Case Mo.

1729

Application, Transcript, 5 mill Exhibits, Etc.

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. 1729 Order No. R-1454

APPLICATION OF EL PASO NATURAL GAS PRODUCTS COMPANY FOR PER-MISSION TO PRODUCE MORE THAN 16 WELLS IN A COMMON TANK BATTERY IN THE HORSESHOE-GALLUP OIL POOL, SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on July 28, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 30 day of July, 1959, the Commission, a quorum being present, having considered the application, the evidence addresd, and the recommendations of the Examiner, Elvis A. Utz, 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, The El Paso Natural Gas Products Company, is the owner and operator of the Horseshoe Ute Lease No. 14-20-604-1951 comprising portions of Sections 27, 28, 33, and 34, Township 31 North, Range 16 West, NMFM, San Juan County, New Mexico
- (3) That the applicant proposes to produce into a common tank battery a maximum of 21 oil wells presently or hereafter completed in the Horseshoe-Gallup Oil Pool on the above-mentioned Horseshoe Ute Lease.
- (4) That approval of the subject application will neither cause waste nor impair correlative rights provided adequate testing equipment and storage facilities are installed.

Case No. 1729 Order No. R-1454

IT IS THEREFORE ORDERED:

That the applicant, El Paso Natural Gas Products Company, be and the same is hereby authorized to produce into a common tank battery a maximum of 21 oil wells presently or hereafter completed in the Horseshoe-Gallup Oil Pool on the applicant's Horseshoe Ute Lease No. 14-20-604-1951 comprising portions of Sections 27, 28, 33, and 34, Township Ol North, Range 16 West, NMPM, San Juan County New Mexico.

PROVIDED HOWEVER, That the applicant shall install adequate facilities to permit the testing of each well at least once each month.

PROVIDED FURTHER, That the applicant shall install sufficient storage tanks to prevent the overflow and wasting of oil produced into said common tank battery.

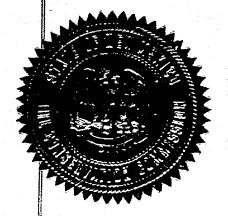
DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr. Member & Secretary



DOMESTIC SERV	IÇE
Check the class of service	
otherwise this message sent as a last telegr	
TELEGRAM	1
DAY LETTER	
NIGHT LETTER	5 J

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

Check the class of service desired; otherwise the message will be sent at the full rate

FULL RATE LETTÊR TELEGRAM SHORE:SHIP

INTERNATIONAL SERVICE

NO. WOS.-CL. OF SVC: | PD: OR COLL. CASH NO. CHARGE TO THE ACCOUNT OF TIME FILED

COllect
4:30 p.m.

Some in the series of back hereof, which are hereby agreed to
El Paso Natural Gas Products Company
Farmington, New Mexico

Order No. R-1454 approving more than sixteen wells into tank battery on your Horseshoe Ute Lease approved effective July 30, 1959.

A. L. Porter, Jr. Oil Conservation Commission

OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

July 31, 1959

Mr. Charlie Spann Box 1031 Albuquerque, New Mexico

Dear Mr. Spann:

On behalf of your client, El Paso Natural Gas Products, we enclose two copies of Order No. R-1454 issued by the Oil Conservation Commission on July 30, 1959 in Case No. 1729.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ir/

Enclosures

OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

HEARING DATE >-28-59 1. Show EPARP le authority to comingle into de common lande father 21 wells in the Househore Sully oil Pool. Lo he located in the 5W NW 12. De father is to he located in the 5W NW 12. De father is to he located in the 5W NW 2. De father is to 186W. CASE NO. 1729 3. The Batteryshallber sufficient corpority to

your the westerned for 24 his.

pattery is enabled for its producing

A. Zich will blat he tested for its producing capacity once each 30 days. 5- Mre 2 1288 as a quide-Thur to Wal Staff Member

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico July 28, 1959

EXAMINER HEARING

IN THE MATTER OF:

Case 1729

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALRUQUERQUE NEW MEXICO
Phone Chapel 3-6691

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico July 28, 1959

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas Products Com-)
pany for permission to produce more than 16
wells in a common tank battery. Applicant, in
the above-styled cause, seeks an order authoriz-)
ing the production of more than 16 wells in the
Horseshoe-Gallup Oil Pool into a common tank
battery. Said wells are located on applicant's
Horseshoe Ute Lease comprising portions of
Sections 27, 28, 33 and 34, Township 31 North,
Range 16 West, San Juan County, New Mexico.

