

Case 1270

El Paso Natural Gas Company

El Paso, Texas

May 21, 1957

Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

Enclosed are Applications for Hearings requested by El Paso Natural Gas Company for three separate matters.

It is requested that these Hearings be set at the earliest possible date for Examiner Hearing preferably in Aztec or Farmington or if the Commission deems necessary, at the next regular Hearing of the Commission in Santa Fe.

Yours very truly,


F. NORMAN WOODRUFF
Gas Proration Engineer

FNW:mgs
Encl.

5-22-57

RECEIVED
MAY 22 1957

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF EL PASO NATURAL GAS COMPANY
FOR AN ORDER AUTHORIZING THE CON-
DUCTING OF MAXIMUM PRESSURE
BUILD-UP TESTS AND THE NONCANCEL-
LATION AND/OR TRANSFER OF ALLOWA-
BLES FOR WELLS INVOLVED IN SUCH
TESTING PROGRAM IN THE BLANCO-
MESA VERDE, AZTEC-PICTURED CLIFFS,
BALLARD-PICTURED CLIFFS, FULCHER
KUTZ-PICTURED CLIFFS AND SOUTH
BLANCO-PICTURED CLIFFS GAS POOLS,
SAN JUAN AND RIO ARRIBA COUNTIES,
NEW MEXICO.



Case No. 1270

APPLICATION

TO THE HONORABLE COMMISSION:

COMES NOW El Paso Natural Gas Company, hereinafter referred to as "Applicant", and alleges and states that it is a Delaware corporation with a permit to do business in the State of New Mexico;

I

That Applicant is the operator of oil and gas leases in the Blanco-Mesa Verde, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs and South Blanco-Pictured Cliffs Gas Pools, as delineated by orders of this Commission, upon which said leases there are presently located certain gas wells as described in Exhibit "A" attached hereto and made a part hereof;

II

That there is a need for reservoir information concerning said gas pools;

III

That Applicant proposes to obtain such reservoir information by shutting-in the wells listed in Exhibit "A" hereto and conducting maximum pressure build-up tests with respect to same; and that Applicant proposes to complete such tests within the twelve-month (12) period following the date of issuance of the Commission's Order herein; provided, however, that Applicant shall be permitted in its discretion to conduct such tests over shorter periods of time where possible; and provided further, that Applicant shall be permitted to conduct such tests over longer periods of time than twelve (12)

months where necessary upon application filed with and authorization granted by the Secretary-Director of the Commission.

IV

That such proposed tests would not constitute waste nor violate correlative rights;

V

That such proposed tests should be authorized;

VI

That all wells shut-in for the purpose of conducting such tests should be excepted from the requirements of Order R-333-C and D during the time that the maximum pressure build-up tests are being conducted with respect to same;

VII

That any shut-in well which has not been assigned an allowable prior to the effective date of any order issued pursuant to this Application should be assigned an allowable from the date of connection to a transportation facility, provided said date is not more than forty-five (45) days prior to the beginning of the test;

VIII

That Applicant should be permitted to transfer the allowable which accrues to any shut-in well during its testing period to any other well or wells on the same basic lease; and that the transfer of such allowable to any specific well or wells should be upon request of Applicant and authorization of the Commission issued in the form of a supplemental allowable to such transfer well;

IX

That the underage and overage balancing provisions of Rule 6 and 7 of Order R-128-D, as amended by Order R-967, with respect to the Blanco-Mesa Verde Gas Pool, Rules 11 and 12 of Order R-846, as amended by Order R-967, with respect to the Ballard-Pictured Cliffs Gas Pool, and Rules 11 and 12 of Order R-565-C, as amended by Order R-967, with respect to the Aztec-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs and South Blanco-Pictured Cliffs Gas Pools, should be suspended as to each affected shut-in and transfer well located in each such respective gas pool until the end of the six-month proration period following the proration period during which the testing of each such shut-in well is completed; and

