

El Paso Natural Gas Company

El Paso, Texas 79975

November 17, 1971

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OIL CONSERVATION COMM.
SANTA FE

Port
Santa Fe &
Hobbs

Case 4633

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

El Paso Natural Gas Company respectfully requests a hearing at the time of the scheduled statewide hearing on Wednesday, December 15, 1971, for the purpose of temporarily suspending certain provisions of Rules 14(A) and 15(A) of Order R-1670, as amended, being the General Rules and Regulations for the Prorated Gas Pools of Southeastern New Mexico.

Specifically, El Paso requests suspension, for a period of one year from January 1, 1972, of those provisions of Rules 14(A) and 15(A) of the General Rules and Regulations for the Prorated Gas Pools of Southeastern New Mexico promulgated by Order R-1670, as amended, that provide respectively for the cancellation of unproduced allowable and the shutting-in of overproduced wells. El Paso seeks said suspension for the Blinebry, Crosby(Devonian), Eumont, Jalmat, Justis, Monument (McKee) and Tubb Gas Pools.

In order to lower the line pressures on its gathering systems, El Paso requested and received a certificate from the Federal Power Commission enabling it to purchase and install a number of large compressors in Southeast New Mexico. El Paso began installation of this compression in the Summer of 1970 and began to utilize it in the late Summer of 1971; however, installation of the last compressor will not take place until late November of 1971. Since installation, these compressors have experienced substantial mechanical difficulties and as a result of unavoidable down time of these new compressors, El Paso has been unable to take portions of assigned allowables from some of the wells connected to its gathering system.

Substantial volumes of underproduction have accumulated to wells in the pools indicated above; all of which we believe should be given the opportunity to be produced once these compressors go into full operation. Extension of the balancing period, as requested, will not only result in making up underproduction from wells whose capability to produce is increased as a result of compression, but will also permit the balancing of overproduction which was necessary on other wells in order to meet market demand from these pools during compressor down time.

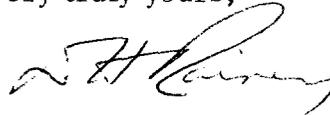
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New Mexico Oil Conservation Commission
November 17, 1971
Page Two

With assistance from the manufacturer of the compressors, it is believed that most of the operating problems are being solved. However, in order to prevent any cancellation of producible underproduction that has resulted from the faulty operation of this equipment, El Paso believes that the granting of its request would be in the best interest of all parties concerned and would protect each operator's correlative rights.

If you need further information or have any questions, please contact me.

Very truly yours,



D. H. RAINEY
Assistant Manager
Gas Proration Department

DHR:ps

cc: Conservation Committee
Mr. Richard Morris - Santa Fe