

2747: Application of EL PASO
for installation of a non-standard
gas pressure unit.

Spencer

Whitworth called
County Correction
re Top.

Case No.

2747

Application, Transcript,
and Exhibits, Etc.

DRAFT

JMD/esr
2-22-63

**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. 2747

Order No. R-1066-A

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR CANCELLATION OF
A NON-STANDARD GAS PRORATION UNIT,
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 21, 1963, at Santa Fe, New Mexico, before Elvis A. Ute, 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 22nd day of February, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Ute, 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 applicant, El Paso Natural Gas Company, seeks cancellation of a non-standard gas proration unit comprising the SW/4 of Section 23 and the NW/4 of Section 26, Township ³² 31 North, Blanco-Mesaverde Gas Pool, Range 7 West, NMPM, San Juan County, New Mexico.

(3) That the above-described non-standard gas proration unit was created by Order No. R-1066 entered by the Commission on October 9, 1957, and designated as Block "N" by said order.

(4) That the applicant is now the operator of all acreage contained in said Block "N" and has established that a need no longer exists for such a non-standard gas proration unit *inasmuch as a standard unit will be formed of the NW/4 of said Section 23.*

(5) That Order No. R-1066 should be amended by deleting therefrom the non-standard gas proration unit described therein as Block "N."

IT IS THEREFORE ORDERED:

(1) That Order No. R-1066, entered by the Commission on October 9, 1957, is hereby amended by deleting therefrom the non-standard gas proration unit described therein as Block "N."

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E.S. WALKER, Member

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

Memo

From

JAMES M. DURRETT JR.
GENERAL COUNSEL

To

Hickson wants to be
1st on Docket if
possible.

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. 1307
Order No. R-1066

APPLICATION OF PACIFIC NORTHWEST
PIPELINE CORPORATION FOR APPROVAL
OF SEVERAL UNORTHODOX GAS WELL
LOCATIONS AND NON-STANDARD GAS
DRILLING AND PRORATION UNITS IN
THE BLANCO MESAVERDE IN SAN JUAN
AND RIO ARRIBA COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on September 11, 1957, at Farmington, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission" in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 9th day of October, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner Daniel S. Nutter, 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 applicant, Pacific Northwest Pipeline Corporation, is the operator of the San Juan 32-7 Unit in Township 31 North, Range 7 West, Township 32 North, Range 7 West, and Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant proposes to establish fifteen non-standard gas drilling and proration units within the boundaries of the above-described San Juan 32-7 Unit due to variations in the legal sub-divisions of the United States Public Land Surveys.
- (4) That the applicant also seeks approval of six unorthodox gas well locations on certain of the above-described non-standard drilling and proration units.

-2-

CASE NO. 1307
Order No. R-1066

(5) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of Pacific Northwest Pipeline Corporation for approval of the hereinafter described non-standard gas drilling and proration units in the Blanco Mesaverde Gas Pool be and the same is hereby approved.

TOWNSHIP 31 NORTH, RANGE 7 WEST
BLOCK "A"

Section 18: SE/4, E/2 SW/4, SE/4 NW/4, and
Lots 8, 9, 10.

BLOCK "B"

Section 18: E/2 NE/4, SW/4 NE/4, and
Lots 5, 6, 7.

Section 7: SE/4 SE/4, Lots 8 and 9, and
All of Tract 55 lying in Sections
18 and 19 as recorded on the Federal
Survey Plat approved November 13,
1917.

BLOCK "C"

Section 7: N/2 SE/4, SW/4 NE/4, Lots 6 and 7, and
All of Tract 54 lying in Sections
6 and 7.

BLOCK "D"

Section 5: SW/4 SW/4
Section 6: S/2 SE/4, and Lots 12, 14 and 15.
Section 7: E/2 NE/4, NW/4 NE/4, and Lot 5.

BLOCK "E"

Section 5: Lot 9
Section 6: Lots 8, 9, 10, 11, and 13, and
NW/4 SE/4, NE/4 SW/4, and
All Tract 53 lying in Sections
5 and 6.

