

Case Number

4735

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
June 28, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural
Gas Company for capacity production,
San Juan County, New Mexico.

CASE NO. 4735

BEFORE: Elvis A. Utz
Examiner

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 4735.

2 MR. HATCH: The Application of El Paso Natural
3 Gas Company for capacity production, San Juan County, New
4 Mexico.

5 MR. BUELL: Sumner Buell of Montgomery, Federici,
6 Andrews, Hannahs, & Morris, appearing on behalf of the
7 Applicant. We are associated with Mr. James C. Considine
8 who will handle the matter and present it to the Examiner.

9 MR. UTZ: You may proceed.

10 MR. CONSIDINE: First, I would like to give you
11 our Exhibits, Mr. Examiner.

12 MR. UTZ: Have they been marked?

13 MR. CONSIDINE: Yes, they have. We have additional
14 copies of the Exhibits, if anyone would like to see them.

15 EUGENE R. MANNING,

16 was called as a witness and after being duly sworn, testified
17 as follows:

18 DIRECT EXAMINATION

19 BY MR. CONSIDINE:

20 Q Would you please state your name, where you reside,
21 and by whom and in what capacity you are employed?

22 A Eugene R. Manning, I reside in El Paso, Texas, and am
23 an employee of El Paso Natural Gas Company as an
24 administrative assistant in the gas operations department.

25 Q Have you testified previously before this Commission and

1 have your qualifications been accepted?

2 A Yes, I have testified before and my qualifications were
3 accepted at that time.

4 MR. CONSIDINE: Mr. Examiner, are the witness'
5 qualifications accepted?

6 MR. UTZ: He is qualified to testify at any time.

7 Q (By Mr. Considine, continuing) Mr. Manning, would you
8 please state briefly exactly what El Paso Natural
9 Gas Company is seeking in this Application?

10 A Well, El Paso is the operator of nine units in northwest
11 New Mexico and we desire to be allowed to complete a
12 testing involving seven wells in Section 32, Township
13 32 North, Range 9 West.

14 Q What kind of test will El Paso make?

15 A Tests involving the various pressures below the normal
16 Blanco-Mesaverde line.

17 The purpose of the test is to allow us to evaluate
18 the performance characteristics of the test wells.

19 Q When was this test commenced and when do you expect it
20 to be completed?

21 A We commenced testing on January 11, 1972 and we hope to
22 have the test completed some time in the early part of
23 1973.

24 Q What action on the part of the Commission are you
25 requesting in order to be able to complete this test?

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1 A El Paso respectfully requests that throughout the test
2 period, this Commission will exempt six of the test
3 wells from the provisions of the Rules applicable to
4 the Mesaverde gas pool, thus allowing the wells to be
5 produced at full capacity throughout the test period.

6 We also request that, at the end of the test
7 period, all overproduction be accrued in the following
8 manner: First, with the amount of overproduction which
9 would have been attributable to all the wells in the
10 unit, marginal wells, during this period that they be
11 classified as prorated wells. Now, if the total amount
12 of accumulated underage exceeds the overproduction
13 accumulated by the test wells, all the overproduction
14 will then be considered as offset.

15 Second, if there is overproduction remaining after
16 the previously described process, then the remaining
17 overproduction will be offset by underproduction
18 attributable to the underproduced wells in the unit.

19 Q At this point, Mr. Manning, I would like you to explain
20 Exhibit A which is a map of the San Juan, 32, 9, unit.

21 A This is a map of our San Juan 32, 9, unit, in San Juan
22 County, New Mexico. The heavy dash line outlined in the
23 delineated area shows the extent of the San Juan 32,
24 9 unit. The solid orange line delineates the participating
25 area of the San Juan 32, 9 unit.

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1 The green in approximately the center of the unit
2 shows the El Paso Natural Gas Company's gathering trunk.

3 The blue rectangle indicates where our test pressure
4 has been set and tied into the trunk and the test wells
5 are circled in red.

6 Q Is it correct that although the map indicates seven test
7 wells, El Paso is requesting Commission action with
8 regard to only six of these wells?

9 A Yes, this is true. The seventh well is the M.P. Number
10 20 El Paso on the Exhibit and is outside the participating
11 area of the 32, 9, unit, and is presently classified
12 as marginal and we calculate that although this well may
13 be helped to some extent by this lowered line pressure,
14 we do not think it will be necessary for an exemption
15 on this well -- we do feel it will be helped and that
16 there will have to be an exemption, but my testimony
17 today refers to the wells, the six wells, within the
18 participating unit.

19 Q Exclusive of the M.P. Number 20?

20 A Yes, sir, exclusive of the M.P. Number 20.

21 Q Would you review the classifications of the other wells,
22 the six test wells?

23 A Well Number 29, which is located in the SW/4 of Section
24 30 is presently classified by the New Mexico Oil
25 Conservation Commission as a non-marginal well.

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Well Number 30 is located in the NE/4 of this same Section and is also classified as a non-marginal well.

Well Number 40, which is located in the SE/4 of Section 30, in Township 32, North, Range 9 West, is classified as a non-marginal well.

Well Number 41, which is located in the NW/4 of Section 31 is presently classified as a marginal well.

Well Number 51 which is located in the SE/4 of Section 29, is classified as a non-marginal well.

Well Number 37, located in the NE/4 of Section 32 is classified as a marginal well.

Q Mr. Manning, I ask you to look at Exhibit B and identify and explain that Exhibit.

A Exhibit B is a two-page Exhibit which is a list of the participating wells in the San Juan 32, 9, unit as of April 30, 1972. This list is arranged in numerical meter code order. The first column indicates the well name, the second column is the location, and the third column entitled "status" indicates the status of the well and whether it is shut-in or overproduced or underproduced.

The fourth column is entitled "April, 1972, Y.A.C.", which is the average producing ability of these wells.

The next column is entitled -- no, the fifth column

1 is the accumulative status of the wells. A minus
2 indicates that the well is underproduced, the absence
3 of a minus sign indicates the well is overproduced.

4 The next column, which is entitled, "1972, Days
5 Operated," is the number of days in 1972 that the wells'
6 head valves were open and the wells were given an
7 opportunity to produce. The final column is the meter
8 code number.

9 Q Mr. Manning, I ask you to look at Exhibit C and make a
10 summary explanation of this Exhibit.

11 A Exhibit C is the projected 1972 allowable for the test
12 wells. The third column is the size of the unit and the
13 fourth column is its current state. The fifth column
14 is the 1972 Y.A.C. and the sixth column is the 1972
15 projected non-marginal allowable. The seventh column
16 is the projected production and the eighth column is
17 the projected overproduction. The ninth column is the
18 production that these wells have experienced through
19 April 30, 1972.

