

CASE 7065: EL PASO NATURAL GAS COMPANY
FOR TWELVE NON-STANDARD PRORATION UNITS,
RIO ARriba COUNTY, NEW MEXICO

CASE NO.

7065

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 627-2434

November 10, 1980

Mr. David T. Burleson
El Paso Natural Gas Company
P. O. Box 1492
El Paso, Texas 79978

Re: CASE NO. 7065
ORDER NO. R-6512

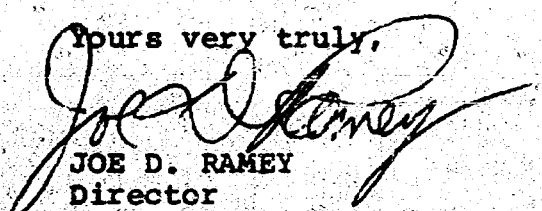
Applicant:

El Paso Natural Gas Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD ✓
Artesia OCD ✓
Aztec OCD ✓

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7063
Order No. R-6512

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR TWELVE NON-STANDARD
PRORATION UNITS, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Metter.

NOW, on this 6th day of November, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, El Paso Natural Gas Company, seeks approval for the establishment of eight non-standard proration units for Pictured Cliffs wells to be drilled in the N/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 20 North, Range 4 West, NMPL, NMPL, Rio Arriba County, New Mexico, as follows:

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPL

- a 178.41-acre unit comprising Lots 3, 4, 5, 8, and 9, and the SE/4 NW/4 and NE/4 SW/4 of Section 6;
- a 163.50-acre unit comprising Lot 10 and the SE/4 SW/4 of Section 6, and Lots 1 and 2 and the NE/4 NW/4 and SE/4 NW/4 of Section 7;

Case No. 7045

Order No. R-6512

- a 164.02-acre unit comprising Lots 3 and 4 and the NE/4 SW/4 and SE/4 SW/4 of Section 7, and Lot 1 and the NE/4 NW/4 of Section 18;
- a 164.31-acre unit comprising Lots 2, 3, and 4 and the SE/4 NW/4, NE/4 SW/4, and SE/4 SW/4 of Section 18;
- a 164.58-acre unit comprising Lots 1, 2, and 3, and the NE/4 NW/4, SE/4 NW/4, and NE/4 SW/4 of Section 19;
- a 164.93-acre unit comprising Lot 4 and the SE/4 SW/4 of Section 19, and Lots 1 and 2, and the NE/4 NW/4 and SE/4 NW/4 of Section 30;
- a 165.23-acre unit comprising Lots 3 and 4, and the NE/4 SW/4 and SE/4 SW/4 of Section 30, and Lot 1 and the NE/4 NW/4 of Section 31; and
- a 150.76-acre unit comprising Lots 2, 3, 4, and 5, and the SE/4 NW/4 and NE/4 SW/4 of Section 31.

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM

- a 172.38-acre unit comprising Lots 1, 2, and 3, and the SE/4 SE/4, SW/4 SE/4, and SE/4 SW/4 of Section 9;
- a 172.27-acre unit comprising Lot 4 and the SW/4 SW/4 of Section 9, and Lots 1 and 2, and the SE/4 SE/4 and SW/4 SE/4 of Section 8;
- a 172.90-acre unit comprising Lots 3 and 4, and the SE/4 SW/4 and SW/4 SW/4 of Section 8, and Lot 1 and the SE/4 SE/4 of Section 7; and
- a 172.21-acre unit comprising Lots 2, 3, 4, and 5, and the SW/4 SE/4 and SE/4 SW/4 of Section 7.

(3) That all of the aforesaid non-standard proration units are necessitated by irregularities in section size and shape resulting from corrections in the public lands survey and said units may reasonably be presumed productive of gas from the Pictured Cliffs formation and that the entire non-standard gas proration units can be efficiently and economically drained and developed by the wells to be drilled at standard locations thereon.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Pictured Cliffs formation, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

Case No. 7022
Order No. R-6912

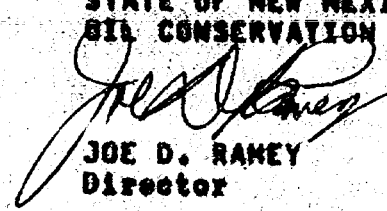
IT IS THEREFORE ORDERED:

(1) That upon application of El Paso Natural Gas Company, eight non-standard proration units for Pictured Cliffs wells to be drilled in the W/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West, NMPN, Rio Arriba County, New Mexico, as described in Finding No. (2) above, are hereby established and dedicated to wells to be drilled at standard locations thereon.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

SEAL

141

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

29 October 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas
Company for twelve non-standard
proration units, Rio Arriba County,
New Mexico.

CASE
2065

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

David T. Burleson, Esq.
El Paso Natural Gas Company
El Paso, Texas

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

2

I N D E X

HAROLD L. KENDRICK

Direct Examination by Mr. Burleson	3
Cross Examination by Mr. Nutter	13

E X H I B I T S

Applicant Exhibit One, Plat	5
Applicant Exhibit Two, Tabulation	6
Applicant Exhibit Three, Plat	8
Applicant Exhibit Four, Tabulation	8

MR. NUTTER: Call Case Number 7065.

MR. PEARCE: Application of El Paso Natural Gas Company for twelve non-standard proration units, Rio Arriba County, New Mexico.

MR. BURLESON: David T. Burleson for applicant, El Paso Natural Gas Company, in association with Montgomery and Andrews.

Mr. Examiner, do you want to swear the witness again?

MR. NUTTER: No, he's still under oath.

HAROLD L. KENDRICK

being called as a witness and being previously sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. BURLESON:

Q Would you again please state your name and where you reside?

A Harold L. Kendrick, El Paso, Texas.

Q By whom are you employed and in what capacity?

A Employed by El Paso Natural Gas Company as a petroleum engineer and classified as a Senior Proration

1
2 Engineer in the Production Control Department, El Paso, Texas.

3 Q In that capacity have you previously
4 testified before the Division or one of its Examiners?

5 A Yes, sir.

6 Q And were your qualifications accepted on
7 those occasions?

8 A Yes, sir.

9 Q Mr. Kendrick, are you familiar with
10 Case Number 7065?

11 A Yes, sir, I am.

12 MR. BURLESON: Mr. Examiner, are the
13 witness' qualifications accepted by the Division?

14 MR. NUTTER: They are.

15 Q Would you please tell us what El Paso
16 seeks in this case?

17 A El Paso is operator of leases in Town-
18 ship 30 North, Range 4 West, Rio Arriba County, New Mexico,
19 and wishes to create spacing units to drill Pictured Cliffs
20 wells along the west tier of sections in the west half of the
21 west tier of sections; being as this is a township correction
22 line, the sections are of irregular size and we do need units
23 provided that would give us something in a semblance of 160-
24 acre spacing units for these Pictured Cliffs wells,
25

26 Also, in Township 28 North, Range 4 West,
27
28

1
2 Section 7, 8, and 9 are boundary sections along a township
3 correction line, and we wish to create Pictured Cliffs drilling
4 units there in a similar manner. Due to the irregular size of
5 those sections.

