

CASE 2197: Application of TENNESSEE
FOR THE promulgation of temporary
rules governing the TOTAL GALLUP
SCHOOL, SAN JUAN COUNTY, NEW MEXICO.

Case No.

2197

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

RECEIVED FEB 11 1963
IN THE MATTER OF THE APPLICATION OF TENNESSEE
GAS TRANSMISSION COMPANY FOR A TEMPORARY ORDER
ESTABLISHING 80 ACRE WELL SPACING AND PRORATION
UNITS IN THE TOTAH GALLUP AREA IN SAN JUAN COUNTY,
NEW MEXICO FOR THE PRODUCTION OF OIL AND GAS FROM
THE GALLUP FORMATION AND FOR THE ESTABLISHMENT OF
AN 80 ACRE ALLOWABLE WITH PROPORTIONAL DEPTH FACTOR

CASE NO. 2197

APPLICATION

Comes now the applicant, Tennessee Gas Transmission Company,
and respectfully shows the following:

1. That applicant is a corporation, with principal offices
in Houston, Texas, with a Certificate of Authority to do business in
the State of New Mexico.

2. That applicant is the owner of an oil and gas lease em-
bracing the following lands in the State of New Mexico situated in San
Juan County, to-wit:

Twp. 29 N., Rge. 13 W., San Juan County, New Mexico

All of Section 27, except the NE/4 of the NW/4
All of Section 28
N/2 of Section 33

3. That applicant drilled the discovery well in the area here-
inafter described and herein referred to as the Totah Gallup Area, said
discovery well being located in the SW/4 of the SE/4 of Section 28, Town-
ship 29 North, Range 13 West, San Juan County, New Mexico, and having
been dually completed September 4, 1959 as a well capable of producing
gas from the Dakota formation which was found at a subsurface interval
between 5,764 feet and 5,887 feet and oil from the Gallup formation which
was found at the subsurface interval between 5,187 feet and 5,247 feet.
The Totah Gallup Pool was established by Order No. R-1558 and amended by
Order No. R-1682 promulgated by the New Mexico Oil Conservation Commission.

4. That since the completion of the initial discovery well,
there have been sixteen producing wells completed in the Totah Gallup
Pool and there are, at the time of the preparation of this Application,
five wells currently being drilled and completed by applicant and other
operators in the area, all of which wells are reflected on the plat at-
tached hereto.

5. That the plat attached hereto shows the outlines of the Totah Gallup Area for which applicant desires to establish 80 acre well spacing and proration units, which area consists of the following described lands in San Juan County, New Mexico, to-wit:

Twp. 29 N., Rge. 13 W., N.M.P.M.

S/2 of Section 26
All of Section 27
All of Section 28
All of Section 29, except the SW/4
All of Section 33, except the SW/4
All of Section 34
All of Section 35

6. That the Totah Gallup Area lies approximately two miles Northeast of the Cha Cha-Gallup Oil Pool, the field rules for which pool are set up under Order No. R-1800 promulgated by the Oil Conservation Commission of the State of New Mexico on November 1, 1960, which field rules provide for 80 acre spacing and proration units. The characteristics of the Cha Cha-Gallup Pool and the Totah Gallup Pool are similar as to geology, stratigraphy and production.

7. That the Totah Gallup Pool is currently being developed on 80 acre spacing and that information obtained from the exploration and development of said area and production tests taken all indicate that one well will effectively, efficiently and economically drain at least as much as 80 acres and that in the interest of protection of correlative rights and the prevention of waste, applicant respectfully requests the adoption of 80 acre spacing and proration units for said Totah Gallup Pool.

8. That the productive limits of the Totah Gallup Reservoir have not as yet been definitely determined and until all of the characteristics of the reservoir are definitely determined by additional productive history, applicant is only requesting that a temporary order be entered for one year establishing 80 acre well spacing and proration units. It is believed that by the end of one year, sufficient wells will have been drilled under this pattern to reasonably determine the productive limits of the reservoir and that sufficient tests will have been made to determine all of the characteristics and if, at that time, the facts are such as to conclusively show that it is in the interest of conservation and the pre-

vention of waste to continue the development on such a pattern, the temporary order be made permanent.

