is going to be used on wells that have been re-scheduled anyway, isn't it?

A Chances are it probably would be, yes, sir. Of course, with 3500 to 4000 wells in the Basin, that necessitates testing 350 or 400 wells a month.

Q Do you see any practical reason for setting aside one month for re-test when you can handle it with the order written the way you have suggested?

A No, sir, but on the other hand, I can see no practical reason for not doing it. It's just one of those things.

MR. PORTER: Do you have any further questions, Mr. Arnold?

MR. ARNOLD: No, I believe that is all.

MR. PORTER: Mr. Kendrick.

By MR. KENDRICK:

Q Do you propose that the emergency order you requested indicates that the test period for 1958 started on March 1st instead of February 1st?

A Yes, since we are already so far into the month of February, I think for this year it should provide for a test period from March 1st through December 15th.

Q Is it your intention that the beginning date of the test period would be the beginning date of the flow chart of such test period?

A They show the conditioning period to start February 14th and run through February 28th, and the actual flow period for

testing would be February 28th through March 8th.

Q In other words, the first week of the test period could be used as a flow week of the test?

A Yes, sir. That's the way they have these schedules worked up now. As I say, we'll be glad to furnish the Commission with copies of these right now and if the emergency order is granted and the Commission so notifies us, why we can get these schedules out to the operators within the next week.

Q On page 2 of your Exhibit 1, your proposed changes, the paragraph that begins, "In the event changes for substantial reasons are necessary...."

A Yes, sir.

Q You have a provision that the Commission will be notified ten days before testing schedules commence?

A Yes, sir.

Q You know ten days in advance that you are going to have a line break?

A No, sir. As I said, this particular paragraph is copied directly from the present rule, except that I changed the word "annual test schedule", to "any test schedule". In an emergency situation, the only thing you can do is notify the Commission and re-schedule the well.

Q Do you think it would be more practical that the Commission be notified prior to the flow chart of the test, or as soon as possible in emergency situations?

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A Yes, sir. I have no particular feeling one way or the other about that particular clause. I think the Commission should be notified that that test is not going to be taken at that time. If the Commission feels there is no need to notify them, there is no need in having that point in there.

MR. PORTER: Anyone else have a question?

MR. WHITWORTH: I have one more.

REDIRECT EXAMINATION

By MR. WHITWORTH:

Q Do you suggest that provision be made for administrative approval for re-testing if good cause is shown?

A That would be the simplest way to do it, rather than taking up the Commission's time and the operators' time in requiring that a hearing be held for extending that time. As it is written, as Mr. Utz pointed out, it can be interpreted either way.

MR. WHITWORTH: That is all.

MR. PORTER: Any further questions? The witness may be excused.

(Witness excused.)

MR. PORTER: Anybody else have testimony to present in the case? Any statements?

MR. MANKIN: Aztec is either the operator or has an interest in approximately 340 wells, gas wells, in the San Juan Basin. They subscribe whole-heartedly to the suggested changes to Order R-333-C & D as suggested by El Paso.

MR. PORTER: Anyone else? He will take the case under  
advisement.


\* \* \* \* \*

C E R T I F I C A T E

STATE OF NEW MEXICO     )  
                                  ) ss  
COUNTY OF BERNALILLO    )

I, ADA DEARNLEY, Notary Public in and for the County of  
Bernalillo, State of New Mexico, do hereby certify that the fore-  
going and attached Transcript of Proceedings before the New Mexico  
Oil Conservation Commission was reported by me in stenotype and  
reduced to typewritten transcript under my personal supervision,  
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 6<sup>th</sup> day of March, 1958,  
in the City of Albuquerque, County of Bernalillo, State of New  
Mexico.

  
NOTARY PUBLIC

My commission expires:  
June 19, 1959.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 3, 1958

C  
O  
P  
Y

Mr. Garrett Whitworth  
El Paso Natural Gas Company  
P.O. Box 1492  
El Paso, Texas

Dear Mr. Whitworth:

We enclose a copy of Order R-333-E issued February 28, 1956,  
by the Oil Conservation Commission in Case 1378, which was heard  
on February 13th at Santa Fe.

Very truly yours,

A. L. Porter, Jr.  
Secretary - Director

bp  
Encl.

# *El Paso Natural Gas Company*

*El Paso, Texas*

January 28, 1958

Gentlemen:

This is to advise you that El Paso Natural Gas Company has applied to the New Mexico Oil Conservation Commission for a longer period of time in which to conduct the required Annual Deliverability Tests on wells in the San Juan Basin area. During 1957, many Operators in the San Juan Basin were unable to complete their deliverability tests during the test period from April 1, through October 31. Because of this difficulty already experienced and with the knowledge that many more wells will be drilled in the Basin, it is considered necessary to extend the test period.

El Paso's application requested no particular extension of time; however, it would appear that an additional three months over the period provided for in Order No. R-333 C & D would be sufficient, i.e., from February 1 to November 30 of each year. It will be suggested that the scheduling of tests be broken into shorter increments of time of approximately two to three months to insure more accuracy rather than attempting to schedule the entire Basin at one time. It is also suggested that all wells connected after October 20, will not be required to conduct Annual Deliverability Tests that year, but the deliverability will be based on the results of the Initial Deliverability Test. We would appreciate your thoughts on any items you deem advisable pertaining to amendments of Order No. R-333 C & D.



This application has been set for hearing at the regular Statewide Hearing February 13, 1958. Due to the urgency of this matter, El Paso seeks your appearance and/or concurrence in this matter at this Hearing.

Yours very truly,

A handwritten signature in cursive script, appearing to read "D. H. Rainey".

D. H. Rainey  
Proration Department

DHR:pm

*CP 2-1*  
*Case file*  
*up 2-19*  
El Paso Natural Gas Company

El Paso, Texas

February 17, 1958

New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Attention: Mr. Jack Cooley

Gentlemen:

There are attached, Photostats of two additional letters of concurrence in  
Case No. 1378, heard February 13, 1958.

At your convenience, will you please add these letters to the record.

Yours very truly,

*D. H. Rainey*

D. H. Rainey  
Proration Department

DHR:pm  
attachments - Letter, The Texas Company  
Letter, Moore & Gilmore

1. The first part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the President's message to the Congress at the beginning of his first term. The letter is written in a formal, dignified style, and it is one of the most important documents in American history.

2. The second part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the President's message to the Congress at the beginning of his first term. The letter is written in a formal, dignified style, and it is one of the most important documents in American history.

3. The third part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the President's message to the Congress at the beginning of his first term. The letter is written in a formal, dignified style, and it is one of the most important documents in American history.

4. The fourth part of the document is a letter from the President of the United States to the Congress, dated January 1, 1861. It is a very important document, as it contains the President's message to the Congress at the beginning of his first term. The letter is written in a formal, dignified style, and it is one of the most important documents in American history.

Annual Deliverability Tests  
San Juan Basin Area, New Mexico

El Paso Natural Gas Company  
Box 1492  
El Paso, Texas

Attention Mr. D. H. Rainey

Gentlemen:

Please refer to your letter of January 28, 1958, concerning the extension of the test period for conducting annual deliverability tests on gas wells located in the San Juan Basin Area of San Juan County, New Mexico.

Due to our limited gas well operations in the San Juan Basin Area and other pressing matters at this time, we will not be able to attend the hearing scheduled for February 13, 1958. However, the Texas Company has no objection to your proposal to extend the test period for conducting deliverability tests in the heretofore mentioned area.

Yours very truly,

  
R. F. Naul, Supt.  
Gas and Gasoline Plants

W. H. GILMORE

Oil & Gas Division  
Bureau of Land Management  
Department of the Interior

February 11, 1934

El Paso, Texas  
P. O. Box 1492  
El Paso, Texas

Attention: Mr. D. H. Rainey, Proration Department

Gentlemen:

Reference is made to your letter of January 28, 1934, to  
W. H. Gilmore concerning Deliverability Tests on wells in  
the San Juan Basin area and your application for a hearing  
before the New Mexico Oil Conservation Commission.

This is to inform you that I fully concur with your opinion  
as set out in your letter of January 28, 1934.

Very truly yours,

W. H. GILMORE

BY 

RQ/ma

OPERATORS IN GENERAL CONCURRENCE  
WITH THIS REQUEST IN WHICH APPARENTLY A COPY OF THE LETTER  
WAS NOT FORWARDED TO THE COMMISSION

---

Tennessee Gas Transmission Company

Beaver Lodge Oil Corporation

R. E. Beamon

General American Oil Company

Bayview Oil Corporation

D. Houston Bolin

George J. Darneille

Argo Oil Corporation

Texas National Petroleum Company

Southern Petroleum Exploration, Inc.

William G. Webb

Western Development Company of Delaware

Pubco Petroleum Corporation

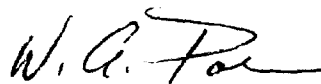
Western Natural Gas Company

Sunray Mid-Continent Oil Company

Proration Department  
February 12, 1958

TO THE NEW MEXICO OIL CONSERVATION COMMISSION:

The Ohio Oil Company concurs in El Paso Natural Gas Company's application for extension of deliverability test period in the San Juan Basin, and urges approval of the application.



W. A. Poe  
District Production Foreman,  
The Ohio Oil Company  
DURANGO, COLORADO

February 13, 1958

WUB65 PD

WUX HOUSTON TEX FEB 11 328PMC

D H RAINEY

EL PASO NATURAL GAS CO

IN REGARD TO EL PASO NATURAL GAS COMPANY'S APPLICATION  
TO THE NEW MEXICO OIL CONSERVATION COMMISSION REQUESTING  
A LONGER PERIOD OF TIME IN WHICH TO CONDUCT ANNUAL  
DELIVERABILITY TESTS ON WELLS IN THE SAN JUAN BASIN  
AREA, TENNESSEE GAS TRANSMISSION COMPANY HAS NO OBJECTION  
TO LENGTHENING THE PERIOD FOR SUCH TESTS IN THE ENTIRE  
BASIN AREA; HOWEVER, TENNESSEE IS OF THE OPINION THAT  
SCHEDULING OF TESTS WITHIN INDIVIDUAL POOLS SHOULD  
BE LIMITED TO THE MINIMUM PRACTICAL PERIOD

HERMAN OTTO TENNESSEE GAS TRANSMISSION CO.