Case 1729

BEFORE:

Mr. Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order, please. Case 1729.

MR. PAYNE: Case 1729. "Application of El Paso Natural Gas Products Company for permission to produce more than 15 wells in a common tank battery."

MR. SPANN: Charles C. Spann of Grantham, Spann & Sanchez, Albuquerque, New Mexico, appearing for the applicant. We have one witness.

(Witness sworn.)

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone Chapel 3 6691

JOHN J. STROJEK

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

DIRECT EXAMINATION

BY MR. SPANN:

- Q Will you state your name for the record, please?
- A John Strojek.
- Q And you are employed by El Paso Natural Gas Products Company?
 - A That's right, sir.
 - Q In what capacity?
- A I am a petroleum engineer for the El Paso Natural Gas Products Company.
 - Q Have you previously testified before this Commission?
 - A No. sir.
- Q Would you state briefly your educational background and your experience as a petroleum engineer?
- A I was graduated from the University of Kansas in 1953 with a Bachelor of Science in Petroleum Engineering, and I have been employed by the Mountain Field Supply Company for two and a half years in Wyoming, and three and a half years here in Farmington, New Mexico for El Paso Natural Gas Products Company.

MR. SPANN: Is the witness qualified?

MR. UTZ: The witness is qualified,

DEARNLEY MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone Chapel 3-6691

- A I am.
- Q Case No. 1729?

A I am.

- Q And that briefly seeks what relief?
- A Permission to produce more than sixteen wells into one tank battery.
 - Q That's in the Horseshoe-Gallup Oil Pool?
 - A That's right, sir.
 - Q You have a plat or a map of the area?
 - A I have.

MR. SPANN: I would like to have that marked as an exhibit, please.

(Thereupon the document above referred to was marked Applicant's Exhibit No. 1, for identification.)

- Q Directing your attention to Applicant's Exhibit 1, will you state what that is?
- A Exhibit 1 is a map of the acreage of El Paso Natural Gas Products Company with the existing wells, existing pipeline and tank battery, and the proposed additional wells and proposed additional flow lines.
- Q And, would you give the description of the area or leasehold interest involved there?

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone Chapel 3-6691

- Q And I believe that's the Ute Indian Lease, is that correct?
- A That's right, sir.
- Q And there is no question of commingling here of separate leashold interests or production from separate leasehold interests, is there?
 - A No, sir.
- Q All the acreage involved and the wells involved are on a lease in which the Ute Indians are the royalty owners, is that correct?
 - A That is right, sir.
- Q Now, does that show the location of the tank battery through which you intend to produce these wells?
- A It does, sir, it is in the Southwest of the Northwest of Section 34, Township 31 North, 16 West.
- Q And how many wells are being produced into those tank batteries at the present time?
 - A Presently fifteen wells are being produced.
- Q And how many additional wells at this time do you propose to produce into those tank batteries?
- A $W_{\rm e}$ have four scheduled, and as of yesterday we have staked two more, so that will make a total of six wells.
 - Q Well, now, are the four that are additional wells,

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE. NEW MEXICO
Phone Chapel 3-6691

A 17, 18 have been drilled and are awaiting completion rigs and are presently drilling No. 18.

- Q Are the locations of those wells shown on Exhibit 1?
- A They are, sir.
- And those, of course, are not connected to the battery as yet. Does it show the proposed pipeline connections from those wells to the tank batteries?
 - A It does.
- Q Now, the two additional wells you have just recently staked, are the locations of those shown on Exhibit 1?
 - A No, they aren't, sir.
- Q Will you mark on the exhibit for the benefit of the Examiner just where those locations are, mark on your map, and then also on his?
- A Well No. 20 will be on the Northwest of the Southeast of Section 34.
- Q Would you mark an "X" at the location of that well? Did you get that, it is Northwest of the Southeast of Section 34. Would you go to the Examiner's exhibit there, please? You do not have it marked?
- A No, they were just staked yesterday and 21 would be Northwest of the Northeast of Section 34.

Q So that you, in addition to the fifteen wells that are

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

already being produced through that tank battery, you contemplate six additional wells or a total of 21 at this time, is that correct?

A Yes.

Q Now, those wells are produced through pipelines into the tank battery, I take it?

A That's connection.

Q And those pipeline connections are shown on that exhibit?

A Yes. sir.

Q Now, from the tank battery, how is the production handled?