20 Now, the sixth column projects that the six test
21 wells will have a total non-marginal allowable of some
22 808 million cubic feet of gas.

23 The seventh column shows that we anticipate that,
24 during this test period, these wells will produce
25 approximately one trillion, three hundred twenty-one

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1 billion, three hundred twenty-one million cubic feet
2 of gas and this will result in an overproduction and
3 this is the overproduction that we request be offset
4 to the underproducing marginal wells in the San Juan 32,
5 9, unit.

6 Q Looking now at Exhibit D, will you please explain that
7 Exhibit?

8 A Column seven of Exhibit D shows the projected 1972 non-
9 marginal allowables, for marginal wells in the San Juan
10 32, 9, units.

11 Now, when this column is compared to the projected
12 1972 marginal production shown in column six, then we
13 can obtain the additional allowables shown in column
14 eight. These figures represent the allowable available
15 to these unit wells which they are not expected to
16 produce because of their low producing ability. You will
17 note that the projected marginal wells will have a total
18 production of one billion, one hundred twenty-one million
19 cubic feet of gas for 1972.

20 You will also note that the non-marginal total
21 allowable will be some two billion, three hundred nine
22 million cubic feet, and the difference constitutes some
23 one billion, eighty-eight million cubic feet of
24 overproduction.

25 Q Mr. Manning, looking now at Exhibit E, the final Exhibit,

1 would you please explain that Exhibit?

2 A Well, Exhibit E is a list of the 32, 9, unit wells,
3 which are underproduced from a standpoint of accumulative
4 status as of April 30, 1972.

5 They are listed in their order of increasing
6 underproduction. This Exhibit shows ten wells listed
7 and these wells have a total of 371 million cubic feet
8 of gas assigned to them as underproduction.

9 Q Mr. Manning, how do the working interest owners participate
10 in production in the San Juan 32, 9, unit wells?

11 A They receive a share of the production of each well in
12 proportion to their participation in the unit.

13 Q Will the royalty owners likewise share in the over-
14 production?

15 A Yes, they will share on the same basis.

16 Q Do you think that the granting of this Application would,
17 in any way, violate correlative rights or create waste
18 of natural resources?

19 A No, it will not violate correlative rights or create
20 waste of natural resources. It will not create any
21 waste.

22 Q Were these Exhibits, A through E, prepared by you?

23 A Yes, they were.

24 MR. CONSIDINE: Mr. Examiner, at this time, I move
25 for the introduction of our Exhibits. I would also like to

1 point out that El Paso has received letters of support which
2 have been directed to the Commission from Amoco and Mobil.
3 I will call your attention to these letters.

4 MR. UTZ: Without objection, Exhibits A through E
5 will be accepted into the record of this Case.

6 Mr. Manning, you said that Exhibits D and E were
7 offered for the purpose of showing the participating areas
8 of the unit will not overproduce their non-marginal allowable,
9 you are not asking anything for these wells listed on Exhibits
10 D and E, are you?

11 MR. MANNING: No, sir, this was merely to show that
12 these wells on Exhibits D and E will not be overproduced.

13 MR. UTZ: The participating area as a whole would
14 not overproduce?

15 MR. MANNING: That's right.

16 MR. UTZ: You are not asking for any transfer
17 allowables for any of these wells?

18 MR. MANNING: No, sir.

19 MR. UTZ: Just the six wells involved?

20 MR. MANNING: Yes, sir.

21 MR. UTZ: Now, Mr. Manning, there are two marginal
22 wells, at the present time, and the next classification under
23 our new one-year proration period will be January 1st, it is
24 your request, is it not, that this transfer be made at the
25 completion of the test?

1 MR. MANNING: That is our request.

2 MR. UTZ: So the marginal wells that will be

3 marginal until the 1st of January, will not have to have any

4 allowable assigned to them until after the reclassification

5 period?

6 MR. MANNING: Yes, sir.

7 MR. UTZ: And, from the projected figures here, it

8 looks as though the two marginal wells very likely will be

9 reclassified as non-marginal?

10 MR. MANNING: Yes, sir.

11 MR. UTZ: In which case it would be normal

12 procedure to transfer more than non-marginal allowable to the

13 wells if you so desired? In other words, what I am saying is,

14 as marginal wells, you cannot transfer any more allowable to

15 the well than is equal to the non-marginal allowable?

16 MR. MANNING: Yes, sir.

17 MR. UTZ: I just want to be sure we understand you.

18 MR. MANNING: Yes, sir.

19 MR. UTZ: Let me ask you, Mr. Manning, it is my

20 understanding, and correct me if I am wrong, that this test

21 is designed to determine the effect of low-line pressure on

22 the producing characteristics of the Mesaverde wells in the

23 32, 9, unit?

24 MR. MANNING: Yes, sir, this is the purpose of the

25 test.

1 MR. UTZ: Will the results of the test be offered
2 to the Commission at the completion of the test?

3 MR. MANNING: I see no reason why we shouldn't make
4 it available. We have agreed to make the information available
5 to Amoco and Mobil and I see no problem as to why this
6 information should be so privileged.

7 MR. KENDRICK: Did you answer that yes or no?

8 MR. CONSIDINE: He answered, "yes."

9 MR. UTZ: In a roundabout way.
10 What pressure do you anticipate using?

11 MR. MANNING: We really don't know, at this time.
12 We are looking for the critical pressure in there somewhere,
13 we think it is there and we are trying to find it. There is
14 a possibility that we will take it on down to a 50 pound gage
15 and, if that has an adverse affect on the wells, we may use
16 a little higher pressure. We don't know, at this time, but
17 we are sort of playing it by ear, Mr. Examiner. We certainly
18 do not want to damage any wells in there.

19 MR. UTZ: Exactly what are you looking for?

20 MR. MANNING: This critical pressure that may
21 bring on an influx of fluid.

22 MR. UTZ: Do you mean water or water and hydrocarbons?

23 MR. MANNING: All fluids.

24 MR. UTZ: I believe you stated that these wells are
25 all in the participating area, the 32, 9, unit, would you

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1 consider this acreage on which these wells are located as
2 being one lease?
3 MR. MANNING: Yes, sir.
4 MR. UTZ: So no correlative rights would be
5 disturbed?
6 MR. MANNING: No, sir.
7 MR. UTZ: Any other questions?
8 (No response.)
9 MR. UTZ: The witness may be excused.
10 (Witness excused.)
11 MR. UTZ: Any statements in this Case?
12 (No response.)
13 MR. UTZ: The Case will be taken under advisement.
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1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)

4 I, RICHARD E. MCCORMICK, a Certified Shorthand Reporter,
5 in and for the County of Bernalillo, State of New Mexico,
6 do hereby certify that the foregoing and attached Transcript
7 of Hearing before the New Mexico Oil Conservation Commission
8 was reported by me; and that the same is a true and correct
9 record of the said proceedings to the best of my knowledge,
10 skill and ability.

