

BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION )  
OF EL PASO NATURAL GAS PRODUCTS )  
COMPANY FOR AN ORDER ESTABLISHING )  
AND DELINEATING TWO SEPARATE COM- )  
MON SOURCES OF OIL IN THE HORSESHOE - )  
GALLUP FIELD OF SAN JUAN COUNTY, NEW )  
MEXICO; PROHIBITING THE COMMINGLING )  
OF OIL PRODUCED FROM SAID COMMON )  
SOURCES IN THE WELL BORE AND PRO- )  
VIDING FOR THE SEPARATE MEASUREMENT )  
OF SUCH PRODUCTION; AND PERMITTING )  
THE DUAL COMPLETION OF OIL WELLS )  
COMPLETED IN BOTH OF SAID COMMON )  
SOURCES OF SUPPLY AS AN EXCEPTION )  
TO RULE 112A OF THE COMMISSION'S )  
GENERAL RULES )

CASE NO. 1596

A P P L I C A T I O N

COMES NOW, El Paso Natural Gas Products Company, a Texas Corporation, authorized to do business in the State of New Mexico, which alleges and states:

1. El Paso Natural Gas Products Company is the owner of oil and gas leases in the Horseshoe-Gallup Field of San Juan County, New Mexico, and is the operator of oil wells completed in two separate common sources of supply of oil found within the areal limits of said Field.

2. The first of these common sources of supply, hereinafter called Horseshoe-Gallup Sand A, is found at subsurface depths ranging from 1496' to 1536' in El Paso Natural Gas Products Company-Horseshoe Canyon #4 Well, located in the SE/4 SW/4 Section 3, Township 30 North, Range 16 West, San Juan County, New Mexico. The probable productive areal limits of the Horseshoe-Gallup Sand A include all or a portion of the following described lands in said County, to wit:

T 30 N, R 16 W Sec. 1, 2, 3, 4, 5, 9, 10, 11, 12, 14  
T 31 N, R 16 W Sec. 19, 20, 27, 28, 29, 30, 31, 32,  
33, 34, 35, 36  
T 31 N, R 17 W Sec. 11, 13, 14, 15, 23, 24, 25

all as more particularly defined as the lands lying within the dashed red outline shown on Exhibit "A", attached hereto and made a part hereof.

3. The second common source of supply of oil covered by this application hereinafter called Horseshoe-Gallup Sand B, is found at subsurface depths ranging from 1598' to 1630' in applicant's said Horseshoe Canyon #4 Well. The probable productive areal limits of the Horseshoe-Gallup Sand B include all or a portion of the following described lands in San Juan County, New Mexico, to wit:

T 30 N, R 16 W Sec. 3, 4, 5, 9, 10, 11, 14  
T 31 N, R 16 W Sec. 19, 29, 30, 31, 32, 33  
T 31 N, R 17 W Sec. 3, 4, 5, 9, 10, 11, 13,  
14, 15, 23, 24, 25

all as more particularly defined as the lands lying within the dotted green outline shown on Exhibit "A", attached hereto and made a part hereof.

4. The said Horseshoe-Gallup Sands A and B are separated vertically by an impervious shale body approximately 60' thick, and no communication of oil and gas exists between said separate common sources of supply.

5. An order establishing and delineating said separate common sources of supply, prohibiting the commingling of oil produced from said common sources in the well bore, and providing for the separate measurement of production from each of said common sources is necessary for the prevention of waste and the protection of correlative rights.

6. The procedures for the dual completion of oil wells in said common sources and the separate measurement of production therefrom, as described in Exhibit "B", attached hereto and made a part hereof, are in conformity with prudent operating practices and will not result in waste or violate the correlative rights of any person.

7. The names and addresses of all owners and operators of record within the area covered by this application are appended hereto as Exhibit "C". Copies of this application, with Exhibits, have been sent to all of said owners and operators by registered mail.

WHEREFORE, applicant respectfully requests that this matter be set down for hearing before this Commission, and that upon due notice and hearing the Commission enter its order establishing and delineating the separate common sources of supply, herein designated as Horseshoe-Gallup Sand A and B, prohibiting the commingling of oil produced from said common sources in the same well bore and requiring separate measurement of production therefrom, and permitting dual completion of oil wells in said common sources in accordance with the procedures described herein and upon administrative approval by the Secretary of the Commission as an exception to Rule 112A of the Commission's General Rules, and for such further or additional relief as may be required for the prevention of waste or protection of correlative rights in respect of this application.

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