BLOCK "F"

-3-

CASE NO. 1307
Order No. R-1066

Section 5: Lots 6, 7, and 8, and SE/4, and E/2 SW/4.

BLOCK "G"

Section 4: SW/4, NW/4 SE/4, and Lots 6, 7, and 8.

Section 5: Lot 5.

BLOCK "H"

Section 3: NE/4 SW/4, W/2 SW/4, and
Lots 7 and 8.

Section 4: E/2 SE/4, SW/4 SE/4, and Lot 5.

BLOCK "I"

Section 2: W/2 SW/4

Section 3: SE/4, SE/4 SW/4, and Lots 5 and 6.

BLOCK "J"

Section 2: SE/4, E/2 SW/4, and Lots 5, 6, 7, and 8

TOWNSHIP 32 NORTH, RANGE 7 WEST

BLOCK "K"

Section 7: W/2 SE/4, E/2 SW/4, and Lots 2, 3, 4, 5,
and 6.

BLOCK "L"

Section 7: E/2 SE/4 and Lot 1

Section 8: SW/4 and Lots 3 and 4

BLOCK "M"

Section 8: SE/4 and Lots 1 and 2.

Section 9: W/2 SW/4 and Lot 4.

BLOCK "N"

Section 23: SW/4

Section 26: NW/4

TOWNSHIP 32 NORTH, RANGE 6 WEST

-4-

CASE NO. 1307
Order No. R-1066

BLOCK "Q"

Section 31: SW/4, S/2 NW/4 and S/2 SE/4

all in San Juan County, New Mexico.

Provided, however, that the approval of the non-standard units described above as "Block 'H' " and "Block 'I' " shall not become effective until proof of communitization of said blocks has been filed with the Commission.

2. That the application of Pacific Northwest Pipeline Corporation for approval of the hereinafter described unorthodox gas well locations in the Blanco Mesaverde Gas Pool be and the same is hereby approved.

NE/4 SE/4 Section 8, Township 32 North, Range 7 West.

NE/4 SE/4 Section 2, Township 31 North, Range 7 West.

NE/4 SE/4 Section 3, Township 31 North, Range 7 West.

NE/4 SE/4 Section 5, Township 31 North, Range 7 West.

NW/4 SW/4 Section 5, Township 31 North, Range 7 West.

NW/4 SE/4 Section 7, Township 31 North, Range 7 West.

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

S E A L

ga

El Paso Natural Gas Company

1963 FEB 6 AM 8:17 El Paso, Texas

February 1, 1963

Case 2747

Mr. A. L. Porter
Oil Conservation Commission
Of the State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

In accordance with your telephone conversation with Dave Rainey of the Proration Department, El Paso Natural Gas Company on the afternoon of February 1, 1963, we hereby request that Case No. 2747 on the Examiners Hearing Docket for Wednesday, February 6, 1963, be continued to an Examiners Hearing in the latter part of February.

Yours very truly,

Garrett C. Whitworth
Garrett C. Whitworth
Attorney

GCW:cak

DOCKET MAILED

Date 2/8/63

El Paso Natural Gas Company
MAIN OFFICE OCC

El Paso, Texas
1963 JAN 14 PM 4:39
January 11, 1963

Car
2747

Mr. A. L. Porter
Oil Conservation Commission
Of the State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

I have enclosed the original and two copies
of El Paso Natural Gas Company's application to amend
Order No. R-1066 by eliminating Block "N" therefrom.

Please set this matter down for hearing
before an examiner as soon as possible.

Yours very truly,

Garrett C. Whitworth
Garrett C. Whitworth
Attorney

GCW:cak

Enclosures

DOCKET MAILED

Date 1-23-63
J

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

1953 JAN 14 PM 4:39

IN THE MATTER OF THE APPLICATION
OF EL PASO NATURAL GAS COMPANY
REQUESTING THAT ORDER NO. R-1066,
NEW MEXICO OIL CONSERVATION COM-
MISSION, BE AMENDED BY ELIMINATING
BLOCK "N" THEREFROM CONSISTING OF
SECTION 23: SW/4 AND SECTION 26:
NW/4, TOWNSHIP ³² NORTH, RANGE 7
WEST, SAN JUAN COUNTY, NEW MEXICO.

