

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. 1270
Order No. R-1065

APPLICATION OF EL PASO NATURAL GAS
COMPANY FOR AN ORDER AUTHORIZING
MAXIMUM PRESSURE BUILD-UP TESTS
AND FOR THE NON-CANCELLATION AND/OR
TRANSFER OF ALLOWABLES FOR WELLS
INVOLVED IN SUCH TESTING PROGRAM
IN CERTAIN 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 10 o'clock a.m. on June 25, 1957, at Farmington, New Mexico, before Warren W. Mankin, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd day of October, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Warren W. Mankin, 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, seeks an order approving maximum pressure build-up tests on 26 gas wells in the Blanco Mesaverde, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, and the South Blanco-Pictured Cliffs Gas Pools in San Juan and Rio Arriba Counties, New Mexico, and further authorizing the non-cancellation and/or transfer of allowables for said wells and for administrative approval for the substitution of other wells for those authorized by this order.

(3) That there is a need for the reservoir information that the proposed maximum pressure build-up tests would provide.

(4) That the proposed tests would not cause waste nor violate correlative rights.

(5) That the proposed tests should be authorized.

(6) That all shut-in wells should be excepted from the requirements of Order R-333-C & D during the time that maximum pressure build-up tests are being conducted.

-2-

Case No. 1270
Order No. R-1065

(7) 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.

(8) That the applicant should be permitted to transfer the allowable which accrues to the shut-in well during the test to certain other 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.

(9) That the underage and overage balancing provisions of Rules 6 and 7 of Order R-128-D, Rules 11 and 12 of Order R-565-C and R-846, as all of said rules are amended by Order R-967, 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 maximum pressure build-up tests on the wells hereinafter designated as a "shut-in well" and to transfer any allowables accruing to said wells during the tests to one or more of the wells designated as a "Transfer Well" for the same test, subject to the provisions of Paragraph 2 of this order:

