

OIL CONSERVATION COMMISSION  
P. O. BOX 607  
SANTA FE, NEW MEXICO



November 15, 1963

Mr. M. A. Neely  
1041 Suni Drive  
Farmington, New Mexico

Re: Supplement SF 4653, King Oil  
Fraser #1 L-33-28-10, Fulcher  
Kits

Dear Sir:

This is in reply to your letter of November 11, 1963, wherein you object to the classification of the above-captioned well from non-marginal to a Twilight Marginal well. (TX).

This well was so classified because it had produced only 5613 MCF against an allowable of 10222 MCF for the proration period from February 1 through July 31, 1963. The well had 5051 MCF cancelled for this period because it did not produce its accrued underage. Also the well has not produced any gas for the first four months of the proration period beginning August 1, 1963. The non-marginal allowable for these four months is 9848 MCF based on a 245 deliverability. Please be advised that the well began this period with an underproduced status of 5015 MCF after cancellation of the 5051 MCF, and will have this amount cancelled on February 1, 1964, unless the well is overproduced.

It is our procedure to classify all wells which have not produced 6000 MCF for a proration period to except marginal or Twilight marginal. I am sure you are aware that marginal classifications are necessary in order to prevent wells which do not have the ability to produce their non-marginal allowable from accruing

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allowable which cannot be produced. Such accrued allowable lowers the pool allowable and prevents the pool from meeting its market demand. This is of course at the expense of wells in the pool which can produce this allowable.

As an operator of gas wells in the Basin, I am sure you are also aware of Rule 16 (A), Section E, Order R-1670 which in part states that "prior to the end of a proration period the operator or other interested party may present satisfactory evidence to the Commission showing the well should not be classified marginal."

Since we received no such request from you and the well has not shown its ability to produce its non-marginal allowable for at least 10 months, it is my opinion that the well has been properly classified. However, in order to be as fair as possible in this matter, I am reinstating the wells August 1, 1963, non-marginal status. If this well does not begin producing soon, this reinstatement will not be of any benefit to you.

In the future before such action can be made it will be necessary for you to file a request in accordance with the above-mentioned rule.

Very truly yours,

ELVIS A. UTE  
Gas Engineer

EAU/og

cc: Emery Arnold

King Oil, Inc.  
Oran L. Hazeltine