A We have a gathering system by the El Paso Natural Gas Products Pipeline Company which gathers it at the battery site.

Q Will you just describe for the Commission how the production is measured from the wells into the tank batteries from each of these wells?

A Presently the production is measured through a portable Rollawell well checker which has a dump type meter and a gas meter to measure the gas.

Q And --

A This is measured at the well site.

Q Measured at the well site. And the production from each well is measured as you have described it?

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHopel 3-6691

Yes, sir.

And would that be carried out in connection with the production from these additional wells?

Yes, sir.

Do you have reason to believe that these other wells Q will be producing wells?

Yes, sir.

Now, what is the capacity of the present tank batteries there on the location as shown on Exhibit 1?

1600 barrels.

Per day, 1600 ba. els total capacity?

Total.

Now, how many day's production from these wells would that hold under the present allowable?

Two days. A

Two days?

Yes.

Now, is that sufficient capacity for you to produce these additional wells and the present wells and measure the production from each well accurately and at reasonable intervals

Now, do you have any figures as to the cost of additional batteries to handle production from these additional wells in the event this application were not granted?

Q Does that appear on, have you compiled those as an exhibit there?

A Yes, sir.

Q Handing you Exhibit 2, Applicant's Exhibit 2, would you state what that is?

A This is an estimate of anadditional three-tank battery for a proposed battery location. If the wells proposed for this original tank battery were not allowed to produce into it, and this will be for 1200 barrels storage, and a battery location, and additionally we would have to construct one-half mile of pipeline connection from the present pipeline to the tank site location.

Q So it will be a total cost of \$15,098.00, according to this exhibit, for the additional batteries to handle production from these additional wells, is that correct?

A Yes, sir.

Q Now, have you made a determination of the cost of pipeline facilities to these additional wells from the present tank batteries?

A Just the pipeline, sir?

Q Well, what, have you made determination so far as the pipe costs are concerned?

A For the Product Pipeline Company, yes, we have a determination here of the cost to lay one-half mile of three inch

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHopel 3-6691

line would be \$3,960.00.

- Q Well, now, that's in your figures for the battery?
- A Yes. Now I made another estimate of the cost of just laying additional flow lines to the existing batteries.
 - Q Yes, that's what I want. Do you have those?
 - A Yes, sir. Yes, sir.
- Q I am handing you Applicant's Exhibit 3. Will you state what that is?

A It is an estimated cost of laying additional flow lines to the existing battery. This would only cover the cost of laying flow lines from the proposed wells, the four additional wells and the two additional locations to the existing battery.

Q So that if this application were granted, your cost of laying additional flow lines to bring this production into existing batteries would be \$5,145.00, and if you were required to construct additional batteries your cost would be \$15,098.00, is that correct, is that what these two exhibits show?

A Yes.

Q The basis of your application is that from an economic standpoint it would result in a savings to you to be permitted to produce these additional wells into the existing batteries?

A Yes, sir.

Q And you state, I believe, that there is no problem

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

about measuring the production from the additional wells, and, it can accurately be determined at reasonable intervals under your proposal?

A Yes, sir.

Q Now, were Exhibits 1, 2 and 3 prepared by you or under your supervision?

A Yes, sir.

MR. SPANN: I would like to offer Exhibits 1, 2 and 3 in evidence.

(The documents heretofore marked Applicant's Exhibits Nos. 1, 2 and 3 were offered in evidence by counsel for the Applicant.)

MR. UTZ: Without objection they will be accepted.

Q Do you know if there are any other producers or operators in the area that are producing more than sixteen wells into a single tank battery?

A To my knowledge, Atlantic Refining Company is producing more than sixteen wells into one battery.

Q And where are they located with reference to your property?

A They are located in Sections 31, 32, 30 and 29 of Township 31 North and 16 West.

Q And is their production, their wells shown on your Exhibit 1?

- A They are, sir.
- Q Are they having any problems accurately measuring the production from their wells at reasonable intervals?
 - A Not to my knowledge, sir.

MR. SPANN: I believe that's all.

CROSS EXAMINATION

BY MR. UTZ:

- Q What was your name again?
- A Strojek, John Strojek.
- Q Mr. Strojek, I believe you said that the capacity of your tank battery was 1700 barrels?
 - A 1600.
 - Q 1600?

A Yes.

- Q And that you were going to have twenty-one wells eventually into this tank battery?
 - A Yes, sir.

