

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 1906  
Order No. R-1454-B

APPLICATION OF EL PASO NATURAL  
GAS PRODUCTS COMPANY FOR PER-  
MISSION TO PRODUCE MORE THAN  
16 WELLS IN A COMMON TANK  
BATTERY IN THE HORSESHOE-GALLUP  
OIL POOL IN SAN JUAN COUNTY,  
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 25, 1960, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26th day of March, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 is the operator of the Horseshoe Ute lease, comprising in pertinent part the following-described acreage in Township 31 North, Range 16 West, NMPM, San Juan County, New Mexico:

Section 27: E/2, E/2 W/2, and W/2 NW/4

Section 28: SE/4, W/2 NE/4, E/2 W/2, and  
all of the W/2 W/2 except that  
portion lying west of the  
Navajo-Ute Indian Reservation

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Section 33: W/2 NE/4, E/2 SE/4, E/2 W/2,  
and all of the W/2 W/2 except  
that portion lying west of the  
Navajo-Ute Indian Reservation  
boundary.

Section 34: NE/4, W/2 NW/4, E/2 SW/4, W/2 SE/4,  
NE/4 SE/4.

(3) That by Order No. R-1454, the applicant was authorized to produce into a common tank battery a maximum of 21 Horseshoe-Gallup oil wells located on the above-described portion of said Horseshoe-Ute lease.

(4) That Order No. R-1454-A was subsequently issued, amending Order No. 1454 to permit a maximum of 35 Horseshoe-Gallup wells on the subject acreage to be produced into a common tank battery.

(5) That since additional Horseshoe-Gallup oil wells have been completed and since the applicant proposes to drill additional wells on the above-described acreage, the applicant seeks permission to produce into said common tank battery all Horseshoe-Gallup oil wells presently completed or hereafter drilled on the above-described portion of the Horseshoe Ute lease.

(6) That the application should be granted and Order Nos. R-1454 and R-1454-A should be superseded.

IT IS THEREFORE ORDERED:

(1) That Order Nos. R-1454 and R-1454-A be and the same are hereby superseded.

(2) That the applicant, El Paso Natural Gas Products Company, be and the same is hereby authorized to produce into a common tank battery all Horseshoe-Gallup oil wells presently completed or hereafter drilled on the following-described portion of the Horseshoe Ute lease:

Section 27: E/2, E/2 W/2, and W/2 NW/4

Section 28: SE/4, W/2 NE/4, E/2 W/2, and  
all of the W/2 W/2 except that  
portion lying west of the  
Navajo-Ute Indian Reservation  
boundary.

Section 33: W/2 NE/4, E/2 SE/4, E/2 W/2,  
and all of the W/2 W/2 except  
that portion lying west of the  
Navajo-Ute Indian Reservation  
boundary.

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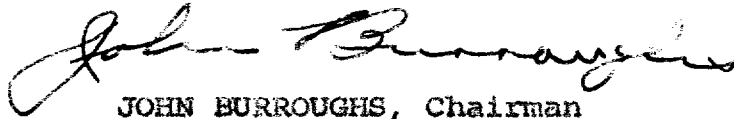
Section 34: NE/4, W/2 NW/4, E/2 SW/4, W/2 SE/4,  
NE/4 SE/4.

PROVIDED HOWEVER, That the applicant shall provide adequate facilities to permit the testing of each Horseshoe-Gallup well on the above-described acreage at least once each month to determine the individual production from each well.


PROVIDED FURTHER, That the applicant shall install sufficient storage tanks to prevent the overflow and wasting of oil produced into said common tank battery.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JOHN BURROUGHS, Chairman

  
MURRAY A. MORGAN, Member

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

