

CASE NO. 5390: EL PASO NATURAL GAS  
CO. FOR EXTENSION OF ORDER NO.  
R-4342, SAN JUAN COUNTY

CASE No.

5390

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 8, 1975

EXAMINER HEARING

-----  
IN THE MATTER OF: )  
 )  
 )

Application of El Paso Natural Gas )  
Company for extension of Order No. )  
R-4342, San Juan County, New Mexico. )  
----- )

Case No.  
5390

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

William Carr, Esq.  
Legal Counsel for the  
Commission  
State Land Office Bldg.  
Santa Fe, New Mexico

For the Applicant:

Neil Beck, Esq.  
Senior Counsel for El  
Paso Natural Gas  
El Paso Natural Gas  
Company Building  
El Paso, Texas

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E X H I B I T S

	<u>Marked</u>	<u>Admitted</u>
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MR. STAMETS: Call the next case, Case 5390.

MR. CARR: Case 5390. Application of El Paso Natural Gas Company for extension of Order No. R-4342, San Juan County, New Mexico.

MR. BECK: Mr. Examiner, I'm Neil Beck, Senior Counsel for El Paso Natural Gas Company, and I'm appearing on El Paso's behalf in this case by reason of an entry of appearance for El Paso by the Montgomery Federici, Andrews, Hannahs & Buell firm. I have one witness to be sworn.

MR. STAMETS: Are there any other appearances in this Case? The Witness will stand and be sworn, please.

(Witness sworn.)

MR. BECK: Mr. Examiner, administrative notice to be taken of the previous proceedings concerning this matter, which would be Case No. 4735, resulting in Order R-4342, and Case No. 5011, resulting in Order R-4580. We have one Exhibit we would like to introduce in this Case. It is not directly referred to at all in the testimony, but we thought it might be of aid of the Commission in evaluating our Application.

EUGENE R. MANNING

called as a witness, having been first duly sworn, was examined and testified as follows:

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DIRECT EXAMINATION

BY MR. BECK:

Q Mr. Manning, would you please state your full name, your residence, and by whom and in what capacity you are employed?

A My name is Eugene R. Manning, and I reside in El Paso, Texas, and I am employed by El Paso Natural Gas Company as Chief Proration Engineer.

Q Mr. Manning, have you testified on previous occasions before this Commission?

A Yes, sir, I have.

Q Mr. Manning, are you familiar with El Paso's Application in this Case?

A Yes, sir, I am.

MR. BECK: Mr. Examiner, are the Witness' qualifications acceptable?

MR. STAMETS: They are.

BY MR. BECK:

Q Mr. Manning, would you please explain what El Paso seeks in this Case?

A El Paso is asking the Commission to continue Order No. R-4342 as amended by Order No. R-4380, for another 18 months. Order R-4342 pertains to testing of certain

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wells in El Paso's San Juan 32-9 operating unit. These tests were commenced in January, 1972, and we are due to expire July the 1st, 1973, and then Order R-4580 extended this expiration date of the test to December the 31st, 1974.

Q Mr. Manning, does El Paso propose to change or in any way modify terms of that Order other than to extend that Order until July 1st, 1976?

A No, sir, we do not.

Q Could you please describe what progress has been made in the testing of these wells since the commencement of the testing?

A Yes, sir. As I testified in Case 5011, I think the most significant information that we have obtained from these tests is the fact that the well's production has actually held up better than we anticipated. We had anticipated that when we reduced the line pressure on these wells, these 6 wells within the participating unit that are under test and the one that is outside the testing unit, that we would get an influx of flush production and that production from the wells would then drop back somewhere in the neighborhood of what they were producing before we instigated the tests. This has

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not been the case. The production has held up we think surprisingly well and we are at this particular point in time getting it down to a point where we think that we're going to arrive at something that will help us in making a definitive conclusion concerning the lowering of line pressure in the San Juan Basin. After three years of testing, problems associated with low-pressure gathering systems have appeared and are still appearing and the objective of the project, as I stated before, is just we feel getting to the point to where we would like to have it in order to arrive at some engineering conclusion.

Q Could you give us some idea what some of the problems that El Paso has encountered are in producing the San Juan Unit 32-9 Wells in this test?

A Yes, sir. We have encountered an abundance of parafin problems out there, really more than we would like to see, but as the pressure has been reduced and it comes into the range and the parafin falls out of the liquid stream and it deposits on the endometer run and in the pipeline, and this is presenting quite a problem in cleaning it up and keeping the pipeline open and also our people are learning how to cope with keeping an isolated compressor running through hot and cold weather tied to a lateral such

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as we have it here and we've also experienced some theft and shut-down on our compressor. They would steal the oil and the antifreeze in the compressor and it would shut the compressor down. So, I guess you could say we are learning to cope with some security problems also.