THE REPORT OF THE PARTY OF THE

- Q Do you intend to enlarge the capacity of this battery?
- A Should it be necessary we will.
- Q Are all of these wells top allowable?
- A No. The No. 2, Horseshoe-Ute No. 2 is not a top allowable well and the Horseshoe-Ute No. 3 is only a 44 barrel a day well based on acreage, and the Horseshoe-Ute 5 is 51 barrels a day well based on acreage, and the Horseshoe-Ute 11 is 53 barrels a day based on acreage. All the rest are top unit allowable

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone Chapel 3-6691

wells.

That's four marginal wells? Q

As I remember, that 3 and 5 and 11 are not marginal, it is just that they are non-standard proration units, they are less than forty acres.

Of course -- what is it, five, six undrilled wells, you do not know what they will be?

No, sir. A

Your calculation as to two days! tank battery capacity did you assume they would be top allowable?

Our present fifteen wells, we have two days' storage capacity. Now if we go on to twenty-one, which makes six additional wells, that will increase, on our present daily allowable we would have 989 barrels per day production if they were top allowables.

Is it your plan to keep two days storage capacity in this tank battery?

If possible, yes. A

BY MR. PAYNE:

Do you have any trouble getting this oil run?

No, and to facilitate running of the oil more speedily we have a pump at the battery which runs the oil into the pipeline and that way we can run 700, 800 barrels into the pipeline.

You have considerable undrilled acreage in this lease.

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE. NEW MEXICO
Phone CHopel 3-6691

Your proposal here is simply to produce 21 wells into this tank battery, is that right?

- Yes, sir.
- Rather than an unlimited amount?
- What would be an unlimited amount?
- Well, you could probably have if it were completely drilled, you probably could have about 60 wells there. You are only seeking authority for 21?
 - A Presently, yes.

BY MR. UTZ:

- Without increasing the size of your tank battery, it is necessary for you to run oil every day?
 - Yes, sir.
- When you get 21 wells hooked to this tank battery, how often do you propose to test the well for capacity?
 - At least once a month if possible.
 - Once a month. That will be done with a well checker?
 - Yes, sir.

MR. UTZ: Any other questions of the witness? he may be excused.

(Witness excused.)

MR. SPANN: That's all we have.

MR. UTZ: Any statements to be made in this case? If not, the case will be taken under advisement.

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUEROUS NEW MEXICO
Phone CHopel 3-6691

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I, JOSEPH A. TRUJILLO, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 7 day of August, 1959.

Notary Public-Court Reporter

My Commission Expires:

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1227.

New Mexico Oil Conservation Commission

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

EXHIBIT

HORSESHOE UTE LEASE

Horseshoe Canyon Field

San Juan County, New Mexico

COST OF CONSTRUCTING AN ADDITIONAL 3-TANK BATTERY

3 - 400 Bbl. API Type E Cone Bottom Tanks 1 Walkway, Panels & Stairway Grade, Align & Haul Tanks	2 ^t Dia. X 21 ^t 2" High	\$ 6,834.09
Grade Battery Location		360.00
Rittings & Pipe to Equip Battery		1,200.00
Labor to Tie-In Battery		600.00
	Total	\$ 8,994.00
Flow Lines from Wells to Battery 5,750 Ft. @ 28¢/Ft.		\$ 1,610.00
Labor to Lay Lines & Paint Same		534.00
	Total	\$ 2,144.00
Cost to Lay 1/2 Mile of 3" Line for Pipeline Connection 2640 Ft. @ \$1.50/Ft.		\$ 3,960.00
	Total	\$ 3,960.00
	Total Cost	\$ 15,098.00

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

EXHIBIT TO: 2

CASE NO. 1229

EXHIBIT

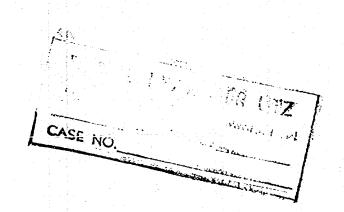
HORSESHOB UTE LEASE

Horseshoe Canyon Field

San Juan County, New Mexico

COST OF LAYING ADDITIONAL FLOW LINES TO EXISTING BATTERY

6,000 Ft. @ 46.75¢/Pt.	\$ 2,805.00
3,000° 2" Light Wall Pipe 3,000 Ft. @ 28¢/Ft.	840.00
Fitting for Line	800.00
Labor to Lay Lines and Paint	700.00
Total Co	st \$ 5,145.00



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO.