BLANCO MESAVERDE GAS POOL
TEST MVBV # 1

SHUT-IN WELL

El Paso - Atlantic No. A-5
Unit L, S 26 T31N R10W

TRANSFER WELLS

El Paso - Atlantic No. 1-A
Unit H, S 27 T31N R10W

El Paso - Atlantic No. 9-A
Unit N, S 27 T31N R10W

TEST MVBV #2

El Paso - Atlantic No. A-8
Unit A, S 29 T31N R10W

El Paso - Atlantic No. 7-A
Unit K, S 29 T31N R 10W

TEST MVBV #3

El Paso - Barnes No. 7
Unit K, S 23 T32N R11W

None

TEST MVBV #4

El Paso - Barrett No. 2
Unit B, S 19 T31N R9W

El Paso - Barrett No. 3
Unit K, S 20 T31N R9W

El Paso - Barrett No. 4
Unit A, S 20 T31N R9W

-3-

Case No. 1270
Order No. R-1065

TEST MVBV #5

SHUT-IN WELL

El Paso - Case No. 2
Unit M, S 8 T31N R11W

TRANSFER WELLS

El Paso - Case No. 1
Unit N, S 5 T31N R11W

El Paso - Case No. 4
Unit O, S 18 T31N R11W

El Paso - Case No. 3
Unit M, S 17 T31N R11W

TEST MVBV #6

El Paso - Gartner No. 2
Unit G, S 28 T30N R8W

El Paso - Gartner No. 1
Unit N, S 28 T30N R8W

El Paso - Gartner No. 5
Unit M, S 27 T30N R8W

El Paso - Gartner No. 4
Unit H, S 33 T30N R8W

TEST MVBV #7

El Paso - Howell No. A-3
Unit M, S 4 T30N R8W

El Paso - Howell No. 2-A
Unit N, S 5 T30N R8W

El Paso - Howell No. 1-A
Unit G, S 8 T30N R8W

El Paso - Howell No. 1-J
Unit L, S 3 T30N R8W

TEST MVBV #8

El Paso - Hughes No. 1
Unit M, S 19 T29N R8W

El Paso - Hughes No. 2
Unit A, S 19 T29N R8W

El Paso - Hughes No. 4
Unit M, S 20 T29N R8W

El Paso - Hughes No. 7
Unit M, S 29 T29N R8W

TEST MVBV #9

El Paso - Hughes No. A-3
Unit M, S 27 T29N R8W

El Paso - Hughes No. 5-A
Unit H, S 28 T29N R8W

El Paso - Hughes No. 2-A
Unit B, S 27 T29N R8W

El Paso - Hughes No. 1-A
Unit A, S 33 T29N R8W

El Paso - Hughes No. 4-A
Unit A, S 34 T29N R8W

-4-

Case No. 1270
Order No. R-1065

TEST MVBUS #10

SHUT-IN WELL

El Paso - Jones A No. 4
Unit B, S 13 T28N R8W

TEST MVBUS #11

El Paso - Lucerne A No. 2
Unit B, S 9 T31N R10W

TRANSFER WELLS

El Paso - Jones No. 6-A
Unit H, S 14 T28N R8W

El Paso - Jones No. 5-A
Unit K, S 13 T28N R8W

El Paso - Lucerne No. 3-A
Unit M, S 3 T31N R10W

El Paso - Lucerne No. 4-A
Unit H, S 10 T31N R10W

TEST MVBUS #12

El Paso - (SJU 30-6) McElvain No. A-1
Unit A, S 23 T30N R7W

El Paso - McElvain No. 2-A
Unit K, S 23 T30N R7W

El Paso - McElvain No. 3-A
Unit H, S 24 T30N R7W

El Paso - McElvain No. 4-A
Unit K, S 24 T30N R7W

El Paso - McElvain No. 5-A
Unit A, S 25 T30N R7W

TEST MVBUS #13

El Paso - Mudge No. 6
Unit M, S 11 T31N R11W

None

TEST MVBUS #14

El Paso - Riddle No. 2
Unit L, S 3 T30N R9W

El Paso - Riddle No. 1
Unit D, S 4 T30N R9W

TEST MVBUS #15

El Paso - SJU 28-6 No. 30
Unit A, S 28 T28N R6W

El Paso - SJU 28-6 No. 60
Unit B, S 21 T28N R6W

El Paso - SJU 28-6 No. 61
Unit M, S 21 T28N R6W

El Paso - SJU 28-6 No. 63
Unit L, S 22 T28N R6W

El Paso - SJU 28-6 No. 31
Unit M, S 28 T28N R6W

El Paso - SJU 28-6 No. 9
Unit M, S 27 T28N R6W

El Paso - SJU 28-6 No. 32
Unit A, S 33 T28N R6W

-5-

Case No. 1270

Order No. R-1065

TEST MVBV #16

SHUT-IN WELL

El Paso - SJU 28-6 No. 37
Unit K, S 6 T27N R6W

TRANSFER WELLS

El Paso - SJU 28-7 No. 34
Unit H, S 1 T27N R7W

El Paso - SJU 28-7 No. 35
Unit L, S 1 T27N R7W

El Paso - SJU 28-6 No. 36
Unit B, S 6 T27N R6W

El Paso - SJU 28-6 No. 39
Unit N, S 5 T27N R6W

El Paso - SJU 28-6 No. 43
Unit A, S 7 T27N R6W

El Paso - SJU 28-6 No. 54
Unit N, S 7 T27N R6W

TEST MVBV # 17

El Paso - SJU 28-7 No. 56
Unit M, S 13 T28N R7W

El Paso - SJU 28-7 No. 9
Unit M, S 14 T28N R7W

El Paso - SJU 28-7 No. 50
Unit A, S 23 T28N R7W

El Paso - SJU 28-7 No. 51
Unit B, S 24 T28N R7W

TEST MVBV #18

El Paso - Schwerdtfeger No. 2
Unit G, S 27 T31N R9W

None

TEST MVBV #19

El Paso - Vanderwart No. 5-A
Unit H, S 14 T29N R8W

El Paso - Vanderwart No. 1-A
Unit A, S 11 T29N R8W

El Paso - Vanderwart No. 2-A
Unit K, S 11 T29N R8W

El Paso - Vanderwart No. 3-A
Unit M, S 13 T29N R8W

