CASE 4252: Motion of the OCC FOR EXCEPTION TO 9TH PARAGRAPH OF CHAPTER II, SEC. 2 OF ORDER 333-F

Case Number 43 50

Application
Trascripts
Small Exhibits

ETC.

Case No.

4252

ING IN: DEPOSITIONS, HEARINGS, STATE MENTS, EXPERT TEST

. ALBUQUEROUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Roswell, New Mexico
November 19, 1969

REGULAR HEARING

IN THE MATTER OF:

The application of the Oil Conservation

Commission upon its own motion for an order granting an exception to the ninth paragraph of Chapter II, Section 2 of Order No. R-333-F to permit shutting in gas wells for the required shut-in test at some period during the 1970 test season other than immediately following the 7-day deliverability flow test; further to permit measuring the shut-in test pressure during the 8th to 15th on the 8th day as presently required.

BEFORE: A. L. Porter, Examiner.

TRANSCRIPT OF HEARING



MR. PORTER: Case 4252.

MR. HATCH: Case 4252. The application of the Oil Conservation Commission upon its own motion for an order granting an exception to the ninth paragraph of Chapter II, Section 2 of Order No. R-333-F to permit shutting in gas wells for the required shut-in test at some period during the 1970 test season other than immediately following the 7-day deliverability flow test; further to permit measuring the shut-in test pressure during the 8th to 15th day of shut-in of the well rather than on the 8th day as presently required.

MR. HATCH: George Hatch appearing on behalf of the Commission and the staff. I have one witness I would like to have sworn.

(Witness sworn.)

EMERY ARNOLD

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HATCH:

- Q Would you state your name and position for the record?
- A Emery Arnold, supervisor of district three of the Oil Conservation Commission.

Q Mr. Arnold, as supervisor of district three of the New Mexico Oil Conservation Commission, do you have occasion to study and make recommendations to the Commission concerning the testing of gas wells in your district?

A Yes.

Q What order governs the testing of gas wells in San Juan, Rio Arriba, McKinley and Sandoval Counties?

A Order R-333-F.

Q I have put a copy of Order R-333-F by each of the Commission members there, if you would like to refer to that order.

Are you familiar with Case 4252 and what it proposes?

A Yes, I am. Case 4252 proposes that re amend Order 333-F, Chapter 2, Paragraph 9 for the 1970 annual testing season in exactly the same way that it was amended by Order R-3673 for the 1969 testing season.

Q Then, the purpose of this hearing today is really to extend the testing provision of Order No. 3673 for an additional year?

A Yes, sir; that is correct.

Q Copies of Order R-3673 have also been distributed

to each of the Commission members here for you to refer to if you wish.

Will you review for the Commission the calling of Case 4093 in February of 1969, and the issuance of Order No. R-3673 as result of that case?

A Yes, sir. It was necessary to call Case 4039 because of extremely high market conditions in the winter and early spring months of 1969. This high market demand made it impossible or impractical to shut—in man, of the wells which were to test, because of the fact that if we didn't shut them in the pipe line company couldn't meet their market.

We also knew that we couldn't very well postpone all testing until the summer of 1969, so it was because of this that we recommended that the testing orders be amended so that the shut-in pressures could be measured at times other than immediately following the flow period.

By doing this, we figured that we could get the flow data during the heavy demand period in the winter and early spring and could then shut the wells in for matching shut-in pressure information later in the year.

Q All right. In general, what were the provisions

of that Order 3673?

A Order R-3673 amended Paragraph nine, Chapter 2, Section 2 of Order R-333-F, so as to provide that the 7-day shut-in period -- which is part of the test -- could be scheduled at any time during the year rather than immediately following the flow test period.

The order also provided that the shut-in period could be extended from 7 to 14 days at the option of the operator and that the pressure should be measured between the 8th and the 15th days, also at the option of the operator.

It also provided that the pipe line companies, in cooperation with the operators, should schedule these shut-in periods in the same way that they normally scheduled deliverability tests.

- Q Insofar as you have been able to determine, has the testing procedure accomplished the desired result?
- A Yes. So far as we are able to determine, we will be able to complete our 1969 annual deliverability testing by the end of the year, which is what we intended to accomplish.
- Q Were the probable effects of such a testing procedure on testing and accuracy discussed in the

original Case 4039?

A Yes. This matter was discussed and I recommend that we make the record in Case 4039 a part of the record of this case.