337P

FORM 10-54 (7-54)

WESTERN  
UNION

WESTERN  
UNION

WESTERN  
UNION



El Paso Natural Gas Company

February 12, 1958

El Paso Natural Gas Company  
El Paso, Texas

Attention: Mr. D. H. Rainey  
Proration Department

Dear Mr. Rainey:

This is to give you notice of the Beaver Lodge Oil Corporation's concurrence with the application by El Paso Natural Gas Company for an extension of the period in which to take the state deliverability tests in New Mexico. It is my understanding that this hearing is to take place February 13, 1958 and you have further amended your application to request an extension of the period from October 31st to November 15th. We are cognizant of this further amendment and do concur with your request.

Very truly yours,

  
E. Stewart Bennett  
General Manager

BBB:cyd

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UNION

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WJ  
C

EL PASO NAT. GAS CO.  
EL PASO, TEXAS  
TELETYPE ROOM

1958 FEB 11 AM 7:46

WU20 NL PD

HOUSTON TEX FEB 10 1958

EL PASO NAT GAS CO ATTN D H RAINEY

PRORATION DEPT

RE AMENDMENTS OF ORDER NUMBER R-333 C AND D. I AGREE TO  
THE CHANGES SUGGESTED IN YOUR LETTER OF JANUARY 28TH  
THIS WILL BE YOUR AUTHORITY TO INFORM THE NEW MEXICO OIL  
CONSERVATION COMMISSION OF MY CONCURRENCE IN YOUR  
SUGGESTED AMENDMENTS

R E BEAMON.

R-333 C D 28.

FORM 10-54 (7-54)

WESTERN  
UNION

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1027  
E. P. N. G. CO.  
EL PASO, TEXAS  
TELETYPE UNIT

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WUX DALLAS TEX FEB 10 1242PMC

1958 FEB 10 PM 1 - 02

EL PASO NAT GAS CO ATTN D H RAINET

RE YOUR LETTER JAN 28 1958 RELATIVE TO APPLICATION TO  
NEW MEXICO CONSERVATION TO EXTEND TEST PERIOD ON ANNUAL  
DELIVER ABILITY TETS ON WELLS IN SAN JUAN BASIN. THIS IS  
TO ADVISE YOU GENERAL AMERICAN OIL COMPANY CONCURS IN  
THIS MATTER

GEN AMERICAN OIL CO L P ONEILL VICE PRES.

1P

February 1, 1958

Permit No. 2-155-512

El Paso Natural Gas Company  
El Paso, Texas

Attention: Mr. B. H. Rainey  
Peroration Department

Gentlemen:

We are in receipt of your letter of January 28, 1958 concerning your application for the extension of the time required to conduct several deliverability tests on the wells in the San Juan Basin.

Please be advised that we concur with your proposal to have the test period extended as outlined in your letter.

Very truly yours,

RAYVIEW OIL CORPORATION

McCONNELL DRILLING CORPORATION

By

*Sam L. Duggan*  
Production Manager

gld/clf

1. [illegible]

2. [illegible]

3. [illegible]

4. [illegible]

5. [illegible]

6. [illegible]

7. [illegible]

8. [illegible]

9. [illegible]

10. [illegible]

11. [illegible]

12. [illegible]

13. [illegible]

14. [illegible]

15. [illegible]

16. [illegible]

17. [illegible]

18. [illegible]

19. [illegible]

20. [illegible]

21. [illegible]

22. [illegible]

23. [illegible]

24. [illegible]

25. [illegible]

26. [illegible]

27. [illegible]

28. [illegible]

29. [illegible]

30. [illegible]

31. [illegible]

32. [illegible]

33. [illegible]

34. [illegible]

35. [illegible]

36. [illegible]

37. [illegible]

38. [illegible]

39. [illegible]

40. [illegible]

41. [illegible]

42. [illegible]

El Paso Natural Gas Company  
El Paso,  
Texas

Attention: Mr. D. H. Rainey

Gentlemen:

I have your letter of January 28, 1958.

It will be impossible for me to attend the meeting  
of February 13, 1958.

However, I wish to express my complete concurrence  
with the request for an extension of the period of time covering  
the annual deliverability tests on wells in the San Juan Basin  
area. I believe this is a practical necessity and agree with  
your reasoning thereupon.

Very truly yours,

  
George J. Darnelle

GJD/kjt

PROCESSED  
FEB 25 1958  
*[Handwritten signature]*



Mr. D. M. Rainey  
Production Department  
El Paso Natural Gas Company  
El Paso, Texas

Dear Mr. Rainey:

Thank you for your letter of January 28, 1950, in which you advise that El Paso Natural Gas Company has applied for a longer period of time in which to conduct Annual Deliverability Tests on wells in the San Juan Basin area.

Please be advised that Argus Oil Corporation is in concurrence with El Paso Natural Gas Company in this regard.

Yours very truly,

*Don L. Henson*

Don L. Henson  
Staff Engineer

DCH:hm

El Paso Natural Gas Company  
Post Office Box 1892  
El Paso, Texas

Attention: Mr. D. E. Rainey  
Proration Department

Gentlemen:

Our company has no objection to new storage in the  
area for testing general deliverability from the San Juan Basin  
San Juan Basin which would extend the time from February 1st  
to November 30th each year.

Very truly yours,

LCO:jrm

cc: Mr. J. A. [unclear]  
-El Paso, Texas  
-Washington, D. C.



Mr. D. H. Rainey  
Proration Department  
El Paso Natural Gas Company  
El Paso, Texas

Dear Mr. Rainey:

Southern Petroleum Exploration concurs in your suggested amendments of Order No. R-333 C & D pertaining to Annual Deliverability Tests on wells in the San Juan Basin area.

Southern will not have a representative present at the February 13th hearing.

Very truly yours,

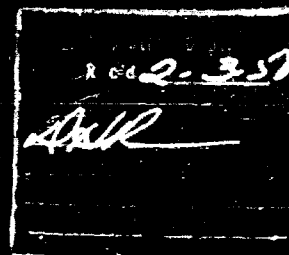
*Paul W. Neuenschwander*  
Paul W. Neuenschwander,  
President

PWN:am

WILLIAM G. WEBB

OIL AND GAS INVESTMENTS  
100 FLOORS SCHWARTZ BUILDING  
DALLAS 1, TEXAS

January 31, 1958



Mr. D. H. Rainey  
Proration Department  
El Paso Natural Gas Company  
Post Office Box 1492  
El Paso, Texas

Re: Annual Deliverability Tests  
San Juan Basin Area  
New Mexico Oil Conservation Commission  
Order Number R-333 C and D

Dear Mr. Rainey:

Thank you very much for your letter dated January 28, 1958, with reference to the captioned matter, and advising that El Paso, at the February Hearing of the Oil Conservation Commission, plans to recommend an additional period of time within which the subject deliverability tests may be taken. This letter will serve as my concurrence in El Paso's recommendation.

If we may be of any further assistance to you in connection with this matter please do not hesitate to call upon us.

With best wishes, I am

Yours very truly,

  
William G. Webb

- WGW:mch

P. O. Box 427  
Austin, Texas  
January 31, 1958

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

Attention: Mr. D. H. Rainey  
Proration Department

Re Case No. 1378  
N. M. Oil Commission

Gentlemen:

Reference is made to Mr. Rainey's letter of January 28, 1958, pertaining to El Paso's application in Case No. 1378 scheduled for hearing February 13, 1958.

This company has no objection to the proposal outlined in Mr. Rainey's letter, and if possible we will be represented to concur in the application.

Yours very truly,

WESTERN DEVELOPMENT COMPANY

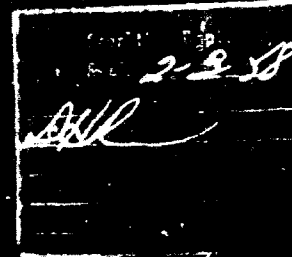
*W. B. Mason*  
W. B. Mason  
President

**PUBCO Petroleum Corporation**

**ALBUQUERQUE, NEW MEXICO**

CHAPL  
TELEPHONE 7-8000  
7-8037

January 31, 1958



El Paso Natural Gas Company  
Post Office Box 1492  
El Paso, Texas

Attention: Mr. D. H. Rainey  
Proration Department

Gentlemen:

This is to advise you of our receipt of your letter dated January 28, concerning your case before the New Mexico Oil Conservation Commission. Pubco Petroleum Corporation fully concurs with your application for a longer period of time in which to conduct the Annual Deliverability Tests on wells in the San Juan Basin area.

We presently plan to attend this hearing and you may be assured of all cooperation which we may extend.

Very truly yours,

Frank D. Gorham, Jr.  
Vice President

FDGJr/3

February 5, 1958

El Paso Natural Gas Company  
Box 1492  
El Paso, Texas

Attention: Mr. D. H. Rainey, Protraction Dept.

Gentlemen:

Please be advised that Western Natural Gas Company concurs in your application before the New Mexico Oil Conservation Commission for longer periods of time in which to conduct the required annual deliverability tests on wells in the San Juan Basin.

Very truly yours,

WESTERN NATURAL GAS COMPANY

*R. H. McCoy*  
R. H. McCoy  
Division Superintendent

RHM:jh  
cc: P. C. Wright

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

Attention: Mr. D. H. Rainey

Gentlemen:

Pursuant to your letter of January 1932, it is to be noted that Sunray Mid-Continent Oil Company has no objections to your application for changes in Order No. H-333 C and D, which will be heard by the Commission on February 13.

It is our understanding that you will request that the annual deliverability testing period for gas wells in the San Juan Basin Area be extended an additional three months over the present period so that tests may be taken between February 1 and November 30 of each year, and that all wells connected after October 20 will not be required to have annual deliverability tests taken that year, but the deliverability will be based on the results of the initial deliverability test.

The only gas wells in this area which Sunray operates are shut in due to the lack of a market.

Very truly yours,

SUNRAY MID-CONTINENT OIL COMPANY



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. 1378  
Order No. R-333-E  
Amends R-333 C & D

APPLICATION OF EL PASO NATURAL GAS  
COMPANY FOR AN ORDER REVISING,  
AMENDING OR DELETING CERTAIN PORTIONS  
OF ORDER R-333 C & D PERTAINING TO GAS  
WELL TESTING PROCEDURE APPLICABLE TO  
GAS WELLS COMPLETED IN SAN JUAN, RIO  
ARRIBA AND MCKINLEY COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 13, 1958, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28<sup>th</sup> day of February, 1958, the Commission, a quorum being present, having considered the evidence adduced and being fully advised in the premises,

FINDS:

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

(2) That there is need for a number of amendments to Order R-333-C & D, heretofore entered by the Commission, said order outlining the gas testing procedure of gas wells completed in San Juan, McKinley and Rio Arriba Counties, New Mexico.

