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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF EL PASO NATURAL GAS COMPANY
FOR AN ORDER AUTHORIZING THE RE-
INSTATEMENT AND TRANSFER TO
OTHER WELLS ON THE SAME BASIC
LEASE OF ALLOWABLES PREVIOUSLY
CANCELED AND NONCANCELLATION OF
FUTURE ALLOWABLES WITH RESPECT
TO CERTAIN WELLS PREVIOUSLY IN-
VOLVED IN MAXIMUM PRESSURE
BUILD-UP TESTS CONDUCTED IN THE
BLANCO-MESA VERDE, SOUTH BLANCO-
PICTURED CLIFFS, BALLARD-PIC-
TURED CLIFFS AND FULCHER KUTZ-
PICTURED CLIFFS GAS POOLS, SAN
JUAN AND RIO ARriba COUNTIES,
NEW MEXICO.

Case No. 1272

APPLICATION

TO THE HONORABLE COMMISSION:

COMES NOW El Paso Natural Gas Company, hereinafter referred to as "Applicant", and alleges and states that it is a Delaware corporation with a permit to do business in the State of New Mexico;

I

That, Applicant is the operator of oil and gas leases in the Blanco-Mesa Verde, South Blanco-Pictured Cliffs, Ballard-Pictured Cliffs and Fulcher Kutz-Pictured Cliffs Gas Pools, as delineated by orders of this Commission, upon which said leases there are presently located certain gas wells as described in Exhibit "A" attached hereto and made a part hereof;

II

That, as a result of the need for reservoir information concerning said gas pools, the wells described in Exhibit "A" hereto were shut-in by Applicant at various times during the year 1956 and maximum pressure build-up tests conducted with respect thereto;

III

That, such tests were successfully completed and beneficial information obtained, but that as a result of the unforeseen length of time consumed in the performance of same, Applicant was prevented from producing its said wells over a sufficient period of time to

allow it to recover certain underages of production accruing to such wells during the February 1, 1956, to August 1, 1956, proration period, and that as a result of its inability to so produce its said wells certain volumes of production allocated to same were canceled by the Commission on February 1, 1957; and further, that some of such wells may be subject to additional cancellation of allowable on August 1, 1957, due to the fact that they have only been returned to a producing status for a short period of time;

IV

That, such tests were conducted in good faith;

V

That, such tests were conducted without waste or violation of correlative rights;

VI

That such wells shut-in for the purpose of conducting such tests should have been excepted from the requirements of Order R-333-C and D during the time that the maximum pressure build-up tests were being conducted with respect to same;

VII

That, in exception to the underage and overage balancing provisions of Rule 6 and 7 of Order R-128-D, as amended by Order R-967, with respect to the Blanco-Mesa Verde Gas Pool, Rules 11 and 12 of Order R-846, as amended by Order R-967, with respect to the Ballard-Pictured Cliffs Gas Pool, and Rules 11 and 12 of Order R-565-C, as amended by Order 967, with respect to the South Blanco-Pictured Cliffs and Fulcher Kutz-Pictured Cliffs Gas Pool, all underages of production which accrued to said wells during the February 1, 1956, to August 1, 1956, proration period which were canceled by the Commission on February 1, 1957, should be reinstated and Applicant allowed to produce such underages by February 1, 1958;

VIII

That, underages accruing to these wells on August 1, 1957, as a result of these tests, should not be canceled, and that Applicant be allowed to produce such underages by February 1, 1958;

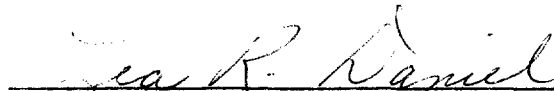
IX

That, Applicant should be permitted to transfer the reinstated underage which has accrued to any such previously shut-in well, as well as underages which may accrue thereto on August 1, 1957, to any other well or wells on the same basic lease; and that the transfer of such allowable to any specific well or wells should be upon request of Applicant and authorization of the Commission issued in the form of a supplemental allowable to such transfer well;

X

That, the production of such underages would not constitute waste or violate correlative rights;

WHEREFORE, Applicant respectfully requests that this matter be set for hearing as prescribed by law, and that upon notice and hearing the Commission issue its Order authorizing the reinstatement of all canceled underages of production which accrued to Company's test wells during the February 1, 1956, to August 1, 1956, proration period as a result of its conducting maximum pressure build-up tests with respect to same; providing for the noncancellation of future underages of production accruing to such wells as a result of such tests; providing for the transfer of such underages of production to any other well or wells on the same basic lease; and authorizing Applicant to produce the reinstated and noncanceled underages of production accruing to each such well over a period of time which shall terminate with the August 1, 1957, to February 1, 1958, proration period.



Attorney for Applicant

EXHIBIT "A"

of

Application filed with

The Oil Conservation Commission of the State of New Mexico

BLANCO-MESA VERDE GAS POOL

Wells previously tested which
lost allowables in February 1,
1957, and which may or may not
lose allowable in August 1,
1957

	Location of Wells			
	Section,	Township,	Range,	N.M.P.M.
Fields # 1	N/2 25	32 North	11 West	
Jacquez Pool Unit # 1	S/2 26	31 North	9 West	
Mansfield # 4	E/2 29	30 North	9 West	
Mudge # 5	W/2 3	31 North	11 West	
Pierce # 1	W/2 17	30 North	9 West	

FULCHER KUTZ-PICTURED CLIFFS GAS POOL

Hargraves # 2	SE/4 9	27 North	10 West
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BLANCO-MESA VERDE GAS POOL

Wells previously tested which
did not lose allowables in
February 1, 1957, but which
may lose allowables in August 1,
1957.

	Location of Wells			
	Section,	Township,	Range,	N.M.P.M.
Fields # 5	W/2 28	32 North	11 West	
Grambling # 3	W/2 22	29 North	9 West	
Howell "D" # 2	W/2 29	31 North	8 West	
Howell "E" # 2	E/2 14	30 North	8 West	
Prichard # 2-1	E/2 34	31 North	9 West	
San Juan 30-6 Wilson # 6	W/2 35	30 North	7 West	
Zachery # 1	S/2 25	31 North	11 West	
Lindsay "A" # 1	E/2 19	30 North	8 West	
Day "A" # 4	W/2 8	29 North	8 West	

SOUTH-BLANCO-PICTURED CLIFFS GAS POOL

Luth # 1-A	NE/4 1	26 North	8 West
Hamilton State # 3	SE/4 16	26 North	7 West

FULCHER KUTZ-PICTURED CLIFFS GAS POOL

Gordon # 4	NE/4 22	27 North	10 West
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BALLARD-PICTURED CLIFFS GAS POOL

Ballard 2-14	NW/4 14	26 North	9 West
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