Q All right. What has been the effect on test accuracy?

A I do not believe that the test results have been significantly affected. It's impossible to tell what the pressure difference might have been on a well had it been measured at a different time.

However, we have noticed no abnormal test results because of the change in the procedure.

Q What are you recommending as a testing procedure for the 1970 testing period?

A I am recommending that the provisions of Order R-3673 be extended to cover the 1970 testing period.

Q Why are you recommending that it be extended for one year?

A I am making this recommendation because of market for gas, which seemed to indicate that the market situation will be similar in 1970 to what it was in 1969.

We anticipate a high winter and spring demand which will be somewhat lower than in the summer months.

- Q Are you testifying that in your opinion the conditions are going to be about the same during 1970 that they were in '69, so we need the same testing procedure?
 - A Right.
- Q Do you have any exhibits you would like to introduce and discuss to the Commission that would bear that out?
- A Yes. I have letters from the El Paso Natural
 Gas Company and a Southern Union Gas Company, who are
 the two major gas purchasers in the area which supports ---
- Q Excuse me. Have copies of these letters been distributed to the Commission members?
 - A Yes, they have.
 - Q Go ahead.
- A The El Paso letter is marked Commission Exhibit 1, Case 4252, and the Southern Union Gas letter is marked Exhibit No. 2, Case 4252, and these letters do reflect that the market conditions will be similar to 1969.
- Q Those letters were addressed to either you or to the Commission?
- A Yes. One is addressed to me and one is addressed to Mr. Porter.

MR. HATCH: Mr. Arnold suggested that the

record in Case 4039 be made a part of this record. We would like to renew that request.

MR. PORTER: The record made in Case 4039 will be included as part of the record in this case.

MR. HATCH: I would like to introduce those letters as Exhibit 1 and Exhibit 2. Which one was Exhibit 1?

THE WITNESS: The El Paso letter is Exhibit 1.

MR. HATCH: And Exhibit 2?

THE WITNESS: Is the Southern Union Gas Company letter.

MR. HATCH: That's all the questions I have.

MR. PORTER: Without objection, the exhibits will be admitted.

Does anyone have a question of Mr. Arnold?

He may be excused.

(Witness excused.)

MR. PORTER: Does anyone have any further testimony to present in this case or any comments that they would like to offer?

MR. WOODRUFF: Norman Woodruff from El Paso
Natural Gas Company. I think it may be well to state
that our letter reflects our support of the recommendations

made by Mr. Arnold.

MR. PORTER: Thank you, Mr. Woodruff.

If there are no further comments on Case 4252, the Commission will take it under advisement and move on to Case 4253.

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Applicant's Exhibits 1 and 2

STATE OF NEW MEXICO) ss COUNTY OF BERNALILLO)

I, GLENDA BURKS, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Notary Public

My Commission Expires:

March 12, 1973



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 67801 GOVERNOR DAVID F. CARGO CHAIRMAN

LAND COMMISSIONER ALEX J. ARMIJO MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

November 24, 1969

Mr. F. Norman Woodruff El Paso Natural Gas Company Post Office Box 1492 El Paso, Texas 79999	Re:	Case No. Order No. Applicant:	
Dear Sir:			
Enclosed herewith are two cosion order recently entered	_		erenced Commis-
	a. L. F	culy yours, Carter, CORTER, Jr. cory-Director	L.
	:		
ALP/ir Copy of order also sent to: Hobbs OCC X Artesia OCC X Aztec OCC X			
Other Mr. Oran Hazeltine	- Dallas,	Texas	

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. 4252 Order No. R-3878

THE APPLICATION OF THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION FOR AN ORDER GRANTING AN EXCEPTION TO THE MINTH PARAGRAPH OF CHAPTER 11, SECTION 2 OF ORDER NO. R-333-F TO PERMIT SHUTTING IN GAS WELLS FOR THE REQUIRED SEUT-IN TEST AT SOME PERIOD DURING THE 1970 TEST SEASON OTHER THAN IMMEDIATELY FOLLOWING THE 7-DAY DELIVERABILITY FLOW TEST; FURTHER TO PERMIT MEASURING THE SHUT-IN TEST PRESSURE DURING THE STH TO 15TH DAY OF SHUT-IN OF THE WELL RATHER THAN ON THE STH DAY AS PRESENTLY REQUIRED.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing a: 9 a.m. on November 19, 1969, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 24th day of November, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 by Order No. R-3673, dated February 11, 1969, paragraph nine of Chapter II, Section 2 of Commission Order No. R-333-F was suspended for the duration of the 1969 annual deliverability and shut-in pressure test period, insofar and only insofar as said paragraph directs that in order to obtain the shut-in pressure of a well under test, the well shall be shut in immediately after the 7-day deliverability flow test for the

-2-CASE No. 4252 Order No. R-3878

full period of seven consecutive days and that such shut-in pressure shall be measured within the next succeeding twenty-four hours following the 7-day shut-in period.