(3) That the following amendments should be adopted, in the interests of conservation.

IT IS THEREFORE ORDERED:

(1) That the gas well testing period of April 1 through October 31 as established by Order No. R-333-C & D be and the same is hereby amended to read, "February 1 through December 15."

(2) That Sub-Sections II and III of Section A of Order R-333-C & D be and the same are hereby amended to read as follows:

## II. ANNUAL DELIVERABILITY AND SHUT-IN PRESSURE TESTS:

Annual Deliverability and Shut-In Pressure Tests of all producing gas wells are required to be made during the period from February 1 through December 15 of each year.

All wells making connection to a gas transportation facility between October 31 and December 31 of any calendar year shall be tested during the following annual testing period. All wells making connection to a gas transportation facility between January 1 and February 1 of any calendar year shall be tested during the testing period of that year.

An Initial Deliverability Test accomplished in accordance with Section B, Sub-paragraph 1, Paragraph (A), Subparagraph 1, may be used as an annual test when the initial connection to a gas transportation facility is made between February 1 and October 31 of the test year.

All Annual Deliverability and Shut-in Pressure Tests required by this order shall be filed with the Commission and with the gas transportation facility to which the well is connected within thirty (30) days after the end of the month during which the test is completed; provided however, that all tests completed during the period from December 1 through December 15 shall be reported not later than January 10 of the following year. Failure to file the required tests within the time prescribed above will subject the delinquent wells to cancellation of allowable.

## III. SCHEDULE OF TESTS:

### (A) ANNUAL DELIVERABILITY TESTS

At least thirty days (30) days prior to the beginning of the test period each gas transportation facility shall to the Commission's Aztec Office (1000 Rio Brazos Road) submit a complete list of wells connected to its system, said wells to be grouped according to the pools in which they are located. All undesignated wells shall be listed separately.

At least 30 days prior to the beginning of the test period the gas transportation facilities receiving gas from wells to be tested shall, in cooperation with respective operators, submit to the Commission's Aztec office a testing schedule for the Annual Deliverability and Shut-in Pressure Tests for all wells connected to their respective pipeline systems which are to be tested during the succeeding two months. Five copies of the schedule shall be furnished to the Commission and one copy shall be furnished to each operator concerned. A similar schedule shall be submitted at least 30 days prior to the beginning of each two-month testing interval. Such schedule shall indicate the pool, operator, lease, well number and location of each well. The gas transportation facility making the schedule of tests shall be notified immediately by any operator unable to take such tests as scheduled.

When an Initial Deliverability Test accomplished in accordance with Section B, Sub-section I, Paragraph (A), Sub-paragraph 1 is to be used as an annual test for wells connected to



Case No. 1378  
Order No. R-333-E  
(Amends R-333-C & D)

a gas transportation facility during the period between February 1, and October 31, then the operator shall notify the Commission in writing during the fourteen day conditioning period for said test.

In the event a well is not tested in accordance with the test schedule, the well shall be re-scheduled for testing, and the Commission shall be notified of such fact in writing during the fourteen day conditioning period for said test.

(3) That the sixth sub-paragraph of Paragraph (B) of Sub-Section I of Section B of Order No. R-333-C & D be and the same is hereby amended to read as follows:

Orifice meter charts shall be changed and so arranged as to reflect upon a single chart the flow data for the gas from each well for the full seven-day deliverability test period; except that no tests shall be voided if satisfactory explanation is made as to the necessity for using test volumes through two chart periods. Corrections shall be made for pressure base, measured flowing temperature, specific gravity, and supercompressibility, provided however, that if the specific gravity of the gas from any well under test is not available, then and in that event an estimated specific gravity may be assumed therefor, based upon that of gas from nearby wells, the specific gravity of which has been actually determined by measurement.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



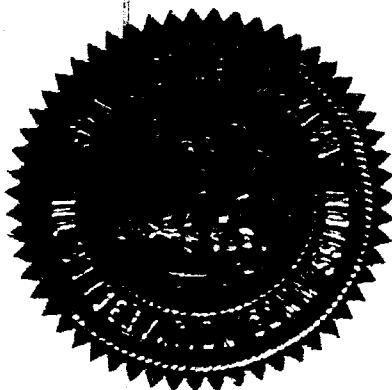
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

New Mexico

OIL CONSERVATION COMMISSION

LAND COMMISSIONER: MURRAY E. MORGAN  
MEMBER

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



1000 Rio Brazos Road  
Aztec, New Mexico

*Case file  
1378*

Re: CASE NO. 1378  
ORDER R-333-E

Subject to approval of El Paso's application for a revised testing order for gas wells in Northwestern New Mexico, we submit the following observations:

1. That the amendments as shown on the attached E.P.N.G. Exhibit No. 1 be considered.
2. That all revisions of the testing order be incorporated into one complete testing order to be designated as Order R-333-E.
3. That Memorandum No. 1-56 be made a part of Order R-333-E.
4. That the number of copies of testing schedules to be submitted to the commission be identified exactly and showing sufficient number for three copies to be used by the Aztec office. All copies of the schedules should be submitted through the district office of the commission.  
*(For use by the commission)*
5. That working flexibility is a much desired aspect of Order R-333-E and as much as possible should be allowed in said order.

*For use by the commission*  
*A. L. Porter Jr.*

EL PASO NATURAL GAS COMPANY  
PROPOSED CHANGES IN ORDER NO. R-333 C & D  
CASE NO. 1378, FEBRUARY 13, 1958

II. ANNUAL DELIVERABILITY AND SHUT-IN PRESSURE TESTS:

Annual Deliverability and Shut-In Pressure Tests of all producing gas wells are required to be made during the period from February 1 through December 15 of each year.

All wells making connection to a gas transportation facility between October 31 and December 31 of any calendar year shall be tested during the following annual testing period. All wells making connection to a gas transportation facility between January 1 and February 1 of any calendar year shall be tested during the testing period of that year.

An Initial Deliverability Test accomplished in accordance with Section B, Sub-~~paragraph~~ <sup>Section</sup> 1, Paragraph (A), Subparagraph 1, may be used as an annual test when the initial connection to a gas transportation facility is made between February 1 and October 31 of the test year.

All Annual Deliverability and Shut-In Pressure Tests taken in compliance with Section B of this Order shall be filed with the New Mexico Oil Conservation Commission and with the gas transportation facility to which the well is connected within 30 days after the end of the month in which the test is completed but no test shall be filed later than December 31, provided however, that administrative approval may be granted by the Secretary-Director of the Commission for extensions of this period in special cases.

III. SCHEDULE OF TESTS:

(A) ANNUAL DELIVERABILITY TESTS

At least 30 days prior to the beginning of the test period (February 1) the gas transportation facilities receiving gas from wells to be tested shall, in cooperation with respective operators, submit a testing schedule for the Annual Deliverability and Shut-In Pressure Tests for all wells connected to their respective pipeline systems to be tested

during the succeeding two months. Copies of the schedule shall be furnished to the Commission and to each operator concerned by the gas transportation facility. A similar schedule shall be submitted at least 30 days prior to each two-month testing interval. Such schedule shall indicate the pool, operator, lease, well number and location of each well. The gas transportation facility making the schedule of tests shall be notified immediately by any operator unable to take such tests as scheduled.

The Commission shall be notified in writing during the 14-day conditioning period of any Initial Deliverability Tests to be accomplished in accordance with Section B, Subsection 1, Paragraph (A), Subparagraph 1, that such test is to be used as an Annual Deliverability and Shut-In Pressure Test.

In the event changes for substantial reasons are necessary in any test schedule, the Commission shall be notified ~~10 days before the test is to be conducted~~ prior to the beginning of the seven day flow period as described in Section B., Sub-section I., Paragraph (B), ~~as described in Section B., Sub-section I., Paragraph (B).~~

SECTION B. PROCEDURE FOR TESTS:

I. MESAVERDE FORMATION:

(B) THE ANNUAL DELIVERABILITY AND SHUT-IN PRESSURE TESTS.

(Subparagraph 6)

Orifice meter charts shall be changed, and so arranged as to reflect upon a single chart the flow data for the gas from each well for the full seven-day deliverability test period; except that no tests shall be voided if reasonable explanation is made as to the necessity for using test volumes through two chart periods. Corrections shall be made for pressure base, measured flowing temperature, specific gravity and supercompressibility (superexpansibility), provided however, that if the specific gravity of gas from any well under test is not available, then and in that event an estimated specific gravity may be assumed therefor, based upon that of gas from nearby wells, the specific gravity of which has been actually determined by measurement.

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:

CASES NO. 882) Consolidated  
941)  
Order No. R-333-C and D  
(Supersedes R-333-B)

THE APPLICATION OF THE OIL  
CONSERVATION COMMISSION UPON  
ITS OWN MOTION FOR AN ORDER  
REVISING, AMENDING OR DELETING  
CERTAIN PORTIONS OF ORDER R-333-B  
PERTAINING TO GAS WELL TESTING  
PROCEDURE APPLICABLE TO GAS WELLS  
COMPLETED IN SAN JUAN, RIO ARriba  
AND MCKINLEY COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause having come on for hearing at 9 o'clock a. m. on August 17, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 13th., day of October, 1955, the Commission, a quorum being present, having considered the records and testimony adduced and being fully advised in the premises,

FINDS:

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

(2) That there is need for a number of additions to and revisions of Order R-333-B, heretofore entered by the Commission, said order outlining a gas testing procedure of gas wells completed in San Juan, McKinley and Rio Arriba Counties, New Mexico.

(3) That the following rules and regulations should be adopted, and that said rules and regulations are in the interests of conservation.

