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MAY 1 1979

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. 1979
Order No. R-1699

APPLICATION OF THE ATLANTIC REFINING
COMPANY FOR A PRESSURE MAINTENANCE
PROJECT IN THE HORSESHOE-GALLUP OIL
POOL, SAN JUAN COUNTY, NEW MEXICO,
AND FOR THE PROMULGATION OF SPECIAL
RULES GOVERNING THE OPERATION OF
SAID PROJECT.

WITHDRAWAL OF APPLICATION

Comes now El Paso Natural Gas Products Company, applicant
for de novo hearing in the above entitled and numbered cause, and hereby
wuthdraws said application and consents and agrees that the setting on said
application heretofore made may be vacated.

GRANTHAM, SPANN AND SANCHEZ

By: 
Attorneys for El Paso Natural Gas
Products Company

APPROVED:

Secretary
Oil Conservation Commission

GRANTHAM, SPANN AND SANCHEZ

ATTORNEYS AT LAW
804 SIMMS BUILDING
POST OFFICE BOX 1031
ALBUQUERQUE, NEW MEXICO

EVERETT M. GRANTHAM
CHARLES C. SPANN
MAURICE SANCHEZ
~~FRED M. STANDLEY~~

TELEPHONE
CHAPEL 3-3525

September 7, 1960

A. L. Porter, Secretary
Oil Conservation Commission
P O Box 8 7 1
Santa Fe, New Mexico

Dear Mr. Porter:

Re: O. C. C. Case No. 1979, Order No. R1699
Application for de novo hearing, Horseshoe-
Gallup Oil Pool, San Juan Co., N. M.

I enclose herewith a Withdrawal of Application for de novo hearing in the above entitled and numbered cause for your approval.

I understand from my client that they have arrived at an understanding with Atlantic Refining Company, the original applicant, which takes care of the problem in connection with the special rules that were established.

I am directing a copy to the attorneys for the applicant and requesting that if either you or the applicant have any question concerning this matter you advise.

Very truly yours,

GRANTHAM, SPANN AND SANCHEZ

CCS:RW
copy:
Howard C. Bratton, Esq.

By:



GRANTHAM, SPANN AND SANCHEZ
ATTORNEYS AT LAW
904 SIMMS BUILDING
POST OFFICE BOX 1031
ALBUQUERQUE, NEW MEXICO

TELEPHONE
CHAPEL 3-3525

EVERETT M. GRANTHAM
CHARLES C. SPANN
MAURICE SANCHEZ
FRED M. STANDLEY

August 2, 1960

Mr. A. L. Porter, Secretary
Oil Conservation Commission
P. O. Box 871
Santa Fe, N. M.

In Re: O. C. C. Case No. 1979
Application for De Novo Hearing
Horseshoe-Gallup Oil Pool
San Juan County, New Mexico

Dear Mr. Porter:

Reference is made to the above case which has been set for hearing before the Commission on August 17, 1960. El Paso Natural Gas Products Company, the applicant for the De Novo hearing has arranged a conference with the Atlantic Refining Company for August 23rd and 24th at which time it is hoped that the differences between these companies in regard to the pressure maintenance program in the Horseshoe-Gallup Oil Pool, will be resolved. Accordingly, it was felt advisable to request that the hearing be continued until September in order that the parties would have an opportunity to resolve their difficulties.

I would, therefore, like to request that the August 17th hearing be vacated and the matter be set down for hearing in September. If there is any objection to this, please advise us immediately.

Very truly yours,

GRANTHAM, SPANN AND SANCHEZ

By



CCS:MI

cc: Mr. Howard C. Bratton ✓

Mr. R. L. Hamblin

*Attached to
Sept. 14th Hearing
Applied
9-1-60
[Signature]*

OIL CONSERVATION COMMISSION
NEW MEXICO
July 1960

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. 1979
Order No. R-1699

APPLICATION OF THE ATLANTIC REFINING
COMPANY FOR A PRESSURE MAINTENANCE
PROJECT IN THE HORSESHOE-GALLUP OIL
POOL, SAN JUAN COUNTY, NEW MEXICO,
AND FOR THE PROMULGATION OF SPECIAL
RULES GOVERNING THE OPERATION OF
SAID PROJECT.