CASE NO. 1729

July 28th Cearing

Docket No. 26-59

CASE 1729:

Application of El Paso Natural Gas Products Company for permission to produce more than 16 wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing the production of more than 16 wells in the Horseshoe-Gallup Oil Pool into a common tank battery. Said wells are located on applicant's Horseshoe Ute Lease comprising portions of Sections 27, 28, 33 and 34, Township 31 North, Range 16 West, San Juan County, New Mexico.

CASE 1610:

Application of Wood River Oil & Refining Company, Inc., for an amendment of Order No. R-1352. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1352, to provide that the unorthodox well locations for well Nos. 8 and 9 of the Wills Water Flood Project, Rhodes Pool, Lea County, New Mexico, be 1135 feet from the South line and 1315 feet from the West line of Section 35, and 1135 feet from the South line and 20 feet from the West line of Section 35 respectively, both in Township 26 South, Range 37 East.

DOCKET: EXAMINER HEARING JULY 28, 1959

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director

Continued Case

CASE 1720: (Continued) Application of Skelly Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its W. P. Saunders Well No. 1, located in the SW/4 SE/4 of Section 11, Township 26 North, Range 11 West, San Juan County, New Mexico, in such a manner as to produce oil from the Gallegos-Gallup Oil Pool and to produce oil from an undesignated Dakota pool through parallel strings of tubing.

NEW CASES

CASE 1725:

Application of Amerada Petroleum Corporation for an oil-oil dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State "Q" Well No. 1, located in the NW/4 SE/4 of Section 16, Township 20 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Eunice-Monument Pool and the production of oil from an undesignated Tubb pool, through parallel strings of tubing. Applicant further seeks permission to commingle the production from said pools produced from the said State "Q" Well No. 1.

CASE 1726:

Application of Amerada Petroleum Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Ka Da Pa Well No. 1, located in the SW/4 SW/4 of Section 4, Township 25 North, Range 12 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Bisti-Lower Gallup Oil Pool and the production of oil from an interval designated by the applicant as the Lower Mancos sand through parallel strings of tubing.

CASE 1727:

Application of Skelly Oil Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Jicarilla "B" Well No. 20, located in the NW/4 NW/4 of Section 31, Township 25 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit production of oil from the Otero-Gallup Oil Pool and the production of gas from an undesignated Dakota pool through parallel strings of tubing.

CASE 1728:

Application of Hanson, Waters and Williamson, for an order authorizing a pilot water flood project, for capacity allowable for twelve wells in said project area, and for establishment of an administrative procedure for expansion of said project, conversion of wells to water injection, and for granting capacity allowables. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Coyote-Queen Pool in Chaves County, New Mexico. Applicant proposes to inject water into the Queen formation through six wells located in Sections 15 and 16, Township 11 South, Range 27 East. Applicant also seeks capacity allowables for twelve wells in said project. Applicant further seeks the establishment of a procedure whereby the project area may be expanded, wells may be converted to water injection, and capacity allowables granted without notice and hearing.

A Care 1729

EL PASO NATURAL GAS PRODUCTS COMPAN

July 6, 1959

ly 6, 1959

Mr. A. L. Porter, Jr. Secretary-Director Oil Conservation Commission Santa Fe, New Mexico

Dear Mr. Porter:

As per Order No. R-1172, we request your approval to allow the producing of more than sixteen (16) wells into a tank battery.

The wells and tank battery are located on our Horseshoe Ute Lease No. 14-20-604-1951 in the Horseshoe-Gallup Field. At the present time there are fifteen (15) wells producing into the tank batteries and we have plans to drill four (4) more wells within the next two weeks. Also we will more than likely drill additional wells on the lease in the future.

The tank battery is located as near the center of the lease as possible as the rough terrain will permit. The lease gathering system consists of three-inch main lines through the system from the battery with two-inch laterals from the wells to the main line. The battery is now connected to the El Paso Natural Gas Products Company gathering system.

The wells are connected so that a Rolo Wellchecker can be used to determine each well's producing capacity periodically. The same type of connection will be used on future wells.

If you are unable to administratively approve this request, we request an emergency order as soon as possible so that construction of the gathering system can begin for the new wells.

Very truly yours,

Ewell N. Walsh

Division Petroleum Engineer

ENW:jh

cc: Mr. Emery Arnold

Mr. Phil McGrath

Mr. W. T Hollis

Mr. W. W. Dallas

Mr. James C. Vandiver