IT IS THEREFORE ORDERED:

That the following Special Rules and Regulations governing gas well testing in the San Juan Basin (Counties of San Juan, Rio Arriba and McKinley, New Mexico,)

Order No. R-333-C and D

superseding the rules and regulations contained in Order No. R-333-B, be and the same hereby are promulgated and adopted as an exception to the general statewide rules and regulations of this Commission relating to gas well testing procedures, Rules (401 et seq.):

GAS WELL TESTING RULES AND PROCEDURES  
FOR SAN JUAN BASIN AREA

SECTION A. TYPE OF GAS WELL TESTS REQUIRED:

I. THE INITIAL DELIVERABILITY AND SHUT-IN PRESSURE TESTS FOR  
NEWLY COMPLETED GAS WELLS.

- (A) Immediately upon completion of each gas well in San Juan Basin, a shut-in pressure test of at least 7-days duration shall be made.
- (B) Within 45 days after a well is connected to a gas transportation facility the well shall be tested in accordance with Section B, Subsection I, Paragraph (A) of this order, and the results of the test reported to the Commission. An operator may request an extension of time in which to accomplish this test provided such request is made in writing to the Commission's Aztec Office before the expiration of the 45 day period following connection of the well to a gas transportation facility. Such request for extension must be for substantial reason and approved by the Commission, or its duly authorized representative. Said extension shall not be for more than fifteen days.
- (C) Any tests accomplished for information purposes prior to pipeline connection shall not be recognized as an official test for the establishment of allowables.

II. ANNUAL DELIVERABILITY AND SHUT-IN PRESSURE TESTS:

Annual deliverability and shut-in pressure tests of all producing gas wells are required to be made during the period from April 1 through October 31 of each year.

All wells connected to a pipeline system between November 1 and December 31, of any calendar year shall be tested during the following annual testing period. All wells connected to a pipeline system between January 1 and April 1 of any calendar year shall be tested during the testing period of that calendar year.

An Initial Deliverability Test accomplished in accordance with Section B, Subsection I, Paragraph (A), Subparagraph 1, may be used as an annual test when the test is taken on wells connected to a transportation facility during the regular annual testing season from April 1, to October 31.

III. SCHEDULE OF TESTS

(A) ANNUAL DELIVERABILITY TESTS

On or before February 15 of each year, the pipeline companies receiving gas from wells to be tested shall, in cooperation with respective operators, submit a

Order No. R-333-C and D

testing schedule for the annual deliverability and shut-in pressure tests for all wells connected to their respective pipeline systems as of February 1 of the year for which the schedule is applicable; such test schedules shall be filed promptly with the Commission for approval, and if approved, the Commission shall furnish each operator, as identified by lists of names and addresses furnished by the respective pipeline companies, with a copy of such schedule as approved by the Commission, or a part thereof pertinent to such operator's wells, on or before March 15, of each year.

Such schedules shall be filed with the Commission for each Gas Pool as designated by the New Mexico Oil Conservation Commission listing under the heading of each pool the operator, lease, well number and location of each well. Should the pipeline company elect to file schedules by areas then the above listed information shall be listed under the heading of each area in the order listed above.

All wells connected to a pipeline system during the period of February 1 to October 31, both inclusive, of any year shall be scheduled for testing during the testing period for that particular year. Then and in that event the pipeline in cooperation with the operator shall notify the Commission in writing at least (10) ten days before the Commencement of the conditioning period for any tests.

Provided however, that when an Initial Deliverability Test accomplished in accordance with Section B, Subsection I, Paragraph (A), Subparagraph 1 is to be used as an annual test for wells connected to a gas transportation facility during the period between April 1 and October 31, then the operator shall notify the Commission in writing at any time during the fourteen day conditioning period.

In event changes for substantial reasons are necessary in the annual test schedule, the Commission shall be notified (10) ten days before tests are scheduled to commence.

**(B) DELIVERABILITY RETESTS.**

An operator may retest the deliverability of a well at any time for substantial reason by the notification to the Commission (10) ten days before the retest is scheduled to commence. Such notification shall consist of scheduling the well as required for the annual deliverability test in subsection III, Paragraph A, above. Such retest shall be subject to the approval of the Commission, and conducted in conformance with Section B, Subsection I, Paragraph (B) of this order. The Commission may require the retesting of any well at its discretion by the notification of the operator to schedule such retest.

The requirements for Initial and Annual Deliverability Tests and the notification and scheduling of such tests which apply to newly completed wells shall also apply to reworked or recompleted wells.

**IV. WHO MAY WITNESS TESTS:**

Any initial or annual deliverability and shut-in pressure test may be witnessed by any or all of the following: an agent of the Commission, an offset operator, a representative of the pipeline company taking gas from an offset operator, or a representative of a pipeline company taking gas from the well under test.

Deliverability tests required hereinabove in Subsection I and II of this section shall determine the calculated deliverability of each gas well, which shall be reported to the Commission by converting actual deliverability against existing line pressures to the calculated deliverability at a pressure equal to fifty (50) percent of the shut-in pressure of each well in the manner hereinafter specified below. Such calculated deliverability so determined, and hereinafter so referred to, shall not be considered as the actual deliverability of any well into a gas transportation facility, but shall be used by the Commission as an index to determine the well's ability to produce at assumed static wellhead working pressures, as compared to other wells in the pool under like conditions.

SECTION B. PROCEDURE FOR TESTS:

The several known gas producing formations of the San Juan Basin represent a variety of testing situations, and each is treated separately.

I. MESAVERDE FORMATION:

(A) INITIAL DELIVERABILITY AND SHUT-IN PRESSURE TEST.

1. Within (45) forty-five days after a newly completed well is connected to a gas transportation facility the operator shall accomplish a deliverability and shut-in pressure test in conformance with Section B, sub-section I, paragraph (B) of this order.
2. In the event that testing a newly completed well in accordance with paragraph 1 above, is impractical, the operator may accomplish a deliverability and shut-in pressure test in the following manner:
  - a. A seven or eight day production chart may be used as a basis for determining the wells deliverability providing the chart so used is preceded by at least (14) fourteen days continuous production. The well shall produce unrestricted through either the casing or tubing, but not both, into a pipeline during these periods.
  - b. A shut-in pressure of at least seven days duration shall be taken. This shall be the shut-in test required in Section A, subsection I, Paragraph (A).
  - c. The average daily static meter pressure shall be determined in accordance with Section B, subsection I, Paragraph (B). This pressure shall be used as  $P_t$  in calculating  $P_w$  for the Deliverability Calculation.



- d. The daily average rate of flow shall be determined in accordance with Section B, Subsection I, Paragraph (B), of this order.
- e. The static wellhead working pressure ( $P_w$ ) shall be determined in accordance with Section B, subsection I, paragraph (B), of this order.
- f. The deliverability of the well shall be determined by using the data determined in paragraphs a through f, above, in the deliverability formula in accordance with Section B, subsection I, paragraph (B), of this order.
- g. The data and calculations for the above paragraphs a through f shall be reported to the Commission upon the blue colored Form C-122-A and filed in triplicate with the Commission within the forty-five day period after connection of the well. Form C-122-A shall be signed by the operator or an agent designated by the operator.

(B) THE ANNUAL DELIVERABILITY AND SHUT-IN PRESSURE TESTS.

These tests shall be taken by unrestrictedly producing the well into the pipeline through either the casing or tubing, but not both. The daily flowing rate shall be determined from an average of seven (7) consecutive producing days, following a minimum conditioning period of fourteen (14) consecutive days production. The first seven (7) days of said conditioning period shall have not more than one (1) interruption, which interruption shall be no longer than 36 hours continuous duration. The eighth to fourteenth days, inclusive, of said conditioning period shall have no interruptions whatsoever. All such production during the fourteen (14) day conditioning period plus the seven (7) day deliverability test period shall be a static wellhead working pressures not in excess of seventy-five (75) per cent of the previous annual seven (7) day shut-in pressure of such well if such previous annual shut-in pressure information is available; otherwise, the seven (7) day initial deliverability shut-in pressure of such well shall be used.

In the event that existing line pressure does not permit a drawdown as specified above, with the well producing unrestrictedly into the pipeline, the operator shall request an exception to this requirement on the Form C-122-A. The request shall state the reasons for the necessity for the exception.

The static wellhead working pressure ( $P_w$ ) of any well under test shall be the calculated seven (7) day average static tubing pressure if the well is flowing through the casing; or the calculated seven (7) day average static casing pressure if the well is flowing through the tubing. The static wellhead working pressure ( $P_w$ ) shall be calculated by applying the tables and procedures as set out in New Mexico Oil Conservation Commission manual entitled "Method of Calculating Pressure Loss Due to Friction in Gas Well Flow Strings". This manual is more specifically known as release 4-G-9-FLT-NW, a copy of which is attached hereto and made a part hereof.

To obtain the shut-in pressure of a well under test the well shall be shut-in immediately after the seven (7) day deliverability test for the full period of seven (7) consecutive days. Such shut-in pressure shall be measured within the next succeeding twenty-four (24) hours following the seven (7) day shut-in period aforesaid. The seven (7) day shut-in pressure shall be measured on the string through which the well flowed during the conditioning and seven (7) day flow period.

All wellhead pressures as well as the flowing meter pressure tests which are to be taken during the seven (7) day deliverability test period, as required hereinabove, shall be taken with a dead-weight gauge. The dead-weight readings taken shall be recorded on the flow chart in psia. The time and point on chart flowing pressure curve at which these readings are taken shall be indicated with an arrow.

Orifice meter charts shall be changed, and so arranged as to reflect upon a single chart the flow data for the gas from each well for the full seven day deliverability test period. Corrections shall be made for pressure base, measured flowing temperature, specific gravity and supercompressibility (superexpansibility), provided however, that if the specific gravity of gas from any well under test is not available, then and in that event an estimated specific gravity may be assumed therefor, based upon that of gas from nearby wells, the specific gravity of which has been actually determined by measurement.

The seven (7) day average flowing meter pressure shall be calculated by taking the average of all consecutive 2-hour flowing meter pressure readings as recorded on the seven (7) day flow period chart (test chart #3). The pressure so calculated shall be used in calculating the wellhead working pressure, determining supercompressibility factors and calculating flow volumes.

The seven (7) day flow period volume shall be calculated from the integrated readings as determined from the flow period orifice meter chart, (Chart #3). The volume so calculated shall be divided by the number of testing days on the chart to determine the average daily flow period rate of flow. The flow chart shall have legibly recorded a minimum of seven (7) days and a maximum of eight (8) flowing days to be acceptable for test purposes. The volume used in this calculation shall be corrected to New Mexico Oil Conservation Commission standard conditions.

