

Enlightenment - 12, 1959
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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. 1600
Order No. R-1462-A

APPLICATION OF M. A. ROMERO
AND ROBERT CRITCHFIELD CONCERN-
ING THE OPERATION OF GAS PRORA-
TIONING AND THE RATABLE TAKING OF
GAS IN THE BLANCO MESAVERDE GAS
POOL IN SAN JUAN AND RIO ARriba
COUNTIES, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause originally 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," and was continued from time to time until July 15, 1959, on which date the Commission heard oral argument from interested parties on a motion to strike portions of the application, which motion was filed by El Paso Natural Gas Company and Pacific Northwest Pipeline Corporation. By Order No. R-1462 the Commission ruled on the motion to strike and the case was docketed for hearing on the merits on September 16, 1959. Hearings on the merits were held on September 16, 1959, and October 22, 1959.

NOW, on this 12th day of November, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced at said hearings, 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 applicants are the owners of working interests and overriding royalty interests in San Juan Units 28-4 and 29-4, Blanco-Mesaverde Gas Pool, San Juan and Rio Arriba Counties, New Mexico.
- (3) That the wells in said Units in which applicants have an interest are owned and operated by either El Paso Natural Gas Company or Pacific Northwest Pipeline Corporation and these companies are also the purchasers of the gas from the subject wells.

(4) That the applicants alleged that El Paso Natural Gas Company and Pacific Northwest Pipeline Corporation, as operators of the wells in the subject Units and as gas purchasers therefrom, have failed to provide gas pipeline facilities for certain of the wells in said Units, thereby impairing applicants' correlative rights.

(5) That the applicants alleged that El Paso Natural Gas Company and Pacific Northwest Pipeline Corporation, as purchasers of gas from the wells in said Units, have maintained pipeline pressures at a level making it impossible for the gas wells in said Units to produce their fair share into the gathering lines, thereby impairing applicants' correlative rights.

(6) That the applicants alleged that El Paso Natural Gas Company and Pacific Northwest Pipeline Corporation have failed to purchase gas from the wells in the Blanco-Mesaverde Gas Pool on a ratable basis.

(7) That the evidence adduced does not establish that any of the wells in which the applicants have an interest have been unreasonably discriminated against through denial of access to a gas transportation facility which is reasonably capable of handling the type of gas produced. However, the San Juan Unit Well No. 12-18, located in the NE/4 of Section 18, Township 29 North, Range 4 West, was completed on August 1, 1957, and is not yet connected to a gathering system. While there is no permanent gathering system in the area, there is a temporary gas gathering line a relatively short distance to the North. The initial potential of this unconnected well was 1,117 MCF per day. Further, a request for gas allowable for this well was approved on February 13, 1958. Accordingly, El Paso Natural Gas Company and Pacific Northwest Pipeline Corporation should make a study re-evaluating the feasibility and desirability of connecting the said San Juan Unit Well No. 12-18 to the temporary gas gathering line in the area and should furnish a summary of such re-evaluation to the Commission within 60 days.

(8) That while there is undoubtedly a relationship between pipeline pressures and gas production, the evidence presented does not prove that the wells in which applicants have an interest have been unreasonably discriminated against by the maintaining of pipeline pressures in the general area of the subject Units which are somewhat higher than in the areas closer to the gas compressor plants.

(9) That the evidence presented does not establish that El Paso Natural Gas Company and Pacific Northwest Pipeline Corporation have failed to purchase gas in the Blanco-Mesaverde Gas Pool on a ratable basis as contemplated by the New Mexico statutes. While in some instances there has been a discrepancy in takes

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between wells of comparable pressure and deliverability, the evidence establishes that the gas purchasers in the Blanco-Mesaverde Gas Pool have attempted to avoid discrimination between comparable wells.

The Commission takes this opportunity to strongly urge that the gas purchasers in the Blanco-Mesaverde Gas Pool make every effort to keep the wells in said Pool in balance, and if such wells attain an unbalanced status during any six-month proration period to do everything possible to get the wells back in balance during the next six-month proration period in order to minimize the cancellation of under-production and the shut-in of over-produced wells.

(10) That the evidence presented does not justify the granting of the relief requested.

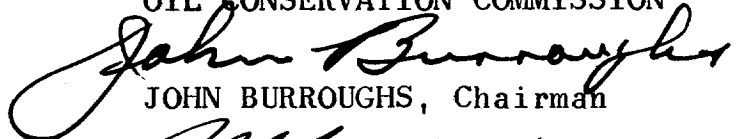
IT IS THEREFORE ORDERED:

(1) That the relief requested be and the same is hereby denied.


(2) That El Paso Natural Gas Company and Pacific Northwest Pipeline Corporation are directed to make a joint study to determine the feasibility of connecting the San Juan Unit Well No. 12-18, located in the NE/4 of Section 18, Township 29 North, Range 4 West, Rio Arriba County, New Mexico, taking into consideration, among other things, the ability of the well to produce and the reserves underlying the tract. A summary of this study shall be filed with the Commission within 60 days after the date of this order.

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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