NO. 2747

³² Now comes EL PASO NATURAL GAS COMPANY, a Delaware corporation, authorized to do business in the State of New Mexico, hereafter called Applicant, and alleges and states:

I

On October 9, 1957, by Order No. 1066, this Commission, among other things, established Block "N" consisting of Section 23: SW/4 and Section 26: NW/4 of Township ³² North, Range 7 West, San Juan County, New Mexico, as a gas drilling and proration unit for the Blanco Mesaverde Gas Pool.

II

Applicant is now the owner and operator of the above described tracts in addition to the NW/4 of said Section 23.

III

The non-standard gas drilling and proration unit created by Block "N" is no longer necessary and said Block "N" should be eliminated to allow for a normal drilling unit in the Blanco Mesaverde Pool consisting of the W/2 of said Section 23 and said Order R-1066 should be amended accordingly.

Wherefore, premises considered, Applicant prays that Order No. R-1066 be amended to eliminate Block "N" and for general relief.

Garrett C. Whitworth
Garrett C. Whitworth
Attorney for Applicant

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 1
CASE NO. 2747

No. 7-63

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 21, 1963

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter as Alternate Examiner:

- CASE 2755: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation, High Lonesome Pool, Eddy County, New Mexico, through 16 wells in Sections 11, 12, 13 and 14, Township 16 South, Range 29 East.
- CASE 2756: Application of Humble Oil & Refining Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its State "G" Well No. 24, located in Unit J, Section 2, Township 22 South, Range 37 East, Lea County, New Mexico, as a triple completion (tubingless), to produce oil from the Blinebry and Drinkard Pools and from a third zone, either lower Drinkard or Abo, through parallel strings of 2 7/8-inch casing cemented in a common well bore.
- CASE 2757: Application of Cabot Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of its New Mexico State L Well No. 1 at a point 1970 feet from the North line and 330 feet from the West line of Section 23, Township 11 South, Range 33 East, North Bagley-Wolfcamp Pool, Lea County, New Mexico.
- CASE 2758: Application of Odessa Natural Gasoline Company for a unit agreement Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Getty Deep Unit Area comprising 1,680 acres, more or less, of Federal land in Township 20 South, Range 29 East, Eddy County, New Mexico.
- CASE 2759: Application of Continental Oil Company for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the triple completion (conventional) of its Skaggs B-12, Well No. 5, located in Unit C of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico, to produce oil from the Skaggs Glorieta, East Weir Blinebry, and Skaggs-Drinkard Pools through parallel strings of tubing.

Docket No. 7-63

CASE 2760: Application of Gulf Oil Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Scarborough Estate Well No. 7, located in Unit K of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, as a dual completion (conventional) to produce oil from the Blinebry Oil Pool and from the Ellenburger formation through parallel strings of tubing.

CASE 2761: Application of Compass Exploration, Inc. for the creation of a Gallup Gas Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order deleting certain acreage from the South Blanco-Tocito Pool and redesignating portions of said acreage to comprise a new Gallup gas pool for its North-west Lindrith Well No. 1-3, located in Unit K of Section 3, Township 26 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 2314: (Reopened)
In the matter of the hearing called in accordance with Order No. R-2191, to permit Shell Oil Company to appear and show cause why its State Well No. 1-A, located in Unit D, Section 36, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico should not be reclassified as an oil well in said pool.

CASE 2480: (Reopened & Continued)
In the matter of Case 2480 being reopened pursuant to the provisions of Order No. R-2182, which order established temporary 80-acre proration units for the Henshaw-Wolfcamp Pool, Eddy County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2762: Application of Pan American Petroleum Corporation for a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion of its USG Section 19 Well No. 17, located in Unit I of Section 19, Township 29 North, Range 16 West, San Juan County, New Mexico, to produce oil from the Hogback-Pennsylvanian Pool through tubing and to dispose of produced salt water into the Chinle formation through the intermediate casing annulus.

