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Application, Transcript,
and Exhibits, Etc.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
May 4, 1961

IN THE MATTER OF:

Application of El Paso Natural Gas Company
for an exception to Rule 309(a); and
Application of El Paso Natural Gas Company
for an oil-gas dual completion.

CASES 2273 and 2274
(Consolidated)

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
May 4, 1961

IN THE MATTER OF:

Application of El Paso Natural Gas Company
for an exception to Rule 309(a). Appli-
cant, in the above-styled cause, seeks an
exception to Rule 309(a) to permit the
transportation of oil produced on Federal
Lease LC-064198-A, comprising the SE/4 of
Section 18 prior to measurement, to tank
batteries located on Federal Lease No.
025566, comprising the E/2 of Section 19,
all in Township 19, South, Range 32 East,
Lea County, New Mexico.

CASE 2273

Application of El Paso Natural Gas Company
for an oil-gas dual completion. Appli-
cant, in the above-styled cause, seeks an
order authorizing the dual completion of
its Lusk Deep Unit Well No. 2, located in
Unit O, Section 18, Township 19 South,
Range 32 East, Lea County, New Mexico, in
such a manner as to permit the production
of oil from the Strawn formation adjacent
to the Lusk-Strawn pool and the production
of gas from the Morrow formation in an un-
designated pool through parallel strings
of 2 3/8-inch tubing.

CASE 2274

CONSOLIDATED

BEFORE: Dan Nutter, Examiner

TRANSCRIPT OF PROCEEDINGS

MR. NUTTER: The hearing will come to order, please.

We will call the next case, Case 2273.

MR. MORRIS: Application of El Paso Natural Gas Company
for an exception to Rule 309(a).

MR. WHITWORTH: The firm of Seth and Montgomery of Santa

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Fe, and by letter, Garrett Whitworth. I have one witness in the case.

(Witness sworn.)

MR. WHITWORTH: For the purpose of brevity in this matter, we request that Case No. 2273 and Case No. 2274 be consolidated for the purpose of this hearing.

MR. NUTTER: Call case 2274.

MR. MORRIS: Application of El Paso Natural Gas Company for an oil-gas dual completion.

MR. NUTTER: Are there any objections? The cases are consolidated for hearing purposes.

G E R A L D H I C K S O N, called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. WHITWORTH:

Q Mr. Hickson, would you state your full name for the record, by whom you are employed and in what capacity you are employed?

A Gerald Hickson, production engineer for El Paso Natural Gas Company.

Q Have you previously testified as an expert witness before this Commission?

A Yes, sir, I have.

MR. WHITWORTH: Are the qualifications of the wit-

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ness acceptable?

MR. NUTTER: Yes, sir, please proceed.

Q (By Mr. Whitworth) You are familiar with the applications that are to be heard here of El Paso Natural Gas, are you not?

A Yes, sir, I am.

Q And what does El Paso seek by these applications?

A Well, we are seeking approval of an oil-gas dual completion of our Lusk Deep Unit Well No. 2 located in Unit O of Section 18, Township 19 South, Range 32 East, Lea County, New Mexico; and also an exception to Rule 309(a) which reads: "--oil shall not be transported from the lease unless previously measured in tanks located on the lease--". We are seeking to transport the oil by means of pipe lines across lease lines and measure it in tanks, common tank batteries with the Lusk Deep Unit Well No. 1.

Q As to the application for the dual completion, do you have an exhibit depicting the location of that well?

A Yes, sir; I do.

Q El Paso' Exhibit No. 1. Would you please explain this exhibit for the Examiner?

A Exhibit 1 shows the boundary line of the Lusk Deep Units marked in yellow. The acreage uncommitted lies in the boundary line, marked an green and the acreage dedicated to the two oil wells in blue, and the acreage to be dedicated to the gas zone, which is more or less marked in red.

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Q Now, who is the operator of the Lusk Deep Units?

A El Paso Natural Gas Company.

Q What zone did you say this Lusk Deep Unit No. 2 was completed in?

A It is completed in the Strawn formation as an oil completion, and in the Morrow formation as a gas completion.

Q They're oil over gas dual completions, is that right?

A Yes, sir.

Q How have you determined that the Strawn is an oil well and the Morrow is a gas well?

A Well, the Strawn produced 228 barrels, 48.06 gravity oil and 641 MCF of gas for a gas-oil ratio of 2,482. On the drill stem test, based on the information of that drill stem test, it has a potential of 18 MCF of gas a day, dry gas.

Q Do you have an exhibit depicting the physical equipment that has been installed in this well?

A Yes, sir.

Q That's a schematic diagram, El Paso Natural Gas Company's Exhibit No. 2?

A Yes.

Q Explain this exhibit.

A This exhibit shows the casing string size and the depth at which they were set and cemented, both tubing strings, as to the size and depth at which they were set and the packer installation which we have used on this and also both zones that the well



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was completed in.

Q What kind of packer was used as a separation packer?

A A hydraulic 16-1 packer and this packer was approved on the Lusk No. 1, this same installation, and the brochure with these specifications were entered as an exhibit.

Q Has there been a packer leakage test?

A No, sir. We have a letter of approval from J. Ramey who is the district supervisor in Hobbs, stating that we could put off the packer leakage test until such a time as we got a pipe line test to the Morrow gas well.

Q You have reason to believe that this packer will effectively and efficiently separate from the two zones?

A Yes, I do. Bottom hole pressure tests were taken on April 16, 1961, and the Strawn zone was 5799 and the Morrow zone was 2201 with a difference in ranges of 598 pounds. Now, the pressure on the Morrow drill stem test, taken in March, the first part of March, was 5191, which couldn't be an error of more than 10 pounds, so I think there is proper evidence to show that we have no leakage across that packer. Surface pressure since that time has indicated the same.

