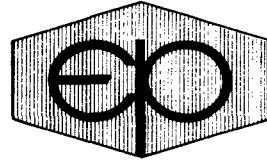


EL PASO PRODUCTS COMPANY

PROCESSING THE PAST INTO THE FUTURE



INCORPORATED 1966
DALLAS, TEXAS

January 15, 1969

4053
Case 4043

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Enclosed herewith in triplicate is our application for special field rules on the Gallegos-Gallup Pool in San Juan County, New Mexico.

We would like to request that this be sent for examiner hearing in Santa Fe on February 26, 1969. Please advise if this can be heard on this date.

Yours very truly,

EL PASO PRODUCTS COMPANY

Roland L. Hamblin

Roland L. Hamblin
Manager, Land Department

RLH:ann
Enclosures

cc: M. L. Ayers - El Paso Products Company
John Mason - El Paso Products Company
Charles Spann
Grantham, Spann and Sanchez
P. O. Box 1031
Albuquerque, New Mexico

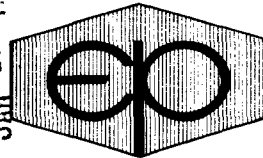
DOCKET MAILED

Date _____

EL PASO PRODUCTS COMPANY

PROCESSING UNIT PAULINE, TEXAS (100)

69 JAN 17 AM 8 2



POST OFFICE BOX 296
ODESSA, TEXAS 79601

January 15, 1969

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

APPLICATION BY EL PASO PRODUCTS COMPANY
FOR AN ORDER PROMULGATING SPECIAL RULES
AND REGULATIONS GOVERNING THE SPACING
AND PRODUCTION OF WELLS IN THE GALLEGOS-
GALLUP POOL, SAN JUAN COUNTY, NEW MEXICO.

No. 4043

EL PASO PRODUCTS COMPANY, a Corporation with offices in the ABC Bank Building in Odessa, Texas, an owner and operator of certain wells in the Gallegos-Gallup Pool in San Juan County, New Mexico, hereby respectfully requests the Commission to call a hearing and establish special rules and regulations to govern the spacing and production of wells in the Gallegos-Gallup Pool in San Juan County, New Mexico.

The Gallegos-Gallup Pool is classified as an oil pool but contains a high degree of associated gas. It was first established on August 14, 1958, by Commission Order No. R-1239. The Gallegos-Gallup Pool has subsequently been enlarged by subsequent nomenclature orders. No special field rules have been adopted for said pool and it is governed by state wide spacing, however, on November 21, 1958, the Commission, by Order No. R-1286, granted an exception to the daily tolerance provisions of Rule 502I(a) and allowed the operators in said pool to produce their wells at a daily rate not to exceed 200% of the daily top unit allowable. Also, the Commission has prohibited the flaring of casinghead from said pool effective as of December 31, 1959. This action was taken by the Commission on June 25, 1959, by Order No. R-1427.

The oil zone of the Gallegos Gallup Pool has been developed on 80 acres and the gas-cap zone on 320 acres. It is our belief that the pool has been fully developed and that it is rapidly approaching depletion. Several of the wells in the gas-cap zone are over-produced.

Therefore, we request that this matter be heard at the earliest possible examiner hearing. We will request at the hearing the following:

- (1) That the wells in the Gallegos-Gallup Pool be classified as oil wells or gas wells with all wells having a gas-oil ratio of 30,000 to 1 being classified as gas wells and all wells having a gas-oil ratio of less than 30,000 to 1 being classified as oil wells.
- (2) That oil wells be spaced on 80 acres.
- (3) That gas wells be spaced on 320 acres.

Although it is not required, a copy of this application has been sent to the following whom we believe to be all of the interested parties (See attached list).

EL PASO PRODUCTS COMPANY

By Roland L. Humblein
Attorney-in-Fact

RLH:ann

LIST OF INTERESTED PARTIES
GALLEGOS-GALLUP POOL

Gruy Management Service Company
2501 Cedar Springs Road
Dallas, Texas 75201

Gulf Oil Corporation
P. O. Box 1938
Roswell, New Mexico 88201
Attn: M. I. Taylor

Husky Oil Company
P. O. Box 380
Cody, Wyoming 82414

Pan American Petroleum Corporation
P. O. Box 480
Farmington, New Mexico
Attn: L. O. Speer

Skelly Oil Company
P. O. Box 1650
Oil Center Building
Tulsa, Oklahoma
Attn: George W. Sellinger

Tenneco Oil Company
P. O. Box 1714
Durango, Colorado
Attn: R. E. Siverson

EVERETT M. GRANTHAM
CHARLES C. SPANN
MAURICE SANCHEZ
R. RUSSELL RAGER

GRANTHAM, SPANN, SANCHEZ & RAGER
ATTORNEYS AT LAW
1914 BANK OF NEW MEXICO BUILDING
ALBUQUERQUE, NEW MEXICO 87101

January 17, 1969

POST OFFICE BOX 1031
ALBUQUERQUE, N. M. 87103
TELEPHONE 243-3525
AREA CODE 505

Mr. A. L. Porter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application by El Paso Products Company
for an Order Promulgating Special Rules
and Regulations Governing the Spacing and
Production of Wells in the Gallegos-Gallup
Pool, San Juan County, New Mexico.

Dear Mr. Porter:

Would you please enter our appearance as New Mexico counsel
for El Paso Products Company in the above entitled proceeding.

Very truly yours,

GRANTHAM, SPANN, SANCHEZ & RAGER

By: *Charles C. Spann*

CCS:rr

DOCKET MAILING

Date 2-13-69

1. *Pharmaceutical industry* – The pharmaceutical industry is the largest of the three industries, with sales of \$10.5 billion in 1997. It is the only industry that has not experienced a decline in sales since 1990. The industry is dominated by a few large firms, with the top five firms accounting for 40% of sales. The industry is characterized by high R&D expenditures, which are a result of the high costs of developing new drugs.

Re: Case No. 4053
Order No. R-3707
Applicant:
El Paso Products Company

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

G. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

Copy of order also sent to:

Aztec OCC **x**

Other _____

[illegible]

20

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	29	30	31
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12 over 30,000.
14 over 100.
23 under 50,000.