CASE 2763: Application of Sunray EX Oil Company for the creation of a Strawn Gas Pool and for Special Temporary Pool Rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn Gas Pool for its New Mexico State "AE" Well No. 1, located in Unit K of Section 30, Township 18 South, Range 22 East, Eddy County, New Mexico, and the establishment of temporary pool rules therefor, including a provision for 640-acre proration units.

Docket No. 7-63

CASE 2764:

Application of Skelly Oil Company for the creation of a Strawn Gas Pool and for Temporary Special Pool Rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn Gas Pool for its West Jal Unit Well No. 1, located in Unit H, of Section 20, Township 25 South, Range 36 East, Lea County, New Mexico, and the establishment of temporary special pool rules therefor, including a provision for 640-acre proration units.

CASE 2746:

(Continued)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Continental National Insurance Group and all other interested parties to appear and show cause why the Kenneth V. Barbee Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 9, Township 11 South, Range 25 East, NMPM, Chaves County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.

CASE 2747:

(Continued)

Application of El Paso Natural Gas Company for cancellation of a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks cancellation of a non-standard gas proration unit comprising the SW/4 of Section 23 and the NW/4 of Section 26, Township 31 North, Range 7 West, Blanco-Mesaverde Gas Pool, San Juan County, New Mexico, said unit having been established and designated Block "N" by Order No. R-1066.

No. 7-63

SUPPLEMENTAL DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 21, 1963

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

The following case will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

CASE 2765:

Application of Perry R. Bass for an
unorthodox gas well location, Lea
County, New Mexico.

Applicant, in the above-styled cause seeks an exception to the
Special Rules and Regulations for the Lusk-Morrow gas pool to permit
the drilling of a gas well 1980 feet from the North line and 660
feet from the West line of Section 28, Township 19 South, Range 32
East.

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. 1307
Order No. R-1066

APPLICATION OF PACIFIC NORTHWEST
PIPELINE CORPORATION FOR APPROVAL
OF SEVERAL UNORTHODOX GAS WELL
LOCATIONS AND NON-STANDARD GAS
DRILLING AND PRORATION UNITS IN
THE BLANCO MESAVERDE IN SAN JUAN
AND RIO ARRIBA COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10 o'clock a.m. on September 11, 1957, at Farmington, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission" in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 9th day of October, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner Daniel S. Nutter, 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 applicant, Pacific Northwest Pipeline Corporation, is the operator of the San Juan 32-7 Unit in Township 31 North, Range 7 West, Township 32 North, Range 7 West, and Township 32 North, Range 6 West, NMPM, San Juan County, New Mexico.
- (3) That the applicant proposes to establish fifteen non-standard gas drilling and proration units within the boundaries of the above-described San Juan 32-7 Unit due to variations in the legal sub-divisions of the United States Public Land Surveys.
- (4) That the applicant also seeks approval of six unorthodox gas well locations on certain of the above-described non-standard drilling and proration units.

-2-

CASE NO. 1307

Order No. R-1066

(5) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of Pacific Northwest Pipeline Corporation for approval of the hereinafter described non-standard gas drilling and proration units in the Blanco Mesaverde Gas Pool be and the same is hereby approved.

TOWNSHIP 31 NORTH, RANGE 7 WEST
BLOCK "A"

Section 18: SE/4, E/2 SW/4, SE/4 NW/4, and
Lots 8, 9, 10.

BLOCK "B"

Section 18: E/2 NE/4, SW/4 NE/4, and
Lots 5, 6, 7.

Section 7: SE/4 SE/4, Lots 8 and 9, and
All of Tract 55 lying in Sections
18 and 19 as recorded on the Federal
Survey Plat approved November 13,
1917.

BLOCK "C"

Section 7: N/2 SE/4, SW/4 NE/4, Lots 6 and 7, and
All of Tract 54 lying in Sections
6 and 7.

BLOCK "D"

Section 5: SW/4 SW/4
Section 6: S/2 SE/4, and Lots 12, 14 and 15.
Section 7: E/2 NE/4, NW/4 NE/4, and Lot 5.