Q Do you have any pressure data with respect to these two zones?

A Not as an exhibit.

Q Would you relate to the Examiner what data you have concerning pressure?



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A Well, the BHP which I have just related -- well, let's see, the BHP on the Strawn is 5799 and the BHP for the Morrow is 2201 and those are the only two pressures taken on this well after completion.

Q Why did El Paso complete this well as a dual completion?

A It has an economic saving in excess of well over two single completions of over a quarter of a million dollars.

Q And for that reason would you say that the granting of El Paso's applications in this case would prevent waste?

A Yes, sir; I would.

Q Would it protect correlative rights --

A Yes, sir.

Q --on the transfer of production?

A Yes.

Q Why is it necessary for El Paso Natural Gas to have a hearing on this matter? Why couldn't it be done administratively?

A According to Rule 309(a), the oil must be measured on the lease before it is transported from the lease and what we are asking for is that we're transporting this oil to another Federal lease.

Q Now, is the tank battery depicted on El Paso's Exhibit No. 1, which is a plat of the Lusk Deep Unit No. 2 and Lusk Deep Unit No. 1?

A Yes, sir, it is. It's in Unit O, Section 18.

Q Now, how will the oil that is to be transported from the



number 2 well to the tank battery be measured?

A It will be measured in the tanks. The number 1 was completed in the Bone Springs and the Strawn. At the present time, the Bone Springs formation is dead. It will not naturally flow, so we are planning on using the two tanks on this battery that we used for the Bone Springs. We are going to use them for the Strawn formation in the number 2 at this time. If we have future drilling in this unit, we'll come back and ask for commingling and pull all the Strawn formation together.

Q Now, the oil will be transported by pipe line?

A Yes.

Q Where will it be installed?

A From the number 2 tank battery.

Q Will this oil be commingled with any other oil?

A No, sir, it will have its own separate tanks.

Q Do you have an exhibit showing the ownership within the two leases, both overriding royalty and working interest?

A Yes.

Q And that is El Paso's Exhibit No. 3, is it not?

A Yes, sir.

Q Do you have common overriding royalty ownership within the two leases?

A No, sir, that's the problem involved on crossing the lease lines. The ownership of the overriding royalty is not common. We have 19 overriding royalty owners on NM-025566 lease



and none on LC-064198-A.

MR. NUTTER: All apply to 025566?

THE WITNESS: Yes.

Q (By Mr. Whitworth) To your knowledge, does anyone have an interest in either of these leases opposed to El Paso's application in this case?

A Not to my knowledge. We have letters which we'll enter as exhibits, if the Examiner so desires, from 17 of the 19 overriding royalty owners.

Q Generally, what is the effect of these letters?

A Well, they just explain what we have asked for her and ask for their signatures and they have all been signed.

Q What are the sizes of these two tanks?

A They're both 500-gallon tanks. As a matter of fact, there are six on this tank battery and all six of them are 500-gallon tanks.

Q What is the allowable on Lusk Deep Unit No. 2?

A Based on a 35-barrel unit allowable, 199 barrels.

Q Does the well make the allowable?

A Yes, sir; it's a top allowable well.

Q In your opinion, is this a practical and economical way and a reasonable method of solving El Paso's problem in this case?

A Yes, I believe it is.

Q And would the granting of this application prevent waste and protect correlative rights, in your opinion?

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A Yes, sir, it would.

Q Do you have anything you'd like to add to your testimony?

A No, sir, I don't believe so.

Q Were Exhibits 1, 2 and 3 prepared by you or under your direct supervision?

A Yes, sir, they were.

MR. WHITWORTH: We ask they be entered.

MR. NUTTER: El Paso's Exhibits 1, 2 and 3 in Cases 2273 and 2274 will be entered in evidence.

Q (By Mr. Whitworth) Do you have anything you'd like to add?

A No, sir.

MR. WHITWORTH: That's all we have.

MR. NUTTER: Does anyone have a question?

QUESTIONS BY MR. MORRIS:

Q Mr. Hickson, you are seeking authorization here to transport oil from one federal lease to another. When you get the oil on the federal lease, where it will be measured, are you going to have separate tank batteries for that oil?

A Yes. As I said, we have six tanks on this battery and at the present time two of them are being used for the Bone Springs which is dead, so there are four for the Strawn formation, and we are planning to use the two we had previously used for the Bone Springs. We are going to use them for the Strawn on the number 2.



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Q So you are seeking this authorization so that you can use existing facilities rather than having to move these facilities from one already set up to a new one on the other lease?

A Yes, sir.

Q There is no commingling authorization being sought?

A No, there isn't.

Q I don't think it will be necessary to introduce these letters you mentioned from the overriding royalty owners into evidence. You say 17 of 19 concurred in the application that was being made?

A Yes. One more is on its way.

Q None of them made any qualifications on their letters?

A No.

MR. MORRIS: I have no further questions.

QUESTIONS BY MR. NUTTER:

Q Mr. Hickson, on the drill stem test, you say that the Morrow zone indicated an IP of 18 million cubic feet of dry gas per day. You don't anticipate recovering any liquid from that gas?

A Well, at the present time, no. Of course, it's hard to tell.

Q When the well is put on production, if it does make liquid, those liquids would be tanked separately?

A Yes, sir. We have plenty of facilities on this tank battery at the present time.

Q Now, the Strawn potential is 228 barrels per day?



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A No, sir. I made two barrels on a two-hour test.

