

BEFORE THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW MEXICO

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OIL CONSERVATION COMM.  
SANTA FE

IN THE MATTER OF THE APPLICATION OF  
EL PASO NATURAL GAS COMPANY FOR AN  
ORDER OF THIS COMMISSION ADOPTING A  
GENERAL RULE IN THE BLANCO MESAVERDE  
GAS POOL THAT WILL PROVIDE FOR THE  
OPTIONAL DRILLING OF A SECOND WELL ON  
AN ESTABLISHED PRORATION UNIT, AND FOR  
THE ASSIGNMENT OF ALLOWABLE FOR SUCH  
UNIT.

CASE NO.

4682

ORDER NO.

APPLICATION

Comes now EL PASO NATURAL GAS COMPANY, a Delaware corporation, authorized to do business in the State of New Mexico, and requests a hearing before the Commission. Applicant respectfully alleges and states as follows:


1. Heretofore, in accordance with provisions of Order No. R-1670, this Commission has established gas proration units in the Blanco Mesaverde Gas Pool of San Juan, Rio Arriba and Sandoval Counties, New Mexico.
2. Applicant is the owner of oil and gas leases covering lands located within the horizontal and vertical limits of said Blanco Mesaverde Gas Pool.
3. In order to prevent waste and protect correlative rights, applicant believes that the New Mexico Oil Conservation Commission should promulgate rules and regulations which would permit, at the operator's option, the drilling of a second well on any established proration unit in the Blanco Mesaverde Gas Pool and to further provide for the assignment of allowable for such unit.
4. Applicant respectfully requests this Commission to further amend Order R-1670 to provide the following:
  - A. That any operator may, at his option, drill a second well on any established proration unit in the Blanco Mesaverde Gas Pool.
  - B. That the wells on any established proration unit in the Blanco Mesaverde Gas Pool having more than one well shall be treated

as a single well for proration purposes and any reference to a well in the proration rules shall pertain to all wells on an established proration unit.

- (1) That state deliverability test of each well shall be combined for the allowable deliverability allocation and the wells considered as a single unit for the acreage allocation.
- (2) The production from each well shall be metered separately in compliance with Rule 403, however, the production shall be combined and reported as a single volume on Forms C 114 and C 115 and applied against the single allowable for the proration unit, and one status shall be carried for the proration unit.
- (3) Classification of the wells on a proration unit as marginal or non-marginal shall be determined by combining the performance of all wells in the proration unit.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing after due notice as prescribed by law, and, after such notice and hearing, Order R-1670 be amended as requested.

EL PASO NATURAL GAS COMPANY

  
A. M. Derrick  
Assistant Vice President