The average flowing meter pressure for the seven (7) day or eight (8) day flow period and the corrected integrated volume shall be determined by the purchasing company that integrates the flow charts and furnished to the operator or testing agency when such operator or testing agency requests such information.

The daily average integrated flow period rate of flow shall be corrected for meter error by the multiplication by a correction factor determined by dividing

Order No. R-333-C and D

the square root of the chart flowing meter pressure psia into the square root of the dead-weight flowing meter pressure psia,

The daily volume of flow as determined from the flow period chart (Test Chart #3) integrator readings shall be calculated by applying the Basic Orifice meter formula.

$$Q = C' \sqrt{h_w p_f}$$

Where:

Q : Metered volume of flow MCFD @ 15.025, 60° F. and .60 specific gravity.

C' : The 24 hour basic orifice meter flow factor as taken from New Mexico Oil Conservation Commission release "4G-12-BPT State" and corrected for flowing temperature, gravity and supercompressibility.

$h_w$  : Daily average differential meter pressure from flow period chart.

$p_f$  : Daily average flowing meter pressure from flow period chart.

The basic orifice meter flow factors, flowing temperature factor and specific gravity factor shall be determined from New Mexico Oil Conservation Commission release No. "4G-12-BPT-State". The four tables in said release are based on "gas measurement committee report No. 2" (Revised 1948) of the American Gas Association, New York 17, New York. A copy of said New Mexico Oil Conservation Commission release is attached hereto and made a part hereof.

The daily flow period average corrected flowing meter pressure, psig, shall be used to determine the supercompressibility factor. Correction shall be made for supercompressibility (deviation from Boyle's law) for flowing meter pressures in excess of 100 psig by the use of Simplified Supercompressibility Tables, compiled from C. N. G. A. Bulletins TS-402 and TS-461, published by John P. Squier Company, Dallas, Texas. These tables have been reproduced by specific permission from John P. Squier Company a copy of which is attached hereto and made a part hereof.

When supercompressibility (superexpansibility) correction is made for a gas containing either nitrogen or carbon dioxide in excess of 2 per cent, the supercompressibility factors of such gas shall be determined by the use of Table V of the above mentioned TS-402 for pressure 100-500 psig or Table II, TS-461 for pressures in excess of 500 psig.

The use of tables for calculating rates of flow from integrator readings, which do not specifically conform to New Mexico Oil Conservation Commission release "4-G-12-BPT-State", may be approved for determining the daily flow period rates of flow upon a showing that such tables are appropriate and necessary.

Deliverability pressure, as used herein for Mesaverde production, is a defined pressure applied to each well and used in the process of comparing the abilities of wells in this formation to produce at static wellhead working pressures equal to fifty (50) per cent, of the seven (7) day shut-in pressure of the respective individual wells.

The deliverability of gas at the "deliverability pressure" of any well under test shall be calculated from the test data derived from the tests hereinabove required by use of the following deliverability formula:

$$D = Q \left[ \frac{(P_c^2 - P_d^2)}{(P_c^2 - P_w^2)} \right]^n$$

WHERE:

- D = Deliverability at the deliverability pressure, ( $P_d$ ) MCF/da, (at Standard Condition of 15.025 psia and 60 °F).
- Q = Daily flow rate in MCF/da, at wellhead pressure ( $P_w$ )
- $P_c$  = 7-day shut-in casing (or tubing) wellhead pressure, psia.
- $P_d$  = Deliverability pressure; half of the individual well 7-day shut-in pressure,  $P_c$ , psia.
- $P_w$  = Average static wellhead working pressure, as determined from 7-day flow period, psia and calculated from New Mexico Oil Conservation Commission Pressure Loss Due to Friction Tables. (Casing pressure if flowing through the tubing, or tubing pressure if flowing through the casing).
- n = Average pool slope of back pressure curve (.75) for Mesaverde wells).

Any test hereinabove provided for will be considered unacceptable if the average flow rate for the final 7 day deliverability test is 25 per cent in excess of any consecutive 7-day average of the preceding two weeks. "A deliverability test" not meeting this requirement shall be retested.

The annual deliverability and shut-in pressure tests as required hereinabove shall be reported upon Commission Form C-122-A and filed in triplicate, with the Commission within the month next after completion of such tests. Form C-122-A shall be signed by the operator or agent designated as the operator.

All charts relative to annual deliverability tests shall be identified by the words "Test Chart No. 1" (2, 3, 4, etc.), and any or all charts or photostats thereof shall be made available to the Commission upon its request.

## II. PICTURED CLIFFS FORMATION:

### (A) INITIAL DELIVERABILITY AND SHUT-IN PRESSURE TEST:

Same as prescribed for Mesaverde formation; see Section B, subsection I, Paragraph (A).

### (B) ANNUAL DELIVERABILITY AND SHUT-IN PRESSURE TESTS:

In all respects the deliverability and shut-in pressure tests of wells in the Pictured Cliffs formation shall be made in conformity with the procedures set out in Section B, Subsection I, paragraph (B) of the Mesaverde formation procedures, except that in the back pressure formula, the exponent "n" shall have the value of point eighty-five (.85).

## III. FRUITLAND FORMATION:

(A) All initial and annual deliverability and shut-in pressure tests of gas wells producing from the Fruitland formation shall be identical in all respects to those requirements and procedures hereinabove set out and required for the Pictured Cliffs formation in Section B, Subsection II, paragraphs (A) and (B).

## IV. THE DAKOTA FORMATION:

All tests of Dakota wells shall be in conformity with requirements and procedures provided hereinabove for the Mesaverde formation, except as follows:

### (A) BARKER DOME - DAKOTA: (Storage Area)

#### 1. INITIAL OPEN FLOW POTENTIAL TEST:

An average "pool slope", based upon bottom-hole conditions, shall be established by the Commission after consideration of data to be provided by the

operators; these data shall be based upon tests taken in conformity with the conventional back pressure method, indicated in Commission Rule 401. This "slope" shall be applied to each well in the Barker-Dome Dakota Area, as if such slope were the actual performance back pressure slope of each such well, in the following manner:

This back pressure slope so established shall be plotted through a point predetermined by one stabilized flow rate at a static wellhead working pressure not in excess of seventy-five (75) per cent of the seven (7) day shut-in pressure of such well.

The flowing rates (Q) shall be corrected for pressure base, measured flowing temperature, specific gravity and supercompressibility, by the use of methods of calculation and tables hereinabove referred to and approved in Section B, Subsection I, paragraph (B), of the Mesaverde procedures.

A seven (7) day shut-in pressure test shall be made for each well in the Barker Dome-Dakota Area, provided however, that where the shut-in period exceeds seven days such fact shall be reported to the Commission.

The values of the seven (7) day shut-in pressure ( $P_c$ ) and the working wellhead pressure ( $P_w$ ) shall be corrected to bottom hole conditions.

A schedule of tests shall be prepared by the transporter and approved by the Commission, and reports of such tests shall be signed by the operator or his designated agent and duly filed with the Commission, on Form C-122, the regular state-wide form.

## 2. ANNUAL OPEN FLOW POTENTIAL TEST:

This test shall be made of all wells producing from the Barker Dome-Dakota Storage Area by obtaining seven (7) day shut-in pressures of all Dakota wells, converting the same to bottom hole pressures ( $P_f$ ) computing the squares of such bottom hole pressures, ( $P_f^2$ ) and applying the same to the original average "pool slope" to obtain an adjusted open flow. If so desired as an alternate method an adjusted open flow may be computed from the following equation:

$$O_{f_2} = O_{f_1} \left[ \frac{(P_{f_2})^2}{(P_{f_1})^2} \right]^n$$

WHERE:

$O_{f_2}$  = Adjusted absolute open flow.

$O_{f_1}$  = Original absolute open flow.

$P_{f_2}$  = New bottom hole shut-in (psia.)

$P_{f_2}$  = Old bottom hole shut-in (psia.)

n = Slope of back pressure curve.

Tests of all wells in the Barker Dome-Dakota storage area shall be made during the period of April 1 through October 31 of each year and reports made to the Commission within the next succeeding month after test is made.

V. PENNSYLVANIAN FORMATION:

All tests of wells producing from the Pennsylvanian formation of the San Juan Basin Area shall be as follows:

(A) INITIAL OPEN FLOW POTENTIAL TEST:

Immediately after completion of each new well an absolute open flow shall be determined by the conventional back-pressure method indicated by Rule 401 of the Commission's Rules and Regulations.

Seven day shut-in pressures will be used in all cases, and, if for any reason the shut-in period exceeds seven days, then, the actual shut-in time shall be reported.

(B) ANNUAL OPEN FLOW POTENTIAL TEST:

This test shall be made of all wells producing from the Pennsylvanian formation of the San Juan Basin Area, and such tests shall conform in all respects with the procedure set out next above under initial open flow potential test or in the alternative, by obtaining a seven day shut-in pressure of each well and converting the same to bottom hole pressure ( $P_f$ ). The square of the bottom hole pressure ( $P_f^2$ ) will be computed and applied to the original back pressure curve and an adjusted absolute open flow will be obtained.

If shut-in pressure time is in excess of seven (7) days, then the actual shut-in time shall be reported.

There is no objection to the use of an adjusted absolute open flow calculated from the equation as set out hereinabove under Dakota formation, Section B, Sub-section IV, paragraph (A) - subparagraph 2.

All tests hereunder shall be made during the period from April 1 through October 31 of each year, and reported to the Commission upon regular Form C-122 during the month succeeding the month in which the tests are made.

SECTION C. INFORMATION TEST FOR ALL FORMATIONS.

I. TYPE OF TEST:

(A) A pitot potential test may be taken on newly completed wells before their connection to a gas transportation facility. This test shall not be a required official test but may be taken for information purposes at the option of the operator. When taken, this test shall be made and reported as prescribed in paragraph (B) following.

(B) PITOT POTENTIAL TEST:

The pitot potential test shall be made after a minimum shut-in time of seven (7) days. The shut-in pressure shall be measured by the use of a dead-weight gauge. The rate of flow shall be determined by a pitot tube measurement after unrestricted flowing of gas to the air for a period of three (3) hours; the flow nipple shall be at least eight (8) diameters long. The pitot tube shall be constructed of one-eighth (1/8) inch pipe (nominal diameter). Standard tables (Reids) will be provided by the Commission on request.