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12 CERTIFIED SHORTHAND REPORTER
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I N D E XWITNESS:PAGEEUGENE R. MANNING

Direct Examination by Mr. Considine

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E X H I B I T SAPPLICANT'SOFFEREDADMITTED

El Paso Natural Gas Company

Exhibit A

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Exhibit B

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Exhibit C

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Exhibit D

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Exhibit E

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

July 19, 1972

GOVERNOR
BRUCE KING
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

Mr. Sumner Buell
Montgomery, Federici, Andrews,
Hannahs & Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico

Re: Case No. 4735
Order No. R-4342
Applicant:
El Paso Natural Gas 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.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC x

Other Mr. James C. Considine, El Paso Natural, El Paso, Texas

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. 4735
Order No. R-4342

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR CAPACITY
PRODUCTION, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 28, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 19th day of July, 1972, the Commission, a
quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, 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,
proposes to produce the following seven wells in the Blanco-
Mesaverde Pool, San Juan County, New Mexico, at full capacity
from February 1, 1972, until July 1, 1973, in order to conduct
a series of tests to determine efficient operating pipeline
pressure:

<u>Well Name</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>& Range</u>
San Juan Unit 32-9 Well No. 29	M	36	32 N	10 W
San Juan Unit 32-9 Well No. 30	H	36	32 N	10 W
San Juan Unit 32-9 Well No. 40	N	30	32 N	9 W
San Juan Unit 32-9 Well No. 51	M	29	32 N	9 W
San Juan Unit 32-9 Well No. 37	H	32	32 N	9 W
San Juan Unit 32-9 Well No. 41	A	31	32 N	9 W
San Juan Unit 32-9 NP Well No. 2	J	30	32 N	9 W

(3) That the above-described Well No. 2 is a non-partici-
pating well in the San Juan 32-9 Unit Area.

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CASE NO. 4735
Order No. R-4342

(4) That it is anticipated that some or all of the above-described seven wells will become overproduced during the test period beginning February 1, 1972.

(5) That the applicant proposes that at the conclusion of the test period all overproduction accrued to the six wells that are in the participating area of the San Juan 32-9 Unit Area be offset, first, by all underproduction that would have accrued to all marginal wells within said participating area if said marginal wells had received a non-marginal allowable and, next, by underproduction accrued to all non-marginal wells within said participating area.

(6) That as an exception to the General Rules and Regulations governing the prorated gas pools of Northwest New Mexico promulgated by Order No. R-1670, as amended, the applicant should be permitted to produce the above-described seven wells at full capacity for test purposes until July 1, 1973.

(7) That at the conclusion of the above-described period the applicant should be authorized to offset overproduction accrued to the six wells in the participating area by underproduction accrued to non-marginal wells within said participating area.

(8) That all wells in the participating area of the applicant's San Juan 32-9 Unit Area should be exempted from the cancellation and shut-in provisions of Rules 14(A), 15(A), and 15(B) of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico, promulgated by Order No. R-1670, as amended, until January 1, 1974.

(9) That all non-marginal wells in the above-described participating area should be exempted from the reclassification provision of Rule 16(A) of the above-described General Rules and Regulations until January 1, 1974.

(10) That within 30 days following completion of the test period, the applicant should furnish the Santa Fe Office of the Commission information concerning the amount of overproduction accrued to each of the six wells in the participating area and the wells located within the participating area from which it desires to transfer allowable to offset said overproduction.

(11) That approval of the application will afford the applicant an opportunity to gather valuable information concerning reservoir characteristics of the Blanco-Mesaverde Pool, will be in the interest of conservation and will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, El Paso Natural Gas Company, is

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CASE NO. 4735
Order No. R-4342

hereby authorized as an exception to the General Rules and Regulations governing the prorated gas pools of Northwest New Mexico, promulgated by Order No. R-1670, as amended, to produce the following seven wells in the Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity until July 1, 1973:

<u>Well Name</u>	<u>Unit</u>	<u>Section</u>	<u>Township & Range</u>	
San Juan Unit 32-9 Well No. 29	M	36	32 N	10 W
San Juan Unit 32-9 Well No. 30	H	36	32 N	10 W
San Juan Unit 32-9 Well No. 40	N	30	32 N	9 W
San Juan Unit 32-9 Well No. 51	M	29	32 N	9 W
San Juan Unit 32-9 Well No. 37	H	32	32 N	9 W
San Juan Unit 32-9 Well No. 41	A	31	32 N	9 W
San Juan Unit 32-9 NP Well No. 2	J	30	32 N	9 W

(2) That the applicant is hereby authorized to offset overproduction accrued to the six above-described wells which are located within the participating area of the San Juan Unit Area by underproduction accrued to non-marginal wells within said participating area.

(3) That within 30 days following conclusion of the test period, the applicant shall furnish the Santa Fe office of the Commission information concerning the amount of overproduction accrued to each of the six wells in the participating area and the wells located within the participating area from which it desires to transfer allowable to offset said overproduction.

(4) That all wells in the participating area of the San Juan 32-9 Unit Area are hereby exempted from the cancellation and shut-in provisions of Rules 14(A), 15(A), and 15(B) of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico, promulgated by Order No. R-1670, as amended, until January 1, 1974.

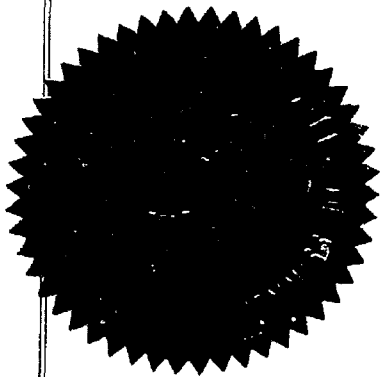
(5) That all non-marginal wells in the participating area of the San Juan 32-9 Unit Area are hereby exempted from the reclassification provisions of Rule 16(A) of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico promulgated by Order No. R-1670, as amended, until January 1, 1974.

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

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CASE NO. 4735
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

4735

Leased 6-28-72

Rec. 6-30-72

Grant El Paso permission to produce 6 wells in the 32-9 unit unrestrictedly for approx 1 yr.