6 Q Do you have these units which you're
7 proposing to be created in Township 30 North, Range 4 West,
8 shown on an exhibit that you have prepared?

9 A Yes. These units are shown on Exhibit
10 Number One, indicated for identification purposes only as
11 Tract No. 1 at the north end through Tract No. 8 at the south
12 end. Each of the tracts are colored in different colors to
13 show separation one from the other.

14 Q Now you refer to these as tracts One
15 through Eight on Exhibit Number One and, of course, what you're
16 what these really would be, would be your proposed spacing
17 units for the Pictured Cliffs formation.

18 A That is correct.

19 Q Do some of the proposed units incorporate
20 acreage in more than one section?

21 A Yes, sir, they do. What we have indi-
22 cated as Tract No. 2, Tract No. 3, Tract No. 6, and Tract No.
23 7, do cross the normally provided section lines.

24 Tracts 1, 4, 5, and 8 do lie wholly with-
25 in one section for each tract.

Q Other than these tracts that you -- that you've noted, which occur in more than one section, the rest are all within one single section, is that right?

A That is correct.

Q Do I understand you correctly? What are the size variations of these proposed units which you're -- which you've recommended within Township 30 North, Range 4 West?

A For the eight units we have in Township 30 North, 4 West, the smallest unit we have recommended is 150.76 acres, which is Tract No. 8, and the largest unit is 178.41 acres, which is Tract No. 1.

Q Have you prepared an exhibit which describes the acreage which would be within each of these proposed spacing units?

A Yes. Exhibit Number Two is a tabulation of the descriptions of each of the lots or quarter quarter sections that are included in each of these units.

There is a correction to be noted on Exhibit Number One in Tract No. 1. The lots are numbered 1 through 4 across the top of -- 1 through 3 across the top of Section 6. Then Lot No. 4 is on the west side of the section. The lot immediately east of that is Lot No. 5, and that 5 is not shown on there. It is a 40-acre tract.

MR. NUTTER: And that's called Lot 5?

A That is Lot No. 5 and the lot east of that is No. 6, and the lot east of that is No. 7.

MR. NUTTER: And then you come back to the west and you start with 8 again?

A Yes, sir, 8, 9, and 10 go down the west side, then, of Section 6 against the township line.

MR. NUTTER: What is Lot 3? Is Lot 3 14.2 acres and lies entirely north of Lot 4 and Lot 5?

A Yes, sir.

MR. NUTTER: It's a long, skinny lot?

A 14.28 acres, yes, sir.

Q Let me direct your attention to Township 28 North and Range 4 West. What do you propose with respect to that township and range in the way of Pictured Cliffs spacing units?

A In Township 28 North, Range 4 West, there are no Sections 1 through 6, so the northern tier of sections are 7, 8, 9, 10, 11, and 12. El Paso is operator of the acreage in 7, 8, and 9; wishes to establish four spacing units in those three sections.

Q And that's, again, spacing units for the Pictured Cliffs formation?

A For Pictured Cliffs wells only.

Q Do you have a plat showing these proposed units?

A Exhibit Number Three is a plat indicating these three units, labeled as Tract 1, Tract, 2, Tract 3, and Tract 4, each colored different colors to separate them.

Q Is there anything else you'd like to point out with respect to that exhibit?

A The difference between Township 28, 4, the sections involved in this, and those in 30, 4, are that the entire section is under consideration in Township 28, 4, but in Township 30 North, 4 West, only the west half of the sections are to be considered in it.

Q Okay, and I guess again we have some of the units that are partly within two sections, is that correct?

A That is correct, Tract No. 2 and Tract No. 3 do cross section lines. Tract No. 1 and Tract No. 4 do not cross section lines.

Q Okay. And again with respect to the units proposed in Township 28 North, 4 West, you have prepared an exhibit which indicates the -- or which describes the acreage to be included within each of those units, is that correct?

A Yes, sir, that is shown as Exhibit Number Four. On Exhibit Four each of the lots are listed and

1
2 the quarter quarter sections that would be included with each
3 tract, showing the largest proposed tract to be Tract No. 3,
4 with 172.90 acres; the smallest tract being Tract No. 4 at
5 172.21 acres.

6
7 Q Is all of the acreage proposed to be
8 incorporated in these proposed units in 28 and 4, and the
9 eight units in 30 North and 4 West, all Federal leases in
10 their entirety?

11 A Yes, they are.

12 Q Has the formation of these proposed
13 units been discussed with the USGS?

14 A Yes, it -- they have been.

15 Q What did they tell you on those occasions?

16 A The USGS indicated that they would not
17 have any problem with the formation of units in this manner.

18 Q With respect to all the twelve units
19 which you have recommended here, in your opinion does the
20 Pictured Cliffs formation underlie all of such units?
21

22 A Yes, it does.

23 Q And you would expect them to be pro-
24 ductive of what character of hydrocarbons?
25

26 A I would expect them to produce gas from
27 the Pictured Cliffs formation.

28 Q In your opinion would one well drilled

to and completed in each unit for the Pictured Cliffs formation efficiently, effectively, and economically drain the recoverable hydrocarbons from under each such unit?

A. In my opinion it would.

Q. Would you expect that a well drilled to a unit recommended be productive only of gas; that is, dry gas with maybe some insignificant quantity of liquids?

A. Yes.

Q. What is your recommendation as to the permitted well location on each spacing unit you have heretofore recommended?

A. We have no special footing locations to present at this time. These could come under the normal northwest New Mexico development rules of 790 from the outside boundary line and 130 feet from an inner subdivision line.

Q. Okay, do you know if any unit, or units, which you're recommending to be formed here presently has a Pictured Cliffs well existing on it?

A. Yes, there is one unit that does have a Pictured Cliffs well on it at this time. That is in Township 28, 4, in Section 9. A well has been drilled and completed in what would be acreage shown as our Tract No. 1.

Q. Is the location of that well consistent with the general rules that you mentioned a moment ago, the

rule relating to well location?

A Yes, this well is located 860 feet from the south line, 1590 feet from the east line of Section 2.

Q Is it your opinion --

MR. NUTTER: Well, wait a minute. That it would put it down -- that would put it in Tract 2, then, wouldn't it?

