

July 15th

MAIN OFFICE CCC

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BEFORE THE

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
EL PASO NATURAL GAS COMPANY FOR A
DE NOVO HEARING BEFORE THE OIL CON-
SERVATION COMMISSION OF THE STATE OF
NEW MEXICO TO RECONSIDER CASE NO. 1641,
ORDER NO. R-1410 OF SAID COMMISSION,
BEING THE APPLICATION OF W. R. WEAVER
FOR THE PROMULGATION OF SPECIAL RULES
AND REGULATIONS GOVERNING THE DRILLING,
SPACING, AND PRODUCTION OF WELLS IN THE
ANGELS PEAK-GALLUP OIL POOL, SAN JUAN
COUNTY, NEW MEXICO, AND THE ORDER OF
SAID COMMISSION WITH RESPECT THERETO.

CASE NO. 1641

APPLICATION FOR DE NOVO HEARING
BEFORE THE COMMISSION

COMES NOW El Paso Natural Gas Company, a Delaware corporation with license to do business in the State of New Mexico, hereinafter called "Applicant," and files this, its application for a de novo hearing before the New Mexico Oil Conservation Commission to reconsider the application of W. R. Weaver for the promulgation of special rules and regulations governing the drilling, spacing, and production of wells in the Angels Peak-Gallup Oil Pool, San Juan County, New Mexico, and the order of said Commission promulgating special rules and regulations pursuant thereto, being Order No. R-1410, and for grounds therefor would respectfully show:

I

Hearing was had on this case before an examiner on May 7, 1959 at Santa Fe, New Mexico, and said Order No. R-1410 was issued on the 28th day of May, 1959 by the Commission.

II

In the fifth finding of the Commission in the said Order, the Commission found "that the evidence indicates that one well in the Angels Peak-Gallup Oil Pool can efficiently and economically drain 80 acres, and conversely, it does not establish

that a well in said pool can drain in excess of 80 acres." Applicant would show that there is no evidence that was presented at said examiner hearing to support this finding of the Commission, and that such finding is without factual basis and is contrary to the evidence presented.

III

Rule 2 of said Order states "Each well completed or re-completed in the Angels Peak-Gallup Oil Pool shall be located on a unit containing 80 acres, more or less, which consists of either the North half or the South half of single governmental quarter section." Applicant would show that there is no evidence that has been presented in the hearing above-mentioned to support the Commission's determination that the North half or the South half of a single governmental quarter section should comprise a drilling unit.

IV

Applicant would show that a well in the Angels Peak-Gallup Oil Pool which produces gas only, or which produces gas in conjunction with oil at a gas-oil ratio of 30,000 cubic feet or more of gas to one barrel of oil, should be classified as a gas well.

V

Applicant would show that the allocation of 80 acres for each oil well in said pool should have no applicability to gas wells. Drilling units, comprised of acreage not to exceed 320 acres for each unit, should be set up by said special rules and regulations for gas wells. The special rules and regulations promulgated by the Commission should be changed to permit an allocation of acreage not to exceed 320 acres for one gas well in the Angels Peak-Gallup Oil Pool and such rules and regulations should prevent the allocation of such acreage to more than one gas well in said pool in order to prevent waste by the drilling