APPLICATION FOR DE NOVO HEARING

Comes now El Paso Natural Gas Products Company, a corpor-
a party
ation, adversely affected by Order R-1699 entered in Case No. 1979 on
June 10, 1960, and pursuant to Rule No. 1220 of the Commission, here-
by requests that the above matter be heard de novo before the full Com-
mission.

A copy of this application is being mailed, postage prepaid, to
Clarence Hinkle, attorney for Atlantic Refining Company, Roswell,
New Mexico, on this the 7th day of July, 1960.

EL PASO NATURAL GAS PRODUCTS COMPANY

GRANTHAM, SPANN AND SANCHEZ

By 
904 Simms Building
Albuquerque, New Mexico
Attorneys for El Paso Natural Gas
Products Company

GRANTHAM, SPANN AND SANCHEZ
ATTORNEYS AT LAW
904 SIMMS BUILDING
POST OFFICE BOX 4031
ALBUQUERQUE, NEW MEXICO

EVERETT M. GRANTHAM
CHARLES C. SPANN
MAURICE SANCHEZ
FRED M. STANDLEY

TELEPHONE
CHAPEL 3-3525

July 7, 1960

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

In Re: CASE NO. 1979 - ORDER R-1699
APPLICATION OF THE ATLANTIC REFINING COMPANY
FOR A PRESSURE MAINTENANCE PROJECT IN THE
HORSESHOE-GALLUP OIL POOL, SAN JUAN COUNTY,
NEW MEXICO, AND FOR THE PROMULGATION OF
SPECIAL RULES GOVERNING THE OPERATION OF SAID
PROJECT.

Dear Mr. Porter:

I enclose herewith the original and two copies of Application
for De Novo Hearing which we are filing in behalf of El Paso Natural
Gas Products Company in the above entitled and numbered cause.

Very truly yours,

GRANTHAM, SPANN AND SANCHEZ

By



ccs:mi

encls 3

Handwritten:
Marked

Handwritten:
Aug 4, 1960

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF THE ATLANTIC
REFINING COMPANY FOR AN ORDER
AUTHORIZING THE INJECTION OF
WATER FOR PRESSURE MAINTENANCE
AND SECONDARY RECOVERY PURPOSES
INTO THE UPPER AND LOWER TOCITO
ZONES OF THE LOWER GALLUP FORMA-
TIONS UNDERLYING APPLICANT'S
NAVAJO AND NAVAJO "B" LEASES IN
THE HORSESHOE-GALLUP OIL POOL
PURSUANT TO RULE 701 OF THE
RULES AND REGULATIONS OF THE
NEW MEXICO OIL CONSERVATION
COMMISSION

CASE NUMBER

1979

TO THE HONORABLE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO:

Comes THE ATLANTIC REFINING COMPANY, a corporation with a certificate of authority to do business in the State of New Mexico with offices at Dallas, Texas, and hereby makes application to the New Mexico Oil Conservation Commission for an order authorizing the injection of water for pressure maintenance and secondary recovery purposes into the upper and lower Tocito zones of the lower Gallup formations underlying the Navajo and Navajo "B" leases of applicant situated in the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, pursuant to Rule 701 of the Commission, and in support thereof respectfully shows:

1. That there is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A", a plat showing the Navajo and Navajo "B" leases of applicant situated in the Horseshoe-Gallup Oil Pool, together with the location of all wells drilled thereon and all wells drilled within a radius of two miles from the proposed injection wells hereinafter referred to, together with the formation from which said wells are producing. Said Exhibit "A" also

shows the location of the proposed injection wells and the ownership of the respective leasehold interests within a radius of two miles from applicant's oil and gas leases.

2. That as indicated from Exhibit "A" attached hereto, the proposed project area consists of the following described lands:

Township 31 North, Range 16 West, N.M.P.M.

Section 18: $S\frac{1}{2}SW\frac{1}{4}$
Section 19: All, except $NE\frac{1}{4}NE\frac{1}{4}$
Section 20: $S\frac{1}{2}$, $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}NE\frac{1}{4}$
Section 29: All
Section 30: All
Section 31: All, except $SW\frac{1}{4}SW\frac{1}{4}$
Section 32: All

containing 3,640 acres, more or less.