A No, sir, 9, see, is 5,280 feet across.

MR. NUTTER: You said 860 from the

south line, though.

A Yes, sir.

MR. NUTTER: Well, that first lot there would be 1320 feet long north and south.

A Yes, but it will be in the tract marked as section -- a tract point -- Dan, your exhibit is turned 90 degrees.

MR. NUTTER: Oh.

A Excuse me. If I may put that off the record.

MR. NUTTER: This one runs north and south and this one runs east and west. Okay.

A Yes, sir.

MR. NUTTER: Okay.

A Then Tract 1, that would be --

MR. NUTTER: It's 860 from the south.

A 1690 from the east line.

MR. NUTTER: Okay, that puts it just a little bit west of the No. 9 there on that -- on that pink color, then, doesn't it?

A No, sir, it would be east of the 9. 1590 feet from the east line.

MR. NUTTER: Oh, east line, I'm sorry.

Okay.

A It would be practically the center of what we have indicated as Tract 1.

MR. NUTTER: Okay.

Q Is it your opinion that granting of this application would be in the interest of prevention of waste and protection of correlative rights?

A Yes, sir.

Q Do you have anything further to present in this case?

A No, sir.

Q Were Exhibits One through Four prepared by you or under your supervision?

A Yes, sir.

MR. BURLESON: At this time El Paso moves receipt of the exhibits into evidence.

MR. NUTTER: What are there, four?

MR. BURLESON: Yes, sir, Exhibits Number One through Four.

MR. NUTTER: Exhibits One through Four will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Kendrick, is this in a defined gas pool or near to a defined gas pool in the Pictured Cliffs formation?

A Mr. Examiner, considering the Township 30 and 4, and the Township 28, 4, it is near three defined gas pools.

In Township 30 and 4, there is an East Blanco Pictured Cliffs Pool, which does incorporate Sections 18 and 19 and 30, which -- of which part of the acreage where we are asking for these spacing units do exist.

Q That's the East Blanco?

A Yes, sir.

Q Okay,

A Then Township 28 North, 4 West, the Choza Mesa Pictured Cliffs Pool includes the east half of Section 9, is all of the acreage that is included in what we

have as proposals for these spacing units.

Just north of Section 8 of 28, 4, the
Gobernador Pictured Cliffs Pool begins and goes to the north
and west.

Q Okay, thank you.

MR. NUTTER: Are there any other ques-
tions of Mr. Kendrick? He may be excused.

Do you have anything further, Mr. Burle-
son?

MR. BURLESON: No, sir.

MR. NUTTER: Does anyone have anything
they wish to offer in Case Number 7065?

We'll take the case under advisement.

(Hearing concluded.)

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd C.S.R.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7499

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 7065, heard by me on 10/29 19 80.

[Signature], Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO
29 October 1980

EXAMINER HEARING

IN THE MATTER OF:

Application of El Paso Natural Gas) CASE
Company for twelve non-standard) 7065
proration units, Rio Arriba County,)
New Mexico.)

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce, Esq.
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

David T. Burleson, Esq.
El Paso Natural Gas Company
El Paso, Texas

1			2
2			
3		I N D E X	
4			
5	HAROLD L. KENDRICK		
6	Direct Examination by Mr. Burleson		3
7	Cross Examination by Mr. Nutter		13

EXHIBITS

17	Applicant Exhibit One, Plat	5
18	Applicant Exhibit Two, Tabulation	6
19	Applicant Exhibit Three, Plat	8
20	Applicant Exhibit Four, Tabulation	8

MR. NUTTER: Call Case Number 7065.

MR. PEARCE: Application of El Paso
Natural Gas Company for twelve non-standard proration units,
Rio Arriba County, New Mexico.

MR. BURLESON: David T. Burleson for
applicant, El Paso Natural Gas Company, in association with
Montgomery and Andrews.

MR. EXAMINER, do you want to swear the
witness again?

MR. NUTTER: No, he's still under oath.

HAROLD L. KENDRICK

being called as a witness and being previously sworn upon his
oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. BURLESON:

Q Would you again please state your name
and where you reside?

A Harold L. Kendrick, El Paso, Texas.

Q By whom are you employed and in what
capacity?

A Employed by El Paso Natural Gas Company
as a petroleum engineer and classified as a Senior Proration

1
2 Engineer in the Production Control Department, El Paso, Texas.

3 Q In that capacity have you previously
4 testified before the Division or one of its examiners?
5

6 A Yes, sir.

7 Q And were your qualifications accepted on
8 those occasions?

9 A Yes, sir.

10 Q Mr. Kendrick, are you familiar with
11 Case Number 7065?
12

13 A Yes, sir, I am.

14 MR. BURLESON: Mr. Examiner, are the
15 witness' qualifications accepted by the Division?

16 MR. NUTTER: They are.

17 Q Would you please tell us what El Paso
18 seeks in this case?

19 A El Paso is operator of leases in Town-
20 ship 30 North, Range 4 West, Rio Arriba County, New Mexico,
21 and wishes to create spacing units to drill Pictured Cliffs
22 wells along the west tier of sections in the west half of the
23 west tier of sections; being as this is a township correction
24 line, the sections are of irregular size and we do need units
25 provided that would give us something in a semblance of 160-
26 acre spacing units for these Pictured Cliffs wells.
27

28 Also, in Township 28 North, Range 4 West

1
2 Section 7, 8, and 9 are boundary sections along a township
3 correction line, and we wish to create Pictured Cliffs drilling
4 units there in a similar manner, due to the irregular size of
5 those sections.

6
7 Q Do you have these units which you're
8 proposing to be created in Township 30 North, Range 4 West,
9 shown on an exhibit that you have prepared?

10 A Yes. These units are shown on Exhibit
11 Number One, indicated for identification purposes only as
12 Tract No. 1 at the north end through Tract No. 8 at the south
13 end. Each of the tracts are colored in different colors to
14 show separation one from the other.

15 Q Now you refer to these as tracts One
16 through Eight on Exhibit Number One and, of course, what you're --
17 what these really would be, would be your proposed spacing
18 units for the Pictured Cliffs formation.

19
20 A That is correct.

21 Q Do some of the proposed units incorporate
22 acreage in more than one section?

23 A Yes, sir, they do. What we have indi-
24 cated as Tract No. 2, Tract No. 3, Tract No. 6, and Tract No.
25 7, do cross the normally provided section lines.

26
27 Tracts 1, 4, 5, and 8 do lie wholly with-
28 in one section for each tract.

Q Other than these tracts that you -- that you've noted, which occur in more than one section, the rest are all within one single section, is that right?