Q How much gas?

A 641 MCF with a GOR of 2482.

Q Now, you stated that this hydraulic oil tool that was used in the Lusk Number 1 was the Bone Springs, I believe.

A Yes, sir.

Q Now, what kind of pressure differential did you have in that well?

A In Well No. 1, we had in excess of 2,000 pounds differential.

Q How about here?

A Here we have 198.

Q You feel that if the packer was suitable for that dual completion, it would also be suitable for this one?

A Yes, sir; I do. The packer is designed for 10,000 pounds differential.

Q Is there any participating area established in this Lusk unit?

A Not at the present time. Participating area is based on geological information and then approved by the U. S. Geological Survey, and so far as I know, they have not been sent in as yet. It should be in within the next 60 days.

Q Until such time as the two wells in the Strawn formation are in a participating area, then you would completely segregate the oil until transferred to the pipe line?



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A Yes, sir.

Q Do you anticipate the Bone Springs production will be re-established in the number 1 well?

A That depends on the number 3 well at the present time. It was present but not developed in the number 2 Bone Springs. When Well number 3 is developed, if it's present we may try to go back in number 1 and recomplete it.

Q You mentioned that number 1 has ceased flowing from the Bone Springs artificially. Is it possible to artificially deliver the oil?

A It wasn't too good a formation to start with. We're going to wait to see what happens on number three.

Q It may take remedial action on it?

A Yes, we got some water on it.

Q Despite the fact that these two zones are in the Pennsylvanian, how much separation is there between these two productive zones?

A Well, Strawn completed in 11,220 feet to 11,250. The Morrow was 12,380 feet to 12,398, so that's 1,330 feet difference.

Q Separation?

A Yes, sir.

Q Has the Commission established separate rules for each of those zones as yet?

A Not in this area.

Q Are they both not dedicated at the present time?



A Well, the Strawn -- there is an extension to the direction of the off set pool established for the number 1, yes, sir.

Q I see.

MR. NUTTER: Are there any further questions of Mr. Hickson?

You may be excused.

(Witness excused.)

Do you have anything further?

MR. WHITWORTH: Nothing further.

MR. NUTTER: Is there anything anyone wishes to offer in Cases 2273 and 2274? If not, the Commission will take the cases under advisement and adjourn the hearing.

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STATE OF NEW MEXICO)
)
COUNTY OF BERNALILLO) SS

I, Thomas F. Horne, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in machine shorthand and reduced to typewritten transcript under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

Thomas F. Horne
Court Reporter

My Commission Expires:

27 April 1965

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2275 2274 heard by me on 5.4, 1965.
Examiner, Examiner
New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

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GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



P. O. BOX 871
SANTA FE

May 11, 1961

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

Mr. Garrett Whitworth
El Paso Natural Gas Company
Box 1492
El Paso, Texas

Re: Case No. 2273
Order No. R-1969
Applicant:
El Paso Natural Gas Co.

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC X
Artesia OCC
Aztec OCC

OTHER Mr. Oliver Seth

**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. 2273
Order No. R-1969**

**APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR AN EXCEPTION TO
RULE 309 (a), LRA COUNTY, NEW
MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 4, 1961, at Santa Fe, New Mexico, before Daniel S. Matter, 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 11th day of May, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Matter, 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 applicant, El Paso Natural Gas Company, is the owner and operator of the Federal Lease LC-664198-A, comprising the SE/4 of Section 18, and of Federal Lease No. 025566, comprising the E/2 of Section 19, all in Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks an exception to Rule 309 (a) to permit the transportation of oil produced on the above-described Federal Lease LC-664198-A, prior to measurement, to ~~two batteries located on the above-described Federal Lease~~ one battery located on the above-described Federal Lease No. 025566.

(4) That it is not proposed to commingle the production from the two above-described Federal Leases.

(5) That approval of the subject application will neither cause waste nor impair correlative rights.

-2-

CASE No. 2273
Order No. R-1969

IT IS THEREFORE ORDERED:

That the Applicant, El Paso Natural Gas Company, is hereby granted an exception to Rule 309 (a) to permit the transportation of oil produced on Federal Lease LC-064190-A, comprising the SE/4 of Section 19, prior to measurement, to tank batteries located on Federal Lease No. 025866, comprising the E/2 of Section 19, all in Township 19 South, Range 32 East, NEMN, Lea County, New Mexico.

PROVIDED HOWEVER, That the production from the two above-described leases shall not be commingled.

IT IS FURTHER ORDERED:

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



E. L. Nechem

EDWIN L. NECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

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

ONE/

El Paso Natural Gas Company

El Paso, Texas

Case 2274

April 12, 1961

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

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

Gentlemen:

① Attached is an application for a dual completion of the El Paso Natural Gas Company's Lusk Deep Unit #2, located in Unit O, Section 18, Township 19 South, Range 32 East. This well is completed as an extension to the Lusk Deep Stawn Pool and Wildcat Morrow Gas. All offset acreage is dedicated to the Lusk Deep Unit, of which El Paso Natural Gas Company is the operator.

② We are also requesting permission to transport oil produced from the Lusk Deep Unit #2 (Strawn Formation) on Federal Lease LC-064198-A by pipeline to the tank batteries located on Federal Lease #02566 as an exception to Rule 309(a), Rules and Regulations of the New Mexico Oil Conservation Commission.

Please set this application for hearing as soon as possible. If any additional information is needed, please call me.