- (3) That said Order No. R-3673 also makes provisions for obtaining the shut-in pressures of wells, subject to the testing requirements of Order No. R-333-F, for the duration of the annual deliverability and shut-in test period for 1969, and for scheduling of shut-in pressure tests.
- (4) That the aforesaid suspension and special provisions were made necessary in order to avoid shutting in gas wells that were subject to the testing requirements of Order No. R-333-F during a period of heavy demand for gas.
- (5) That the conditions that brought about the issuance of said Order No. R-3673 are expected to be substantially the same in 1970 as in 1969.
- (6) That in order to prevent waste and promote conservation, the provisions of Order No. R-3673 should be made to apply during the 1970 annual deliverability and shut-in pressure test period.

IT IS THEREFORE ORDERED:

- (1) That, effective January 1, 1970, paragraph nine of Chapter II, Section 2 of Order No. R-333-F is hereby suspended for the duration of the 1970 annual deliverability and shut-in pressure test period, insofar and only insofar as said paragraph directs that in order to obtain the shut-in pressure of a well under test, the well shall be shut in immediately after the 7-day deliverability flow test for the full period of seven consecutive days and that such shut-in pressure shall be measured within the next succeeding twenty-four hours following the 7-day shut-in period.
- (2) That to obtain the shut-in pressure of a well, subject to the testing requirements of said Order No. R-333-F, under test during the duration of the annual deliverability and shut-in test period for 1970, the well shall be shut in at some time during the year of 1970 for a period of seven to fourteen consecutive days. Such shut-in pressure shall be measured during the eighth to fifteenth day following shutting in of the well.
- (3) That each gas transportation facility shall, in cooperation with the operators involved, prepare and submit a schedule

-3-CASE No. 4252 Order No. R-3878

of shut-in pressure tests in accordance with Chapter I, Section 3, provided, however, that said schedule need only be submitted prior to the shutting in of the well or wells involved.

- (4) That the Aztec District Office of the Commission shall be notified of the date the shut-in pressure of a well is to be measured in order that said measurement may be witnessed.
- (5) 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 MEN MEXICO
OIL CONSURVATION COMMISSION

DAVID-F. CARGO, Chairman

ALEX J. ARMIJO, Member

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

PAN AMERICAN PETROLEUM CORPORATION

DENVER, COLORADO 80202NOV 17 1969

DISTRICT SUPERINTENDENTS W. M. JONES T. M. CURTIS

November 14, 1969

Re:

New Mexico Oil Conservation

Commission Hearing

November 19, 1969, Casé

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

Dear Mr. Porter:

PRODUCING DEPARTMENT

H. T. HUNTER
DIVISION PRODUCTION
MANAGER

At the regular hearing in Roswell on November 19, 1969, the Oil Conservation Commission will hear its application for an order granting an exception to the ninth paragraph of Chapter 2, Section 2 of Order No. R-333-F to permit shutting in gas wells for the required shut-in test at some period during the 1970 test season other than immediately following the seven-day deliverability flow test; further, to permit measuring the shutin test pressures during the 8th to 15th day of shut-in, rather than on the 8th day as previously required.

This revised testing procedure is identical to that which has been followed during the 1969 test season under Order No. R-3673 which was issued February 11, 1969. Pan American's experience under this revised well testing procedure has been very favorable during the past year, and we support the Commission fully in its present application which would extend the revised testing procedures through the 1970 test season.