A That is correct.

Q Do I understand you correctly? What are the size variations of these proposed units which you're -- which you've recommended within Township 30 North, Range 4 West?

A For the eight units we have in Township 30 North, 4 West, the smallest unit we have recommended is 150.76 acres, which is Tract No. 8, and the largest unit is 178.41 acres, which is Tract No. 1.

Q Have you prepared an exhibit which describes the acreage which would be within each of these proposed spacing units?

A Yes. Exhibit Number Two is a tabulation of the descriptions of each of the lots or quarter quarter sections that are included in each of these units.

There is a correction to be noted on Exhibit Number One in Tract No. 1. The lots are numbered 1 through 4 across the top of -- 1 through 3 across the top of Section 6. Then Lot No. 4 is on the west side of the section. The lot immediately east of that is Lot No. 5, and that 5 is not shown on there. It is a 40-acre tract.

MR. NUTTER: And that's called Lot 5?

A That is Lot No. 5 and the lot east of that is No. 6, and the lot east of that is No. 7.

MR. NUTTER: And then you come back to the west and you start with 8 again?

A Yes, sir, 8, 9, and 10 go down the west side, then, of Section 6 against the township line.

MR. NUTTER: What is Lot 3? Is Lot 3 14.2 acres and lies entirely north of Lot 4 and Lot 5?

A Yes, sir.

MR. NUTTER: It's a long, skinny lot?

A 14.26 acres, yes, sir.

Q Let me direct your attention to Township 28 North and Range 4 West. What do you propose with respect to that township and range in the way of Pictured Cliffs spacing units?

A In Township 28 North, Range 4 West, there are no Sections 1 through 6, so the northern tier of sections are 7, 8, 9, 10, 11, and 12. El Paso is operator of the acreage in 7, 8, and 9; wishes to establish four spacing units in those three sections.

Q And that's, again, spacing units for the Pictured Cliffs formation?

A For Pictured Cliffs wells only.

Q Do you have a plat showing these proposed units?

A Exhibit Number Three is a plat indicating these three units, labeled as Tract 1, Tract, 2, Tract 3, and Tract 4, each colored different colors to separate them.

Q Is there anything else you'd like to point out with respect to that exhibit?

A The difference between Township 28, 4, and the sections involved in this, and those in 30, 4, are that the entire section is under consideration in Township 28, 4, but in Township 30 North, 4 West, only the west half of the sections are to be considered in it.

Q Okay, and I guess again we have some of the units that are partly within two sections, is that correct?

A That is correct, Tract No. 2 and Tract No. 3 do cross section lines. Tract No. 1 and Tract No. 4 do not cross section lines.

Q Okay. And again with respect to the units proposed in Township 28 North, 4 West, you have prepared an exhibit which indicates the -- or which describes the acreage to be included within each of those units, is that correct?

A Yes, sir, that is shown as Exhibit Number Four. On Exhibit Four each of the lots are listed and

the quarter quarter sections that would be included with each tract, showing the largest proposed tract to be Tract No. 3, with 172.90 acres; the smallest tract being Tract No. 4 at 172.21 acres.

Q Is all of the acreage proposed to be incorporated in these proposed units in 28 and 4, and the eight units in 30 North and 4 West, all Federal leases in their entirety?

A Yes, they are.

Q Has the formation of these proposed units been discussed with the USGS?

A Yes, it -- they have been.

Q What did they tell you on those occasions?

A The USGS indicated that they would not have any problem with the formation of units in this manner.

Q With respect to all the twelve units which you have recommended here, in your opinion does the Pictured Cliffs formation underlie all of such units?

A Yes, it does.

Q And you would expect them to be productive of what character of hydrocarbons?

A I would expect them to produce gas from the Pictured Cliffs formation.

Q In your opinion would one well drilled

to and completed in each unit for the Pictured Cliffs formation efficiently, effectively, and economically drain the recoverable hydrocarbons from under each such unit?

A. In my opinion it would.

Q Would you expect that a well drilled to a unit recommended be productive only of gas; that is, dry gas with maybe some insignificant quantity of liquids?

A. Yes.

Q What is your recommendation as to the permitted well location on each spacing unit you have heretofore recommended?

A We have no special footing locations to present at this time. These could come under the normal northwest New Mexico development rules of 790 from the outside boundary line and 130 feet from an inner subdivision line.

Q Okay, do you know if any unit, or unit which you're recommending to be formed here presently has a Pictured Cliffs well existing on it?

A Yes, there is one unit that does have a Pictured Cliffs well on it at this time. That is in Township 28, 4, in Section 9. A well has been drilled and completed in what would be acreage shown as our Tract No. 1.

Q Is the location of that well consistent with the general rules that you mentioned a moment ago, the

1
2 rule relating to well location?

3 A Yes, this well is located 860 feet from
4 the south line, 1500 feet from the east line of Section 9.

5 Q Is it your opinion --

6 MR. NUTTER: Well, wait a minute. That
7 it would put it down -- that would put it in Tract 2, then,
8 wouldn't it?
9

10 A No, sir, 9, see, is 5,280 feet across.

11 MR. NUTTER: You said 860 from the
12 south line, though.

13 A Yes, sir.

14 MR. NUTTER: Well, that first lot there
15 would be 1320 feet long north and south.
16

17 A Yes, but it will be in the tract marked
18 as section -- a tract point -- Dan, your exhibit is turned
19 90 degrees.

20 MR. NUTTER: Oh.

21 A Excuse me. If I may put that off the
22 record.
23

24 MR. NUTTER: This one runs north and
25 south and this one runs east and west. Okay.

26 A Yes, sir.

27 MR. NUTTER: Okay.

28 A Then Tract 1, that would be --

MR. NUTTER: It's 860 from the south.

A 1690 from the east line.

MR. NUTTER: Okay, that puts it just a little bit west of the No. 9 there on that -- on that pink color, then, doesn't it?

A No, sir, it would be east of the 9. 1590 feet from the east line.

MR. NUTTER: Oh, east line, I'm sorry.

Okay.

A It would be practically the center of what we have indicated as Tract 1.

MR. NUTTER: Okay.

Q Is it your opinion that granting of this application would be in the interest of prevention of waste and protection of correlative rights?

A Yes, sir.

Q Do you have anything further to present in this case?

A No, sir.

Q Were Exhibits One through Four prepared by you or under your supervision?

A Yes, sir.

MR. BURLESON: At this time El Paso moves receipt of the exhibits into evidence.

MR. NUTTER: What are there, four?

MR. BURGESON: Yes, sir, Exhibits Number One through Four.

MR. NUTTER: Exhibits One through Four will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Kendrick, is this in a defined gas pool or near to a defined gas pool in the Pictured Cliffs formation?