BLOCK "E"

Section 5: Lot 9
Section 6: Lots 8, 9, 10, 11, and 13, and
NW/4 SE/4, NE/4 SW/4, and
All Tract 53 lying in Sections
5 and 6.

BLOCK "F"

-3-

CASE NO. 1307
Order No. R-1066

Section 5: Lots 6, 7, and 8, and SE/4, and E/2 SW/4.

BLOCK "G"

Section 4: SW/4, NW/4 SE/4, and Lots 6, 7, and 8.
Section 5: Lot 5.

BLOCK "H"

Section 3: NE/4 SW/4, W/2 SW/4, and
Lots 7 and 8.
Section 4: E/2 SE/4, SW/4 SE/4, and Lot 5.

BLOCK "I"

Section 2: W/2 SW/4
Section 3: SE/4, SE/4 SW/4, and Lots 5 and 6.

BLOCK "J"

Section 2: SE/4, E/2 SW/4, and Lots 5, 6, 7, and 8

TOWNSHIP 32 NORTH, RANGE 7 WEST

BLOCK "K"

Section 7: W/2 SE/4, E/2 SW/4, and Lots 2, 3, 4, 5,
and 6.

BLOCK "L"

Section 7: E/2 SE/4 and Lot 1
Section 8: SW/4 and Lots 3 and 4

BLOCK "M"

Section 8: SE/4 and Lots 1 and 2.
Section 9: W/2 SW/4 and Lot 4.

BLOCK "N"

Section 23: SW/4
Section 26: NW/4

TOWNSHIP 32 NORTH, RANGE 6 WEST

-4-

CASE NO. 1307
Order No. R-1066

BLOCK "Q"

Section 31: SW/4, S/2 NW/4 and S/2 SE/4

all in San Juan County, New Mexico.

Provided, however, that the approval of the non-standard units described above as "Block 'H' " and "Block 'I' " shall not become effective until proof of communitization of said blocks has been filed with the Commission.

2. That the application of Pacific Northwest Pipeline Corporation for approval of the hereinafter described unorthodox gas well locations in the Blanco Mesaverde Gas Pool be and the same is hereby approved.

NE/4 SE/4 Section 8, Township 32 North, Range 7 West.

NE/4 SE/4 Section 2, Township 31 North, Range 7 West.

NE/4 SE/4 Section 3, Township 31 North, Range 7 West.

NE/4 SE/4 Section 5, Township 31 North, Range 7 West.

NW/4 SW/4 Section 5, Township 31 North, Range 7 West.

NW/4 SE/4 Section 7, Township 31 North, Range 7 West.

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

S E A L

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Case 2747

Heard 2-21-63

Rec. 2-22-63

1. Grant E. P.'s request to delete Block "N" of the units formed under by order R-1066. This block consists of: 32 N-7 W. Sec. 23 SW 1/4 sec. 26 NW 1/4.

Thos. A. W.

**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. 2747
Order No. R-1066-A**

**APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR CANCELLATION OF
A NON-STANDARD GAS PRORATION UNIT,
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 21, 1963, 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 27th day of February, 1963, 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 applicant, El Paso Natural Gas Company, seeks cancellation of a non-standard gas proration unit comprising the SW/4 of Section 23 and the NW/4 of Section 26, Township 32 North, Range 7 West, NMPM, Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.

(3) That the above-described non-standard gas proration unit was created by Order No. R-1066 entered by the Commission on October 9, 1957, and designated as Block "N" by said order.

(4) That the applicant is now the operator of all acreage contained in said Block "N" and has established that a need no longer exists for such a non-standard gas proration unit inasmuch as a standard unit will be formed of the W/2 of said Section 23.

(5) That Order No. R-1066 should be amended by deleting therefrom the non-standard gas proration unit described therein as Block "N."

-2-

CASE No. 2747

Order No. R-1066-A

IT IS THEREFORE ORDERED:

(1) That Order No. R-1066, entered by the Commission on October 9, 1957, is hereby amended by deleting therefrom the non-standard gas promotion unit described therein as Block "H."