The purpose of the test is to determine the effect of lower line pressures on the producing characteristics of the M.V. wells.

El Paso shall determine when the test is complete & report the results. ~~Within~~ the Commission within 30 days after completion of test.

After the completion of the test El Paso shall in writing request the distribution of allowables between the 6 wells in any manner they desire. The only restriction would be that a marginal well cannot ~~receive only the allowable~~ receive more than the H. May. equivalent.

The wells shall be exempt from the cancellation & balancing provisions of R-1670 ~~and~~ Amendments Rules 14A, 14B, 15A, 16A.

- The wells are:

S. J. unit	# 29	M-36-32-10
✓	# 30	H 36-32-10
✓	# 40	N 30-32-9
✓	# 41	A 31-32-9
✓	# 51	M 29-32-9

Blanco No. 1 Pool.

All wells are on the same lateral and can be controlled by 1 test compressor. The effect on other wells production ability will then be minimal.

[Signature]

WN

UP
1000+

OP
1000-

The wells are:

S. J. unit	# 29	M-36-32-10
✓	# 30	H 36-32-10
✓	# 40	N 30-32-9
✓	# 41	A 31-32-9
✓	# 51	M 29-32-9

Blanco No. 1 Pool.

All wells are on the same lateral and can be controlled by 1 test compressor. The effect on other wells production ability will then be minimal.

[Signature]

WN

UP 1000

OP 1000

(Case 4729 continued)

of Federal, State and Fee lands in Sections 19, 20, 21, 28, 29, 30, 31, 32, and 33, Township 21 South, Range 25 East, Eddy County, New Mexico.

CASE 4730: Application of Stoltz, Wagner & Brown for salt water disposal, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the Devonian formation in the interval from 11224 to 11234 feet in their Soldier Hill State AE Well No. 1 located 800 feet from the North line and 1800 feet from the West line of Section 23, Township 12 South, Range 32 East, East Caprock Devonian Pool, Lea County, New Mexico.

CASE 4731: Application of Continental Oil Company for rededication of acreage and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dedicate a standard 640-acre gas proration unit comprising all of Section 14, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its Sanderson "A" Wells Nos. 12 and 13 located, respectively, in Units P and G of said Section 14. Applicant further seeks authority to produce the allowable for the unit from either well in any proportion. Applicant further seeks the establishment of a procedure whereby the allowable for the above-described proration unit may be produced by any or all Eumont gas wells located within said unit without the necessity of notice and hearing.

CASE 4732: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Skaggs-Glorieta, East Weir-Blinbry, and Skaggs-Drinkard Pools in the wellbore of its Skaggs "B" Well No. 5 located 990 feet from the North line and 1700 feet from the West line of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 4709: (Continued from the May 5, 1972, Examiner Hearing)

Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Eumont Gas Pool and the Penrose Skelly Oil Pool in the wellbore of its Lockhart A-17 Well No. 1 located in Unit L of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

Docket No. 12-72

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 7, 1972

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

The following cases will be heard before DANIEL S. NUTTER, Examiner,
or ELVIS A. UTZ, Alternate Examiner:

CASE 4716 (Readvertised):

Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Owens Well No. 2, having a surface location in Unit I of Section 34, Township 14 South, Range 35 East, East Morton-Wolfcamp Pool, Lea County, New Mexico. Applicant proposes to set a whipstock at approximately 7200 feet and to directionally drill to bottom the well in the Wolfcamp formation within 100 feet of a point in Unit H 1730 feet from the North line and 560 feet from the East line of said Section 34. Applicant proposes to dedicate the E/2 NE/4 of Section 34 to the well. In the absence of objection an order will issue based upon testimony received in this case on May 17, 1972.

CASE 4726: Application of Shenandoah Oil Corporation 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 Grayburg-San Andres formations through one well located in the SE/4 NW/4 of Section 27, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 4727: Application of Harper Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle oil production from the Blinebry, Drinkard, and Wantz-Abo Pools in the wellbore of its S. J. Sarkey Well No. 2 located in Unit H of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 4728: Application of Texaco Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Weir-Tubb Pool, Lea County, New Mexico, including provisions for 80-acre proration units and a limiting gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil.

CASE 4729: Application of American Trading and Production Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Round Mountain Unit Agreement comprising 5,757 acres, more or less,

CASE 4733: Application of David Fasken for pool contraction and creation of a new gas pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the horizontal limits of the Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, by the deletion therefrom of all of Sections 4 and 5, Township 21 South, Range 24 East. Applicant further seeks the creation of a new gas pool with horizontal limits comprising all of said Section 4 and 5 for the production of gas from the Morrow formation.

CASE 4734: Application of Hanagan Petroleum Corporation for pool extension, non-standard spacing unit, and unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the horizontal limits of the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to include all of Section 24, Township 21 South, Range 25 East and all of Section 19, Township 21 South, Range 26 East. Applicant further seeks approval of a 636.38-acre non-standard gas spacing unit comprising all of said Section 19 to be dedicated to its Nan-Bet Well No. 1 located at an unorthodox location for said pool 1980 feet from the North line and 660 feet from the West line of said Section 19.

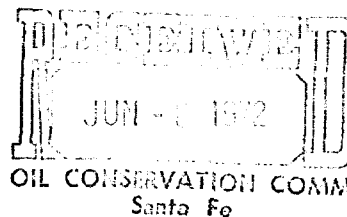
CASE 4735: Continued from the June 7, 1972 Examiner Hearing. Application of El Paso Natural Gas Company for capacity production, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 14 (A) 15 (A), and 15 (B) of the General Rules and Regulations for the prorated gas pools of Northwest New Mexico, to produce six wells located in Sections 29, 30, 31, and 32 of Township 32 North, Range 8 West and Section 36, Township 32 North, Range 10 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity for approximately one year from February 1, 1972.

Applicant further seeks authority to offset any overproduction accrued to the above-described six wells during the one-year period by underproduction attributable to any underproduced wells or marginal wells located within the participating area of the San Juan 32-9 Unit.

CASE 4736: Application of Dalport Oil Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, to dispose into an unlined surface pit water produced from its Todhunter-Federal Well No. 1 located in the SE/4 NW/4 of Section 22, Township 15 South, Range 29 East, Double L Field, Chaves County, New Mexico.

AtlanticRichfieldCompany

Legal Division
Lincoln Tower Building
1800 Lincoln Street
Denver, Colorado 80203
Telephone 303 266 2461



June 6, 1972

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico 87501

Re: Case 4735
El Paso Natural Gas Company, Applicant
San Juan, New Mexico

file
Case 4735

Gentlemen:

We have no objection to the above referenced application before the Commission; however, it is our understanding that some pressure tests will be taken. Could you please arrange to have copies of these pressure tests furnished to us, and if there are any charges for this service, please advise, and we will remit promptly.

