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September 29, 1989

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OIL CONSERVATION DIV.
SANTA FE

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, NM 87501

Case: 9798

Re: Volume Reporting, Washington Ranch Storage Area
Eddy County, New Mexico

Gentlemen:

El Paso Natural Gas Company ("El Paso") sought approval of the Washington Ranch Storage Area from the New Mexico Oil Conservation Division in Case No. 6703, heard on October 17, 1989. Approval was granted by the Division in Order No. R-6175 on November 2, 1979.

When Order No. R-6175 was written, it was anticipated that all gas going into the storage area, and all gas removed from the storage area would be measured on individual meters for each well in the storage area. It is now El Paso's request that the New Mexico Oil Conservation Division permit El Paso to meter only the total volume of gas going into the storage area through a single meter and to meter only the total volume of gas being withdrawn from the storage area through a single meter.

El Paso believes the metering of gas at individual wells is no longer necessary and wishes to discontinue this operation. Any report made to the various affected state and federal agencies would be the total gas volume going into the storage area or withdrawn from the storage area.

El Paso believes that the measurement of gas as a total stream will not impair correlative rights and will aid in the prevention of waste.

Please set this matter for hearing before an examiner at your earliest convenience. Your cooperation in this matter will be greatly appreciated.

Sincerely,

E. R. Manning

E. R. Manning, P. E.
Manager State Conservation Relations

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Attachment for cc:

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New Mexico State Land Office
US Bureau of Land Management - Ray Thompson, Santa Fe, NM
US Minerals Management Service - Armando Lopez, Roswell, NM
NM Oil & Gas Engineering Committee