Any well completed with two-inch nominal size tubing (1.995 inside diameter) or larger shall be tested through the tubing. Any well completed with tubing smaller than two-inch nominal shall be tested through the casing.

(C) REPORTING OF TEST.

When the pitot potential test is taken the results shall be calculated as prescribed in the Commission's Manual of Tables and Procedure and reported to the Commission on Form C-122-B.

IT IS FURTHER ORDERED:

(1) That Form C-122-A entitled "Gas Well Test Data Sheet, San Juan Basin", a copy of which is attached hereto and made a part hereof, be, and the same hereby is approved in open form subject to minor modifications as experience may indicate and the same shall be used only for the area heretofore indicated, excepting therefrom only the Barker Dome-Dakota storage area, and the Pennsylvanian formation, all within the said San Juan Basin.

(2) That this order shall modify Rule 1121 of the Rules and Regulations of the Commission only to the extent of requiring reports upon Form C-122, a copy of which is attached hereto and made a part hereof. Such Form C-122 is hereby approved in open form subject to minor changes and additions as experience may indicate necessary.



Order No. R-333-C and D

(3) All forms heretofore mentioned, are hereby adopted for the use in the San Juan Basin Area.

(4) All testing agencies whether individuals, companies, pipeline companies or operators shall maintain a log of all tests accomplished by them. This log shall show the operator, lease, well number, section unit letter, section, township, range and pool as defined by New Mexico Oil Conservation Commission, for each well tested. The log shall further show the date the flow period pressures (psia.) and shut-in pressures are measured and the values thereof. A copy of this log shall be made available to the Commission or a Commission representative at any time during any testing season. A copy of this log shall be filed with supervisor of District III, Box 697, Aztec, New Mexico, by the 10th of December following each testing season. A log form setting out the date required shall be furnished by the New Mexico Oil Conservation Commission to all testers, a copy of this form is attached hereto and made a part hereof.

IT IS FURTHER ORDERED:

That other formations in the San Juan Basin Area which may in the future be found to be productive will be provided with testing programs on the basis of formation characteristics.

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

W. B. MACEY, Member and Secretary

S E A L

da/

Case 1376

NEW MEXICO  
OIL CONSERVATION COMMISSION  
P. O. Box 871  
Santa Fe, New Mexico

Date January 24, 1958

Mr. Garrett Whitworth  
El Paso Natural Gas Company  
P.O. Box 1492  
El Paso, Texas

Gentlemen:

Your application for the amendment of Order No. R-333-C & D

dated January 21, 1958 has been received, and has been tentatively  
scheduled for hearing before the Commission on  
February 13, 1958

A copy of the docket will be forwarded to you as soon as the matter is  
advertised.

Very truly yours,

*A. L. Porter, Jr.*  
A. L. PORTER, Jr.,  
Secretary-Director

ga

*Docket filed  
1-29-58*

CH 17 18

*El Paso Natural Gas Company*

*El Paso, Texas*

January 21, 1958

New Mexico Oil Conservation Commission  
Post Office Box 871  
Santa Fe, New Mexico

Gentlemen:

Enclosed please find El Paso Natural Gas Company's application for an order amending certain portions of Order No. R-333-C and D pertaining to gas well testing procedure applicable to gas wells in the San Juan Basin. This application is herewith submitted in quadruplicate.

It is respectfully requested that hearing be had on this matter at the soonest possible date.

Yours very truly,

EL PASO NATURAL GAS COMPANY

*Garrett C. Whitworth*  
Garrett C. Whitworth  
Attorney

GCW:mc  
Encs.

BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

----- x  
IN THE MATTER OF THE APPLICATION OF x  
EL PASO NATURAL GAS COMPANY FOR AN x  
ORDER REVISING, AMENDING OR DELETING x  
CERTAIN PORTIONS OF ORDER NO. R-333-C x  
and D PERTAINING TO GAS WELL TESTING x  
PROCEDURE APPLICABLE TO GAS WELLS  
COMPLETED IN SAN JUAN, RIO ARriba AND x  
McKINLEY COUNTIES, NEW MEXICO  
----- x

Case No. 1778

A P P L I C A T I O N

TO THE HONORABLE COMMISSION:

COMES NOW El Paso Natural Gas Company, hereinafter  
referred to as "Applicant", and alleges and represents:

I

That it is a Delaware corporation with a permit to  
do business in the State of New Mexico;

II

That Applicant is the operator of certain gas wells  
in San Juan and Rio Arriba Counties, New Mexico;

III

That pursuant to Order No. R-333-C and D of this  
Commission, said wells should be tested for deliverability and  
shut-in pressure during the period from April 1, through Octo-  
ber 31 of each year;

IV

That it has been the experience of Applicant that  
said period of time is insufficient to adequately and satis-

factorily perform the required deliverability and shut-in pressure tests and that such period should be lengthened and extended for a reasonable time by amending and changing the dates in the second paragraph of Section (A) of said Order No. R-333-C and D and by amending and changing the dates in paragraph III of said Section (A) relating to schedule of tests and by amending such other paragraphs of said Order as the Commission shall deem just and proper to effectuate the relief sought.

V.

That the granting of the relief sought in this Application will not result in waste but will protect correlative rights and prevent undue hardship;

VI

That this Commission has jurisdiction to hear and determine this cause and that such Order No. R-333-C and D should be amended to provide for the relief sought.

WHEREFORE, Applicant respectfully requests this matter to be set for hearing before this Commission as prescribed by law and that upon due notice and hearing, the Commission issue its Order amending Order No. R-333-C and D, particularly Section (A), paragraph II thereof, to effectuate the extending and lengthening of the period of time prescribed therein for conducting and making annual deliverability and shut-in pressure tests for a reasonable time and to provide for a reasonable time for the scheduling of such tests and such other and further relief that the Commission deems advisable and appropriate in the premises.

  
Attorney for Applicant



## Magnolia Petroleum Company

A Socony Mobil Company

### Legal Department

P. O. BOX 900 • DALLAS 21, TEXAS

February 11, 1958

CHARLES B. WALLACE  
GENERAL COUNSEL  
R. T. WILKINSON, JR.  
ASSOCIATE GENERAL COUNSEL  
FRANK C. BOLTON, JR.  
GENERAL ATTORNEY  
WENDELL J. DOGGETT  
JACK E. EARNEST  
SAM H. FIELD  
JAMES T. FITZPATRICK  
ROY C. LEDBETTER  
ROSS MADGLE  
WALLACE G. MALONE  
ROY L. MERRILL  
FLOYD B. PITTS  
WILLIAM S. RICHARDSON  
WILLIAM H. TABB  
JACK VICKREY  
ASSISTANTS

Re: Case No. 1378 - Application of El Paso  
Natural Gas Company to Revise Portions  
of Order No. R-333 C & D.

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

Gentlemen:

Magnolia Petroleum Company hereby requests the Commission to grant the changes in Order No. R-333 C & D proposed by El Paso Natural Gas Company in the above styled and numbered case, such changes being as follows:

1. Extension of Annual Deliverability Tests period from the 1st of February to the 15th of December of each year.
2. Scheduling of Annual Deliverability Tests in two or three month increments rather than the yearly schedule as at present.

Thus far, the Magnolia Petroleum Company has had little difficulty in complying with the provisions in R-333 C & D, however, as our operations expand we anticipate problems that will be mitigated by the shorter test scheduling as well as the extension of the Annual Deliverability Tests period.

Respectfully,

MAGNOLIA PETROLEUM COMPANY

By

*Jack Vickrey*  
Attorney

JV:jt

cc: El Paso Natural Gas Co.  
P. O. Box 1492  
El Paso, Texas  
Attn: Mr. D. H. Rainey

EL PASO NATURAL GAS COMPANY  
PROPOSED CHANGES IN ORDER NO. R-333 C & CASE  
CASE NO. 1378, FEBRUARY 13, 1958

OIL CON. COM. THE  
STATE OF NEW MEXICO  
EXHIBIT No. 1  
1378

II. ANNUAL DELIVERABILITY AND SHUT-IN PRESSURE TESTS:

Annual Deliverability and Shut-In Pressure Tests of all producing gas wells are required to be made during the period from February 1 through December 15 of each year.

All wells making connection to a gas transportation facility between October 31 and December 31 of any calendar year shall be tested during the following annual testing period. All wells making connection to a gas transportation facility between January 1 and February 1 of any calendar year shall be tested during the testing period of that year.

An Initial Deliverability Test accomplished in accordance with Section B, Subparagraph 1, Paragraph (A), Subparagraph 1, may be used as an annual test when the initial connection to a gas transportation facility is made between February 1 and October 31 of the test year.

All Annual Deliverability and Shut-In Pressure Tests taken in compliance with Section B of this Order shall be filed with the New Mexico Oil Conservation Commission and with the gas transportation facility to which the well is connected within 30 days after the end of the month in which the test is completed but no test shall be filed later than December 31, provided however, that administrative approval may be granted by the Secretary-Director of the Commission for extensions of this period in special cases.

III. SCHEDULE OF TESTS:

(A) ANNUAL DELIVERABILITY TESTS

At least 30 days prior to the beginning of the test period (February 1) the gas transportation facilities receiving gas from wells to be tested shall, in cooperation with respective operators, submit a testing schedule for the Annual Deliverability and Shut-In Pressure Tests for all wells connected to their respective pipeline systems to be tested

during the succeeding two months. Copies of the schedule shall be furnished to the Commission and to each operator concerned by the gas transportation facility. A similar schedule shall be submitted at least 30 days prior to each two-month testing interval. Such schedule shall indicate the pool, operator, lease, well number and location of each well. The gas transportation facility making the schedule of tests shall be notified immediately by any operator unable to take such tests as scheduled.

The Commission shall be notified in writing during the 14-day conditioning period of any Initial Deliverability Tests to be accomplished in accordance with Section B, Subsection 1, Paragraph (A), Subparagraph 1, that such test is to be used as an Annual Deliverability and Shut-In Pressure Test.

In the event changes for substantial reasons are necessary in any test schedule, the Commission shall be notified 10 days before tests are scheduled to commence.

SECTION B. PROCEDURE FOR TESTS:

I. MESAVERDE FORMATION:

(B) THE ANNUAL DELIVERABILITY AND SHUT-IN PRESSURE TESTS.