Yours very truly,

W. M. Allison

WMA/mas

(Case 4741 continued)

Said acreage to be dedicated to a well to be drilled 1980 feet from the North line and 660 feet from the West line of said Section 16. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

- CASE 4728: (Continued from the June 7, 1972, Examiner Hearing)
Application of Texaco Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Weir-Tubb Pool, Lea County, New Mexico, including provisions for 80-acre proration units and a limiting gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil.
- CASE 4742: Application of Tenneco Oil Company for dual completions, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Well No. 12 located in Unit B of Section 13, Township 17 North, Range 9 West, McKinley County, New Mexico, in such a manner as to inject gas into Lone Pine-Dakota "D" Oil Pool through tubing and produce gas from the "A" zone of the Dakota formation through the casing-tubing annulus. Applicant also seeks authority to complete its Well No. 13 located in Unit F of said Section 13 in such a manner as to produce oil from the Lone Pine-Dakota "D" Oil Pool through tubing and gas from the "A" zone of the Dakota formation through the casing-tubing annulus.
- CASE 4743: Application of Tenneco Oil Company for pool contraction, redefinition of a pool and special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to contract the horizontal limits of the Basin-Dakota Pool by deleting therefrom all of Section 17 and 20, Township 21 North, Range 8 West, San Juan County, New Mexico. Applicant further seeks to redefine the Snake Eyes-Dakota "D" Oil Pool as a gas pool with horizontal limits comprising the above-described Sections 17 and 20. Applicant further seeks the promulgation of special pool rules for the redefined pool including a provision for 320-acre spacing.
- CASE 4744: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 8, Township 19 South, Range 25 East, Eddy County, New Mexico. Said acreage to be dedicated to applicant's Johnston "BE" Well No. 1 located 330 feet from the North and East lines of said Section 8. Also to be considered will be the costs

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 28, 1972

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, Alternate Examiner:

CASE 4735: (Continued and readvertised from the June 7th examiner hearing)
Application of El Paso Natural Gas Company for capacity production, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 14 (A), 15 (A), and 15 (B), of the General Rules and Regulations for the prorated gas pools of Northwest New Mexico, to produce six wells located in Sections 29, 30, 31, and 32 of Township 32 North, Range 9 West and Section 36, Township 32 North, Range 10 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity for approximately one year from February 1, 1972.

Applicant further seeks authority to offset any over-production accrued to the above-described six wells during the one-year period by underproduction attributable to any underproduced wells or marginal wells located within the participating area of the San Juan 32-9 Unit.

CASE 4739: Application of Texas Pacific Oil Company for rededication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dedicate the 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NW/4 of Section 1, Township 23 South, Range 36 East, Lea County, New Mexico, simultaneously to its Emery King "NW" Wells Nos. 1 and 4 located, respectively, in Units E and F of said Section 1 and to produce the allowable for the unit from either well in any proportion.

CASE 4740: Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas and condensate production from the Flora Vista-Gallup and Basin-Dakota Pools in the wellbores of its L. C. Kelly Wells Nos. 3 and 5 located, respectively, in Unit F of Section 4 and Unit I of Section 3, Township 30 North, Range 12 West, San Juan County, New Mexico.

CASE 4741: Application of Robert, Koch & Cartwright for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 16, Township 19 South, Range 25 East, Eddy County, New Mexico.

- CASE 4748: Application of Pubco Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Humble City-Strawn Pool, Lea County, New Mexico, including provisions for 160-acre proration units and wells to be located within 150 feet of the center of any quarter-quarter section.
- CASE 4749: Application of Harding Oil Company for a discovery allowable and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units and for the assignment of an oil discovery allowable to its E. D. Shipp Well No. 1 located in Unit K of Section 11, Township 17 South, Range 37 East.
- CASE 4750: Application of Cities Service Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing well in its Southeast Maljamar Grayburg-San Andres Unit Waterflood Project Area at an unorthodox location 1155 feet from the South line and 1385 feet from the East line of Section 29, Township 17 South, Range 33 East, Maljamar Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injection and production wells within the project area at unorthodox locations may be approved administratively.
- CASE 4751: Application of Sun Oil Company for pool extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the horizontal limits of the Lusk-Morrow Gas Pool, Lea County, New Mexico to include all of Sections 15 and 16 of Township 19-South, Range 32 East.
- CASE 4752: Application of Claude C. Kennedy for permission to flare casinghead gas, McKinley, County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-4070, to flare casinghead gas produced by his BSK Edna Well No. 1 located in Unit F of Section 8, Township 17 North, Range 8 West, Lone Pine Dakota "D" Pool, McKinley County, New Mexico.

(Case 4744 continued)

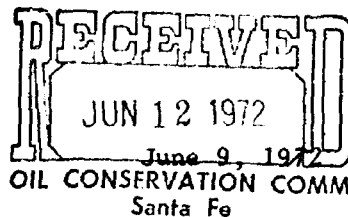
of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4745: Application of Yates Petroleum Corporation for pool re-definition and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the re-definition of the Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, as an associated oil and gas pool. Applicant further seeks the promulgation of special rules for said associated pool, including provisions defining a gas well as one producing with a gas-liquid ratio of 10,000 or more cubic feet of gas per barrel of oil, a gas-liquid ratio limitation for oil wells of 3,000 cubic feet of gas per barrel of oil, and 320-acre spacing units for gas wells. Applicant further seeks authority to commingle on the surface gas production from various wells prior to metering and to report said gas production on a lease basis. Applicant further seeks authority to commingle on the surface all casing-head gas prior to metering and to allocate said casinghead gas to the various wells on the basis of gas-oil ratio tests.

CASE 4746: Application of Mobil Oil Corporation for an unorthodox well location and amendment of Order No. R-2914, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing well at an unorthodox location 1450 feet from the North line and 70 feet from the West line of Section 19, Township 18 South, Range 34 East, in the E-K Queen Water-flood Project Area authorized by Order No. R-2914. Applicant further seeks a procedure whereby additional production and injection wells at orthodox and unorthodox locations may be approved administratively.