That in addition to the maximum pressure build-up tests stipulated hereinabove, the order sought herein should provide for the granting of administrative approval to conduct such substitute tests as Applicant may in its discretion deem necessary for the obtaining of more thorough and complete reservoir information with respect to said gas pools; Applicant proposes that such administrative approval be granted only after Applicant has submitted an application for such approval accompanied by a plat showing the test well and all offset leases to the Commission and to all offset operators. If no objection to such substitute test is received by the Commission within ten (10) days after its receipt of such application, then its administrative approval will be granted. Should an objection be received by the Commission within such ten (10) day period, the Commission will set the matter for hearing at the earliest possible date;

WHEREFORE, Applicant respectfully requests this matter to be set for hearing as prescribed by law, and that upon notice and hearing the Commission issue its Order authorizing the conducting of maximum pressure build-up tests with respect to the wells listed in Exhibit "A" hereto located in the Blanco-Mesa Verde, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs and South Blanco-Pictured Cliffs Gas Pools located in San Juan and Rio Arriba Counties, New Mexico, and such substitute tests as Applicant may in its discretion deem necessary to conduct after first having obtained administrative approval therefor, and the noncancellation and/or transfer of allowables for all wells involved in such testing program in the manner herein described, or in such manner as the Commission shall deem necessary and proper.

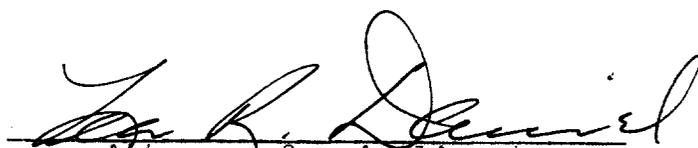

Attorney for Applicant

EXHIBIT "A"

of

Application filed with

The Oil Conservation Commission of the State of New Mexico

BLANCO-MESA VERDE GAS POOL

<u>Wells Proposed to be Shut - in</u>	<u>Location of Wells</u>			
	<u>Section,</u>	<u>Township,</u>	<u>Range,</u>	<u>N.M.P.M.</u>
Atlantic #5-A	S/2 26	31 North	10 West	
Atlantic #8-A	N/2 29	31 North	10 West	
Barnes #7	W/2 23	32 North	11 West	
Barrett #2	E/2 19	31 North	9 West	
Case #2	W/2 8	31 North	11 West	
Gartner #2	E/2 28	30 North	8 West	
Howell #3-A	W/2 4	30 North	8 West	
Hughes #1	W/2 19	29 North	8 West	
Hughes #3-A	W/2 27	29 North	8 West	
Jones #4-A	E/2 13	28 North	8 West	
Lucerne #2-A	E/2 9	31 North	10 West	
McElvain #1-A	E/2 23	30 North	7 West	
Mudge #6	W/2 11	31 North	11 West	
Riddle #2	W/2 3	30 North	9 West	
San Juan 28-6 #30	E/2 28	28 North	6 West	
San Juan 28-6 #37	W/2 6	27 North	6 West	
San Juan 28-7 #56	S/2 13	28 North	7 West	
Schwerdtfeger #2	E/2 27	31 North	9 West	
Vanderwort #5-A	E/2 11	29 North	8 West	

AZTEC-PICTURED CLIFFS GAS POOL

Morris #6-A	SW/4 21	30 North	11 West	
-------------	---------	----------	---------	--

BALLARD-PICTURED CLIFFS GAS POOL

McManus #10	NE/4 4	25 North	8 West	
Quitza #9	NE/4 11	25 North	8 West	
Wilson #1-A	NW/4 32	26 North	8 West	

FULCHER PITZ-PICTURED CLIFFS GAS POOL

Omler #8	SW/4 25	28 North	10 West	
Rowley #4	NW/4 17	27 North	10 West	

SOUTH BLANCO-PICTURED CLIFFS GAS POOL

Rincon #40	NE/4 26	27 North	7 West	
------------	---------	----------	--------	--