Very truly yours,

PRORATION DEPARTMENT

D. H. Rainey

D. H. Rainey
Administrative Assistant

DHR:Hmm
attachment

*Docket
Filed
4-21-61*

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

Case 2274

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name	Lusk Strawn (Ext.)		County	Lea	Date	4-13-61
Operator	El Paso Natural Gas Co.		Lease	Lusk Deep Unit	Well No.	2
Location of Well	Unit	Section	Township	Range		

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	Lusk Strawn	Wildcat (Morrow)
b. Top and Bottom of Pay Section (Perforations)	11,220' - 11,250	12,380 - 12,398
c. Type of production (Oil or Gas)	OIL	GAS
d. Method of Production (Flowing or Artificial Lift)	Flowing	Flowing

4. The following are attached. (Please mark YES or NO)

- X a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- X b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- _____ c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
- _____ d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Lusk Deep Unit Operated by EPNG

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES _____ NO _____. If answer is yes, give date of such notification _____.

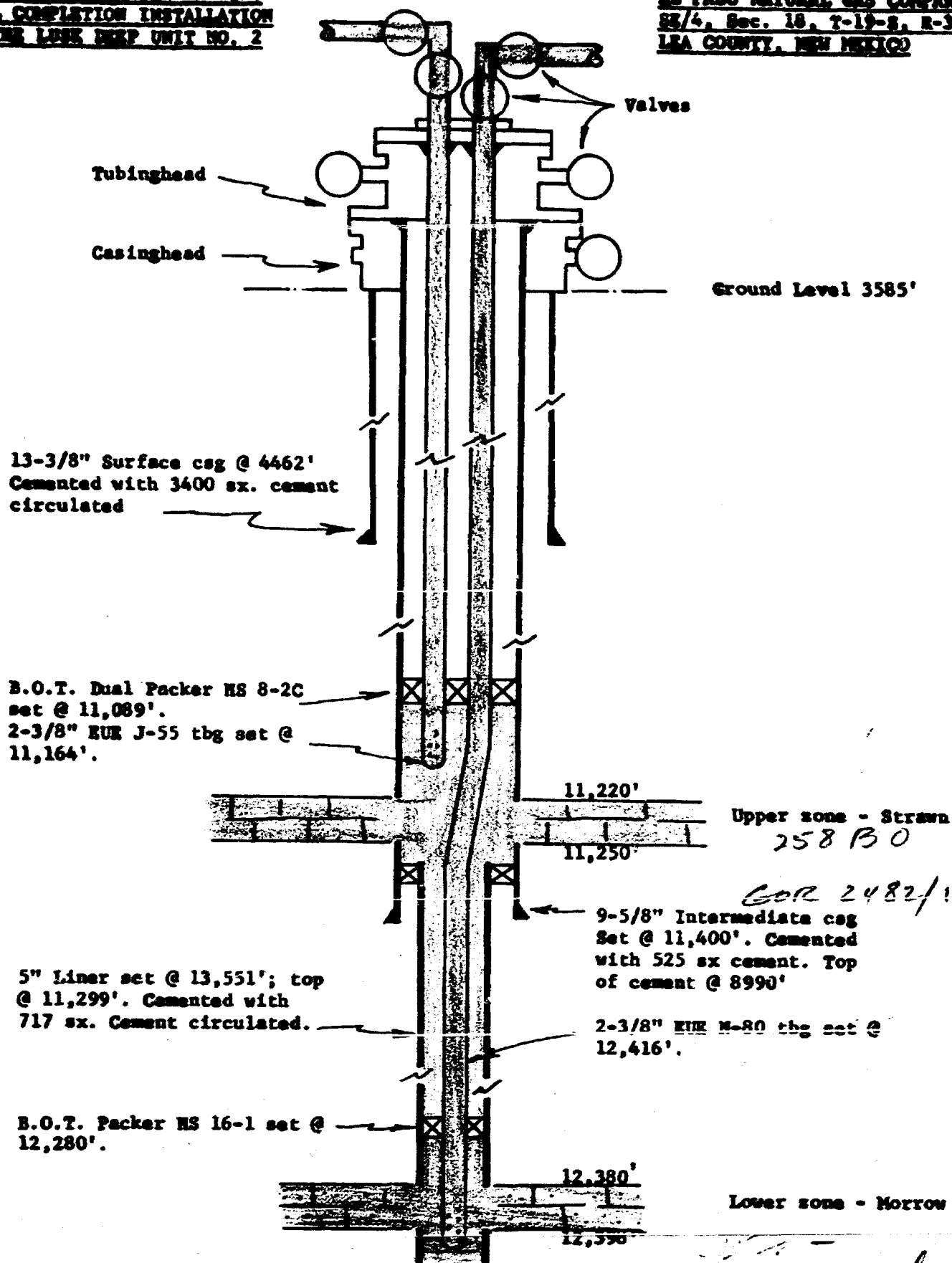
CERTIFICATE: I, the undersigned, state that I am the Administrative Assistant of the El Paso Natural Gas (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

Signature
Signature

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE: If the proposed dual completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

