

BEFORE THE
OIL CONSERVATION COMMISSION
Roswell, New Mexico
May 15, 1963

IN THE MATTER OF:)

The hearing called by the Oil Conser-)
vation Commission on its own motion to) Case 2810
consider the revision of Rule 401 of the)
Commission Rules and Regulations to re-)
quire open flow potential tests of)
natural gas wells upon completion and)
after workovers only rather than annual-)
ly as now required.)

BEFORE: Honorable Jack M. Campbell
Mr. A. L. "Pete" Porter
Mr. E. S. "Johnny" Walker

TRANSCRIPT OF HEARING

MR. PORTER: We will take up Case 2810.

MR. DURRETT: In the matter of the hearing called by
the Oil Conservation Commission on its own motion to consider the
revision of Rule 401 of the Commission Rules and Regulations to
require open flow potential tests of natural gas wells upon com-
pletion and after workovers only rather than annually as now
required.

If the Commission please, J. M. Durrett, Junior, appearing
as attorney for the Commission. I'll have one witness who I
would like to swear at this time, Mr. Elvis A. Utz.

MR. PORTER: You may proceed and swear your witness.

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(Witness sworn.)

ELVIS A. UTZ

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

DIRECT EXAMINATION

BY MR. DURRETT:

Q Will you please state your full name and position for the record?

A Elvis A. Utz, Engineer with the Oil Conservation Commission.

Q Mr. Utz, the subject matter of this case we are considering right now, Case 2810, concerns revision of Rule 401 of the Commission rulings. I wonder if you would please give us a little background concerning the need for the change and summarize the change, if you would, please.

A The old Rule 401, which is now in effect, required an IP test to be taken once a year on all gas wells. In some parts of the State IP or four point tests can not be taken and are covered under special pool rules. However, they can be taken in Southeast New Mexico, but we don't believe that there is any need of taking an IP test every year.

We do think, however, that an IP test or four point test should be taken on completion of the well and within 60 days



after completion of the well and within 60 days after a gas well has been reworked, which also the old rule did not require that these tests be taken or specifically require that these tests be taken in accordance with our current back pressure testing manual.

This new rule requires that they be taken in such a manner. Briefly, that's the change.

Q Am I correct, Mr. Utz, that what we actually are proposing to do here is to cut down on the number of tests that have to be submitted by the operators?

A That is true. However, in my administrative memoranda we have all the tests that have been complied with in the last few years.

Q We are also requiring by this rule that the test be made in accordance with our manual for back pressure test?

A That's true.

Q Have you prepared your proposed rule in the form of an exhibit?

A Yes, it's entitled Exhibit A, Case 2810.

Q Would you feel that the adoption of this proposed rule would enable the Commission to more efficiently administer the laws of this State pertaining to conservation of oil and gas?

A Yes.

Q I don't know if you stated for the record, was Exhibit



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A prepared by you or under your supervision?

A Yes, it was.

MR. DURRETT: If the Commission please, I move the introduction of Exhibit A at this time, and that concludes my examination of Mr. Utz.

MR. PORTER: Without objection, the exhibit will be admitted.

(Whereupon, Commission's Exhibit A was introduced and admitted in evidence.)

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

(Witness excused.)

MR. PORTER: Any comments, any statements in connection with Case 2810? Mr. Woodruff.

MR. WOODRUFF: Norman Woodruff, representing El Paso Natural Gas Company. El Paso Natural Gas Company would like to concur in the recommendations of Mr. Utz and urge the Commission to change their rules in accordance with his recommendation.

MR. PORTER: Thank you, Mr. Woodruff. Any other statements? The Commission will take the case under advisement.



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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 Roswell, 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 5th day of June, 1963.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963.



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 2810
Order No. R-2491

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER THE REVISION OF RULE 401
OF THE COMMISSION RULES AND REG-
ULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of May, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 there is need for a revision of Rule 401 of the Commission Rules and Regulations to eliminate the necessity of determining the open flow potential of all gas wells annually, except where such annual tests are required by special rules and regulations, and to require such tests only after initial connection of a well to a gas transportation facility or after reconnection following workovers.

(3) That said rule should also be revised to require that all wells tested in accordance with said rule shall be tested in a uniform manner, that being the method prescribed by the New Mexico Oil Conservation Commission "Manual for Back-Pressure Test for Natural Gas Wells."

(4) That approval of the proposed rule change will enable the Oil Conservation Commission to more efficiently administer the laws of the State of New Mexico as they relate to conservation of oil and gas.

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CASE No. 2810
Order No. R-2491

IT IS THEREFORE ORDERED:

(1) That Rule 401 of the Commission Rules and Regulations be and the same is hereby revised to read in its entirety as follows:

RULE 401. METHOD OF DETERMINING NATURAL GAS WELL POTENTIAL

All operators shall conduct tests to determine the daily open flow potential volumes of all natural gas wells from which gas is being used or marketed. Such tests shall be reported on forms prescribed by the Commission within 60 days after: (1) the date of initial connection of the well to a gas transportation facility and (2) the date of reconnection following workover.

To establish comparable open flow capacity, wells shall be tested in accordance with the New Mexico Oil Conservation Commission "Manual for Back-Pressure Test for Natural Gas Wells." In the event the Commission approves an alternate method for testing, all wells producing from a common source of supply shall be tested in a uniform and comparable manner.

(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