Wherefore the undersigned applicant respectfully requests that after notice and hearing hereof, as provided by law, that the Commission enter an order temporarily establishing 80 acre well spacing and proration units for the development and production of oil and gas from the Totah Gallup Pool.

Respectfully submitted,

TENNESSEE GAS TRANSMISSION COMPANY

By William N. Armstrong
William N. Armstrong
Attorney
1820 Wilco Building
Midland, Texas

Case 2197

TENNESSEE GAS AND OIL COMPANY

DIVISION OF TENNESSEE GAS TRANSMISSION COMPANY

1820 WILCO BUILDING - MIDLAND, TEXAS



January 31, 1961

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

Dear Sir:

Enclosed herewith, in triplicate, is the Application of Tennessee Gas Transmission Company for eighty-acre spacing and proration units in the Totah Gallup Field in San Juan County, New Mexico. We have previously been advised that notice of our application would be advertised so that this matter will be on the February docket. We appreciate your cooperation in this matter and are sorry that we were unable to file the application sooner. If anything further is required of us prior to the hearing, we will be happy to furnish it.

Thanking you again for your cooperation, we are

Yours very truly,

TENNESSEE GAS AND OIL COMPANY

William N. Armstrong

William N. Armstrong
Division Attorney

WNA:jo
Enc. 3

*Docket
mailed
2-10-61
JH*

DOCKET: EXAMINER HEARING - THURSDAY, FEBRUARY 23, 1961

OIL CONSERVATION COMMISSION - 9 A.M., CONFERENCE ROOM - STATE LAND OFFICE
BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Oliver E. Payne, attorney, as alternate examiner:

CASE 2193: Application of Newmont Oil Company for two unorthodox oil well locations and for one unorthodox location for an injection well. Applicant, in the above-styled cause, seeks approval for two unorthodox oil well locations, and for one unorthodox water injection well location in the Loco Hills Waterflood Project, Eddy County, New Mexico. The proposed locations for the producing wells and injection well are respectively as follows:

Yates A No. 14 Well, 1980 feet from the North line and 1310 feet from the East line of Section 6, Township 18 South, Range 30 East.

Brigham No. 5 Well, 1320 feet from the South line and 990 feet from the East line of Section 31, Township 17 South, Range 30 East.

Brigham No. 4 Well, 1320 feet from the South line and 5 feet from the East line of Section 31, Township 17 South, Range 30 East.

CASE 2187: Application of Continental Oil Company for a 400-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 400-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 W/2 of Section 26, the E/2 E/2 of Section 27, and the E/2 SE/4 of Section 22, all in Township 20 South, Range 37 East, Lea County, New Mexico. Said unit is to be dedicated to the SEMU Eumont Well No. 65, located 2363 feet from the South line and 0 feet from the West line of said Section 26.

CASE 2188: Application of Continental Oil Company for an exception to Rule 26 (a) of Order No. R-1670. Applicant, in the above-styled cause, seeks an exception to Rule 26 (a) of Order No. R-1670 for the reclassification to a Tubb gas well of its State 10 Well No. 3-D, located 990 feet from the North line and 840 feet from the West line of Section 10, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

- CASE 2189: Application of Continental Oil Company for two non-standard gas proration units. Applicant, in the above-styled cause, seeks the establishment of two non-standard gas proration units in the Eumont Gas Pool, Lea County, New Mexico, the first being a 480-acre unit consisting of the S/2 and NE/4 of Section 24 to be dedicated to the SEMU Eumont Well No. 67 located 1980 feet from the South and West lines of said Section 24 and the second being a 280-acre unit consisting of the NW/4 of said Section 24 and the S/2 and NW/4 SW/4 of Section 13 to be dedicated to the SEMU Eumont Well No. 69, located 1980 feet from the North and West lines of Section 24, all in Township 20 South, Range 37 East.
- CASE 2190: Application of Continental Oil Company for a 560-acre non-standard gas proration unit. Applicant, in the above-styled cause, seeks the establishment of a 560-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the W/2 of Section 14, the E/2 E/2 of Section 15 and the E/2 NE/4 of Section 22, Township 20 South, Range 37 East, Lea County, New Mexico. Said unit is to be dedicated to the SEMU Eumont Well No. 66, located 1980 feet from the South line and 660 feet from the West line of said Section 14.
- CASE 2191: Application of Continental Oil Company for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the Empire-Abo Pool production from all wells presently completed or hereafter drilled on its State S-30 lease comprising in pertinent part the NW/4 and NW/4 SW/4 of Section 30, Township 17 South, Range 29 East, Eddy County, New Mexico.
- CASE 2192: Application of Amerada Petroleum Corporation for permission to commingle the production from two separate leases. Applicant, in the above-styled cause, seeks permission to commingle the Blinebry Oil Pool production from all wells presently completed or hereafter drilled on its State "D" lease, consisting of the NW/4 and its State "H" lease, consisting of the W/2 SE/4, both in Section 1, Township 20 South, Range 36 East, Lea County, New Mexico.
- CASE 2194: Application of Sunray Mid-Continent Oil Company for an oil-oil dual completion utilizing two strings of casing.