Q Mr. Manning, what is the average line pressure that El Paso has been experiencing on these 7 wells?

A Well, for these 7 wells in 1974 the average line pressure was 74 psig. Now, the average pressure for the year on the well with the highest pressure in 1974 was 94 psig, and on the lowest of the 7 wells was 62 psig. Now, the highest pressure, of course, was the well that was the furthestest away from the test compressor and the lowest was the well that was closest to the test compressor.

Q How do these line pressures compare with other Mesaverde wells connected to El Paso's gathering system?

A With production recorded through November, 1974, we show the average Mesaverde line pressure to be 235 psig for 1232 wells.

Q Does this figure of 235 psig include the line pressure of the 7 wells we are discussing in this Application?

A Yes. This includes all Blanco Mesaverde wells in

our gathering system. By removing these 7 wells from the total average line pressure then the total average line pressure would be approximately 1 pound higher or 236 psig.

Q Mr. Manning, would you say that the 18-month continuation proposed in this Application of the low pressure testing would be a benefit to the natural gas industry as a whole?

A Yes, sir. I believe that if we are allowed to continue this another 18 months that by making available to the industry the data that we have compiled and from these tests that it would certainly be beneficial in the future when we begin to operate a gathering system such as this at a very low pressure, say 50 psig, which I think is inevitable. I think we will -- the whole industry -- will at one time or another be operating in this pressure, and I think this data that we get from it will certainly be beneficial to all concerned up in the San Juan.

Q Mr. Manning, do you feel that the cost of this testing for an additional 18-month period will result in the protection of correlative rights and prevention of waste?

A Yes, sir, I do.

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Q Mr. Manning, was Exhibit A prepared by you or under your supervision?

A Yes, sir, it was.

MR. BECK: At this time, Mr. Examiner, I move for introduction of El Paso's Exhibit No. A.

MR. STAMETS: Exhibit A will be admitted into evidence.

(Whereupon, El Paso's  
Exhibit A was admitted into  
evidence.)

MR. BECK: Mr. Examiner, this concludes our direct testimony.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Manning, have you experienced any adverse effect on any of the wells involved in this project? Any watering problems --

A (Interrupting) None, Mr. Examiner, that we couldn't cope with, such as additional fluid came in and we have installed pistons in the wells to keep the wells unloaded, and also, as I mentioned previously, we have eliminated the parafin and have it down to a minimum, so none that -- you know -- that we couldn't deal with.

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Q Nothing to the detriment of the well?

A Nothing to the detriment of the well or the  
system.

MR. STAMETS: Are there any other questions of  
the Witness? He may be excused. Anything further in this  
Case? We will take the Case under advisement.

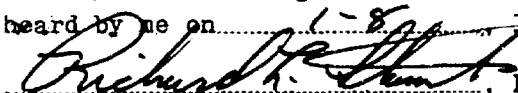
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STATE OF NEW MEXICO     )  
                                  )  
COUNTY OF SANTA FE     )

SS

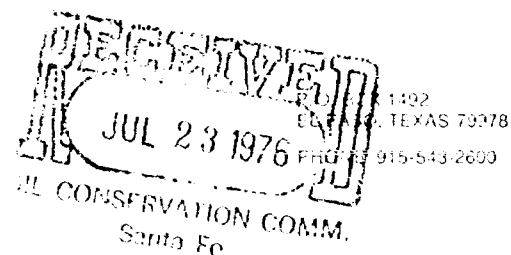
I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

  
RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5390, heard by me on 1-8-75.  
  
Richard L. Nye, Examiner  
New Mexico Oil Conservation Commission

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**El Paso** NATURAL GAS  
COMPANY



July 21, 1976

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

Attention: Mr. Joe Ramey

Case No. 4735	Order No. R-4342
5011	R-4580
5390 ✓	R-4580 A

Gentlemen:

Pursuant to the Commission's order No. R 4342 in Case No. 4735, the six wells located in the participating area (San Juan Unit) were produced at full capacity during the tests and their overproduced status as of June 30 is indicated as follows:

<u>Well Name</u>	<u>Unit</u>	<u>Sec.</u>	<u>Township &amp; Range</u>	<u>Status</u>
San Juan Unit 32-9 Well No. 29	M	36	32N 10W	+ 587,803
San Juan Unit 32-9 Well No. 37	H	32	32N 9W	+ 23,603
San Juan Unit 32-9 Well No. 40	N	30	32N 9W	+ <u>156,783</u>
Total				768,189

The other three test wells were not overproduced because they did not produce their allowable.