Yours very truly,

J.M. Curtis

cc: Mr. L. O. Speer, Jr. Farmington, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

No

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 4039 Order No. R-3673

THE APPLICATION OF THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION FOR AN ORDER GRANTING AN EXCEPTION TO THE NINTH PARAGRAPH OF CHAPTER II, SECTION 2 OF ORDER NO. R-333-F TO PERMIT SHUTTING IN GAS WELLS FOR THE REQUIRED SHUT-IN TEST AT SOME PERIOD DURING THE 1969 TEST SEASON OTHER THAN IMMEDIATELY FOLLOWING THE 7-DAY DELIVERABILITY FLOW TEST; FURTHER TO PERMIT MEASURING THE SHUT-IN TEST PRESSURE DURING THE 8TH TO 15TH DAY OF SHUT-IN OF THE WELL RATHER THAN ON THE 9TH DAY AS PRESENTLY REQUIRED.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 5, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>llth</u> day of February, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 Order No. R-333-F, dated November 30, 1962, promulgated Special Rules and Regulations governing gas well testing in the San Juan Basin (Counties of San Juan, Rio Arriba, McKinley, and Sandoval, New Mexico), as an exception to Rules 401 and 402 of the general statewide rules and regulations of the Commission relating to gas well testing procedures.

CASE No. 4039 Order No. R-3673

- (3) That Chapter II, Section 2 of said Order No. R-333-F proscribes the annual deliverability and shut-in pressure test procedure.
- (4) That paragraph nine of said Section 2 directs that in order to obtain the shut-in pressure of a well under test, the well shall be shut in immediately after the 7-day deliverability flow test for the full period of seven consecutive days and that such shut-in pressure shall be measured within the next succeeding twenty-four hours following the 7-day shut-in period.
- (5) That there has been and will continue to be, for a period of several months, an extremely heavy demand for gas from wells governed by the provisions of Order No. R-333-F.
- (6) That the aforementioned deliverability flow tests can continue to be scheduled and conducted as required by Order No. R-333-F during said period of heavy demand.
- (7) That it will be extremely difficult for the heavy demand for gas in Northwest New Mexico to be met if the gas wells governed by Order No. R-333-F are shut in for pressure tests during said period of heavy demand.
- (8) That in order to avoid shutting in the subject gas wells during said period of heavy demand, an exception to said paragraph nine should be established to permit shutting in of said gas wells for the required shut-in test at some period during the 1969 test period other than immediately following the 7-day deliverability flow test.
- (9) That an exception to said paragraph nine should be established to permit the measuring of the shut-in pressure during the 8th to 15th consecutive day of shut-in of the well rather than on the 8th day as presently required in order to render less difficult the scheduling and measuring of same.
- (10) That the scheduling of shut-in pressure tests at some period other than immediately following the 7-day deliverability flow test and the measuring of the shut-in pressure during the 8th to 15th consecutive day of shut in rather than on the 8th day as presently required will not have an unduly adverse effect upon the accuracy of said pressure tests.

-3-CASE No. 4039 Order No. R-3673

(11) That establishment of the aforesaid exceptions will not violate correlative rights and will otherwise prevent waste and pr note conservation.

IT IS THEREFORE ORDERED:

- (1) That paragraph nine of Chapter II, Section 2 of Order No. R-333-F is hereby suspended for the duration of the 1969 annual deliverability and shut-in pressure test period, insofar and only insofar as said paragraph directs that in order to obtain the shut-in pressure of a well under test, the well shall be shut in immediately after the 7-day deliverability flow test for the full period of seven consecutive days and that such shut-in pressure shall be measured within the next succeeding twenty-four hours following the 7-day shut-in period.
- (2) That to obtain the shut-in pressure of a well, subject to the testing requirements of said Order No. R-333-F, under test during the duration of the annual deliverability and shut-in test period for 1969, the well shall be shut in at some time during the year of 1969 for a period of seven to fourteen consecutive days. Such shut-in pressure shall be measured during the eighth to fifteenth day following shutting in of the well.
- (3) That each gas transportation facility shall, in cooperation with the operators involved, prepare and submit a schedule of shut-in pressure tests in accordance with Chapter I, Section 3, provided, however, that said schedule need only be submitted prior to the shutting in of the well or wells involved.
- (4) That the Aztec District Office of the Commission shall be notified of the date the shut-in pressure of a well is to be measured in order that said measurement may be witnessed.
- (5) 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

DAVID F. CARGO, Chairman

SEAL

ALEX J. ARMIJO, Member

DOCKET: REGULAR HEARING - WEDNESDAY - NOVEMBER 19, 1969

OIL CONSERVATION COMMISSION - 9 A.M. - ROSWELL INN, 1815 NORTH MAIN ROSWELL, NEW MEXICO

ALLOWABLE:

- (1) Consideration of the oil allowable for December, 1969.
- (2) Consideration of the allowable production of gas for December, 1969, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico, and also presentation of purchaser's nominations for said pools for the six-month period beginning January 1, 1970. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for December, 1969.

