Estered december 17, 1911 a.t.A.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

ORDER NO. AG-N-34

GAS PRORATION ORDER FOR PERIOD FEBRUARY 1, 1972 THROUGH JULY 31, 1972

The Commission held public hearing at Santa Fe, New Mexico, on December 15, 1971, at 9 a.m., pursuant to legal notice, for the purpose of setting the allowable production of gas from the following nine gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for the six-month period, February 1, 1972, through July 31, 1972.

Basin-Dakota, Blanco-Mesaverde, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, Blanco-Pictured Cliffs, South, Fulcher Kutz-Pictured Cliffs, Kutz-Pictured Cliffs, West, Tapacito-Pictured Cliffs, and Devils Fork-Gallup.

NOW, on this <u>17th</u> day of December, 1971, the Commission, a quorum being present, having considered the nominations of purchasers, the capacity of producing wells, and being otherwise fully advised in the premises,

FINDS:

(1) That the total nomination of purchasers of gas produced from the above-listed nine gas pools for the period February 1, 1972, through July 31, 1972, is 274,644,122 Mcf. The individual pool nominations are as follows:

Basin-Dakota	110,702,100 Mcf
Blanco-Mesaverde	122,172,800 Mcf
Aztec-Pictured Cliffs	6,189,922 Mcf
Ballard-Pictured Cliffs	6,722,300 Mcf
Blanco-Pictured Cliffs, South	18,016,200 Mcf
Fulcher Kutz-Pictured Cliffs	4,211,600 Mcf
Kutz-Pictured Cliffs, West	1,831,600 Mcf
Tapacito-Pictured Cliffs	4,451,800 Mcf
Devils Fork-Gallup	345,800 Mcf

(2) That the potential producing capacity of all gas wells in the nine gas pools listed above is in excess of the nominations of purchasers of gas, and in order to prevent waste and protect correlative rights, the production of gas from the above-listed nine gas pools should be limited, allocated, and distributed during the six-month proration period commencing February 1, 1972. -2-ORDER NO. AG-N-34

(3) That all the producing gas wells, together with the expected completed or recompleted wells in the nine gas pools listed above, can produce a total of 274,644,122 Mcf without causing waste within the six-month proration period commencing February 1, 1972, and an allocation based upon such production would be reasonable and would protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That for the six-month proration period commencing February 1, 1972, the total allowable production to be assigned the nine allocated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, is as follows:

Basin-Dakota	110,702,100 Mcf
Blanco-Mesaverde	122,172,800 Mcf
Aztec-Pictured Cliffs	6,189,922 Mcf
Ballard-Pictured Cliffs	6,722,300 Mcf
Blanco-Pictured Cliffs, South	18,016,200 Mcf
Fulcher Kutz-Pictured Cliffs	4,211,600 Mcf
Kutz-Pictured Cliffs, West	1,831,600 Mcf
Tapacito-Pictured Cliffs	4,451,800 Mcf
Devils Fork-Gallup	345,800 Mcf

(2) That the allocation hereby set for said six-month proration period in the nine allocated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, shall be in accordance with the Commission Rules, Regulations, and Orders.

(3) That the total allowable production for each pool as set forth shall be allocated on a monthly basis and shall be adjusted monthly to meet changes in market conditions as reflected by purchasers' supplemental nominations and actual gas production, in accordance with the Commission Rules, Regulations, and Orders.

The foregoing order shall remain effective until further order of the Commission.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION K An BRUCE KING, Chairman 11 il Marine ALEX J. ARMIJO, Member,

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

SEAL dr/