Pursuant to subparagraph (2) of the said order, we desire to offset the overproduction accrued to the three wells listed above by underproduction accrued to the following listed wells in the amounts indicated to offset this overproduction.

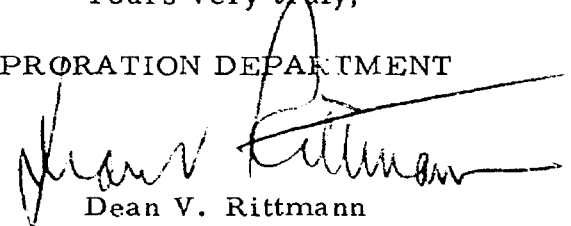
New Mexico Oil Conservation Commission  
July 21, 1976  
Page Two

<u>Well Name</u>	<u>Unit</u>	<u>Sec.</u>	<u>Township &amp; Range</u>	<u>Allowable To Be Transferred</u>	<u>To Well No.</u>
San Juan Unit 32-9 Well No. 47	M	4	31N 9W	73,971	29
San Juan Unit 32-9 Well No. 12	M	10	31N 9W	127,795	29
San Juan Unit 32-9 Well No. 24	A	5	31N 9W	91,277	29
San Juan Unit 32-9 Well No. 35	G	10	31N 9W	115,812	29
San Juan Unit 32-9 Well No. 49	B	23	32N 10W	178,948	29
San Juan Unit 32-9 Well No. 49	B	23	32N 10W	23,603	37
San Juan Unit 32-9 Well No. 49	B	23	32N 10W	46,969	40
San Juan Unit 32-9 Well No. 41	A	31	32N 9W	22,203	40
San Juan Unit 32-9 Well No. 39	B	26	32N 10W	<u>87,611</u>	40
Total				768,189	

Please advise if we may be of any further assistance.

Yours very truly,

PRORATION DEPARTMENT

  
Dean V. Rittmann  
Manager, Operations & Administration

DVR:vb



# OIL CONSERVATION COMMISSION

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

I. R. TRUJILLO  
CHAIRMAN  
LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

January 22, 1975

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

Re: CASE NO. 5390  
ORDER NO. R-4580-A  
Applicant:  
El Paso Natural GasCo.

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. Neal Beck, El Paso Natural Gas Co., El Paso



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. 5390  
Order No. R-4580-A

APPLICATION OF EL PASO NATURAL  
GAS COMPANY FOR EXTENSION OF  
ORDER NO. R-4342.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 8, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of January, 1975, 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, pursuant to Order No. R-4342 and R-4580, has produced certain wells in the Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity since February 1, 1972, in order to conduct a series of tests to determine efficient operating pipeline pressure.

(3) That applicant will need an 18-month extension of time to complete these tests.

(4) That Order No. R-4342 should be continued in effect until June 30, 1976.

(5) That granting applicant's request for an extension of Order No. R-4342 will afford the applicant an opportunity to gather additional 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.

-2-  
CASE NO. 5390  
Order No. R-4580-A

IT IS THEREFORE ORDERED:

(1) That Order No. R-4342 is hereby extended in full force and effect until June 30, 1976.

(2) 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 herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

  
*Phil R. Lucero*  
PHIL R. LUCERO, Member

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

S E A L

jr/

(Case 5389 continued from Page 3)

Range 37 East, Tubb Gas Pool, Lea County, New Mexico, to be dedicated to a well to be dually completed at a standard location in Unit F of said Section 3.

- CASE 5390: Application of El Paso Natural Gas Company for extension of Order No. R-4342, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the provisions of Order No. R-4342, which order authorized the applicant to produce certain non-marginal wells in the San Juan 32-9 Unit Area, Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity while conducting tests, making up such overproduction by underproducing other non-marginal wells within the participating area.
- CASE 5391: Application of David Fasken for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Eoyd-Cisco and Boyd Morrow production in the wellbore of its Arco 9 Morrison Well No. 1, located in Unit B of Section 9, Township 19 South, Range 25 East, Eddy County, New Mexico.
- CASE 5392: Application of David Fasken for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a gas well to be drilled in the NE/4 of Section 2, Township 18 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, at a point 1980 feet from the North line and 660 feet from the East line of said Section 2, the N/2 of the Section to be dedicated to the well.
- CASE 5393: Application of Getty Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Tubb-Drinkard, and Montoya production in the wellbore of its Coates "C" Well No. 14, located in Unit G of Section 24, Township 25 South, Range 37 East, Justis Field, Lea County, New Mexico.
- CASE 5394: Application of Dugan Production Corporation for amendment of special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 2 of the Special Rules and Regulations for the Slick Rock-Dakota Oil Pool, San Juan County, New Mexico, to allow the drilling of wells to within 25 feet of quarter-quarter section lines when the offset acreage is owned by the party drilling the well.
- CASE 5395: Application of Sun Oil Company for two dual completions and two tubing exceptions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Lynch Wells Nos. 1 and 3, located in Units K and M, respectively, of Section 1, Township 22 South, Range 37 East, Lea County, New Mexico, to produce oil from the Drinkard and Wantz-Granite Wash Pools through parallel strings of tubing. Applicant further seeks approval to utilize 1.315 O.D. tubing for the lower 1800 feet of its Drinkard production string in said Well No. 1, and for the lower 1303 feet of its Drinkard production string in said Well No. 3.