**DIAGRAMATIC SKETCH SHOWING
DUAL COMPLETION INSTALLATION
OF THE LURE DEEP UNIT NO. 2**

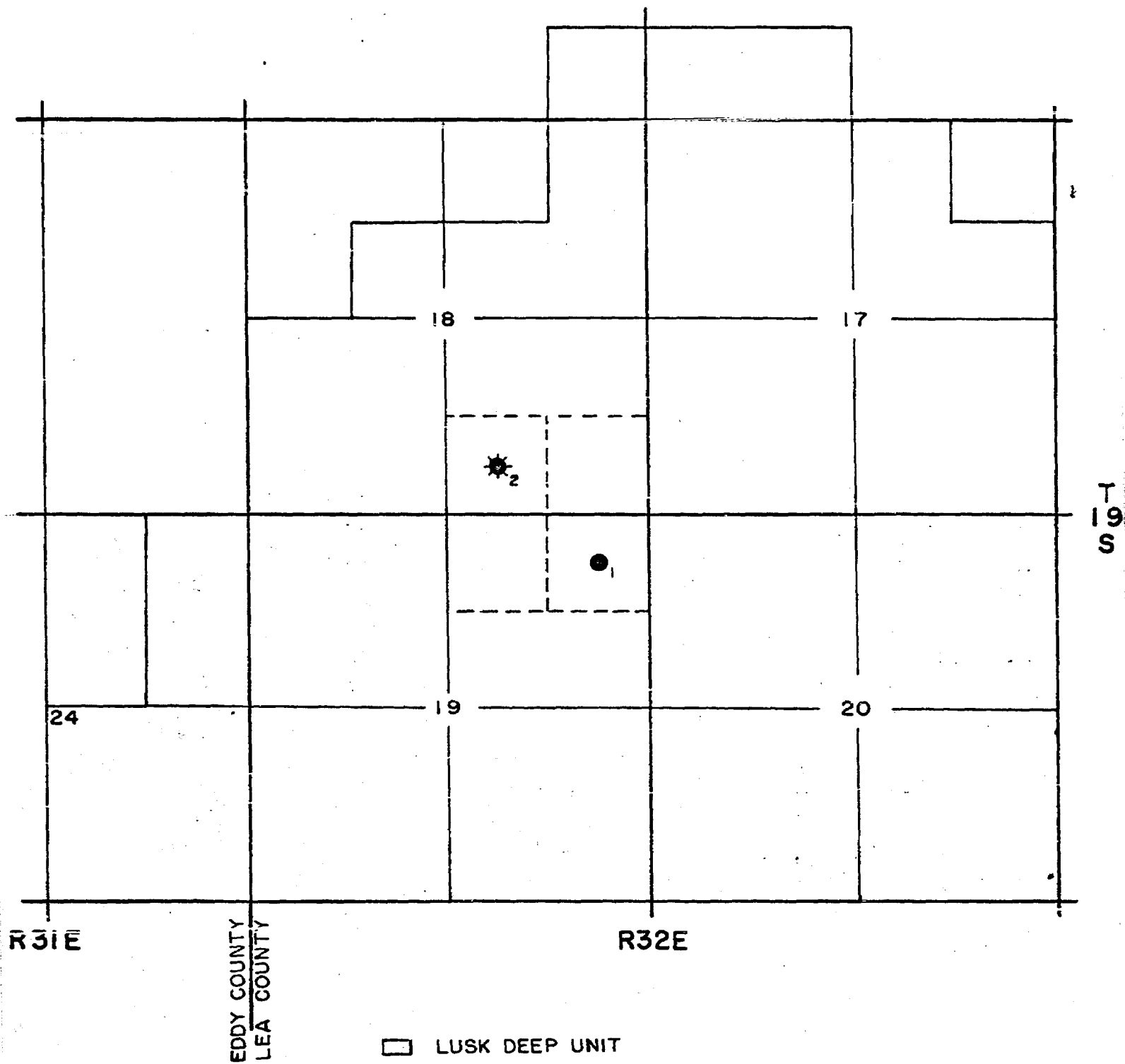
**EL PASO NATURAL GAS COMPANY
SE/4, Sec. 18, T-19-S, R-32-E
LEA COUNTY, NEW MEXICO**



DST 1P 18MM dry gas/D

Case 2274

LUSK DEEP UNIT
LEA & EDDY COUNTIES
NEW MEXICO



Case 2274

DOCKET: EXAMINER HEARING - THURSDAY, MAY 4, 1961

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or
Elvis A. Utz, as alternate examiner:

CONTINUED CASE

CASE 2234: Application of Kay Kimbell for an order force-pooling a
320-acre gas proration unit in the Basin-Dakota Pool.
Applicant, in the above-styled cause, seeks an order force-
pooling all mineral interests in the Basin-Dakota Pool in
the E/2 of Section 22, Township 29 North, Range 11 West,
San Juan County, New Mexico, including those of Roy L. Cook
as lessee and various other parties as lessors in the E/2
NW/4 NE/4 of said Section 22.

NEW CASES

CASE 2261: Application of Continental Oil Company for two non-standard
gas proration units. Applicant, in the above-styled cause,
seeks the establishment of a 480-acre non-standard gas
proration unit in the Eumont Gas Pool consisting of the
S/2 and the NE/4 of Section 24, Township 20 South, Range
37 East, Lea County, New Mexico. Said unit is to be dedi-
cated to the SEMU Eumont Well No. 67, located 1980 feet
from the South and West lines of said Section 24.

Applicant further seeks the establishment of a 480-acre
non-standard gas proration unit in the Eumont Gas Pool
consisting of the NW/4 of Section 24, and the SE/4, the SW/4
NE/4, the S/2 SW/4 and the NW/4 SW/4 of Section 13, all in
Township 20 South, Range 37 East, Lea County, New Mexico.
Said unit is to be dedicated to the SEMU Eumont Well No. 69,
located 1980 feet from the North and West lines of said
Section 24.

CASE 2262: Application of V. S. Welch for an unorthodox oil well
location. Applicant, in the above-styled cause, seeks
approval of an unorthodox oil well location in the Culwin-
Yates Pool for a well to be drilled at a point 330 feet
from the South line and 2590 feet from the West line of
Section 29, Township 18 South, Range 31 East, Eddy County,
New Mexico.