A Mr. Examiner, considering the Township 30 and 4, and the Township 28, 4, it is near three defined gas pools.

In Township 30 and 4, there is an East Blanco Pictured Cliffs Pool, which does incorporate Sections 18 and 19 and 30, which -- of which part of the acreage where we are asking for these spacing units do exist.

Q That's the East Blanco?

A Yes, sir.

Q Okay.

A Then Township 28 North, 4 West, the Chosa Mesa Pictured Cliffs Pool includes the east half of Section 9, is all of the acreage that is included in what we

1
2 have as proposals for these spacing units.

3 Just north of Section 8 of 28, 4, the
4 Gobernador Pictured Cliffs Pool begins and goes to the north
5 and west.
6

7 Q Okay, thank you.

8 MR. NUTTER: Are there any other ques-
9 tions of Mr. Kendrick? He may be excused.

10 Do you have anything further, Mr. Burle-
11 son?

12 MR. BURLESON: No, sir.

13 MR. NUTTER: Does anyone have anything
14 they wish to offer in Case Number 7065?

15 We'll take the case under advisement.
16

17
18 (Hearing concluded.)
19
20
21
22
23
24
25
26
27
28

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing Before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

SALLY W. BOYD, C.S.R.
Rt. 1 Box 195-B
Santa Fe, New Mexico 87501
Phone (303) 435-7409

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 7065,
heard by me on 10/29 1980.

Oil Conservation Division, Examiner

Township 30 North Range 4 West
Rio Arriba County, N.M.

Tract No. 1

Lot No. 3	Section 6	14.28 Acres
Lot No. 4	Section 6	14.82 Acres
Lot No. 5	Section 6	40.00 Acres
Lot No. 8	Section 6	14.71 Acres
Lot No. 9	Section 6	14.60 Acres
SE/4 NW/4	Section 6	40.00 Acres
NE/4 SW/4	Section 6	40.00 Acres

Total 178.41 Acres

Tract No. 2

Lot No. 10	Section 6	14.49 Acres
SE/4 SW/4	Section 6	40.00 Acres
Lot No. 1	Section 7	14.47 Acres
Lot No. 2	Section 7	14.54 Acres
NE/4 NW/4	Section 7	40.00 Acres
SE/4 NW/4	Section 7	40.00 Acres

Total 163.50 Acres

Tract No. 3

Lot No. 3	Section 7	14.61 Acres
Lot No. 4	Section 7	14.68 Acres
NE/4 SW/4	Section 7	40.00 Acres
SE/4 SW/4	Section 7	40.00 Acres
Lot No. 1	Section 18	14.73 Acres
NE/4 NW/4	Section 18	40.00 Acres

Total 164.02 Acres

Tract No. 4

Lot No. 2	Section 18	14.75 Acres
Lot No. 3	Section 18	14.77 Acres
Lot No. 4	Section 18	14.79 Acres
SE/4 NW/4	Section 18	40.00 Acres
NE/4 SW/4	Section 18	40.00 Acres
SE/4 SW/4	Section 18	40.00 Acres

Total 164.31 Acres

Tract No. 5

Lot No. 1	Section 19	14.82 Acres
Lot No. 2	Section 19	14.86 Acres
Lot No. 3	Section 19	14.90 Acres
NE/4 NW/4	Section 19	40.00 Acres
SE/4 NW/4	Section 19	40.00 Acres
NE/4 SW/4	Section 19	40.00 Acres

Total 164.58 Acres

Tract No. 6

Lot No. 4	Section 19	14.94 Acres
SE/4 SW/4	Section 19	40.00 Acres
Lot No. 1	Section 30	14.98 Acres
Lot No. 2	Section 30	15.01 Acres
NE/4 NW/4	Section 30	40.00 Acres
SE/4 NW/4	Section 30	40.00 Acres

Total 164.93 Acres

Tract No. 7

Lot No. 3	Section 30	15.05 Acres
Lot No. 4	Section 30	15.08 Acres
NE/4 SW/4	Section 30	40.00 Acres
SE/4 SW/4	Section 30	40.00 Acres
Lot No. 1	Section 31	15.12 Acres
NE/4 NW/4	Section 31	40.00 Acres

Total 165.25 Acres

Tract No. 8

Lot No. 2	Section 31	15.16 Acres
Lot No. 3	Section 31	15.20 Acres
Lot No. 4	Section 31	11.00 Acres
Lot No. 5	Section 31	29.40 Acres
SE/4 NW/4	Section 31	40.00 Acres
NE/4 SW/4	Section 31	40.00 Acres

Total 150.76 Acres

RECORD EXAMINED NOTED

OIL CONSERVATION DIVISION

EPNG EXHIBIT NO. 2

CASE NO. 7065

Township 28North. Range 4West
Rio Arriba County, N.M.

Tract No. 1

Lot No. 1	Section 9	17.50 Acres
Lot No. 2	Section 9	17.46 Acres
Lot No. 3	Section 9	17.42 Acres
SE/4 SE/4	Section 9	40.00 Acres
SW/4 SE/4	Section 9	40.00 Acres
SE/4 SW/4	Section 9	40.00 Acres
Total		172.38 Acres

Tract No. 2

Lot No. 4	Section 9	17.38 Acres
SW/4 SW/4	Section 9	40.00 Acres
Lot No. 1	Section 8	17.40 Acres
Lot No. 2	Section 8	17.49 Acres
SE/4 SE/4	Section 8	40.00 Acres
SW/4 SE/4	Section 8	40.00 Acres
Total		172.27 Acres

Tract No. 3

Lot No. 3	Section 8	17.57 Acres
Lot No. 4	Section 8	17.66 Acres
SE/4 SW/4	Section 8	40.00 Acres
SW/4 SW/4	Section 8	40.00 Acres
Lot No. 1	Section 7	17.67 Acres
SE/4 SE/4	Section 7	40.00 Acres
Total		172.90 Acres