CASE 4747: Application of Union Texas Petroleum, a Division of Allied Chemical Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the base of the Devonian formation underlying the N/2 of Section 33, Township 25 South, Range 37 East, Crosby Field, Lea County, New Mexico. Said acreage to be dedicated to its well to be located 1650 feet from the North line and 2310 feet from the East line of said Section 33. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

Mobil Oil Corporation



P.O. BOX 633
MIDLAND, TEXAS 79701

CASE
FILE

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

IN THE MATTER OF THE APPLICATION OF
EL PASO NATURAL GAS COMPANY FOR
CAPACITY TESTING OF SIX (6) SAN JUAN
32-9 UNIT WELLS IN THE BLANCO-MESA
VERDE GAS POOL, SAN JUAN COUNTY, N.M.
CASE NUMBER 4735

Gentlemen:

Mobil Oil Corporation, an operator in the Blanco-Mesa Verde Gas Pool, has been informed of the one-year capacity-testing program of six gas wells in the subject field. We understand that the object of this program is to obtain volume and pressure data which is necessary to fully evaluate the feasibility of lowering the field gathering system line pressures. In addition, the effect of liquids in the wellbore can be observed.

El Paso estimates that 500 million cubic feet of excess production will result from this test. Relief from this situation is proposed by El Paso's request for permission to transfer the excess production to other wells within the participating area of the San Juan 32-9 Unit. First the excess production would be transferred to marginal wells and then, if there were still a remainder, further transfer of allowable would be made to the underproduced wells lying within the unit.

We believe the results of this test will be of beneficial interest to all operators in the field. Therefore Mobil Oil Corporation has no objection to El Paso's testing program and their manner of transferring excess production within the participating area of the San Juan 32-9 Unit.

Yours very truly,

Ira B. Stitt
Ira B. Stitt

Division Operations Engineer

WBSimmonsJr/mw

cc El Paso Natural Gas Company
Attn: Mr. E. R. Manning
P. O. Box 1492
El Paso, Texas 79999



Amoco Production Company

Security Life Building
Denver, Colorado 80202

June 13, 1972

File: VDP-291-986.511

Mr. A. L. Porter, Jr.
Secretary-Director and Geologist
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Re: NMOCC Case #4735, El Paso's Application for Capacity
Production, San Juan 32-9 Unit Mesaverde Wells

Amoco is a Working Interest Owner in San Juan 32-9 Unit
Mesaverde wells and is an Operator of other Mesaverde wells
to the west of San Juan 32-9 Unit in this prorated pool.

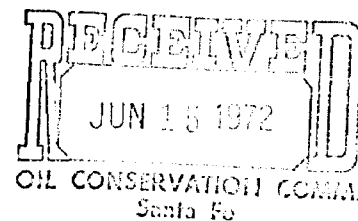
We support El Paso's request, to be heard at the NMOCC hearing
on June 28th, to produce during a one-year test period six San
Juan 32-9 Unit Mesaverde wells to capacity.

Yours very truly,

RB Giles

RBG:ka

cc: Mr. James C. Considine
El Paso Natural Gas Company
El Paso, Texas 79999



PROJECTED 1972 NON-MARGINAL ALLOWABLES
ON MARGINAL WELLS IN THE SJ 32-9 UNIT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Meter No.	Well Name	Unit Size	Current Year State D	April Y&Q	1972 Mrgnl. Production	1972 Projected Non- Marginal Allowable	Additional Allowable (7 - 6)
72-257	San Juan 32-9 Unit #65	1.130	101	57	20,805	75,547	54,742
72-242	San Juan 32-9 Unit #66	1.150	55	27	9,855	64,234	54,379
72-438	San Juan 32-9 Unit #67	1.00	98	31	11,315	74,810	63,495
72-439	San Juan 32-9 Unit #69	1.00	27	40	14,600	57,348	42,748
72-527	San Juan 32-9 Unit #70	1.00	49	90	32,850	62,759	29,909
72-449	San Juan 32-9 Unit #71	1.00	177	117	42,705	94,238	51,533
72-653	San Juan 32-9 Unit #75	.660	51	26	9,490	63,250	53,760
72-654	San Juan 32-9 Unit #76	1.00	83	27	9,855	71,121	61,266
72-656	San Juan 32-9 Unit #77	1.00	436	104	37,960	157,935	119,975
TOTAL					1,020,905	2,308,571	1,287,666

(Volumes in MCF @ 15.025 psi)

El Paso Natural Gas Company
Case No. 4735
Witness: E. R. Manning
Exhibit D

D-792

PROJECTED 1972 NON-MARGINAL ALLOWABLES
ON MARGINAL WELLS IN THE S) 32-9 UNIT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Meter No.	Well Name	Unit Size	Current Year State D	April YAAQ	1972 Mrgnl. Production	1972 Projected Non- Marginal Allowable	Additional Allowable (7 - 6)
70-774	San Juan 32-9 Unit #9	1.00	94	155	56,575	73,826	17,251
70-534	San Juan 32-9 Unit #14	1.00	86	145	52,925	71,858	18,933
70-801	San Juan 32-9 Unit #24	1.00	79	156	56,940	70,137	13,197
71-120	San Juan 32-9 Unit #36	1.00	83	120	43,800	71,121	27,321
71-414	San Juan 32-9 Unit #42	.990	419	580	211,700	153,247	[58,453]
71-603	San Juan 32-9 Unit #46	.970	110	153	55,845	76,239	20,394
71-965	San Juan 32-9 Unit #48	1.00	126	53	19,345	81,696	62,351
71-963	San Juan 32-9 Unit #50	1.00	40	141	51,465	60,545	9,080
71-944	San Juan 32-9 Unit #53	.980	53	48	17,520	63,742	46,222
72-122	San Juan 32-9 Unit #54	1.00	146	90	32,850	86,614	53,764
71-966	San Juan 32-9 Unit #55	1.090	90	42	15,330	72,842	57,512
71-967	San Juan 32-9 Unit #56	1.080	104	36	13,140	76,285	63,145
72-240	San Juan 32-9 Unit #57	1.00	162	92	33,580	90,549	56,969
72-174	San Juan 32-9 Unit #58	1.00	38	58	21,170	60,053	38,883
72-123	San Juan 32-9 Unit #59	.650	81	64	23,360	52,881	29,521
72-124	San Juan 32-9 Unit #60	1.00	128	54	19,710	82,188	62,478
72-254	San Juan 32-9 Unit #61	1.00	163	79	28,835	90,795	61,960
72-125	Sac Juan 32-9 Unit #62	1.00	134	48	17,520	83,663	66,143
72-241	Sac Juan 32-9 Unit #63	1.00	153	59	21,535	88,336	66,801
72-243	San Juan 32-9 Unit #64	1.00	122	105	38,325	80,712	42,387

(Volumes in MCF @ 15.025 psi.)

