

Filed January 21, 1957

A.L.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 1147
Order No. R-939

APPLICATION OF THE NEW MEXICO
OIL CONSERVATION COMMISSION ON
ITS OWN MOTION FOR AN ORDER
GRANTING PERMISSION TO CONDUCT
INTERFERENCE AND PRESSURE BUILD-
UP TESTS AND AUTHORIZING THE NON-
CANCELLATION AND/OR TRANSFER OF
ALLOWABLES FOR WELLS INVOLVED IN
THE TESTING PROGRAM IN CERTAIN
PICTURED CLIFFS GAS POOLS IN SAN
JUAN AND RIO ARRIBA COUNTIES, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on September 13, 1956, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 16th day of January, 1957, the Commission, a quorum being present, having considered the testimony and evidence adduced and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That there is a need for the reservoir information that the proposed communication and pressure build-up tests would provide.
- (3) That the proposed tests would not cause waste or violate correlative rights.
- (4) That the proposed tests should be authorized.
- (5) That all shut-in wells should be excepted from the requirements of Order R-333-C & D during the time that communications and pressure build-up tests are being conducted.

Case No. 1147
Order No. R-939

(6) That any shut-in well which has not been assigned an allowable prior to the effective date of this order should be assigned an allowable from the date of connection to a transportation facility, provided said date is not more than forty-five days prior to the beginning of the test.

(7) That an operator conducting a test in a prorated gas pool should be permitted to transfer the allowable which accrues to the shut-in well during the test to any other well or wells on the same basic lease; and further, that any such allowable which is not so transferred should be considered to have accrued on the date the test is completed.

(8) That the underage and overage balancing provisions of Rules 11 and 12 of Order R-565-C and R-566-D should be suspended for all affected shut-in and transfer wells until the end of the six-month proration period following the proration period during which the test is completed.

IT IS THEREFORE ORDERED:

(1) That authority be and the same is hereby granted to conduct "Communication Tests" on the wells hereinafter designated as a "Shut-in Well" and to transfer any allowable accruing to said well during the test to any of the wells designated as a "Transfer Well" for the same test, in accordance with the provisions of Paragraph 8 of this order:

AZTEC-PICTURED CLIFFS POOL
TEST # AC1-2 - EL PASO, OPERATOR

<u>Shut-in Well</u>	<u>Transfer Wells</u>
El Paso - Ludwick # 2 SE SE 19-30N-10W	El Paso - Ludwick #6 NW SW 19-30N-10W
	El Paso - Ludwick #1 NW NW 29 -30N-10W

BALLARD-PICTURED CLIFFS POOL
TEST # BC2-4 - EL PASO, OPERATOR

<u>Shut-in Well</u>	<u>Transfer Wells</u>
El Paso - McConnell #4 NE SW 24-26N-9W	El Paso - McConnell #6 NE NE 25-26N-9W
	El Paso - McConnell #5 NE NW 24-26N-9W

SOUTH BLANCO-PICTURED CLIFFS POOL
TEST # SBC1-8 - SOUTHERN UNION, OPERATOR

<u>Shut-in Well</u>	<u>Transfer Wells</u>
Humble - Jicarilla "J" #7 NW NW 8-24N-5W	Humble - Jicarilla "J" #1 NW NW 5-24N-5W

-3-

Case No. 1147

Order No. R-939

SOUTH BLANCO-PICTURED CLIFFS POOL
TEST # SBC1-8 - SOUTHERN UNION, OPERATOR (Con't.)

