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2-16-60

**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. 1893
Order No. R-1619**

**APPLICATION OF PETRO-ATLAS, INC.
FOR AN ORDER CANCELLING THE
OVER-PRODUCTION CHARGED AGAINST
ONE GAS WELL IN THE SOUTH BLANCO-
PICTURED CLIFFS POOL, 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 10, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 2nd day of March, 1960, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Petro-Atlas, Inc., is the owner and operator of the Artec Well No. 1, located in the SE/4 NW/4 of Section 8, Township 27 North, Range 9 West, South Blanco-Pictured Cliffs Pool, San Juan County, New Mexico.
- (3) That said Artec Well No. 1 was completed in August, 1958, and was connected to a gas gathering facility in November, 1958.
- (4) That while a three-hour absolute open flow potential test was taken in August, 1958, and the results were filed on Form C-122, the applicant failed to file Form C-122-A, as required by Order Nos. R-333-C and R-333-D, until September 11, 1959. Form C-122-A is used to report an Initial Deliverability Test, which test is taken under stabilized flow conditions and furnishes the basis for properly prorating a gas well in Northwest New Mexico.

(5) That since Form C-122-A was not filed in a timely manner, the well was not assigned an allowable in the proration order and schedule for a consecutive period of some ten months, during which period the operator produced the well.

(6) That accordingly the subject well became considerably over-produced, and the applicant now seeks to have over-production cancelled in an amount equal to the allowable which would have been assigned to the well had Form C-122-A been timely filed.

(7) That each operator has the duty and responsibility not only for conducting such well tests as are required by Commission Rules and Regulations, but also for knowing what the proration schedule reflects as to the status of his wells, and no justification exists for producing a gas well in excess of 60 days when the gas proration schedule shows that no allowable has been assigned to the well.

(8) That the subject application should be denied.

IT IS THEREFORE ORDERED:

That the subject application be and the same is hereby denied.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

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MURRAY E. MORGAN, Member

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