(Subparagraph 6)

Orifice meter charts shall be changed, and so arranged as to reflect upon a single chart the flow data for the gas from each well for the full seven-day deliverability test period; except that no tests shall be voided if reasonable explanation is made as to the necessity for using test volumes through two chart periods. Corrections shall be made for pressure base, measured flowing temperature, specific gravity and supercompressibility (superexpansibility), provided however, that if the specific gravity of gas from any well under test is not available, then and in that event an estimated specific gravity may be assumed therefor, based upon that of gas from nearby wells, the specific gravity of which has been actually determined by measurement.



11/1/58  
SAN JACINTO PETROLEUM CORP.  
SAN JACINTO BUILDING  
HOUSTON 2, TEXAS

February 6, 1958

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

It is our understanding that El Paso Natural Gas Company has made application for a longer period of time in which to conduct the required Annual Deliverability Tests on wells in the San Juan Basin Area. This is to advise that San Jacinto Oil and Gas Company (a division of San Jacinto Petroleum Corp.) concurs in support of El Paso's application.

Yours very truly,

*B. G. Martin*

B. G. Martin

BGM:ry  
cc: El Paso Natural Gas Company  
El Paso, Texas  
Attn: Mr. D. H. Rainey

SAN JACINTO OIL AND GAS COMPANY  
(a division of San Jacinto Petroleum Corp.)  
San Jacinto Building  
Houston 2, Texas

February 6, 1958

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Gentlemen:

This letter is to notify you of the formation of San Jacinto Oil and Gas Company, (a division of San Jacinto Petroleum Corp.). This change in the corporate alignment became effective January 28, 1958, in accordance with a resolution adopted by the Board of Directors of San Jacinto Petroleum Corp. at a special meeting held on that date.

All of the domestic affairs of San Jacinto Petroleum Corp. will hereafter be handled by San Jacinto Oil and Gas Company, (a division of San Jacinto Petroleum Corp.) and all correspondence, checks, invoices and inquiries should be directed to San Jacinto Oil and Gas Company, 800 San Jacinto Building, Houston 2, Texas.

Yours very truly,

SAN JACINTO OIL AND GAS COMPANY

*B. G. Martin*

B. G. Martin, President

EMPIRE STATES DRILLING CORPORATION

---

. . . . . 1020 SIMMS BUILDING . . .

ALBUQUERQUE, NEW MEXICO

February 7, 1958

Re: Hearing February 13, 1958  
Subject - Order No. R-333  
C & D

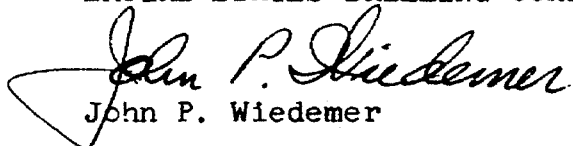
Oil Conservation Commission  
Santa Fe  
New Mexico

Gentlemen:

Please accept this letter as our concurrence with  
the request of El Paso Natural Gas Company to allow  
a reasonable extension of time for operators to  
complete deliverability tests on San Juan Basin  
wells.

Very truly yours,

EMPIRE STATES DRILLING CORP.

  
John P. Wiedemer

JPW/pg

cc: El Paso Natural Gas Co.

*Horace F. McKay, Jr.*  
*800 Loma Linda Place, S.E.*  
*Albuquerque, New Mexico*

February 6, 1958

Re: Order No. R-353-C&D

New Mexico Oil Conservation Comm.  
Box 871  
Santa Fe, New Mexico

Gentlemen:

This is to advise you that I concur with  
El Paso Natural Gas Company in their request for  
extension of time for Deliverability Tests.

Yours truly,

*Horace F. McKay, Jr.*

DOCKET REGULAR HEARING FEBRUARY 13, 1958

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

- ALLOWABLE: (1) Consideration of the oil allowable for March, 1958.
- (2) Consideration of the allowable production of gas for March, 1958, for six prorated pools in Lea County, New Mexico; also consideration of the allowable production of gas from six prorated pools in San Juan and Rio Arriba Counties, New Mexico, for March, 1958.

NEW CASES

CASE 977: In the matter of the hearing order to be held by Paragraph 7 of Order No. R-794-B to permit Southern Union Gas Company and all other interested parties to appear and show cause why the Special Pool Rules for the Tapacito-Pictured Cliffs Gas Pool, as set forth in Order No. R-794, should be continued in effect beyond April 1, 1958.

CASE 1376: Application of The Texas Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Little Lucky Lake Unit Agreement embracing 11,715 acres, more or less, of Federal and State Lands in Township 15 South, Range 29 East; Township 15 South, Range 30 East, and Township 16 South, Range 30 East, in Chaves and Eddy Counties, New Mexico.

CASE 1377: In the matter of the hearing called by the Oil Conservation Commission of New Mexico on its own motion to consider the establishment of minimum allowables for gas wells in San Juan, Rio Arriba, Sandoval, and McKinley Counties, New Mexico.

CASE 1378: Application of El Paso Natural Gas Company for an order amending Order No. R-333-C & D. Applicant, in the above-styled cause, seeks an order revising, amending or deleting certain portions of Order No. R-333-C & D to extend the testing period and revise the test scheduling procedure applicable to gas wells in San Juan, Rio Arriba, Sandoval, and McKinley Counties, New Mexico.

CASE 1379: Southeastern New Mexico nomenclature case calling for an order for the creation of new pools and the extension of existing pools in Lea, Eddy and Chaves Counties, New Mexico.

- (a) Create a new gas pool for Mississippian production, designated as the Austin-Mississippian Gas Pool, and described as:

Township 14 South, Range 36 East  
Section 17 SW/4

Township 17 South, Range 30 East

Section 6: SW/4

Section 7: N/2

- (j) Extend the Square Lake Pool to include:

Township 16 South, Range 29 East

Section 36: S/2 S/2

Township 16 South, Range 30 East

Section 31: S/2

Section 32: SW/4

Township 17 South, Range 29 East

All of Sections 1, 2, 3, 10, 11, & 12

Section 13: N/2

Section 14: N/2

Section 15: NE/4

Township 17 South, Range 30 East

Section 5: W/2

Section 6: All

Section 7: N/2

- (k) Extend the Caprock-Queen Pool to include:

Township 14 South, Range 31 East

Section 17: W/2 SW/4

- (l) Extend the Crosby-Devonian Gas Pool to include:

Township 25 South, Range 37 East

Section 20: SE/4

- (m) Extend the Dos Hermanos-Yates-Seven Rivers Pool to include:

Township 20 South, Range 30 East

Section 28: S/2 SE/4

- (n) Extend the South Eunice Pool to include:

Township 21 South, Range 36 East

Section 34: SW/4

- (o) Extend the Four Lakes-Devonian Pool to include:

Township 11 South, Range 34 East

Section 35: SE/4

- (p) Extend the West Lusk Pool to include:

Township 19 South, Range 31 East

Section 23: NW/4

(b) Create a new oil pool for Abo production, designated as the Empire-Abo Pool and described as:

Township 18 South, Range 27 East  
Section 11 NW/4

(c) Create a new gas pool for Pennsylvanian production, designated as the Grayburg-Atoka Gas Pool, and described as:

Township 17 South, Range 29 East  
Section 22 NW/4

(d) Create a new oil pool for Drinkard production, designated as the Justis-Drinkard Pool, and described as:

Township 25 South, Range 37 East  
Section 24 NE/4

(e) Create a new oil pool for Devonian production, designated as the Sand Springs-Devonian Pool and described as:

Township 11 South, Range 34 East  
Section 1 SW/4

(f) Create a new oil pool for Delaware production, designated as the Welch-Delaware Pool, and described as:

Township 26 South, Range 27 East  
Section 21 NW/4

(g) Delete portions of the Arrowhead Pool described as:

Township 21 South, Range 36 East  
Section 24 All  
Section 25 E/2  
Section 26 NE/4 NE/4

(h) Extend the Penrose Skelly Pool to include:

Township 21 South, Range 36 East  
Section 24 SE/4  
Section 25 SE/4 SE/4

Township 21 South, Range 37 East  
Section 19 SW/4  
Section 30 SW/4 SW/4

(i) Abolish the Anderson Pool described as:

Township 17 South, Range 29 East  
Section 1 S/2  
All of Sections 2, 3, 10, 11, & 12  
Section 13 N/2  
Section 14 N/2  
Section 15 NE/4

- (q) Extend the Reeves-Pennsylvanian Pool to include:

Township 18 South, Range 35 East  
Section 14: SE/4  
Section 23: N/2

- (r) Extend the Townsend-Wolfcamp Pool to include:

Township 16 South, Range 36 East  
Lots 9, 10, 11, 14, 15, 16

- (s) Extend the Tubb Gas Pool to include:

Township 21 South, Range 37 East  
Section 14: SE/4

CASE 1380: Northwestern New Mexico nomenclature case calling for an order for the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico.

- (a) Extend the Aztec-Pictured Cliffs Pool to include:

Township 29 North, Range 10 West  
Section 29: S/2

- (b) Extend the East Blanco-Pictured Cliffs Pool to include:

Township 30 North, Range 4 West  
Section 10: SW/4  
Section 15: NW/4

- (c) Extend the Ballard-Pictured Cliffs Pool to include:

Township 26 North, Range 8 West  
Section 14: SW/4

- (d) Extend the Tapacito-Pictured Cliffs Pool to include:

Township 26 North, Range 3 West  
All of Sections 8 & 17

- (e) Extend the South Blanco-Pictured Cliffs Pool to include:

Township 25 North, Range 3 West  
Section 18: W/2  
Section 19: NW/4

Township 25 North, Range 4 West  
Section 13: S/2  
Section 24: N/2

Township 26 North, Range 5 West  
All of Sections 17 & 18

Township 27 North, Range 7 West  
All of Sections 9 & 10



Township 28 North, Range 8 West  
All of Sections 30, 32 & 33  
Section 34: W/2

(f) Extend the Bisti-Lower Gallup Oil Pool to include:

Township 25 North, Range 11 West  
Section 7: SW/4

Township 25 North, Range 12 West  
Section 11: S/2  
Section 12: All

(g) Extend the Verde-Gallup Oil Pool to include:

Township 31 North, Range 15 West  
Section 23: SE/4  
Section 24: S/2  
Section 25: NE/4

CONTINUED CASE

CASE 1369: In the matter of the hearing upon the motion of the Oil Conservation Commission of New Mexico at the request of The Atlantic Refining Company to amend Rule 107 of the Commission Rules and Regulations pertaining to casing, tubing, and cementing requirements.

ir/

**The  
FRONTIER REFINING CO.**

4040 EAST LOUISIANA AVENUE • DENVER 22, COLORADO



DENVER, COLORADO  
General Office

CHEYENNE, WYOMING  
Manufacturing

4040 East Louisiana Avenue  
Denver 22, Colorado  
February 5, 1958

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

Re: New Case #1378  
Scheduled for Hearing  
February 13, 1958

Gentlemen:

The Frontier Refining Company desires to enter  
an appearance in this case by letter as follows:

Attached is a letter from El Paso Natural Gas  
Company dated January 28, 1958, pertaining to Case  
#1378. We fully concur with El Paso in the matters  
as stated in their January 28th letter.