Tract No. 4

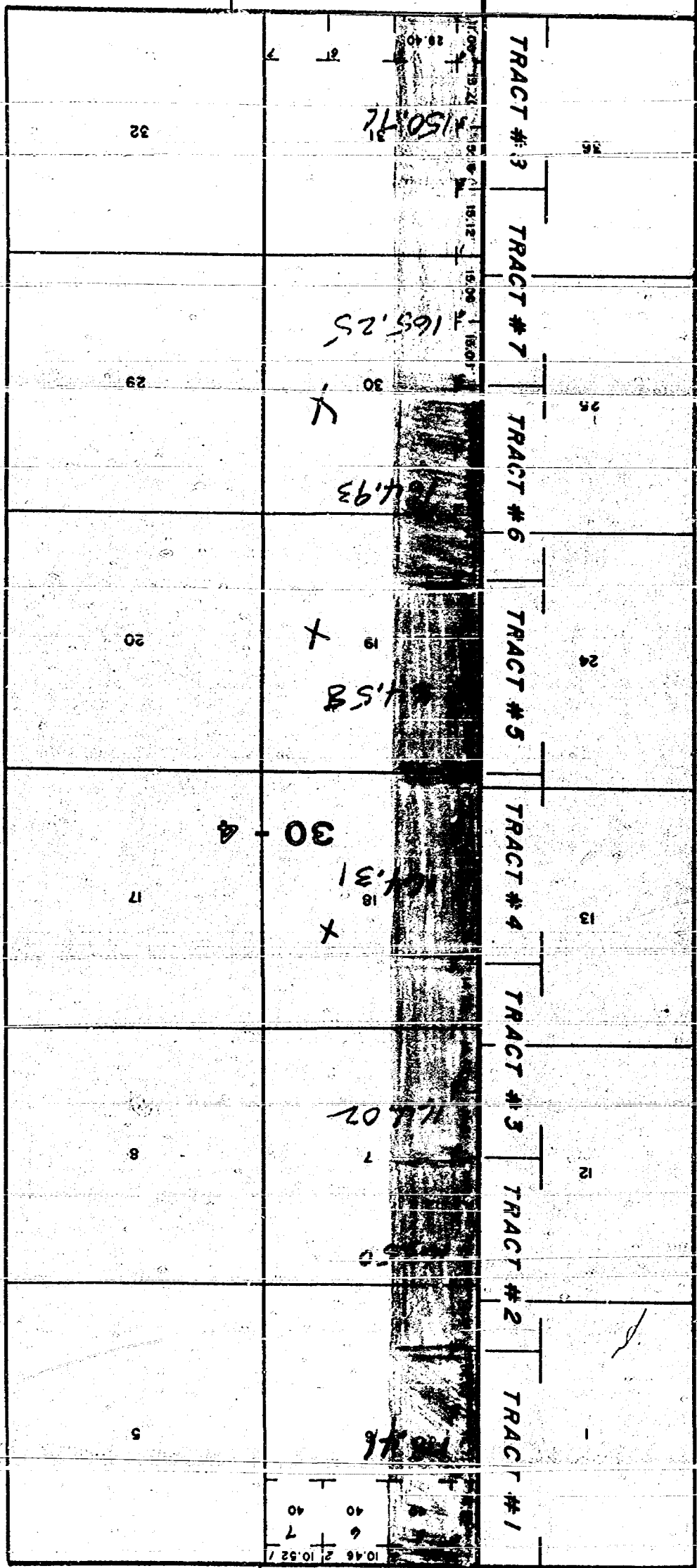
Lot No. 2	Section 7	17.61 Acres
Lot No. 3	Section 7	17.55 Acres
Lot No. 4	Section 7	17.36 Acres
Lot No. 5	Section 7	39.69 Acres
SW/4 SE/4	Section 7	40.00 Acres
SE/4 SW/4	Section 7	40.00 Acres
Total		172.21 Acres

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION

EPNS EXHIBIT NO. 4

CASE NO. 2065

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
EXHIBIT NO. _____
CASE NO. 7065



X-2/10/65
PC
Dad

Township 30North Range 4West
Rio Arriba County, N.M.

Tract No. 1

Lot No. 3	Section 6	14.28 Acres
Lot No. 4	Section 6	14.82 Acres
Lot No. 5	Section 6	40.00 Acres
Lot No. 8	Section 6	14.71 Acres
Lot No. 9	Section 6	14.60 Acres
SE/4 NW/4	Section 6	40.00 Acres
NE/4 SW/4	Section 6	40.00 Acres

Total 178.41 Acres

Tract No. 2

Lot No. 10	Section 6	14.49 Acres
SE/4 SW/4	Section 6	40.00 Acres
Lot No. 1	Section 7	14.47 Acres
Lot No. 2	Section 7	14.54 Acres
NE/4 NW/4	Section 7	40.00 Acres
SE/4 NW/4	Section 7	40.00 Acres

Total 163.50 Acres

Tract No. 3

Lot No. 3	Section 7	14.61 Acres
Lot No. 4	Section 7	14.68 Acres
NE/4 SW/4	Section 7	40.00 Acres
SE/4 SW/4	Section 7	40.00 Acres
Lot No. 1	Section 18	14.73 Acres
NE/4 NW/4	Section 18	40.00 Acres

Total 164.02 Acres

Tract No. 4

Lot No. 2	Section 18	14.75 Acres
Lot No. 3	Section 18	14.77 Acres
Lot No. 4	Section 18	14.79 Acres
SE/4 NW/4	Section 18	40.00 Acres
NE/4 SW/4	Section 18	40.00 Acres
SE/4 SW/4	Section 18	40.00 Acres

Total 164.31 Acres

Tract No. 5

Lot No. 1	Section 19	14.82 Acres
Lot No. 2	Section 19	14.86 Acres
Lot No. 3	Section 19	14.90 Acres
NE/4 NW/4	Section 19	40.00 Acres
SE/4 NW/4	Section 19	40.00 Acres
NE/4 SW/4	Section 19	40.00 Acres

Total 164.58 Acres

Tract No. 6

Lot No. 4	Section 19	14.94 Acres
SE/4 SW/4	Section 19	40.00 Acres
Lot No. 1	Section 30	14.99 Acres
Lot No. 2	Section 30	15.01 Acres
NE/4 NW/4	Section 30	40.00 Acres
SE/4 NW/4	Section 30	40.00 Acres

Total 164.93 Acres

Tract No. 7

Lot No. 3	Section 30	15.05 Acres
Lot No. 4	Section 30	15.08 Acres
NE/4 SW/4	Section 30	40.00 Acres
SE/4 SW/4	Section 30	40.00 Acres
Lot No. 1	Section 31	15.12 Acres
NE/4 NW/4	Section 31	40.00 Acres

Total 165.25 Acres

Tract No. 8

Lot No. 2	Section 31	15.16 Acres
Lot No. 3	Section 31	15.20 Acres
Lot No. 4	Section 31	11.00 Acres
Lot No. 5	Section 31	29.40 Acres
SE/4 NW/4	Section 31	40.00 Acres
NE/4 SW/4	Section 31	40.00 Acres

Total 150.76 Acres

BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
EPNG EXHIBIT NO. 2
CASE NO. 7065

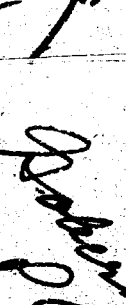
BEFORE EXAMINER NUTTER
OIL CONSERVATION DIVISION
EPCN-6 EXHIBIT NO. 3
CASE NO. 7065

TRACT # 4

TIPACT #3

TRACT # 2

TRACT #1



3/10/2009

	7	172.21	9	17.36	32.60
--	---	--------	---	-------	-------

17.07
17.07
17.06
17.07
17.08
172.90
20.4

1172.27

8571

X - Clara - mesa - p
for 13

EXHIBIT NO. 3

Township 28North, Range 4West
Rio Arriba County, N.M.