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

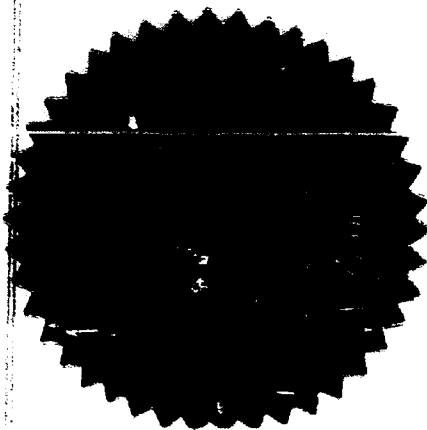
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M Campbell
JACK M. CAMPBELL, Chairman

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

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



esr/

GOVERNOR
JACK M. CAMPBELL
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

February 27, 1963

Mr. Richard S. Morris
Seth, Montgomery, Federici & Andrews
Attorneys at Law
Box 838
Santa Fe, New Mexico

Re: Case No. 2747
Order No. R-1065-A
Applicant:
El Paso Natural Gas Company

Dear Sir:

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

Very truly yours,

A handwritten signature in cursive script, reading "A. L. Porter, Jr.", is written over the typed name.

A. L. PORTER, JR.
Secretary-Director

lr/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC x

OTHER Mr. Garrett Whitworth

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 6, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas
Company for cancellation of a non-standard
gas proration unit, San Juan County, New
Mexico. Applicant, in the above-styled) Case No. 2747
cause, seeks cancellation of a non-standard
gas proration unit comprising the SW/4 of
Section 23 and the NW/4 of Section 26, Town-
ship 31 North, Range 7 West, Blanco-Mesa-
verde Gas Pool, San Juan County, New Mexico,
said unit having been established and desig-
nated Block "N" by Order No. R-1066.

BEFORE:

Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call now Case 2747.

MR. DURRETT: Application of El Paso Natural Gas Company
for cancellation of a non-standard gas proration unit, San Juan
County, New Mexico.

If the Examiner please, the Commission has received a letter
from Mr. Garrett Whitworth concerning this case and I would like
to read it at this time.

"In accordance with your telephone conversation with Dave
Rainey of the Proration Department, El Paso Natural Gas Company,
on the afternoon of February 1, 1963, we hereby requested that Case

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Number 2747 on the Examiner Hearing docket for Wednesday, February 6, 1963, be continued to an Examiner Hearing in the latter part of February. Yours very truly, Garrett C. Whitworth."

MR. NUTTER: Case 2747 will be continued to the Examiner Hearing at 9:00 o'clock A. M., February 21, 1963, at the same place.

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, 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 20th day of February, 1963.

Ada Dearnley
Notary Public - Court Reporter

My Commission Expires:
June 19, 1963

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner Hearing of Case No. 2747 heard by me on 2/6, 1963.

Garrett C. Whitworth, Examiner
New Mexico Oil Conservation Commission

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 21, 1963

EXAMINER HEARING

IN THE MATTER OF: (Continued)

Application of El Paso Natural Gas Company for cancellation of a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks cancellation of a non-standard gas proration unit comprising the SW/4 of Section 23 and the NW/4 of Section 26, Township 31 North, Range 7 West, Blanco-Mesaverde Gas Pool, San Juan County, New Mexico, said unit having been established and designated Block "N" by Order No. R-1066.

Case 2747

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 2747.

MR. DURRETT: Application of El Paso Natural Gas Company for cancellation of a non-standard gas proration unit, San Juan County, New Mexico.

MR. WHITWORTH: Garrett Whitworth and Santa Fe firm of
Seth, Montgomery, Federici and Andrews, representing the
applicant. I have one witness to be sworn, Mr. Jerry Hickson.

(Witness sworn.)

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JERRY A. HICKSON

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

DIRECT EXAMINATION

BY MR. WHITWORTH:

Q Mr. Hickson, will you please state your full name for the record, by whom and in what capacity you are employed?

A Jerry A. Hickson, proration engineer for the El Paso Natural Gas Company.