CASE 4252:

The application of the Oil Conservation Commission upon its own motion for an order granting an exception to the ninth paragraph of Chapter II, Section 2 of Order No. R-333-F to permit shutting in gas wells for the required shut-in test at some period during the 1970 test season other than immediately following the 7-day deliverability flow test; further to permit measuring the shut-in test pressure during the 8th to 15th day of shut-in of the well rather than on the 8th day as presently required. The above exceptions would be for the 1970 annual deliverability test season only and would be applicable to all wells in San Juan, Rio Arriba, McKinley, and Sandoval Counties, New Mexico, subject to the testing requirements of Chapter II of Order No. R-333-F.

CASE 4253:

Application of Rice Engineering & Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres and Paddock formations in the perforated interval from 5030 feet to 6995 feet in its Vacuum SWD Well No. H-35, located in Unit H of Section 35, Township 17 South, Range 35 East, Vacuum Field, Lea County, New Mexico.

CASE 4254:

Application of Kincaid & Watson Drilling Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Red Lake Unit Area comprising 518 acres, more or less, of State lands in Sections 35 and 36 of Township 16 South, Range 28 East and Sections 1 and 2 of Township 17 South, Range 28 East, East Red Lake Queen-Grayburg Pool, Eddy County, New Mexico.

- CASE 4255: Application of Kincaid & Watson Drilling Company for a water-flood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a water-flood project in the East Red Lake Unit Area by the injection of water into the Penrose sand of the Queen formation through 4 wells located in Section 36, Township 16 South, Range 28 East and Sections 1 and 2, Township 17 South, Range 28 East, East Red Lake Queen-Grayburg Pool, Eddy County, New Mexico.
- CASE 4256: Application of Southwestern Natural Gas, Inc. for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its T. P. State "4" Well No. 1 located in Unit O of Section 4, Township 11 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Inbe Permo-Pennsylvanian Pool and the disposal of produced salt water through the intermediate-production casing annulus into the San Andres, Glorieta, Tubb, and Abo formations in the open-hole interval from 4150 feet to 8500 feet.
- CASE 4257: Application of Sohio Petroleum Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the open-hole interval from 4920 feet to 4995 feet in its Phillips Lea SWD Well No. 4 located in Unit M of Section 31, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.
- <u>CASE 4258</u>: Southeastern nomenclature case calling for an order for the creation and extension of certain pools in Lea, Chaves, and Eddy Counties, New Mexico.
 - (a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Montoya production and designated as the Loop 18-Montoya Pool. The discovery well is the Gulf Oil © Corporation Harry Leonard NCT-E No. 5 located in Unit H of Section 16, Township 21 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM SECTION 16: NE/4

November 19, 1969 - Regular Hearing Page 3

(b) Extend the North Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM SECTION 26: NW/4

(c) Extend the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM SECTION 36: SE/4 SE/4

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM SECTION 1: E/2 E/2

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM SECTION 6: SW/4

(d) Extend the Hardy-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM SECTION 2: Lots 9, 10, 15 and 16

(e) Extend the Hobbs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM SECTION 28: SW/4 SECTION 30: NE/4

(f) Extend the Lea-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM SECTION 14: NE/4

(g) Extend the West Sawyer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM SECTION 33; SE/4 and E/2 SW/4

(h) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM SECTION 25: E/2 NW/4

(i) Extend the Spencer-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM SECTION 24: N/2 SW/4

(j) Extend the Sulimar-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM SECTION 25: NW/4 NW/4

(k) Extend the Tulk-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM SECTION 35: NW/4

Paso Natural Gas Company OIL CONSERVATION COMMISSION & Paso, Texas 1999 Santa Fe, New Modern

OCC Exhibit No.

Case No. 4252

New Mexico Oil Conservation Commission P. O. Box 2088

Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr., Secretary-Director,

Re: Exceptions to Test Requirements in Northwestern New Mexico - Case 4252

Gentlemen:

The New Mexico Oil Conservation Commission on it's own motion will hear the above referenced case at the statewide hearing on November 19, 1969 in Roswell, New Mexico.