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

CASE NO. 4735
EXHIBIT NO. D

Filed by APR
Filing Date 6-28-72

EI Paso Natural Gas Company
Case No. 4735
Witness: E. R. Manning
Exhibit D

PROJECTED 1972 ALLOWABLE FOR SIX GAS WELLS
UNDER TEST IN THE SAN JUAN 32-9 UNIT

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Meter No.	Well Name	Unit Size	Current State "D"	April YAO	1972 Projected Non- Marginal Allowable	Projected Production	Over Production	Production Thru April 30, 1972
71, 232	San Juan Unit 32-9 #29	1.00	586	1,446	194,826	527,790	332,964	172,768
71-231	San Juan Unit 32-9 #30	1.00	201	425	100,141	155,125	54,984	51,505
71-602	San Juan Unit 32-9 #40	.650	174	406	93,501	148,190	54,689	47,509
71-961	San Juan Unit 32-9 #51	1.00	472	547	166,789	199,655	32,866	66,397
SUB-TOTAL					555,257	1,030,760	475,503	
71-601	San Juan Unit 32-9 #37 ✓	1.00	439	471	158,673	171,915	13,242	56,457
71-613	San Juan Unit 32-9 #41 ✓	.970	177	325	94,238	118,625	24,387	39,239
TOTAL					808,168	1,321,300	513,132	

(Volumes in MCF @ 15.025 psi)

STATE OF NEW MEXICO
NATURAL GAS CONSERVATION COMMISSION

EXHIBIT NO. C

CASE NO. 4735

Submitted by El Paso

Hearing Date 6-28-72

4225.66
70.44560

El Paso Natural Gas Company
Case No. 4735
Witness: E. R. Manning
Exhibit C

JUN 05, 1972

GAS WELLS PARTICIPATING IN THE SAN JUAN 32-9 UNIT
PRODUCING FROM THE BLANCO MESA VERDE FORMATION
AS OF APRIL 30, 1972

PAGE 2

WELL NAME	U S N T N R G	STATUS	APR. 72 YAO	CUMULATIVE STATUS	1972 DAYS OPERATED	METER
SJ 32-9 UNIT #56	K 12 32 10	M	36		121.0	7196701
SJ 32-9 UNIT #54	L 14 32 09	M	90		120.6	7212201
SJ 32-9 UNIT #59	K 19 32 09	M	64		120.1	7212301
SJ 32-9 UNIT #60	H 28 32 09	M	54		120.2	7212401
SJ 32-9 UNIT #62	H 14 32 10	M	48		119.6	7212501
SJ 32-9 UNIT #58	A 16 32 09	M	58		120.5	7217401
SJ 32-9 UNIT #57	H 02 31 09	M	92		116.4	7224001
SJ 32-9 UNIT #63	G 36 32 09	M	59		120.6	7224101
SJ 32-9 UNIT #66	M 10 32 09	M	27		121.3	7224201
SJ 32-9 UNIT #64	M 02 31 09	M	105		114.2	7224301
SJ 32-9 UNIT #61	M 36 32 09	M	79		120.4	7225401
SJ 32-9 UNIT #65	K 09 32 09	M	57		120.8	7225701
SJ 32-9 UNIT #67	B 24 32 10	M	31		119.6	7243801
SJ 32-9 UNIT #69	M 13 32 10	M	40		119.9	7243901
SJ 32-9 UNIT #71	M 24 32 10	U	390	-11073	119.6	7244201
SJ 32-9 UNIT X #70	A 33 32 09	M	117		116.5	7244901
SJ 32-9 UNIT #75	H 21 32 09	M	90		120.4	7252701
SJ 32-9 UNIT #76	L 18 32 09	M	26		120.6	7265301
SJ 32-9 UNIT #77	A 13 32 10	M	27		119.9	7265401
SJ 32-9 UNIT #77	A 18 32 09	M	104		119.3	7265601
GRAND TOTAL COUNT			29519	412850		

EXHIBIT B
FL PASO NATURAL GAS COMPANY
CASE NO. 4/35

WITNESS : E. R. MANNING

B - 79 N

31 M
21 of 8
68

- (1)
- (2)
- (3)
- (4)
- (5)
- (6)

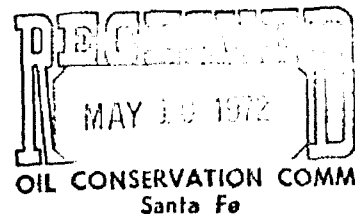
5,294

-370,816

Q

E1 Paso Natural Gas Company
Case No. 4735
Witness: E. R. Manning
Exhibit E

4735
APD,
6-28-72



BEFORE THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
EL PASO NATURAL GAS COMPANY FOR AN
ORDER OF THIS COMMISSION EXCEPTING
CERTAIN TEST WELLS FROM THE BALANCING
PROVISIONS OF THE RULES APPLICABLE
TO THE BLANCO MESAVERDE GAS POOL,
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 4735
ORDER NO. _____

APPLICATION

Comes now EL PASO NATURAL GAS COMPANY, Applicant herein, a Delaware corporation authorized to do business in the State of New Mexico, and requests that it be granted a hearing before a Commission appointed Examiner on ^{June 7th} ~~May 31~~, 1972. Applicant respectfully alleges and states as follows:

1. Applicant is the operator of 72 wells in the San Juan 32-9 Operating Unit of the Blanco Mesaverde Gas Pool, which is an Operating Unit approved by the Commission pursuant to Order R-309.

2. Applicant initiated a test on January 11, 1972, to determine the performance characteristics of six of the 32-9 unit wells when produced at various pressures below the normal Blanco Mesaverde gathering system pressure. The test is expected to continue for approximately one year and will be conducted in such a manner as to prevent waste and protect correlative rights.

3. In order to gather the desired test data and to avoid the necessity of shutting in those test wells which become overproduced, Applicant desires to continue testing the wells without restriction throughout the duration of the test period.

4. Applicant respectfully requests that the Commission suspend, for a period of one year from February 1, 1972 (test period), certain provisions of Rules 14(A), 15(A) and 15(B) of the General Rules and Regulations for the Prorated Gas Pools of Northwestern New Mexico, as promulgated by Order No. R-1670, so as to provide:

A. That six of the unit wells connected to Laterals N-4 and N-7 of Applicant's gathering system, as shown on Exhibit A attached hereto, be allowed to produce at full capacity

DOCKET MAILED

Date 6-13-72

DOCKET MAILED

Date 5-24-72

the duration of the test period, and

B. That, at the end of the test period, all overproduction which has accrued to the six test wells during the test period be offset by underproduction attributable to underproduced and marginal wells in the participating area of the San Juan 32-9 Operating Unit.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing after due notice as prescribed by law, and, after such notice and hearing, that the relief requested herein be granted.

