

*Entered March 19, 1959
O.L.P.*

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. 1596
Order No. R-1342

APPLICATION OF EL PASO NATURAL GAS
PRODUCTS COMPANY FOR THE ESTABLISH-
MENT OF TWO SEPARATE COMMON SOURCES
OF SUPPLY IN THE HORSESHOE-GALLUP OIL
FIELD, SAN JUAN COUNTY, NEW MEXICO,
AND FOR THE ESTABLISHMENT OF AN
ADMINISTRATIVE PROCEDURE FOR APPROVAL
OF WELLS DUALY COMPLETED IN SAID PROPOSED
COMMON SOURCES OF SUPPLY UTILIZING A
CERTAIN TYPE OF MECHANICAL INSTALLATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
February 18, 1959, at Santa Fe, New Mexico, before the Oil
Conservation Commission of New Mexico, hereinafter referred to
as the "Commission."

NOW, on this 2nd. day of March, 1959, the Commission,
a quorum being present, having considered the application and the
evidence adduced 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 Products
Company, proposes that the producing interval of the Gallup forma-
tion in the Horseshoe-Gallup Oil Field, San Juan County, New
Mexico, be segregated to form two separate common sources of
supply.

(3) That the applicant further proposes the establishment
of an administrative procedure for approval of wells dually comple-
ted in said proposed common sources of supply utilizing a certain
type of mechanical installation in exception to Rule 112-A of the
Commission Rules and Regulations.

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(4) That the applicant failed to prove by a preponderance of the evidence that the producing interval of the Gallup formation underlying the said Horseshoe-Gallup Oil Field consists of two separate common sources of supply with no communication between the two.

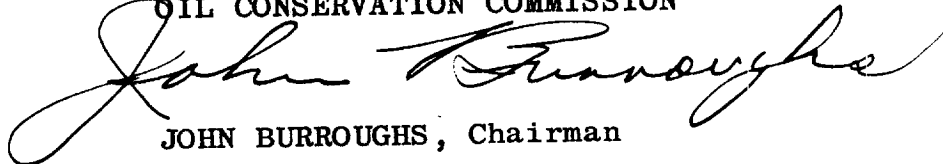
(5) That accordingly the subject application should be denied.

IT IS THEREFORE ORDERED:


That the application of El Paso Natural Gas Products Company for the establishment of two separate common sources of supply in the producing interval of the Gallup formation underlying the Horseshoe-Gallup Oil Field in San Juan County, New Mexico, be and the same is hereby denied.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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