An order is sought "granting an exception to the 9th paragraph of Chapter II, Section 2 of Order No. R-333-F to permit shutting in gas wells for the required shut-in test at some period during the 107 lest other than immediately following the 7 day deliverability flow test; further, to permit measuring the shut-in test pressure during the 8th to 15th day of shut-in of the well, rather than on the 8th day as presently required."

El Paso Natural Gas Company wishes to concur in the recommendation of the Commission Staff and urge that the Commission grant this exception.

In support of our position we would like to state the following:

- 1. The 1969 testing was conducted under the same exception to the rules requested for the year 1970.
- 2. El Paso considers that the tests taken during 1969, in accordance with the exception, have given results comparable in accuracy and validity to those obtained by the testing method outlined in Order R-333-F.
- 3. A factor contributing to the need for the exception in 1969 was the high and varying market demand for gas out of the San Juan Basin. Due to these conditions, tests for many wells were not completed because there was a demand for the gas from those wells during the period that they would normally have been shut-in. The exception permitting the shut-in portion of the test to be taken at a later date effectively remedied this problem.

New Mexico Oil Conservation Commission November 12, 1969 Page two

4. The conditions which existed during 1969 making the exception necessary will be equally apparent during 1970 according to our best estimates.

Respectfully submitted,

F. Norman Woodruff, Manager Gas Proration Operations

FNW:mgs

BCC: Mr. Emory Arnold V



November 10, 1969

New Mexico Oil Conservation Commission 1000 Rio Brazos Road Aztec, New Mexico

Attn: Mr. Emery Arnold

Gentlemen:

BEFORE THE
OIL CONSERVATION COMMISSION
Sonta Fe, New Musica

OCC Exhibit No. 2

Case No. 4252

Listed below by month are our 1970 anticipated Gas Market requirements for Southern Union Gas Company and Southern Union Gathering Company. All volumes are shown in MCF at 15.025#.

For the year 1970 it would be very helpful to us in balancing our loads if we could continue as in 1969 to take our shut-ins separate from our flows on annual deliverability tests.

Southern U	nion Gas Company	Southern Union Gathering Company
Jan. Feb. Mar. Apr.	6,552,994 6,000,418 5,667,044 4,512,642	4,500,000 4,450,000 4,300,000 4,250,000
May June	3,783,407 2,547,232	4,500,000 4,400,000
July	2,577,163	4,350,000
Aug. Sept.	2,476,764 2,937,543	4,250,000 4,300,000
Oct. Nov.	3,883,050 4,641,694	4,500,000 4,140,000
Dec.	5,696,501	4,250,000
Total	51,276,452	52,190,000
Grand Total	104,512,915	

Thank you,

J. R. Large

Dispatch Manager

/sw

ce: Mr. J. V. King

File

El Paso Natural Gas Company

El Paso, Texas 19999

November 12, 1969

New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Re: Exceptions to Test Requirements in Northwestern New Mexico - Case 4252

Gentlemen:

The New Mexico Oil Conservation Commission on it's own motion will hear the above referenced case at the statewide hearing on November 19, 1269 in Roswell, New Mexico.

An order is sought "granting an exception to the 9th paragraph of Chapter II, Section 2 of Order No. R-333-F to permit shutting-in gas wells for the required shut-in test at some period during the 1970 test other than immediately following the 7 day deliverability flow test; further, to permit measuring the shut-in test pressure during the 8th to 15th day of shut-in of the well, rather than on the 8th day as presently required."

El Paso Natural Gas Company wishes to concur in the recommendation of the Commission Staff and urge that the Commission grant this exception.

In support of our position we would like to state the following:

- 1. The 1969 testing was conducted under the same exception to the rules requested for the year 1970.
- 2. El Paso considers that the tests taken during 1969, in accordance with the grown on, have given results comparable in accuracy and validity to obtained by the testing method outlined in Order R-333-F.
- 3. A factor contributing to the need for the exception in 1969 was the high and varying market demand for gas out of the San Juan Basin. Due to these conditions, tests for many wells were not completed because there was a demand for the gas from those wells during the period that they would normally have been shut-in. The exception permitting the shut-in portion of the test to be taken at a later date effectively remedied this problem.

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> 4. The conditions which existed during 1969 making the exception necessary will be equally apparent during 1970 according to our best estimates.

> > Respectfully submitted,

F. Norman Woodruff, Manager Gas Proration Operations

FNW:mgs



November 10, 1969

New Mexico Oil Conservation Commission 1000 Rio Brazos Road Aztec, New Mexico

Attn: Mr. Emery Arnold

Gentlemen:

Listed below by month are our 1970 anticipated Gas Market requirements for Southern Union Gas Company and Southern Union Gathering Company. All volumes are shown in MCF at 15.025#.