Shut-in Well

Transfer Wells

Humble - Jicarilla "J" #2
SW SW 5-24N-5W

Humble - Jicarilla "J" #3
SW NW 6-24N-6W

Humble - Jicarilla "J" #4
SE SE 6-24N-5W

Humble - Jicarilla "J" #5
NW NW 7-24N-5W

Humble - Jicarilla "J" #6
SE SE 7-24N-5W

Humble - Jicarilla "J" #8
SE SE 8-24N-5W

TEST # SBC2-9 - SOUTHERN UNION, OPERATOR

Shut-in Well

Transfer Wells

El Paso - Jicarilla #2-E
SW SE 19-25N-4W

El Paso - Jicarilla #1-E
SE NE 19-25N-4W

El Paso - Jicarilla # 3-E
SE SW 18-25N-4W

El Paso - Jicarilla #2
SE NW 20-25N-4W

WEST KUTZ-PICTURED CLIFFS POOL
TEST # WKG-1-10 - STANOLIND, OPERATOR

Shut-in Well

Transfer Wells

Stanolind - GCU #44
SW SW 35-29N-13W

Stanolind - GCU #5
SE NE 13-28N-13W

Stanolind - GCU #21
SW SW 18-28N-12W

Stanolind - GCU #42
SE SW 12-28N-13W

Stanolind - GCU #66
SW NE 35-29N-13W

-4-

Case No. 1147
Order No. R-939

TEST WKG2-11 - STANOLIND, OPERATOR

<u>Shut-in Well</u>	<u>Transfer Wells</u>
Stanolind - GCU #18 NE NE 21-28N-12W	Stanolind - GCU #6 NW SW 22-28N-12W
	Stanolind - GCU #17 NE NE 28-28N-12W
	Stanolind - GCU #33 SW SW 21-28N-12W

TEST # WKC3-12 - STANOLIND, OPERATOR

<u>Shut-in Well</u>	<u>Transfer Wells</u>
Stanolind - GCU #7 NE NE 30-28N-12W	Stanolind - GCU #19 SE NE 20-28N-12W
	Stanolind - GCU #35 NE SW 20-28N-12W
	Stanolind - GCU #36 SE NE 19-28N-12W
	Stanolind - GCU #71 SW SW 31-28N-12W
	Stanolind - GCU #72 SW NE 36-28N-13W

TEST WKC4-13 - STANOLIND, OPERATOR

<u>Shut-in Well</u>	<u>Transfer Wells</u>
Stanolind - GCU #31 SW NW 34-28N-12W	Stanolind - GCU #4 SW NE 34-28N-12W
	Stanolind - GCU #10 NE SW 33-28N-12W
	Stanolind - GCU #12 NE NE 33-28N-12W
	Stanolind - GCU #24 NW SE 34-28N-12W

(2) That authority be and the same is hereby granted to conduct "Communication Tests" on the wells hereinafter designated as a "Shut-in Well" and to transfer any allowable accruing to said well during the test to any of the wells designated as a "Transfer Well" for the same test, in accordance with the provisions of Paragraph 8 of this order, in the event any of the pools listed herein should become prorated during the conduct of the tests:

-5-

Case No. 1147

Order No. R-939

CANYON LARGO-PICTURED CLIFFS POOL
TEST # CLC1-5 - BENSON-MONTIN, OPERATOR

Shut-in Well

Superior - Slagel #2-19
SE SE 19-25N-6W

Transfer Wells

Superior - Slagel #1-20
NW NW 20-25N-6W

Superior - Slagel #1-19
NW NW 19-25N-6W

Superior - Hightower #2-24
SE SE 24-25N-7W

Superior - Inabeth Phillips
#1-30
NW NW 30-25N-6W

Superior - Inabeth Phillips
#2-30
SE SE 30-25N-6W

Superior - Inabeth Phillips
#1-29
NW NW 29-25N-6W

OTERO-PICTURED CLIFFS POOL
TEST # OC1-6 - EL PASO, OPERATOR

Shut-in Well

Abraham - Jicarilla #9
NE SW 28-24N-5W

No Transfer Wells

TEST # OC2-7 - EL PASO, OPERATOR

Shut-in Well

Amerada - Jicarilla # 2-B
SE SE 20-24N-5W

Transfer Wells

Amerada - Jicarilla # 1-B
SE NW 20-24N-5W

Amerada - Jicarilla #5-B
NW NW 29-24N-5W

Amerada - Jicarilla #6-B
SE SE 29-24N-5W

Amerada - Jicarilla #3 -B
NW NW 19-24N-5W

Amerada - Jicarilla # 4-B
SE SE 19-24N-5W

Amerada - Jicarilla #7-B
NW NW 30-24N-5W

(3) That the "Communication Test" authorized by Commission Order R-794 on April 18, 1956, be and the same is hereby designated as follows, and in the event the Tapacito-Pictured Cliffs Gas Pool becomes prorated prior to the end of said test, the operator is hereby authorized to transfer any allowable which might accrue to the "Shut-in Well" to any of the wells designated as "Transfer Wells" for said test, in accordance with the provisions of Paragraph 8 of this order:

