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MAY 22 1966

Case 2306

BEFORE THE OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

APPLICATION OF EL PASO NATURAL GAS COMPANY FOR AMENDMENT OF PARAGRAPH (B) OF SUBSECTION I OF SECTION A OF ORDER NO. R-333-C AND D TO PERMIT EXTENSION OF TIME IN WHICH THE OPERATOR MAY CONDUCT AND REPORT THE RESULTS OF INITIAL DELIVERABILITY TESTS OF GAS WELLS COMPLETED IN THE BASIN DAKOTA GAS POOL, THE TESTING OF WHICH WOULD RESULT IN PREVENTING GAS WELLS COMPLETED IN THE PICTURED CLIFFS FORMATION FROM PRODUCING THEIR ALLOWABLES AND TO PERMIT ADMINISTRATIVE APPROVAL OF SUCH EXTENSION UPON AN INDIVIDUAL WELL BASIS

TO THE HONORABLE COMMISSION:

El Paso Natural Gas Company, a Delaware corporation, your Applicant herein, represents to the Commission as follows:

Paragraph (B) of Subsection I of Section A of Order No. R-333-C and D requires production into the gathering system to which a well is connected for a period of twenty-one consecutive days to determine the Initial Deliverability of such well and to form the basis of an initial deliverability test upon which the allowable of a gas well completed in the Basin Dakota Gas Pool may be determined.

Recent Dakota development and current exploration is being conducted in areas in which the only gas pipeline connection available to Basin Dakota Gas wells is a connection with pipeline gathering facilities to which many Pictured Cliffs wells are connected, operating at a working pressure of approximately 250 pounds per square inch gauge.

The reservoir pressure of the Dakota Formation is substantially higher than the reservoir pressure of the Pictured Cliffs Formation. The wellhead pressure of Basin Dakota wells and the deliverability against a gathering line working pressure of approximately 250 pounds per square inch gauge of newly completed Dakota wells is substantially greater than those of Pictured Cliffs wells connected to the same system. The completion of initial deliverability tests on Dakota wells and the production of such wells into

a 250 pounds per square inch gauge gathering system for a period of twenty-one days would result in overloading such gathering system, increasing the working pressure of such gathering system backing off of Pictured Cliffs wells with lower deliverability and impairing the correlative rights of the owners and operators of such low deliverability Pictured Cliffs wells.

There is proposed construction of facilities designed to gather gas from Dakota wells at gathering system working pressures of approximately 500 pounds per square inch gauge. Until completion of such facilities, the production of Dakota gas wells into the Pictured Cliffs low pressure system should be curtailed. Such curtailment will require an extension of the time for taking and reporting of initial deliverability tests of Dakota gas wells.

Therefore, your Applicant requests that the Commission enter an appropriate order granting a ^① general exception to the provisions of Paragraph (B) of Subsection I of Section A of Order No. R-333-C and D to those untested Dakota wells which, prior to October 1, 1961, may be connected to a gathering system servicing Pictured Cliffs wells at line pressures of approximately 250 pounds per square inch gauge or less and that such order make provision for the ^② filing of requests to postpone initial deliverability tests upon an individual well basis ^③ and for administrative approval by the Commission's Aztec office of such applications, extending the testing time for a period not to exceed sixty (60) days after connection of any such Dakota gas well with a gathering system operating at a pressure of approximately 500 pounds per square inch gauge or greater, ^④ and further providing for assigning allowables based upon such initial deliverability tests, effective as of the date of first connection of such Dakota well into the low pressure system.

Respectfully submitted,

EL PASO NATURAL GAS COMPANY
Applicant

By Garrett C. Whitworth
Attorney

El Paso Natural Gas Company

El Paso, Texas

MAY 25 1961

May 25, 1961

Order 2306

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Re: Application of El Paso Natural Gas Company
for Amendment of Paragraph (B) of Subsection I
of Section A of Order No. R-333-C and D.

I have enclosed original and two (2) copies of
the captioned application for filing. Please set this
matter for hearing at the Statewide Hearing on June 14, 1961.

Yours very truly,

Garrett C. Whitworth
Garrett C. Whitworth
Attorney

GCW:ads
Enclosures (3)

*Robert
D. White
5-16-61*