3. That there is also filed herewith and for purposes of identification marked Exhibit "B", electrical logs of the proposed injection wells, being the following: Navajo #9, #16, #17, #22, #23, #24, #26, #28, #29, #1-B, #3-B, #4-B, #5-B, #7-B and #8-B.

4. That there is also attached hereto, made a part hereof and for purposes of identification marked Exhibit "C", a description of the casing program of the proposed injection wells referred to in the preceding paragraph.

5. Applicant proposes to inject water through the injection wells above referred to into the upper and lower Tocito zones of the lower Gallup formation, the water to be injected at rates between 10 and 2,200 barrels per day. The upper Tocito is found between 1144 feet and 1181 feet below the surface and the lower Tocito between 1235 feet and 1251 feet below the surface in the Atlantic Navajo #17 well located in the $NW\frac{1}{4}NE\frac{1}{4}$ Section 31, Township 31 North, Range 16 West.

Applicant proposes to obtain the water for injection purposes from its Navajo "B" #1-W located in the $SE\frac{1}{4}$ Section 19, which

well is completed in the Morrison formation. That there is attached hereto, made a part hereof and for purposes of identification marked Exhibit "D", a copy of a letter to the Office of the State Engineer with water analysis report from said well attached which complies with Commission Memorandum #5-58 dated January 31, 1958.

6. That applicant is the sole owner of the oil and gas leases referred to as Atlantic's Navajo and Navajo "B" leases shown on Exhibit "A" attached hereto and believes that it will be in the interest of conservation and the prevention of waste to inaugurate a water injection program for pressure maintenance and secondary recovery purposes as soon as possible by the injection of water into the injection wells above referred to and to later utilize other wells for injection purposes so as to promote the greatest ultimate recovery of oil and gas from said formation. Applicant therefore requests that the area hereinabove described be designated as the project area and that an allowable formula be fixed therefor and in connection therewith recommends the adoption of special field rules governing the injection of water into that portion of the Horseshoe-Gallup Oil Pool above described covering the following:

(a) The conversion of the producing wells listed in Exhibit "C" to water injection wells and conversion of additional producing wells to water injection wells upon approval of the Secretary Director of the Commission.

(b) Transfer of allowables from injection wells to producing wells within the project area and transfer of allowable for producing wells which, for more efficient operation of the project, are shut-in or curtailed because of high gas-oil ratio, or shut-in for any of the following reasons: Pressure regulation, control of pattern or sweep efficiencies, or to observe changes in pressures or progress of the flood fronts.

(c) Assignment of a project allowable which may be produced from any well or wells in the project area in any proportion, the project allowable to be calculated each month by multiplying the current normal unit allowable for a 40-acre proration unit times the number of 40-acre proration units in the project area having located thereon either producing wells or wells used for injection purposes or wells which are shut-in or curtailed for conservation purposes.

(d) Gas equivalent credit for water injected to be applied to any well producing with gas-oil ratio greater than 2000 cubic feet per barrel.

(e) Permission to expand the water injection program by administrative approval to include all of applicant's Navajo and Navajo "B" leases on the effective date of any unit agreement which may be formed covering all or a substantial portion of the Horseshoe-Gallup Oil Pool.

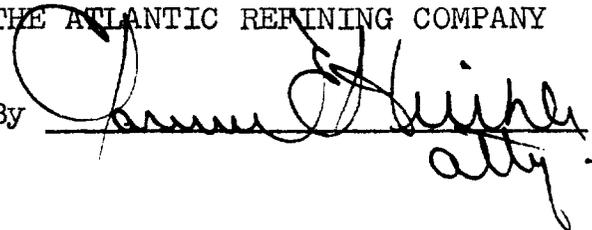
(f) Such other rules and regulations which the Commission deems to be necessary.

WHEREFORE, applicant requests that this application be set down for hearing before an examiner after due notice as required by law and the rules and regulations of the Commission.

Respectfully submitted,

THE ATLANTIC REFINING COMPANY

By


atty.

~~HERVEY~~ DOW & HINKLE

By 

Roswell, New Mexico
Attorneys for Applicant