TAPACITO-PICTURED CLIFFS POOL
TEST # TC1-1 - SOUTHERN UNION, OPERATOR

Shut-in Well

Southern Union - Jicarilla #2-E
NE SW 15-26N-4W

Transfer Wells

Southern Union - Jicarilla #3-E
NW NE 15-26N-4W

Southern Union - Jicarilla #1-E
NW SW 16-26N-4W

Southern Union - Jicarilla #4-E
NE NE 22-26N-4W

(4) That the following "Communication Test" is approved and designated as shown below. This test shall not be subject to the allowable transfer and non-cancellation provisions of this order.

BALLARD-PICTURED CLIFFS POOL
TEST # BC1-3 - BENSON MONTIN, OPERATOR

Shut-in Well

Benson Montin - Foster #1
NE NW 13-25N-8W

No Transfer Wells

(5) That authority be and the same is hereby granted to conduct "Pressure Build-up Tests" on the wells hereinafter designated as a "Shut-in Well" and to transfer any allowable accruing to said well during the test to any of the wells designated as a "Transfer Well" for the same test, in accordance with the provisions of Paragraph 8 of this order:

AZTEC-PICTURED CLIFFS POOL
TEST # ABU1-1 - EL PASO, OPERATOR

Shut-in Well

El Paso - Murphy #1-D
SW SE 27-30N-11W

Transfer Wells

El Paso - Murphy #1-C
NE NE 27-30N-11W

El Paso - Murphy #1-E
NE NE 34-30N-11W

El Paso - Murphy #2-E
NE NW 34-30N-11W

-7-

Case No. 1147
Order No. R-939

AZTEC-PICTURED CLIFFS POOL
TEST # ABU5-5 - EL PASO, OPERATOR

Shut-in Well

El Paso - Storey #2-B
SW SW 10-30N-11W

No Transfer Wells

BALLARD-PICTURED CLIFFS POOL
TEST # BBU1-6 - EL PASO, OPERATOR

Shut-in Well

El Paso - Ballard #1-10
SW SW 10-26N-9W

Transfer Well

El Paso - Ballard #2-10
SE SE 10-26N-9W

(6) That authority be and the same is hereby granted to conduct "Pressure Build-up Tests" on the wells hereinafter designated as a Shut-in Well and to transfer any allowable accruing to said well during the test to any of the wells designated as a "Transfer Well" for the same test, in accordance with the provisions of Paragraph 8 of this order, in the event any of the pools listed herein should become prorated during the conduct of the tests:

OTERO-PICTURED CLIFFS POOL
TEST # OBU1-7 - EL PASO, OPERATOR

Shut-in Well

Amerada - Jicarilla #8-B
SE SE 30-24N-5W

Transfer Wells

Amerada - Jicarilla #1-B
SE NE 20-24N-5W

Amerada - Jicarilla #5-B
NW NW 29-24N-5W

Amerada - Jicarilla #6-B
SE SE 29-24N-5W

Amerada - Jicarilla #3-B
NW NW 19-24N-5W

Amerada - Jicarilla #4-B
SE SE 19-24N- 5W

Amerada - Jicarilla #7-B
NW NW 30-24N-5W

-8-

Case No. 1147
Order No. R-939

(7) That the following "Pressure Buildup Tests" are hereby approved. These tests shall not be subject to the allowable transfer and non-cancellation provisions of this order:

AZTEC-PICTURED CLIFFS POOL
TEST # ABU2-2 - STANOLIND, OPERATOR

Shut-in Wells

No Transfer Wells

Stanolind - Likens Gas Unit "B" #1
SW SW 24-29N-11W

TEST # ABU3-3 - STANOLIND, OPERATOR

Shut-in Well

No Transfer Wells

Stanolind - Abraham Gas Unit #1
SW SW 24-29N-10W

TEST # ABU4-4 - STANOLIND, OPERATOR

Shut-in Well

No Transfer Wells

Stanolind - Abraham Gas Unit "A" #1
NE SE 26-29N-10W

SOUTH BLANCO-PICTURED CLIFFS POOL
TEST # SBBU1-8 - STANOLIND, OPERATOR

Shut-in Well

No Transfer Wells

Stanolind - Jicarilla #1-155
NW NW 20-26N-5W

(8) That any operator desiring an allowable transfer as authorized above shall submit a request for the same to the Commission setting out the amount of allowable which he proposes to transfer and the name and location of the well or wells which are to receive the same. Such transfers must be to wells on the same basic lease as the shut-in well. If the proposed transfer is approved by the Commission, the transfer shall be effected upon completion of the test or upon receipt of the deliverability test for the shut-in well, whichever date is later.

(9) That the underage and overage provisions of Rules 11 and 12 of Orders R-565-C and R-566-D be and the same are hereby suspended for all affected shut-in and transfer wells listed herein insofar as concerns any overage or underage accrued to such wells at the time a test is commenced; provided however, that said wells shall be subject to the provisions of the above Rules after the end of the six-month proration period following the proration period during which the test is completed, and further, that any allowable which accrues to a shut-in well during a test which is not transferred as provided for in Paragraph 8 above shall be considered to have accrued to said shut-in well on the date the test is completed.

(10) That any transfer well which has not been connected to a transportation facility at the beginning of the test shall have its allowable assigned in accordance with the applicable proration order.

That any shut-in well which has not been assigned an allowable prior to the effective date of this order shall be assigned an allowable from the date of connection to a transportation facility, provided said date is not more than forty-five days prior to the beginning of the test.

If, however, the shut-in well has not been connected to a transportation facility at the beginning of the test its allowable shall begin on the date when the well would have delivered gas into a transportation facility had the well not been shut-in, such date to be determined from an affidavit by the gas purchaser.

(11) That all shut-in wells be and the same are hereby excepted from the requirements of Order R-333-C and D until the date of first delivery of gas into a gas transportation facility after the completion of the test.

(12) That the Commission be and the same is hereby authorized to administratively approve the revision of wells designated to participate in any of the tests listed in this order, provided that no well shall be designated as a transfer well which is not on the same basic lease as the shut-in well.

(13) That in order to establish the starting date of any "Communication" or "Pressure Build-up" tests listed in this order, the operator shall notify the Santa Fe and Aztec offices of the Commission at the time the well is shut-in and padlocked, which date shall be the starting date of the "Communication" or "Pressure Build-up" tests. Provided, that any test started before the date of this order on which the operator can furnish adequate proof that the well has not been blown to the air or produced in any manner, may have the starting date of the test begin as of the date of the shutting-in of the test well.

(14) That the shut-in well on all tests listed in this order shall be padlocked in such a manner so as to definitely prevent the opening of any valve except during the taking of the pressure readings.

(15) That a schedule of pressure reading dates shall be submitted to the Commission's Aztec and Santa Fe offices at the time the test well is shut-in or immediately on receipt of this order, whichever date is later. Any revision to be made in this schedule shall be made at least 72 hours prior to the scheduled pressure reading date.

-10-

Case No. 1147

Order No. R-939

(16) The results of all pressure readings shall be filed with the Commission's Aztec and Santa Fe offices not later than 15 days after the readings are taken. This data shall be filed on San Juan Allowable Committee's Form "B".

(17) That immediately after receipt of this order all operators participating in subject tests shall file with the Commission's Santa Fe office:

(1) San Juan Allowable Committee's Form "A" listing the test well and all offset wells.

(2) A 2 inch to the mile scale plat showing the test well, all offset wells, and lease ownership.

Operators who filed this data at the hearing of this case shall not be required to refile.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Edwin L. Mechem, Chairman



Murray E. Morgan, Member



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

S E A L