CASE 2263: Application of Collier Drilling Company for an exception to Rule 309 (a). Applicant, in the above-styled cause, seeks an exception to Rule 309 (a) to permit the transportation of oil from the Western Yates Lease, comprising the SE/4 NW/4 of Section 20, Township 18 South, Range 28 East, Eddy County, New Mexico, to a separate tank battery located on its Amerada Lease, comprising the NE/4 NW/4 of said Section 20.

CASE 2264: Application of United States Smelting Refining and Mining Company for an oil-gas dual completion and for permission to commingle the production from two separate pools. Applicant, in the above-styled cause, seeks authorization to dually complete its Federal 11-20-34 Well No. 1, located 1980 feet from the North line and 2130 feet from the West line of Section 11, Township 20 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Bone Springs formation adjacent to the Lea-Bone Springs Pool and the production of gas from an undesignated Pennsylvanian pool through parallel strings of 2-inch tubing.

Applicant further proposes to commingle the production from both of said pools in said well after metering only the Pennsylvanian pool production.

CASE 2265: Application of Nash, Windfohr and Brown for an unorthodox well location. Applicant, in the above-styled cause, seeks approval of an unorthodox location in an undesignated Abo pool for its Jackson Federal Well No. 23-B, located 1420 feet from the South line and 1980 feet from the East line of Section 24, Township 17 South, Range 30 East, Eddy County, New Mexico.

CASE 2266: Application of Nearburg & Ingram for permission to commingle the production from two separate leases, and from two separate pools. Applicant, in the above-styled cause, seeks permission to commingle, after separate measurement, the Southwest Gladiola-Pennsylvanian Pool production from all wells on its Keating lease, comprising the NE/4 of Section 34 with Southwest Gladiola-Pennsylvanian and Southwest Gladiola-Devonian production from all wells on its Midhurst Lease, comprising the NW/4 of Section 35, all in Township 12 South, Range 37 East, Lea County, New Mexico.

- CASE 2267: Application of Byard Bennett for permission to institute a waterflood project in the Caprock-Queen Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a waterflood project in the Caprock-Queen Pool in an area comprising the E/2 SE/4 of Section 20 and the SW/4 of Section 21, all in Township 14 South, Range 31 East, Chaves County, New Mexico, by the injection of water into the Stella Zimmerman Well No. 2, located in the SE/4 SE/4 of said Section 20.
- CASE 2268: Application of Humble Oil & Refining Company for an exception to Rule 303 (a). Applicant, in the above-styled cause, seeks an exception to Rule 303 (a) to permit commingling, without separate measurement, of the production from the Paddock, Penrose-Skelly and Drinkard Pools on the J. L. Greenwood Lease, comprising the S/2 of Section 9, Township 22 South, Range 37 East, Lea County, New Mexico.
- CASE 2269: Application of Great Western Drilling Company for an oil-salt water dual completion. Applicant, in the above-styled cause, seeks authorization to dually complete its Federal MM Well No. 2, located in the SE/4 NW/4 of Section 8, Township 9 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Bough C formation adjacent to the East Allison-Pennsylvanian Pool and the injection of salt water into the San Andres formation.
- CASE 2270: Application of Pan American Petroleum Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks authorization to dually complete its Greenwood Unit Well No. 3, located in Unit H, Section 27, Township 18 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from an undesignated Bone Springs pool and the production of oil from an undesignated Wolfcamp pool through parallel strings of 2-inch tubing.
- CASE 2271: Application of Pan American Petroleum Corporation for two non-standard oil proration units and for an unorthodox oil well location. Applicant, in the above-styled cause, seeks the establishment of a 70.58-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool consisting of Lots 8 and 9 and the S/2 of that portion of the San Juan River channel lying in the S/2 NE/4, all in Section 18,

CASE 2271 (Cont.)

Township 29 North, Range 14 West, San Juan County, New Mexico, said unit to be dedicated to the Navajo Tribal "G" Well No. 7, at an unorthodox location 2545 feet from the North line and 1670 feet from the East line of said Section 18, and of a 46.75-acre non-standard oil proration unit in said pool consisting of Lot 6 and the S/2 of that portion of the San Juan River channel lying in the SE/4, all in Section 16, Township 29 North, Range 14 West, San Juan County, New Mexico, said unit to be dedicated to the Navajo Tribal "E" Well No. 10, located 660 feet from the South line and 1980 feet from the East line of said Section 16.

CASE 2272:

Application of Pan American Petroleum Corporation for two non-standard oil proration units and for two unorthodox oil well locations. Applicant, in the above-styled cause, seeks the establishment of an 89.62-acre non-standard oil proration unit in the Cha Cha-Gallup Oil Pool consisting of Lots 2, 3 and 4 of Section 8, Township 28 North, Range 13 West, San Juan County, New Mexico, said unit to be dedicated to the C. J. Holder Well No. 11, at an unorthodox location 493 feet from the North line and 660 feet from the West line of said Section 8, and of an 89.22-acre non-standard oil proration unit in said pool consisting of Lot 1 of Section 8 and Lots 3 and 4 of Section 9, all in Township 28 North, Range 13 West, San Juan County, New Mexico, said unit to be dedicated to the C. J. Holder Well No. 12, at an unorthodox location 493 feet from the North line and 660 feet from the West line of said Section 9.

CASE 2273:

Application of El Paso Natural Gas Company for an exception to Rule 309 (a). Applicant, in the above-styled cause, seeks an exception to Rule 309 (a) to permit the transportation of oil produced on Federal Lease LC-064198-A, comprising the SE/4 of Section 18, prior to measurement, to tank batteries located on Federal Lease No. 025566, comprising the E/2 of Section 19, all in Township 19 South, Range 32 East, Lea County, New Mexico.