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
EL PASO NATURAL GAS COMPANY FOR AN ) No. 5390  
EXTENSION OF ORDER NO. R-4342, SAN )  
JUAN COUNTY, NEW MEXICO. )

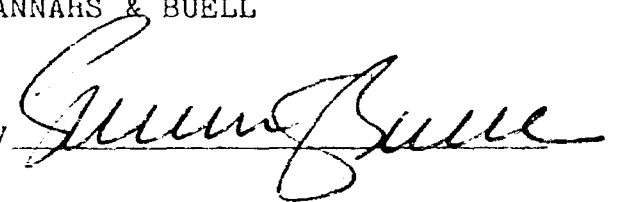
ENTRY OF APPEARANCE

Comes now Montgomery, Federici, Andrews, HANNAHS & BUELL  
and enters its appearance on behalf of the applicant in the above  
styled matter.

Respectfully submitted,

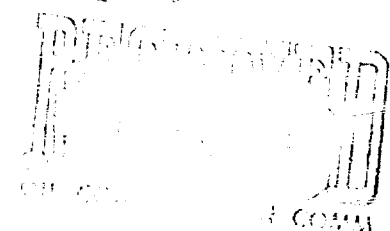
MONTGOMERY, FEDERICI, ANDREWS,  
HANNAHS & BUELL

By

A handwritten signature in cursive script, appearing to read "Glenn Buell", written over a horizontal line.

*El Paso Natural Gas Company**El Paso, Texas 79901*

December 4, 1974



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

Gentlemen:

El Paso Natural Gas Company respectfully requests a hearing be set before the New Mexico Oil Conservation Commission or its designated examiner for January 8, 1974.

El Paso has been conducting a series of tests to determine the performance characteristics of seven wells in the San Juan 32-9 Operating Unit of the Blanco Mesaverde Gas Pool, San Juan County, New Mexico, when such wells are produced at various pressures below the normal Blanco Mesaverde gathering pressure. El Paso now desires to continue such tests under the same terms and conditions set forth in Order R-4342 and as extended by Order R-4580 for the additional eighteen month period beginning January 1, 1975 and ending July 1, 1976.

Very truly yours,

*E. R. Manning*

E. R. Manning  
Chief Proration Engineer

ERM:eh

DOCKET MAILED

Date 12-26-74

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:

APPLICATION OF EL PASO NATURAL  
GAS COMPANY FOR EXTENSION OF  
ORDER NO. R-4342.

ORDER OF THE COMMISSION

5390  
CASE NO. ~~5011~~  
Order No. R-4580 - A

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on ~~June 17, 1973~~ <sup>January 8, 1975</sup>,  
at Santa Fe, New Mexico, before Examiner ~~Elvis A. Utz~~ <sup>IPAS</sup>.

NOW, on this ~~28th~~ <sup>28th</sup> day of ~~June, 1973~~ <sup>January, 1975</sup>, 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,  
pursuant to Order No. R-4342, has produced certain wells in  
the Blanco-Mesaverde Pool, San Juan County, New Mexico, at  
full capacity since February 1, 1972, in order to conduct a  
series of tests to determine efficient operating pipeline  
pressure.

(3) That applicant will need an 18-month extension of  
time to complete these tests.

(4) That Order No. R-4342 should be continued in effect  
until ~~December 31, 1974~~ <sup>June 30, 1976</sup>.

(5) That granting applicant's request for an extension  
of Order No. R-4342 will afford the applicant an opportunity  
to gather additional 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.

Case No. ~~5011~~

Order No. ~~R-4580~~

IT IS THEREFORE ORDERED:

(1) That Order No. R-4342 is hereby extended in full force and effect until ~~December 31, 1974~~. *June 30, 1976*

(2) 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.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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

S E A L

dr/