Tract No. 1

Lot No. 1	Section 9	17.50 Acres
Lot No. 2	Section 9	17.46 Acres
Lot No. 3	Section 9	17.42 Acres
SE/4 SE/4	Section 9	40.00 Acres
SW/4 SE/4	Section 9	40.00 Acres
SE/4 SW/4	Section 9	40.00 Acres

Total 172.38 Acres

Tract No. 2

Lot No. 4	Section 9	17.38 Acres
SW/4 SW/4	Section 9	40.00 Acres
Lot No. 1	Section 8	17.40 Acres
Lot No. 2	Section 8	17.49 Acres
SE/4 SE/4	Section 8	40.00 Acres
SW/4 SE/4	Section 8	40.00 Acres

Total 172.27 Acres

Tract No. 3

Lot No. 3	Section 8	17.57 Acres
Lot No. 4	Section 8	17.66 Acres
SE/4 SW/4	Section 8	40.00 Acres
SW/4 SW/4	Section 8	40.00 Acres
Lot No. 1	Section 7	17.67 Acres
SE/4 SE/4	Section 7	40.00 Acres

Total 172.90 Acres

Tract No. 4

Lot No. 2	Section 7	17.61 Acres
Lot No. 3	Section 7	17.55 Acres
Lot No. 4	Section 7	17.36 Acres
Lot No. 5	Section 7	39.69 Acres
SW/4 SE/4	Section 7	40.00 Acres
SE/4 SW/4	Section 7	40.00 Acres

Total 172.21 Acres

RECORDS EXAMINED, NO LITIGATION

OIL CONSERVATION DIVISION

EPNG EXHIBIT NO. 74

CASE NO. 7065

J. O. SETH (1883-1963)

A. K. MONTGOMERY
FRANK ANDREWS
SETH D. MONTGOMERY
FRANK ANDREWS III
OWEN M. LOPEZ
VICTOR R. ORTEGA
JOHN E. CONWAY
JEFFREY R. BRANNEN
JOHN B. POLIND
GARY R. KILPATRICK
THOMAS W. OLSON
WALTER J. MELENDRES
BRUCE L. HERR
MICHAEL W. BRENNAN
ROBERT R. WORCESTER
JOHN B. DRAPER
NANCY M. ANDERSON
RUDOLPH B. SACKS, JR.
W. CLINT PARSLEY
JANET MCL. MCKAY
EDWARD V. MITCHELL III

MONTGOMERY & ANDREWS

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

325 PASEO DE PERALTA

POST OFFICE BOX 2307

SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-3873

TELECOPY 505-982-4259

ALBUQUERQUE OFFICE
SUITE 918

CANNON OF NEW MEXICO BUILDING

4TH AND GOLD AVENUE, SW

POST OFFICE BOX 1398

ALBUQUERQUE, NEW MEXICO 87103

TELEPHONE 505-243-3733

October 28, 1980

New Mexico Energy and
Minerals Department
Oil Conservation Division
Land Office Building
Santa Fe, New Mexico 87503

Re: NMOSD Case No. 7005 - Application of El Paso
Natural Gas Company for Twelve Non-Standard
Proration Units, Rio Arriba County, New Mexico

Gentlemen:

Please be advised that David T. Burleson of the office
of General Counsel of El Paso Natural Gas Company, El Paso,
Texas, is associated with our firm for the presentation of
evidence and argument in the above-referenced case.

Sincerely,

Owen M. Lopez
Owen M. Lopez

OML:to

- CASE 7065:** Application of El Paso Natural Gas Company for twelve non-standard proration units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the establishment of eight non-standard proration units for Pictured Cliffs wells to be drilled in the 1/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West.
- CASE 7066:** Application of Conoco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Rader No. 1 well No. 27 located in Unit G of Section 15, Township 20 South, Range 37 East, to produce oil from the Wellbore or an undesignated Blinberry pool and an undesignated Abo pool.
- CASE 7067:** Application of Conoco Inc. for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Dagger Draw Com. Well No. 4 located in Unit J of Section 25, Township 19 South, Range 24 East, to produce oil from the North Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.
- CASE 7068:** Application of Conoco Inc. for a dual completion and an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Penny Federal Com. Well No. 2 at an unorthodox location 1650 feet from the North line and 1980 feet from the East line of Section 23, Township 20 South, Range 24 East, to produce oil from the South Dagger Draw-Upper Penn Pool and gas from an undesignated Morrow pool.
- CASE 7069:** Application of Anadarko Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Morrow test well to be drilled 660 feet from the South and East lines of Section 4, Township 19 South, Range 25 East, the 1/2 of said Section 4 to be dedicated to the well.
- CASE 7070:** Application of Tesoro Petroleum Corporation for a pilot caustic flood project, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a one-acre pilot caustic flood project in the Hospah Field by the injection of caustic fluid into the Seven Lakes Sand of the Upper Hospah Field at an approximate depth of 300-500 feet through four injection wells in Unit K of Section 1, Township 17 North, Range 9 West.
- CASE 7071:** Application of Jake L. Ramon for an unorthodox well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 640-acre proration unit comprising all of Section 17, Township 20 South, Range 36 East, North Ouedo-Morrow Pool, to its Amerada Federal Well No. 2 located in Unit F and its Amerada Federal Well No. 3, to be drilled at an unorthodox location 1650 feet from the South line and 660 feet from the East line of said Section 17.
- CASE 6668:** (Reopened and Readvertised)
- In the matter of Case 6668 being reopened pursuant to the provisions of Order No. R-6139 which order promulgated temporary special rules and regulations for the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing units.
- CASE 7005:** (Continued from September 17, 1980, Examiner Hearing)
- Application of Sol West III for an NCPA determination, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a new onshore reservoir determination in the Morrow formation for his Turkey Track-Morrow Sand Well No. 1 in Unit I of Section 26, Township 18 South, Range 28 East.
- CASE 7072:** Application of Enserch Exploration, Inc. for pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian oil pool for its Enserch Amoco State Well No. 1 located in Unit L of Section 16, Township 4 South, Range 33 East, and the promulgation of special pool rules therefor, including a provision for 80-acre spacing.
- CASE 7073:** Application of Enserch Exploration, Inc. for pool creation, temporary special pool rules, and assignment of a discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Fusselman oil pool for its J. G. O'Brien Well No. 1 located 1760 feet from the North line and 660 feet from the West line of Section 31, Township 7 South, Range 29 East, with special rules therefor, including provisions for 80-acre spacing, a limiting gas-oil ratio of 3000 to one and special well location requirements providing for the drilling of wells within 150 feet of the center of a quarter-quarter section. Applicant further seeks approval of a 74.24-acre proration and spacing unit and a discovery allowable for said J. G. O'Brien Well No. 1.