For the year 1970 it would be very helpful to us in balancing our loads if we could continue as in 1969 to take our shut-ins separate from our flows on annual deliverability tests.

Southern U	nion Gas Company	Southern Union Gathering Company
Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec.	6,552,994 6,000,418 5,667,044 4,512,642 3,783,407 2,547,232 2,577,163 2,476,764 2,937,543 3,883,050 4,641,694 5,696,501	4,500,000 4,450,000 4,300,000 4,250,000 4,500,000 4,400,000 4,350,000 4,300,000 4,300,000 4,400,000 4,250,000 4,250,000 4,250,000
Total Grand Total	51,276,452 104,512,915	52,190,000

Thank you,

J. R. Large Dispatch Manager

/sw

cc: Mr. J. V. King

File

GMH/esr 11-20-69

SW

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:

RECORDS CENTER

CASE No. 4252

Order No. R-3878

THE APPLICATION OF THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION FOR AN ORDER GRANTING AN EXCEPTION TO THE NINTH PARAGRAPH OF CHAPTER II, SECTION 2 OF ORDER NO. R-333-F TO PERMIT SHUTTING IN GAS WELLS FOR THE REQUIRED SHUT-IN TEST AT SOME PERIOD DURING THE 1970 TEST SEASON OTHER THAN IMMEDIATELY FOLLOWING THE 7-DAY DELIVERABILITY FLOW TEST; FURTHER TO PERMIT MEASURING THE SHUT-IN TEST PRESSURE DURING THE 8TH TO 15TH DAY OF SHUT-IN OF THE WELL RATHER THAN ON THE 8TH DAY AS PRESENTLY REQUIRED.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 19, 1969, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>day of November</u>, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 by Order No. R-3673, dated February 11, 1969, paragraph nine of Chapter II, Section 2 of Commission Order No. R-333-F was suspended for the duration of the 1969 annual deliverability and shut-in pressure test period, insofar and only insofar as said paragraph directs that in order to obtain the shut-in pressure of a well under test, the well shall be shut in immediately after the 7-day deliverability flow test for the

full period of seven consecutive days and that such shut-in pressure shall be measured within the next succeeding twenty-four hours following the 7-day shut-in period.

- (3) That said Order No. R-3673 also makes provisions for obtaining the shut-in pressures of wells, subject to the testing requirements of Order No. R-333-F, for the duration of the annual deliverability and shut-in test period for 1969, and for scheduling of shut-in pressure tests.
- (4) That the aforesaid suspension and special provisions were made necessary in order to avoid shutting in gas wells that were subject to the testing requirements of Order No. R-333-F during a period of heavy demand for gas.
- (5) That the conditions that brought about the issuance of said Order No. R-3673 are expected to be substantially the same in 1970 as in 1969.
- (6) That in order to prevent waste and promote conservation, the provisions of Order No. R-3673 should be made to apply during the 1970 annual deliverability and shut-in pressure test period.

IT IS THEREFORE ORDERED:

- (1) That, effective January 1, 1970, paragraph ninc of Chapter II, Section 2 of Order No. R-333-F is hereby suspended for the duration of the 1970 annual deliverability and shut-in pressure test period, insofar and only insofar as said paragraph directs that in order to obtain the shut-in pressure of a well under test, the well shall be shut in immediately after the 7-day deliverability flow test for the full period of seven consecutive days and that such shut-in pressure shall be measured within the next succeeding twenty-four hours following the 7-day shut-in period.
- (2) That to obtain the shut-in pressure of a well, subject to the testing requirements of said Order No. R-333-F, under test

during the duration of the annual deliverability and shut-in test period for 1970, the well shall be shut in at some time during the year of 1970 for a period of seven to fourteen consecutive days.

Such shut-in pressure shall be measured during the eighth to fifteenth day following shutting in of the well.

- (3) That each gas transportation facility shall, in cooperation with the operators involved, prepare and submit a schedule of shut-in pressure tests in accordance with Chapter I, Section 3, provided, however, that said schedule need only be submitted prior to the shutting in of the well or wells involved.
- (4) That the Aztec District Office of the Commission shall be notified of the date the shut-in pressure of a well is to be measured in order that said measurement may be witnessed.
- (5) 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.