Q Have you previously testified before this Commission as an expert witness?

A Yes, sir.

Q And your qualifications have been made a matter of record?

A That's correct.

Q Mr. Hickson, at the outset, would you like to correct a typographical error that has been made in the application and has subsequently been published in other instruments?

A Yes, I will. This non-standard proration unit comprising the Southwest of Section 23 in the Northwest of 26 is in Township 32 instead of 31 as advertised on the Examiner docket, Range 7 West, Blanco-Mesaverde Pool.

Q We have referred to Block "W" of Order No. R-1066,



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and the correct description is given in Block "N", is it not?

A That's correct.

Q What does El Paso seek to do by this application?

A We are seeking for the cancellation of this non-standard gas proration unit which is designated as Block "N" by Order 1066, for the reason that El Paso is now the operator of both units and the necessity of this non-standard proration unit is no longer needed. Pacific Northwest originally filed this application as they were the operators of the 32, 7 unit and were the operators of the Allison Unit, so there was some conflict of interest at that time.

Q In other words, El Paso is trying to get from the abnormal back to normal?

A That is correct.

Q Do you have a plat or an exhibit depicting the exact area involved?

(Whereupon, Applicant's Exhibit No. 1 was marked for identification.)

A Yes, I have one plat, which shows the boundaries of the 32, 7 Unit and the Allison Unit. The area outlined in blue, the non-standard unit as set out in Order R-1066, and, of course, the red area would be the standard unit which would take in the West Half of Section 23, 32, 7. Now, if you'll notice on this



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plat, if the non-standard is left as is the Northwest Quarter of Section 23 there will be no well to dedicate this acreage to. 11-X, which is in the Northeast Quarter of Section 23, the acreage dedicated to it is the East Half of 23.

Q And you feel by cancellation of this non-standard gas proration unit and getting a standard gas proration unit, correlative rights will be protected and waste will be prevented?

A Yes, sir, that's correct. There will be no difficulty in crossing the boundary lines of the two units. Accounting procedure is the only problem and that has already been taken care of.

Q Was the plat, which we will designate as El Paso Exhibit No. 1, prepared by you or under your direct supervision?

A Yes, sir, it was.

MR. WHITWORTH: We ask that this exhibit be entered into evidence.

MR. UTZ: Without objection, Exhibit 1 will be admitted into evidence.

(Whereupon, Applicant's Exhibit No. 1 was admitted into evidence.)

Q (By Mr. Whitworth) Do you have anything further you would like to add to your testimony?

A No, sir.



CROSS EXAMINATION

BY MR. UTZ:

Q There is not a well in the West Half of Section 23 at the present time?

A No. There is a location to be drilled in the Southwest Quarter. Just a location that's for future development.

Q That will be a unit well?

A Yes, sir.

Q There's not a well in the West Half of Section 26 either?

A No.

Q Actually the only reason that you would have to have approval of the West Half of 23 would be because it crosses the unit boundary lines, is that true?

A Approval of what, Mr. Utz?

Q Well, the West Half of Section 23 as a proration unit?

A That's right. That would be a standard proration unit. At the present time, though, the Southwest Quarter of Section 23 and the Northwest Quarter of Section 26 has already been set up as a proration unit.

MR. WHITWORTH: Non-standard?

A Yes, non-standard.

Q Both of which are inside 32, 7 Unit?

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A That's correct.

Q The one that you now propose would cross the 32, 7 Unit boundary?

A That's correct, into the Allison Unit. It would be 160 acres dedicated from both units.

Q Then all you are asking for is to Block "N", 1066?

A That's correct.

MR. WHITWORTH: We no longer need the exception.

MR. UTZ: Are there any other questions of the witness?

The witness may be excused.

(Witness excused.)

MR. UTZ: The case will be taken under advisement.

We'll have a fifteen-minute recess.



STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, 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 28th day of February, 1963.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiners Hearing of Case No. 2242, heard by me on Feb. 21, 1963.
Thos. G. Pitt, Examiner
New Mexico Oil Conservation Commission

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