EL PASO NATURAL GAS COMPANY

A. M. Derrick

A. M. Derrick
Vice President

DRAFT

GMH/dr



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. 4735

Order No. R- 4342

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR CAPACITY PRO-
DUCTION, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 28, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of July, 1972, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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,
proposes to produce the following seven wells in the Blanco-

Mesaverde Pool, San Juan County, New Mexico, at full capacity

~~for one year beginning February 1, 1972, in order to conduct~~
approximately from February 1, 1972, until July 1, 1973,

a series of tests to determine efficient operating pipeline
pressure:

<u>Well Name</u>	<u>Unit</u>	<u>Section</u>	<u>Township & Range</u>
San Juan Unit 32-9 Well No. 29	M	36	32 N 10 W
San Juan Unit 32-9 Well No. 30	H	36	32 N 10 W
San Juan Unit 32-9 Well No. 40	N	30	32 N 9 W
San Juan Unit 32-9 Well No. 51	M	29	32 N 9 W
San Juan Unit 32-9 Well No. 37	H	32	32 N 9 W
San Juan Unit 32-9 Well No. 41	A	31	32 N 9 W
San Juan Unit 32-9 NP Well No. 2	J	30	32 N 9 W

(3) That the above-described Well No. 2 is a non-participating well in the San Juan 32-9 Unit Area.

(4) That it is anticipated that some or all of the above-described seven wells will become overproduced during the ~~one~~ ^{test} ~~year~~ period beginning February 1, 1972.

(5) That the applicant proposes that at the conclusion of the test period all overproduction accrued to the six wells that are in the participating area of the San Juan 32-9 Unit Area be offset, ~~first, by all underproduction that would have accrued to all marginal wells within said participating area if said marginal wells had received a non-marginal allowable and, next, by all underproduction accrued by all non-marginal wells within said participating area.~~ ^{first, by all underproduction that would have accrued to all marginal wells within said participating area if said marginal wells had received a non-marginal allowable and, next, by all underproduction accrued to all non-marginal wells within said participating area.}

(6) That as an exception to the General Rules and Regulations governing the prorated gas pools of Northwest New Mexico promulgated by Order No. R-1670, as amended, the applicant should be permitted to produce the above-described seven wells at full capacity for test purposes until July 1, 1973.

(7) That at the conclusion of the above-described period the applicant should be authorized to offset ~~overproduction~~ ^{to} accrued ~~by~~ the six wells in the participating area ~~during the test period by first, all underproduction that would have accrued to all marginal wells within the participating area of the San Juan 32-9 Unit if said wells had received a non-marginal allowable and, next, by underproduction accrued by all non-marginal wells within said participating area, and remaining uncanceled at the completion of the test period.~~ ^{to all non-marginal wells within said participating area, and remaining uncanceled at the completion of the test period.}

(8) That all wells in the participating area of the applicant's San Juan 32-9 Unit Area should be exempted from the cancellation and shut-in provisions of Rules 14(A), 15(A), and 15(B) of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico, promulgated by Order No. R-1670, as amended, until January 1, 1974.

(9) That all non-marginal wells in the above-described participating area should be exempted from the reclassification provision of Rule 16(A) of the above-described General Rules and Regulations until January 1, 1974.

(10) That within 30 days following completion of the test period, the applicant should furnish the Santa Fe Office of the Commission information concerning the amount of overproduction accrued ~~by~~ each of the six wells in the participating area and the wells located within the participating area from which it desires to transfer allowable to offset said overproduction.

(11) That approval of the application will afford the applicant an opportunity to gather valuable information concerning reservoir characteristics of the Blanco-Mesaverde Pool, will be in the interest of conservation and will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, El Paso Natural Gas Company, is hereby authorized as an exception to the General Rules and Regulations governing the ~~prorated~~ gas pools of Northwest New Mexico, promulgated by Order No. R-1670, as amended, to produce the following seven wells in the Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity until July 1, 1973:

-4-

CASE NO. 4735

Order No. R-

<u>Well Name</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>& Range</u>
San Juan Unit 32-9 Well No. 29	M	36	32 N	10 W
San Juan Unit 32-9 Well No. 30	H	36	32 N	10 W
San Juan Unit 32-9 Well No. 40	N	30	32 N	9 W
San Juan Unit 32-9 Well No. 51	M	29	32 N	9 W
San Juan Unit 32-9 Well No. 37	H	32	32 N	9 W
San Juan Unit 32-9 Well No. 41	A	31	32 N	9 W
San Juan Unit 32-9 NP Well No. 2	J	30	32 N	9 W

(2) That the applicant is hereby authorized to offset ~~all~~ *above-described wells which are* overproduction accrued to the six ~~wells~~ located within the participating area of the San Juan Unit Area by underproduction accrued to non-marginal wells within said participating area.

(3) That within 30 days following conclusion of the test period, the applicant shall furnish the Santa Fe office of the Commission information concerning the amount of overproduction accrued to each of the six wells in the participating area and the wells located within the participating area from which it desires to transfer allowable to offset said overproduction.

(4) That all wells in the participating area of the San Juan 32-9 Unit Area are hereby exempted from the cancellation and shut-in provisions of Rules 14(A), 15(A), and 15(B) of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico, promulgated by Order No. R-1670, as amended, until January 1, 1974.

(5) That all non-marginal wells in the participating area of the San Juan 32-9 Unit Area are hereby exempted from the reclassification provisions of Rule 16(A) of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico promulgated by Order No. R-1670, as amended, until January 1, 1974.

Continued and
CASE 4735:

(Readvertised from the June 7th examiner hearing)
Application of El Paso Natural Gas Company for capacity production, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 14 (A) 15 (A), and 15 (B) of the General Rules and Regulations for the prorated gas pools of Northwest New Mexico, to produce six wells located in Sections 29, 30, 31, and 32 of Township 32 North, Range 9 West and Section 36, Township 32 North, Range 10 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity for approximately one year from February 1, 1972.

Applicant further seeks authority to offset any overproduction accrued to the above-described six wells during the one-year period by underproduction attributable to any underproduced wells or marginal wells located within the participating area of the San Juan 32-9 Unit.

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CASE NO. 4735
Order No. R-

(6) 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.

CASE 4736: Application of DALPORT
FOR AN EXCEPTION TO ORDER R-3221,
AS AMENDED, CHAVES COUNTY, N.M.