CASE 2194: (Cont.)

Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State "Y" Well No. 2, located in Unit A, Section 32, Township 18 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Culwin-Yates Pool and the production of oil from the North Shugart Queen-Grayburg Pool through parallel strings of 2 7/8-inch casing cemented in a common well bore.

CASE 2195:

Application of Gulf Oil Corporation for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to install an automatic custody transfer system to handle the production from an undesignated Abo pool from all wells presently completed or hereafter drilled on the Lea-State "LB" Lease comprising the NW/4, N/2 SW/4 and SW/4 SW/4 of Section 20, Township 17 South, Range 36 East, Lea County, New Mexico.

CASE 2196:

Application of Gulf Oil Corporation for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle, without separate metering, the production from the Drinkard and Langlie-Mattix Pools from all wells presently completed or hereafter drilled on the Ollie I. Boyd Lease, comprising the S/2 SW/4, NE/4 SW/4 and SW/4 SE/4 of Section 23, Township 22 South, Range 37 East, Lea County, New Mexico.

CASE 2197:

Application of Tennessee Gas and Oil Company for the promulgation of temporary special rules and regulations governing the Totah-Gallup Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating temporary special rules and regulations governing the Totah-Gallup Pool, San Juan County, New Mexico, including a provision for 80-acre proration units.

CASE 2198:

Application of H. S. Moss for permission to commingle the production from three separate pools and for an automatic custody transfer system. Applicant, in the above-styled cause, seeks permission to commingle the production from the Southwest Gladiola-Wolfcamp Pool, the Southwest Gladiola-Devonian Pool and an undesignated Pennsylvanian Pool from all wells presently completed or hereafter drilled on its D. P. Peck Lease comprising the W/2 of Section 26, Township 12 South Range 37 East, Lea County, New Mexico.

-4-

Docket No. 6-61

CASE 2198: (Cont.)

Applicant further seeks permission to install an automatic custody transfer system to handle said commingled production.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
TENNESSEE GAS TRANSMISSION COMPANY
FOR A TEMPORARY ORDER ESTABLISHING
80 ACRE WELL SPACING AND PRORATION
UNITS IN THE TOTAH GALLUP AREA IN
SAN JUAN COUNTY, NEW MEXICO FOR THE
PRODUCTION OF OIL AND GAS FROM THE
GALLUP FORMATION AND FOR THE ESTAB-
LISHMENT OF AN 80 ACRE ALLOWABLE WITH
PROPORTIONAL DEPTH FACTOR

CASE NO. 2197

ENTRY OF APPEARANCE OF RESIDENT COUNSEL

Comes now the undersigned attorneys, and in compliance
with Memorandum No. 9-60 of the Oil Conservation Commission,
hereby enters its appearance as resident counsel for the
Applicant, Tennessee Gas Transmission Company.

HERVEY, DOW & HINKLE

By 

S. B. Christy, IV as a
member of the firm
Box 10
Roswell, New Mexico

*Don't
miss
9-10-61
ek*

J. M. HERVEY 1874-1953
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNKER, JR.
HOWARD C. BRATTON
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD

LAW OFFICES
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROSWELL, NEW MEXICO

February 21, 1961

TELEPHONE MAIN 2-6510
POST OFFICE BOX 10

The New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Gentlemen:

On February 15, 1961, the Commission considered Tennessee Gas Transmission Company's application for the promulgation of special rules and regulations covering the Totah-Gallup Oil Pool in San Juan County, New Mexico; this is your Case No. 2184.