El Paso NATURAL GAS
COMPANY

RECEIVED
OCT 06 1980
OIL CONSERVATION DIVISION
SANTA FE

P. O. BOX 1492
EL PASO, TEXAS 79978
PHONE: 915-543-2600

October 1, 1980

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

Case 7065

Gentlemen:

El Paso Natural Gas Company respectfully requests a hearing before one of your Examiners to permit El Paso to establish non-standard proration units for Pictured Cliffs wells to be drilled in the west half of partial sections 6, 7, 18, 19, 30 and 31 of T30N, R4W, Rio Arriba County, New Mexico. Eight non-standard units would be created in these 6 sections.

El Paso additionally requests a hearing to establish non-standard proration units for Pictured Cliffs wells in partial sections 7, 8, and 9 of T28N, R4W, Rio Arriba County, New Mexico. Four non-standard units would be created in these 3 sections.

All the above requested non-standard units are necessary due to the stated sections being along township correction lines. The proration units as requested will range in size from 161.30 to 178.41 acres (more or less).

If there are any questions concerning this application, please call.

Very truly yours,

E. R. Manning
E. R. Manning

je

El Paso NATURAL GAS
COMPANY

RECEIVED
OCT 06 1980
P.O. BOX 1492
EL PASO, TEXAS 79978
TELEPHONE 545 545 2000
FACSIMILE 545 545 2000
MAIL ROOM 545 545 2000
SANTA FE DIVISION

October 1, 1980

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

Case 7065

Gentlemen:

El Paso Natural Gas Company respectfully requests a hearing before one of your Examiners to permit El Paso to establish non-standard proration units for Pictured Cliffs wells to be drilled in the west half of partial sections 6, 7, 18, 19, 30 and 31 of T30N, R4W, Rio Arriba County, New Mexico. Eight non-standard units would be created in these 6 sections.

El Paso additionally requests a hearing to establish non-standard proration units for Pictured Cliffs wells in partial sections 7, 8, and 9 of T28N, R4W, Rio Arriba County, New Mexico. Four non-standard units would be created in these 3 sections.

All the above requested non-standard units are necessary due to the stated sections being along township correction lines. The proration units as requested will range in size from 161.30 to 178.41 acres (more or less).

If there are any questions concerning this application, please call.

Very truly yours,

E. R. Manning
E. R. Manning

je

ROUGH

dr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7065

Order No. R-6512

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR TWELVE NON-STANDARD
PRORATION UNITS, RIO ARriba COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 29
19 80, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of _____, 19 80, the
Division Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, El Paso Natural Gas Company, seeks
approval for the establishment of eight non-standard proration
units for Pictured Cliffs wells to be drilled in the W/2 of
partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North,
Range 4 West, and four non-standard proration units for Pictured

Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, as follows:

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM

- a 178.41-acre unit comprising Lots 3, 4, 5, 8, and 9, and the SE/4 NW/4 and NE/4 SW/4 of Section 6;
- a 163.50-acre unit comprising Lot 10 and the SE/4 SW/4 of Section 6, and Lots 1 and 2 and the NE/4 NW/4 and SE/4 NW/4 of Section 7;
- a 164.82-acre unit comprising Lots 3 and 4 and the NE/4 SW/4 and SE/4 SW/4 of Section 7, and Lot 1 and the NE/4 NW/4 of Section 18;
- a 164.31-acre unit comprising Lots 2, 3, and 4 and the SE/4 NW/4, NE/4 SW/4, and SE/4 SW/4 of Section 18;
- a 164.58-acre unit comprising Lots 1, 2, and 3, and the NE/4 NW/4, SE/4 NW/4, and NE/4 SW/4 of Section 19;
- a 164.93-acre unit comprising Lot 4 and the SE/4 SW/4 of Section 19, and Lots 1 and 2, and the NE/4 NW/4 and SE/4 NW/4 of Section 30;
- a 165.25-acre unit comprising Lots 3 and 4, and the NE/4 SW/4 and SE/4 SW/4 of Section 30, and Lot 1 and the NE/4 NW/4 of Section 31; and
- a 150.76-acre unit comprising Lots 2, 3, 4, and 5, and the SE/4 NW/4 and NE/4 SW/4 of Section 31.

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM

- a 172.38-acre unit comprising Lots 1, 2, and 3, and the SE/4 SE/4, SW/4 SE/4, and SE/4 SW/4 of Section 9;
- a 172.27-acre unit comprising Lot 6 and the SW/4 SW/4 of Section 9, and Lots 1 and 2, and the SE/4 SE/4 and SW/4 SE/4 of Section 8;
- a 172.90-acre unit comprising Lots 3 and 4, and the SE/4 SW/4 and SW/4 SW/4 of Section 8, and Lot 1 and the SE/4 SE/4 of Section 7; and
- a 172.21-acre unit comprising Lots 2, 3, 4, and 5, and the SW/4 SE/4 and SE/4 SW/4 of Section 7.

^{all of the aforesaid}
(3) That ~~such non-standard~~ ^{non-standard} proration units are necessitated by irregularities in section size and shape resulting from corrections in the public lands survey, and said units may

reasonably be presumed productive of gas from the Pictured Cliffs Formation ~~Gas Pool~~ and that the entire non-standard gas proration units can be efficiently and economically drained and developed by the wells to be drilled at standard locations thereon.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Pictured Cliffs Formation, ~~Gas Pool~~, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

^{upon application of El Paso Natural Gas Company,}
(1) That eight ~~non-standard~~ proration units for Pictured Cliffs wells to be drilled in the W/2 of partial Sections 6, 7, 18, 19, 30 and 31 of Township 30 North, Range 4 West, and four non-standard proration units for Pictured Cliffs wells in partial Sections 7, 8, and 9 of Township 28 North, Range 4 West, ^{as described in Division No. 1000} NMPM, Rio Arriba County, New Mexico, are hereby established and dedicated to wells to be drilled at standard locations thereon.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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