

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.

(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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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.

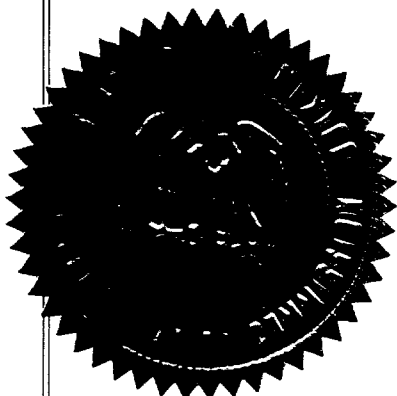
(5) That all non-marginal wells in the participating area of the San Juan 32-9 Unit Area are hereby exempted from the reclassification provisions of Rule 16(A) of the General Rules and Regulations for the Prorated Gas Pools of Northwest New Mexico promulgated by Order No. R-1670, as amended, until January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

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

S E A L

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