The Examiner docket for February 23, 1961, includes an application of Tennessee Gas and Oil Company for the promulgation of temporary special rules and regulations covering the Totah-Gallup Pool in San Juan County, New Mexico; this is your Case No. 2197.

In view of the fact that both of the applications concern the same subject matter, which the Commission now has under consideration in Case No. 2184, it is requested that Case No. 2197 be dismissed.

Respectfully,

HERVEY, DOW & HINKLE

By 

SBC:mke

cc: Tennessee Gas Transmission Co.
Midland, Texas
Attention: Mr. Wm. Armstrong
Legal Department

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2197
Order No. R-1887

APPLICATION OF TENNESSEE GAS AND OIL
COMPANY FOR THE PROMULGATION OF TEM-
PORARY SPECIAL RULES AND REGULATIONS
GOVERNING THE TOTAN-GALLUP POOL, SAN
JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
February 13, 1961, at Santa Fe, New Mexico, before Elvis A. Utz,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accordance
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 2nd day of March, 1961, the Commission,
a quorum being present, having considered the application and
the recommendations of the Examiner, Elvis A. Utz, and being
fully advised in the premises,

FINDS:

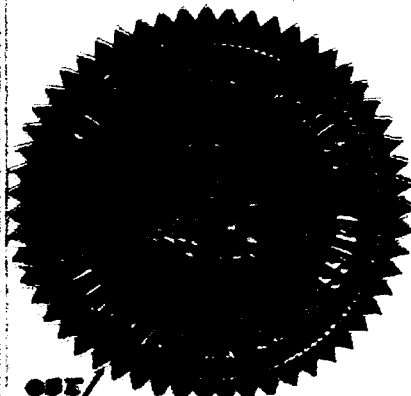
(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the subject matter of this application having been
heard by the Commission on February 13, 1961, Case No. 2197 should
be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2197 be and the same is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem

EDWIN L. MECHAM, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



P. O. BOX 871
SANTA FE

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

March 3, 1961

Harvey, Dow & Hinkle
Box 10
Roswell, New Mexico

Re: Case No. 2197
Order No. B-1887
Applicant:
Tennessee Gas & Oil Co.

Dear Sir:

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

Very truly yours,

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

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC

OTHER

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 23, 1961

EXAMINER HEARING

IN THE MATTER OF:

Application of Tennessee Gas and Oil Company for
the promulgation of temporary special rules and
regulations governing the Totah-Gallup Pool, San
Juan County, New Mexico. Applicant, in the above
styled cause, seeks an order promulgating temporary
special rules and regulations governing the Totah-
Gallup Pool, San Juan County, New Mexico, inclu-
ding a provision for 80-acre proration units.

Case
2197

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2197.

MR. PAYNE: Case 2197. Application of Tennessee Gas
and Oil Company for the promulgation of temporary special rules
and regulations governing the Totah-Gallup Pool, San Juan Count,
New Mexico.

Mr. Examiner, inasmuch as Case 2197 was heard at the
last regular commission hearing, we move that the case be dismissed.

MR. UTZ: Without objection it will be dismissed.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



STATE OF NEW MEXICO)
) SS
COUNTY OF BERNALILLO)

I, LA VERNE E. JAMES, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 18 day of March, 1961.

La Verne E. James
Notary Public - Court Reporter

My commission expires:
January 6, 1965.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2187, heard by me on March 23, 1961.
Thos. A. [Signature], Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO



gaf
3/1
DRAFT

OEP/esr
March 1, 1961

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

Case No. 2197

Order No. R-1887

asf
3/2
APPLICATION OF TENNESSEE GAS
AND OIL COMPANY FOR THE PRO-
MULGATION OF TEMPORARY SPECIAL
RULES AND REGULATIONS GOVERN-
ING THE TOTAH-GALLUP POOL,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 23, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this day of March, 1961, the Commission, a quorum being present, having considered the application, ~~the evidence adduced,~~ and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

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

(2) That the subject matter of this application having been heard by the Commission on February 15, 1961, Case No. 2197 should be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2197 be and the same is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.