Yours very truly,

*E. B. Granville*

E. B. Granville  
Drilling and Production  
Superintendent

EBG:pb  
Attachment

cc: El Paso Natural Gas Co.

*Stop at the Sign of the Rarin' Horse*

JAN 30 1958

# *El Paso Natural Gas Company*

*El Paso, Texas*

January 28, 1958

BJ  
-266

The Frontier Refining Company  
400 Boston Building  
Denver, Colorado

Gentlemen:

This is to advise you that El Paso Natural Gas Company has applied to the New Mexico Oil Conservation Commission for a longer period of time in which to conduct the required Annual Deliverability Tests on wells in the San Juan Basin area. During 1957, many Operators in the San Juan Basin were unable to complete their deliverability tests during the test period from April 1, through October 31. Because of this difficulty already experienced and with the knowledge that many more wells will be drilled in the Basin, it is considered necessary to extend the test period.

El Paso's application requested no particular extension of time; however, it would appear that an additional three months over the period provided for in Order No. R-333 C & D would be sufficient, i.e., from February 1 to November 30 of each year. It will be suggested that the scheduling of tests be broken into shorter increments of time of approximately two to three months to insure more accuracy rather than attempting to schedule the entire Basin at one time. It is also suggested that all wells connected after October 20, will not be required to conduct Annual Deliverability Tests that year, but the deliverability will be based on the results of the Initial Deliverability Test. We would appreciate your thoughts on any items you deem advisable pertaining to amendments of Order No. R-333 C & D.

This application has been set for hearing at the regular Statewide Hearing February 13, 1958. Due to the urgency of this matter, El Paso seeks your appearance and/or concurrence in this matter at this Hearing.

Yours very truly,

A handwritten signature in dark ink, appearing to read "D. H. Rainey". The signature is fluid and cursive, with the first name "D. H." being more compact and the last name "Rainey" being more extended.

D. H. Rainey  
Proration Department

JHK pm

# Three States Natural Gas Company

SEVENTEENTH FLOOR CORRIGAN TOWER

DALLAS 1, TEXAS

## PRODUCTION DEPARTMENT

JAMES D. COOPER  
SUPERINTENDENT

JOSEPH C. GORDON  
CHIEF ENGINEER

PAUL D. MEELROY  
ASSISTANT

February 6, 1958

Oil Conservation Commission  
State Capital Building  
Santa Fe, New Mexico

Gentlemen:

Re: CASE 1378  
Regular Hearing Feb. 13, 1958

The El Paso Natural Gas Company has requested a hearing, seeking an order revising amending or deleting certain portions of Order No. R-333-C & D to extend testing periods and revise test scheduling procedure applicable to gas wells in San Juan, Rio Arriba, Sandoval, and McKinley Counties, New Mexico.

Many operators were unable to complete their 1957 Annual Deliverability Tests during the test period from April 1, through October 31. Since many more wells will be drilled in the Basin, it is considered necessary to extend the test period.

An additional three months over the period now provided for in Order No. R-333-C & D would be sufficient, i.e., from February 1 to November 30 of each year. It is also suggested that all wells connected after October 20, will not be required to have Annual Deliverability tests that year, but deliverability will be based on the results of the Initial Deliverability Test.

Yours very truly,

THREE STATES NATURAL GAS COMPANY



Joseph C. Gordon

JCG:cf

CC - Mr. E. A. Jenkins  
Mr. J. P. Donahue, Jr.

DELHI-TAYLOR OIL CORPORATION

CORRIGAN TOWER

DALLAS 1, TEXAS

W. C. SMITH  
VICE PRESIDENT

February 3, 1958

Mr. A. L. Porter  
Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

El Paso Natural Gas Company has advised us that they have applied to the New Mexico Oil Conservation Commission for a longer period of time in which to conduct the required annual deliverability tests on wells in the San Juan Basin area. This is to advise you that Delhi-Taylor concurs with the suggestion to increase the time of the test period.

We also concur with El Paso's suggestion that wells connected after October 20 not be required to conduct annual deliverability tests that year.

Yours very truly,



W. C. Smith

WCS:WT:r

100-1377

J. GLENN TURNER

OIL AND GAS- INVESTMENTS  
1725 FLOOR MERCANTILE BANK BUILDING  
DALLAS 1, TEXAS

January 31, 1958

C

Mr. D. H. Rainey  
Proration Department  
El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas

O

Dear Mr. Rainey:

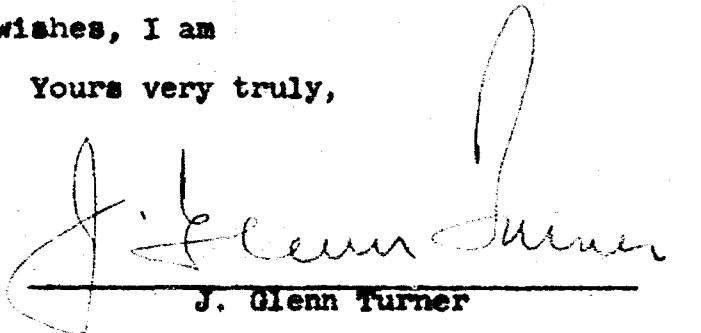
P

In reply to your letter of January 28, 1958, in which you have advised that you have applied to the New Mexico Oil Conservation Commission for a longer period of time in which to conduct the required annual deliverability tests on wells in the San Juan Basin area, it appears to me that your reasons are valid and I would be in favor of the Commission granting such request. I am sending a copy of this letter to the Commission.

Y

With best wishes, I am

Yours very truly,

  
J. Glenn Turner

JGT:es

cc: Mr. C. L. Perkins  
Mr. Art Hill

✓ New Mexico Oil Conservation Commission

**SQUIRE PRODUCTION COMPANY**

1501 MERCANTILE BANK BUILDING

DALLAS 1, TEXAS

C  
O  
P  
Y

January 31, 1958

Mr. D. H. Rainey  
Proration Department  
El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas

Dear Mr. Rainey:

Receipt is acknowledged of your letter of January 28, 1958, advising that El Paso has applied to the New Mexico Oil Conservation Commission for a longer period of time in which to conduct the required annual deliverability tests on wells in the San Juan Basin area.

We appreciate the difficulties which you have encountered and think that the best interests of the operators in the San Juan Basin would be served by the Commission's approval of the request, and we are therefore in favor of such approval.

A copy of this letter is being sent to the Commission.

With best wishes, we are

**SQUIRE PRODUCTION COMPANY**

By

*J. Glenn Turner*  
J. Glenn Turner, President

JGT:es

cc: Mr. C. L. Perkins  
Mr. Art Hill

✓ New Mexico Oil Conservation Commission





THE EL DORADO REFINING COMPANY

2000 National Bank of Texas Building

January 31, 1958

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Re: Case No. 1378

Gentlemen:

I understand that El Paso Natural Gas Company is seeking an order to revise certain portions of Order No. R-333-C and D to extend the testing period and revise the test scheduling procedure for gas wells in San Juan, Rio Arriba, Sandoval and McKinley Counties, New Mexico. This application has been set for hearing at the regular state-wide hearing to be held on February 13, 1958.

Since the revisions and amendments as applied for will relieve a hardship on the part of the operators in conducting the necessary tests, and since in so doing there will be no interference insofar as Oil Conservation Commission's receiving the necessary tests and information is concerned, this is to advise that The El Dorado Refining Company would like to go on record as supporting El Paso Natural Gas Company in their application.

Very truly yours,

A handwritten signature in cursive script, reading "R. B. Wilkins".

R. B. WILKINS

RBW:jp  
cc: El Paso Natural Gas Company  
P. O. Box 1492  
El Paso, Texas  
Attn: D. H. Rainey, Proration Dept.

**Petro-Atlas Corporation**

A SUBSIDIARY OF ATLAS CORPORATION

2000 NATIONAL BANK OF TULSA BUILDING

TULSA 3, OKLAHOMA

January 31, 1958

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

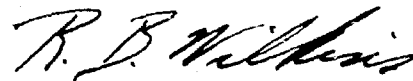
Re: Case No. 1378

Gentlemen:

I understand that El Paso Natural Gas Company is seeking an order to revise certain portions of Order No. R-333-C and D to extend the testing period and revise the test scheduling procedure for gas wells in San Juan, Rio Arriba, Sandoval and McKinley Counties, New Mexico. This application has been set for hearing at the regular state-wide hearing to be held on February 13, 1958.

Since the revisions and amendments as applied for will relieve a hardship on the part of the operators in conducting the necessary tests, and since in so doing there will be no interference insofar as Oil Conservation Commission's receiving the necessary tests and information is concerned, this is to advise that Petro-Atlas Corporation would like to go on record as supporting El Paso Natural Gas Company in their application.

Yours very truly,



R. B. WILKINS

RBW:jp

cc: El Paso Natural Gas Company  
Attn: D. H. Rainey, Proration Dept.  
P. O. Box 1492  
El Paso, Texas

EMPIRE STATES DRILLING CORPORATION

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1020 SIMMS BUILDING

ALBUQUERQUE, NEW MEXICO

February 7, 1958

Re: Hearing February 13, 1958  
Subject - Order No. R-333  
C & D

Oil Conservation Commission  
Santa Fe  
New Mexico

Gentlemen:

Please accept this letter as our concurrence with the request of El Paso Natural Gas Company to allow a reasonable extension of time for operators to complete deliverability tests on San Juan Basin wells.

Very truly yours,

*R. E. Jackson*  
R. E. Jackson

pg

cc: El Paso Natural Gas Co.