Docket No. 13-61

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CASE 2274:

Application of El Paso Natural Gas Company for an oil-gas dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lusk Deep Unit Well No. 2, located in Unit 0, Section 18, Township 19 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Strawn formation adjacent to the Lusk-Strawn Pool and the production of gas from the Morrow formation in an undesignated pool through parallel strings of 2 3/8-inch tubing.

J. O. SETH
A. K. MONTGOMERY
OLIVER SETH
WM. FEDERICI
FRANK ANDREWS
FRED C. HANNAHS
GEORGE A. GRAHAM, JR.

SETH, MONTGOMERY, FEDERICI & ANDREWS

ATTORNEYS AND COUNSELORS AT LAW

301 DON GASPAR AVENUE
SANTA FE, NEW MEXICO

April 25, 1961

POST OFFICE BOX 828
TELEPHONE YU 5-7315

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Case No. 2273

Gentlemen:

This letter will constitute our entry of appearance as local counsel of El Paso Natural Gas Company in the above Case No. 2273.

We will be associated in this proceeding with Mr. Ben Howell, Mr. Garrett C. Whitworth and other company attorneys of El Paso Natural Gas Company.

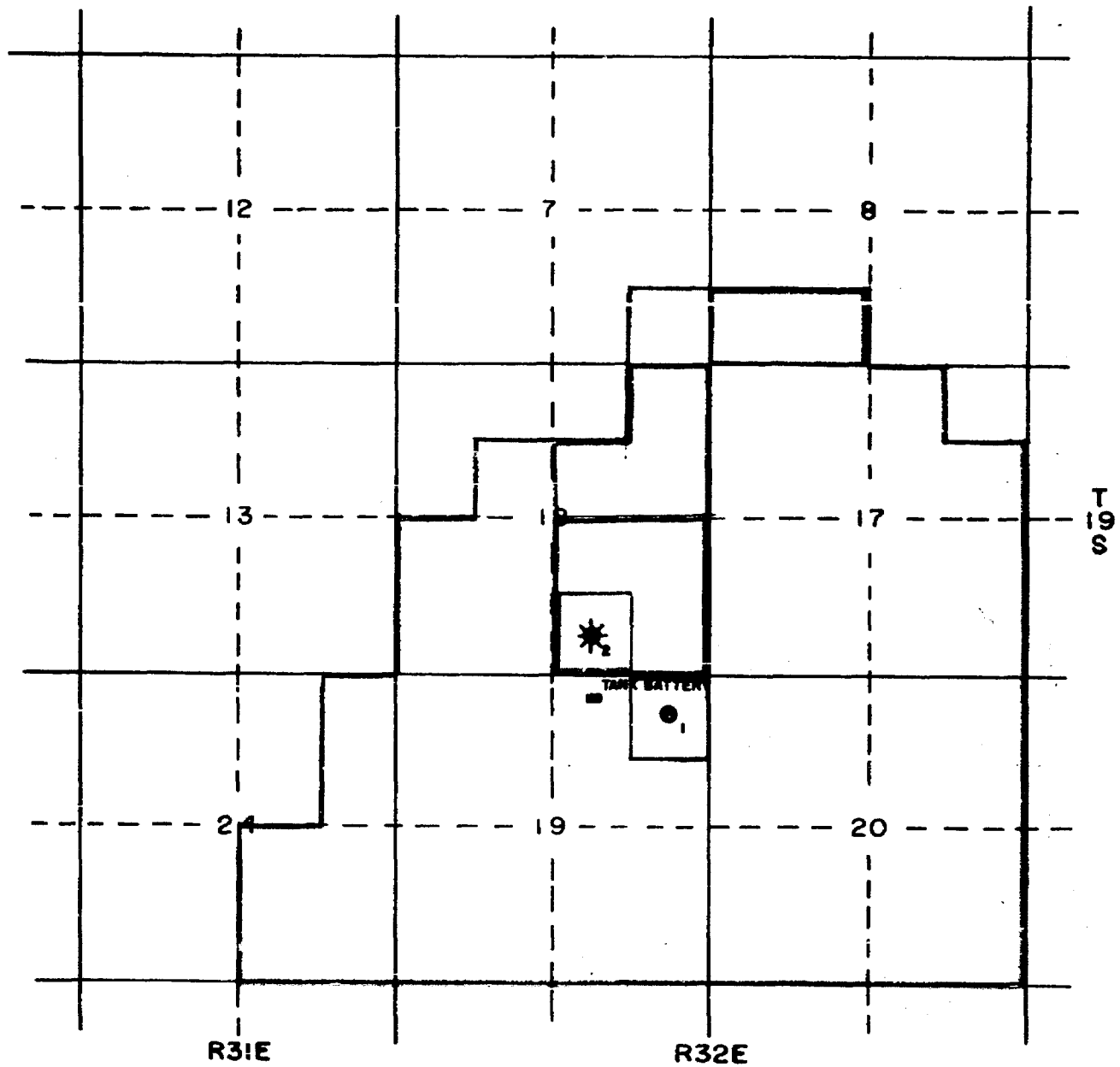
Very truly yours,

SETH, MONTGOMERY, FEDERICI & ANDREWS

By:



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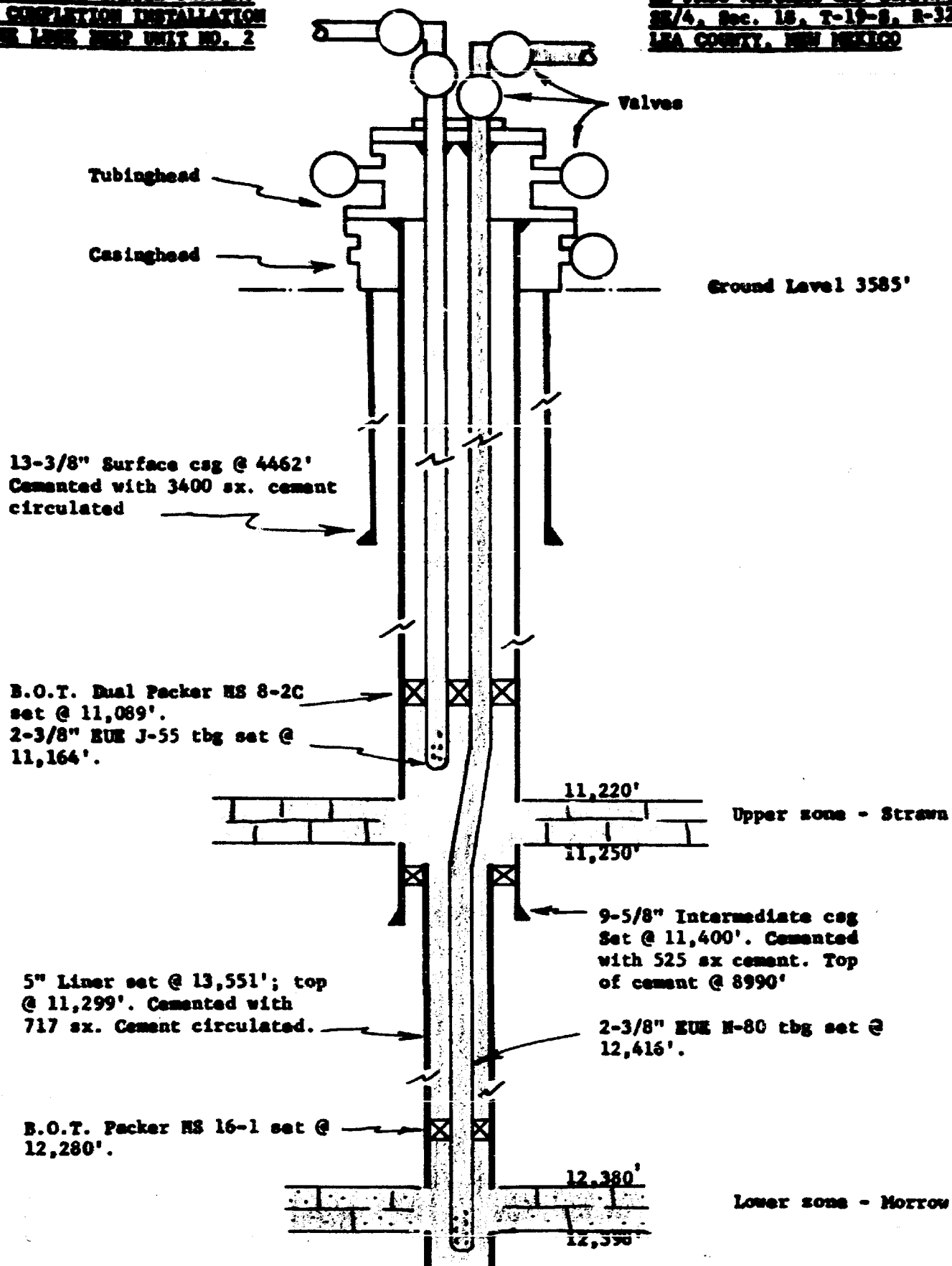
- LUSK DEEP UNIT
- ACREAGE UNCOMMITTED TO UNIT
- ACREAGE DEDICATED TO OIL WELLS
- ACREAGE DEDICATED TO GAS WELL

LUSK DEEP UNIT
 EL PASO NATURAL GAS CO.-OPERATOR
 EDDY AND LEA COUNTIES
 NEW MEXICO

BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 EP EXHIBIT NO. 1
 CASE NO. 2274 (2273)
 (C. Neal)

**DIAGRAMATIC SKETCH SHOWING
FINAL COMPLETION INSTALLATION
OF THE LONG HOLE UNIT NO. 2**

**EL PASO NATURAL GAS COMPANY
SE/4, Sec. 18, T-19-S, R-32-E
LEA COUNTY, NEW MEXICO**



ex 2 El Paso
Case 2274

**OWNERSHIP OF OIL AND GAS INTERESTS ON
FEDERAL LEASES LC-064196-A and NM-023846**

Basic Royalty: U. S. A.

Working Interest: El Paso, Gulf, Phillips, and Kerr-McGee Oil Co.

Overriding Royalty: Southern California Petroleum Corporation
Arge Oil Corporation
William S. Bailey, Jr.
Two States Oil Company
Shannon Trust, Inc.
Zelwyn Graham
Elaine Graham Krause
Mel M. Graham
John William McDonald
David Graham McDonald
Mr. and Mrs. R. A. Calbertson
Mr. and Mrs. Wallace W. Irwin
Southern Petroleum Exploration, Inc.
Selma Andrews
Albuquerque National Bank, Testamentary
Trustee of Frank A. Andrews, deceased
Roy G. Burton and wife, Opal Burton
Fred C. Reinbach and wife, Alma John Mein
John Mein
Mr. and Mrs. David R. Chambers

BEFORE EXAMINER NUTTER	
OIL COMMISSION	3
CASE NO.	2273-74

44 3-
El Paso
Case 2273