

RECEIVED JUL 13 1961

TRANSWESTERN PIPELINE COMPANY

FIRST CITY NATIONAL BANK BUILDING

HOUSTON, TEXAS

July 11, 1961

MAIL ADDRESS
P. O. BOX 1502
HOUSTON 1, TEXAS

Yates Petroleum Corporation
309 Carper Bldg.
Artesia, New Mexico

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
<i>Appl.</i>	EXHIBIT NO. <u>5-F</u>
CASE NO.	<u>2587</u>

Re: Transwestern Pipeline Company
Contract Number 350

Attention: Jack W. McCaw

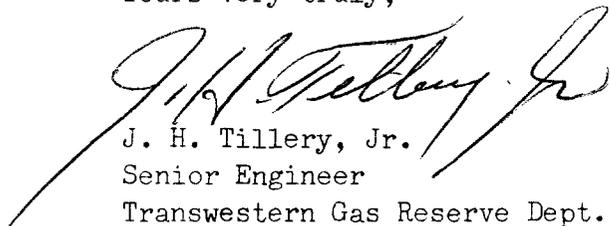
Dear Sir:

Attached is a list showing gas producing wells dedicated to Transwestern Pipeline Company by your Company under the terms of the subject contract.

This list has been prepared from all available data in our files and is as accurate as can be determined from this data. However, we have found that in some cases this data has been in error, especially, with regard to the working interest ownership in various wells. You can appreciate the fact that for payment purposes it is essential that these percentages be correct. Therefore, we would like to request that at your convenience you check over the attached list and pencil in any changes which you know should be made, either in percent working interest or other data shown.

After you have made these changes we would appreciate it if you would send the corrected copy to us as soon as possible in order that our records may be corrected.

Yours very truly,


J. H. Tillery, Jr.
Senior Engineer
Transwestern Gas Reserve Dept.


JHT:bl

att.

5-F

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. 2587
Order No. R-2279

APPLICATION OF YATES PETROLEUM
CORPORATION FOR THE ASSIGNMENT
OF AN ALLOWABLE TO ITS GUSHWA
WELL NO. 1, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 28, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of July, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the Gushwa Well No. 1, located in the S/2 of Section 21, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, was completed by the applicant, Yates Petroleum Corporation, in the Atoka-Pennsylvanian Gas Pool on February 20, 1961.
- (3) That on the date of completion of the Gushwa Well No. 1 Transwestern Pipeline Company operated a gas transportation facility within the Atoka-Pennsylvanian Gas Pool which was reasonably capable of handling the type of gas produced by said well.
- (4) That the S/2 of said Section 21 was included in the gas purchase agreement, dated December 6, 1960, between Yates Petroleum Corporation and Transwestern Pipeline Company.
- (5) That although Yates Petroleum Corporation made repeated requests of Transwestern Pipeline Company to connect said Gushwa Well No. 1, the well was not connected to a gas transportation facility until August 12, 1961.

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CASE No. 2587
Order No. R-2279

(6) That by Order No. R-1670-E, entered effective July 1, 1961, proration was instituted in the Atoka-Pennsylvanian Gas Pool.

(7) That the said Gushwa Well No. 1 was unreasonably discriminated against through denial of access to a gas transportation facility which was reasonably capable of handling the type of gas produced by said well for the period from July 1, 1961, to August 12, 1961.

IT IS THEREFORE ORDERED:

(1) That the Gushwa Well No. 1, located in the S/2 of Section 21, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, shall be, and is hereby, assigned an allowable for the production of gas from the Atoka-Pennsylvanian Gas Pool from July 1, 1961, to August 12, 1961, in accordance with the allowable factors for the pool during said period of time.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

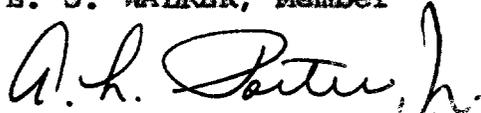
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



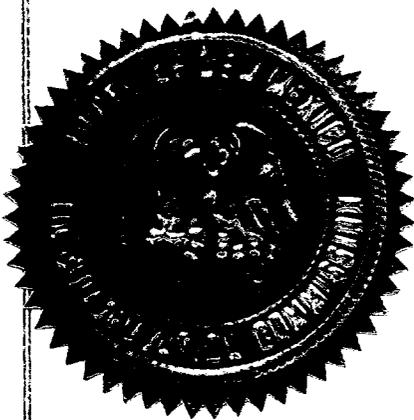
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary



esr/