

Case 2197

TENNESSEE GAS AND OIL COMPANY

DIVISION OF TENNESSEE GAS TRANSMISSION COMPANY

1820 WILCO BUILDING • MIDLAND, TEXAS



January 31, 1961

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

Dear Sir:

Enclosed herewith, in triplicate, is the Application of Tennessee Gas Transmission Company for eighty-acre spacing and proration units in the Totah Gallup Field in San Juan County, New Mexico. We have previously been advised that notice of our application would be advertised so that this matter will be on the February docket. We appreciate your cooperation in this matter and are sorry that we were unable to file the application sooner. If anything further is required of us prior to the hearing, we will be happy to furnish it.

Thanking you again for your cooperation, we are

Yours very truly,

TENNESSEE GAS AND OIL COMPANY

William N. Armstrong

William N. Armstrong
Division Attorney

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF TENNESSEE
GAS TRANSMISSION COMPANY FOR A TEMPORARY ORDER
ESTABLISHING 80 ACRE WELL SPACING AND PRORATION
UNITS IN THE TOTAH GALLUP AREA IN SAN JUAN COUNTY,
NEW MEXICO FOR THE PRODUCTION OF OIL AND GAS FROM
THE GALLUP FORMATION AND FOR THE ESTABLISHMENT OF
AN 80 ACRE ALLOWABLE WITH PROPORTIONAL DEPTH FACTOR)

CASE NO. 2197

APPLICATION

Comes now the applicant, Tennessee Gas Transmission Company,
and respectfully shows the following:

1. That applicant is a corporation, with principal offices
in Houston, Texas, with a Certificate of Authority to do business in
the State of New Mexico.

2. That applicant is the owner of an oil and gas lease em-
bracing the following lands in the State of New Mexico situated in San
Juan County, to-wit:

Twp. 29 N., Rge. 13 W., San Juan County, New Mexico

All of Section 27, except the NE/4 of the NW/4
All of Section 28
N/2 of Section 33

3. That applicant drilled the discovery well in the area here-
inafter described and herein referred to as the Totah Gallup Area, said
discovery well being located in the SW/4 of the SE/4 of Section 28, Town-
ship 29 North, Range 13 West, San Juan County, New Mexico, and having
been dually completed September 4, 1959 as a well capable of producing
gas from the Dakota formation which was found at a subsurface interval
between 5,764 feet and 5,887 feet and oil from the Gallup formation which
was found at the subsurface interval between 5,187 feet and 5,247 feet.
The Totah Gallup Pool was established by Order No. R-1558 and amended by
Order No. R-1682 promulgated by the New Mexico Oil Conservation Commission.

4. That since the completion of the initial discovery well,
there have been sixteen producing wells completed in the Totah Gallup
Pool and there are, at the time of the preparation of this Application,
five wells currently being drilled and completed by applicant and other
operators in the area, all of which wells are reflected on the plat at-
tached hereto.

5. That the plat attached hereto shows the outlines of the Totah Gallup Area for which applicant desires to establish 80 acre well spacing and proration units, which area consists of the following described lands in San Juan County, New Mexico, to-wit:

Twp. 29 N., Rge. 13 W., N.M.P.M.

S/2 of Section 26
All of Section 27
All of Section 28
All of Section 29, except the SW/4
All of Section 33, except the SW/4
All of Section 34
All of Section 35

6. That the Totah Gallup Area lies approximately two miles Northeast of the Cha Cha-Gallup Oil Pool, the field rules for which pool are set up under Order No. R-1800 promulgated by the Oil Conservation Commission of the State of New Mexico on November 1, 1960, which field rules provide for 80 acre spacing and proration units. The characteristics of the Cha Cha-Gallup Pool and the Totah Gallup Pool are similar as to geology, stratigraphy and production.

7. That the Totah Gallup Pool is currently being developed on 80 acre spacing and that information obtained from the exploration and development of said area and production tests taken all indicate that one well will effectively, efficiently and economically drain at least as much as 80 acres and that in the interest of protection of correlative rights and the prevention of waste, applicant respectfully requests the adoption of 80 acre spacing and proration units for said Totah Gallup Pool.

8. That the productive limits of the Totah Gallup Reservoir have not as yet been definitely determined and until all of the characteristics of the reservoir are definitely determined by additional productive history, applicant is only requesting that a temporary order be entered for one year establishing 80 acre well spacing and proration units. It is believed that by the end of one year, sufficient wells will have been drilled under this pattern to reasonably determine the productive limits of the reservoir and that sufficient tests will have been made to determine all of the characteristics and if, at that time, the facts are such as to conclusively show that it is in the interest of conservation and the pre-

vention of waste to continue the development on such a pattern, the temporary order be made permanent.

Wherefore the undersigned applicant respectfully requests that after notice and hearing hereof, as provided by law, that the Commission enter an order temporarily establishing 80 acre well spacing and proration units for the development and production of oil and gas from the Totah Gallup Pool.

Respectfully submitted,

TENNESSEE GAS TRANSMISSION COMPANY

By *William N. Armstrong*
William N. Armstrong
Attorney
1820 Wilco Building
Midland, Texas