AZTEC-PICTURED CLIFFS POOL
TEST PCBU #20

El Paso - Morris No. A-6
Unit L, S 21 T30N R11W

None

-6-

Case No. 1270

Order No. R-1065

BALLARD-PICTURED CLIFFS POOL
TEST PCBU #21

SHUT-IN WELL

El Paso - McManus No. 10
Unit A, S 4 T25N R8W

TRANSFER WELLS

El Paso - McManus No. 9
Unit M, S 33 T26N R8W

El Paso - McManus No. 3
Unit J, S 33 T26N R8W

El Paso - McManus No. 13
Unit N, S 4 T25N R8W

El Paso - McManus No. 2
Unit C, S 4 T25N R8W

TEST PCBU #22

El Paso - Quitzau No. 9
Unit M, S 11 T25N R8W

El Paso - Quitzau No. 6
Unit A, S 10 T25N R8W

El Paso - Quitzau No. 10
Unit P, S 10 T25N R8W

El Paso - Quitzau No. 2
Unit F, S 11 T25N R8W

El Paso - Quitzau No. 3
Unit P, S 11 T25N R8W

El Paso - Quitzau No. 8
Unit A, S 11 T25N R8W

TEST PCBU #23

El Paso - Wilson A-1
Unit D, S 32 T26N R8W

El Paso - Wilson 2-A
Unit K, S 32 T26N R8W

FULCHER KUTZ-PICTURED CLIFFS POOL
TEST PCBU #24

El Paso - Omler No. 8
Unit M, S 25 T28N R10W

El Paso - Omler No. 6
Unit B, S 25 T28N R10W

El Paso - Omler No. 7
Unit C, S 25 T28N R10W

El Paso - Omler No. 5
Unit O, S 25 T28N R10W

El Paso - Omler No. 4
Unit B, S 36 T28N R10W

El Paso - Omler No. 2
Unit E, S 36 T28N R10W

-7-

Case No. 1270
Order No. R-1065

TEST PCBU #25

SHUT-IN WELL

El Paso - Rowley No. 4
Unit E, S 17 T27N R10W

TRANSFER WELLS

El Paso - Rowley No. 2
Unit L, S 8 T27N R10W

El Paso - Rowley No. 3
Unit I, S 7 T27N R10W

El Paso - Rowley No. 5
Unit K, S 17 T27N R10W

El Paso - Rowley No. 6
Unit I, S 18 T27N R10W

El Paso - Pipkin No. 4
Unit A, S 18 T27N R10W

SOUTH BLANCO-PICTURED CLIFFS POOL
TEST PCBU #26

El Paso - Rincon No. 40
Unit H, S 26 T27N R7W

El Paso - Rincon Unit No. 22
Unit K, S 23 T27N R7W

El Paso - Rincon Unit No. 37
Unit K, S 26 T27N R7W

El Paso - Rincon Unit No. 38
Unit P, S 26 T27N R7W

El Paso - Rincon Unit No. 39
Unit F, S 26 T27N R7W

El Paso - Rincon Unit No. 18
Unit F, S 35 T27N R7W

El Paso - Rincon Unit No. 41
Unit A, S 35 T27N R7W

(2) 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.

(3) That the underage and overage provisions of Rules 6 and 7 of Order R-128-D and Rules 11 and 12 of Order R-565-C and R-846, as all of said orders are amended by Order R-967, shall

be 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 aforementioned 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 2 above shall be considered to have accrued to said shut-in well on the date the test is completed.

(4) 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.

(5) 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.

(6) 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.

(7) That the Commission be and the same is hereby authorized to administratively approve the substitution 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.

(8) That in order to establish the starting date of any maximum pressure build-up test 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 maximum 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.

(9) 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.

-9-

Case No. 1270
Order No. R-1065

(10) That the results of all pressure readings on the above-described tests shall be filed with the Commission's Aztec and Santa Fe offices within a reasonable time after the completion of the last test authorized herein. This data shall be filed in both tabular and graphic form and shall show the date that the test well was shut-in, the date and the pressure at each pressure reading, and the length of time that the well was shut-in prior to each reading. The graph shall depict the pressure build-up in pounds per square inch absolute plotted against shut-in time in days.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



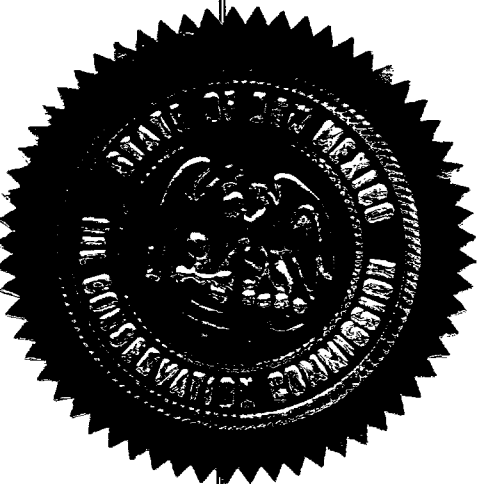
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



1r/